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PUBLIC POLICY AND GOVERNANCE

CORRUPTION IN THE PUBLIC SECTOR: AN INTERNATIONAL PERSPECTIVE

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United Kingdom – North America – Japan – India
Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2021

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN: 978-1-83909-643-3 (Print)
ISBN: 978-1-83909-642-6 (Online)
ISBN: 978-1-83909-644-0 (Epub)

ISSN: 2053-7697 (Series)

ISOQAR certified Management System, awarded to Emerald for adherence to Environmental standard ISO 14001:2004.

Certificate Number 1985
ISO 14001

INVESTOR IN PEOPLE

To
all those brave souls,
who have been fighting corruption,
against all odds

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CHAPTER 1

PROLOGUE: THE FIGHT AGAINST CORRUPTION

Krishna K. Tummala

The study of corruption has rather very ancient beginnings, a muddled middle, and no end in sight into the near future. Kautilya, writing sometime during 321 and 296 BCE, categorized as many as 44 types of "embezzlement" (did not use the expression "corruption"), and suggested how to deal with the transgressors (Shama Sastry, 1967, pp. 67–71). That he was in fact codifying extant texts in his time only adds to the interest in the subject even before his time to dates unknown. That we have been witnessing innumerable studies and various attempts by several nations on curbing corruption suggests that we continue to muddle along. Needless to say, we are yet to find the "silver bullet" to slay this monstrous scourge.

A lot has been written so far what corruption is, and how to curb it, if not eradicate it altogether. A lot more would be written, certainly. Mathew C. Stephenson (2016) produced a bibliography on the subject running into 348 pages. During the last three or four years, a lot more was written. Ronald Kroeze, Andre Vitoria, and Guy Geltner (2018) produced a seminal volume dealing with a chronological comparative and international explanation of large scale corruption. Carole L. Jakiewicz (2020) edited a volume covering "Global Corruption…" I am only making here a humble addition in this regard.

It is important to note that the very definition of "corruption" is fraught with difficulty. It defies a simple, universally accepted, definition (Rose, 2020, pp. 3–10; Tummala, 2020, pp. 174–181). Indeed the often cited World Bank's elementary definition of corruption as using public power for private gain misses a lot. For that matter, any simple definition is of necessity tends to be simplistic. For corruption is ubiquitous. Pope Francis (2019) admitted as recently that there is corruption even in

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ISSN: 2053-7697/doi:10.1108/S2053-769720210000034002

the Vatican! It is complex and endemic as each nation with its own unique culture not only has its own brand of corruption, but also a variety of ways of combating it. Transparency International (TI, 2017) made the profound statement in its 2016 Corruption Perception Index report of 176 nations it studied that "(N)o country gets close to a perfect score." UN Secretary General Antonio Guterres (2018) observed that a total of $2.6 trillion, which amounts to about 5% of global GDP, is lost due to corruption. But worse is the TI's (2019) ominous conclusion in its 2018 Report that "(C)orruption chips away at democracy to produce a vicious cycle, where corruption undermines democratic institutions and, in turn, weak institutions are less able to control corruption." All this might lead one to despair, reminding Mark Twain's famous expression about weather that everyone talks about, but not much can be done to change it. There, however, are some success stories – all small countries such as Norway, New Zealand, Denmark, Singapore, and Hong Kong. And certainly there are lessons to learn.

A couple of explanations are necessary. One, the various contributors here make no attempt to define precisely what corruption is. I advised them not to indulge in that effort, given the complexity, and the size of this volume. Moreover, as already noted, such an exercise might prove to be futile as a universally accepted definition is well-nigh impossible. Two, the title "International" could be understood as pretentious. After all, only a handful of countries are studied here. It is "international" in the sense it covers a variety of them, big and small, and not pertaining to a single entity. It also uniquely includes subjects that are not normally studied such as corruption in procurement where untold billions of dollars of tax payer's money are contracted out. And there is the more nascent subject of use of information electronically, infringing upon individual privacy.

As an introduction to the subject matter of this study in the ensuing pages, the following abstracts are provided.

Before turning to gloom and doom, it is perhaps advisable to start with a few success stories. Quah who studied corruption for long, lists two such cases: Singapore and Hong Kong. Not only TI's Corruption Perception Index but seven other indicators place these two nations that were very corrupt at one time, but high on fighting the scourge very successfully. Four best practices are shown as effective tools in this endeavor which might provide lessons for others.

Indian writers' preoccupation goes eons back. The East India Company, perhaps the first trading corporation (Darlymple, 2019), came to trade but soon began flying the British flag, and was known to be very corrupt. Edmund Burke's long speech in the British Parliament impeaching Warren Hastings who served as Governor-General in India for his corruption stands out. Post-independent India, despite long rhetoric, had not fared any better. The Manmohan Singh led Congress Party governments, despite his own impeccable personal credentials, indulged in whole-sale corruption during their 10-year regime till 2014 (Rai, 2014). That led Narendra Modi of the Bhartiya Janata Party to excoriate that government for its failing while leading the general election campaign of the same year, and promising to clean it all up. Tummala (2020) shows, while indeed

there was some action in this regard, the outcomes during the first five years (2014–2019) of his rule were very mixed. The unsurpassed rhetoric fell short of the promise.

Starting from the premise that decent information is a *sine qua non* of the corruption-fighting effort, Jhansi Rani shows the contribution of the Right to Information Act of 2005 which made it obligatory for all public agencies to provide any information (excluding that which compromises national security) in a timely fashion, the failure of which would invoke punishment. While this in itself is seen as a success, it also led to unintended consequences such as putting the lives of journalists, in particular who went aggressively after corruption stories, in jeopardy, as has been the case in many other countries.

Zafarullah and Huque turn attention to Bangladesh. They show that successive governments failed to curb corruption to the extent it became ubiquitous, running through the entire social and political fabric. They analyze the underlying historical, social, cultural, political, economic, and administrative reasons for pervasive malfeasance in the public sector. Demonstrating such complexity, they mirror the difficulties faced by successive governments, and their failure to deal with corruption as all efforts have been politicized.

Brazil and Chile have nearly similar recent political histories. Both emerged from military dictatorships into democracies, albeit with contrasting national emphases. But both countries went in separate directions, one succeeding better than the other. Zirker tries to uncover the key causal factors in such contrasting experiences.

I. W. Ferreira provides a retrospect and prospect in South Africa. A small White minority Afrikaners ruled a large native Black and Colored majority. Apartheid policies of the past, suppressed the majority of the nation. By 1994, Nelson Mandela of the African National Congress party took over. A new Constitution was accepted in 1996 which set mighty powerful precepts, followed by a plethora of laws, toward an ethical and efficient rule looking forward toward an equal society. But it did not take long after Mandela's death for the country to fall into a morass of corruption. The succeeding President Jacob Zuma was embroiled in 783 corruption cases costing multi-millions of Rands (Hieberge, 2017). Private entities, led by one Gupta family, enabled the "state capture" for personal gain. This chapter shows the spectacular failure of that nation in its efforts at curbing corruption.

All countries, in their development ventures, and efforts to provide national security, spend enormous amounts of tax-payers' money. The less developed countries (LDCs) facing not only the necessity of providing for their citizens at least a minimally decent standard of life but also trying to catch up with the vanguard nations have a more onerous task on their hands. Procurement, thus, becomes common and complex. Outsourcing many governmental functions to the private sector with large amounts of money involved, results in lucrative sources for corruption. Jones, directs his attention toward the experience of Southeast Asian nations, and shows three different reasons for failure to curb corruption in contracting out.

With the increasing public use of the Internet and social media, governments world-wide are adopting digital technologies to leverage big data analyses to improve their decision-making and organizational performance. More importantly disseminating information to the public accurately and quickly is seen as paramount. Manoharan and Carrizales look at the issues involved in this process which are seen as threatening privacy, and the governments' need to restore confidence and trust of the public. Their primary focus is on local governments which seem to be widely using the emerging technologies, and their concomitant challenges.

The epilogue hopes to show some lessons learnt in fighting corruption.

In completing this volume, I stood on many a capable shoulder. My own interest in the subject goes back to the mid-1990s when Jon S.T. Quah, as editor of a new venture by Times Academic Press, Singapore, to publish a book on Public Administration in each of the Asian nations, asked me to do one on India where I was born, studied and taught, before taking domicile in the United States in 1968. As I sent my manuscript, Quah came back to me asking why I had nothing to say about corruption in India. That sent me back to the drawing board under the heading of "Ethos in Indian Administration." Since then I am drawn into this subject deeper and deeper to the point of exasperation. My work has largely been confined to study India as I knew I can never do this kind of comparative work all by myself. Hence, my request, and invitation, to other cohorts to work with me. I am much obliged to each of the colleagues who readily accepted my invitation, and contributed generously, and all the anonymous reviewers of each of the contributions.

In the event of publication of my own journal articles on the subject, very many anonymous reviewers enriched my thinking to whom I extend my appreciation. Similarly, my students in India, United States, South Africa, and England (on occasion in the latter two), and several participants in various national and international conferences of organizations such as the International Political Science Association (Brisbane, Australia, 2018), American Society for Public Administration (Denver, 2019), and Lein Conference (Singapore, 2019), challenged, corrected and taught me. I cannot thank them enough. My writings on India are richer because of my conversations with several cohorts. Prominent among them are (late) V. Bhaskara Rao, Ramesh K. Arora, Yarlagadda Pardhasaradhi, and N. Jayaprakash Narayan (of Loksatta).

Nisar Fathima, Librarian, Loksatta, has been a great resource, who always promptly complied with my requests for information on India. I could always depend upon her, and am thankful as always for her help. Vriti Bansal, also of Loksatta, provided me with the copy of the "Pledge" developed by the Central Vigilance Commission in India, which she proudly took along with a few million other Indians. My sincere thanks to both.

Evan Berman enthusiastically received this book proposal and shepherded it through the several hoops of Emerald publishers. Hazel Goodes, Anna Saife, and Carys Morley successively helped me at Emerald Publishers in seeing this volume through publication. My great appreciation and sincere thanks to each. In Particular, I express my great appreciation for S. Rajachitra for her meticulous final editing of the page proofs.

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CHAPTER 2

BEST PRACTICES FOR COMBATING CORRUPTION: LEARNING FROM SINGAPORE AND HONG KONG

Jon S. T. Quah

ABSTRACT

Singapore and Hong Kong are the least corrupt Asian countries according to their rankings and scores on Transparency International's Corruption Perceptions Index in 2018 and other indicators. This chapter explains why these two city-states have succeeded in minimizing corruption and identifies the four best practices which might serve as lessons for policy-makers in other countries.

Keywords: Anti-corruption agencies; corruption; police; political will; Hong Kong; Singapore

INTRODUCTION

Corruption is a serious problem in many Asian countries judging from their performance on Transparency International's Corruption Perceptions Index (CPI) in 2018. Table 1 confirms that only seven (25.9%) of the 27 Asian countries have scores above 50, the passing score, with Singapore having the top score of 85, followed by Hong Kong Special Administrative Region (SAR), which has a score of 76. By contrast, the remaining 20 countries have scores ranging from 14 for North Korea to 47 for Malaysia. It should be noted that 13 countries (48.1%) fall within the 30–39 category and North Korea and Afghanistan are the most corrupt Asian countries with their respective scores of 14 and 16.

Corruption in the Public Sector: An International Perspective
Public Policy and Governance, Volume 34, 7–22

ISSN: 2053-7697/doi:10.1108/S2053-769720210000034003

Table 1. Performance of 27 Asian Countries by CPI Scores in 2018.

CPI Score	Countries	No. (%)
80–100	Singapore (85)	1 (3.7)
70–79	Hong Kong SAR (76), Japan (73)	2 (7.4)
60–69	Bhutan (68), Brunei Darussalam (63), Taiwan (63)	3 (11.1)
50–59	South Korea (57)	1 (3.7)
40–49	Malaysia (47), India (41)	2 (7.4)
30–39	China (39), Indonesia (38), Sri Lanka (38), Mongolia (37), Philippines (36), Thailand (36), Timor-Leste (35), Pakistan (33), Vietnam (33), Maldives (31), Nepal (31), Lao PDR (29), Myanmar (29)	13 (48.1)
20–29	Papua New Guinea (28), Bangladesh (26), Cambodia (20)	3 (11.1)
0–19	Afghanistan (16), North Korea (14)	2 (7.4)
	Total	27 (100)

Source: Compiled by the author from Transparency International (2019).
The CPI score ranges from 0 (very corrupt) to 100 (highly clean). To be included in the CPI, a country must have three independent surveys on its perceived extent of public sector corruption.

Why are Singapore and Hong Kong SAR the outliers among the Asian countries in their success in combating corruption? Can policy-makers in other countries with widespread corruption learn from the best practices from the success stories of Singapore and Hong Kong SAR? This chapter addresses these questions by explaining their success before identifying the four best practices for possible emulation by policy-makers in other countries.

PERCEIVED EXTENT OF CORRUPTION IN SINGAPORE AND HONG KONG

As it is impossible to measure the actual extent of corruption in a country, scholars rely on surveys on citizen perceptions and attitudes toward corruption to assess their perceived extent of corruption in the country. As the CPI has several limitations (Ko & Samajdar, 2010), this section also relies on the World Bank's control of corruption indicator in 2017 and the Political and Economic Risk Consultancy (PERC) annual corruption survey in 2018.

Table 2 confirms that Singapore and Hong Kong have performed consistently well as the two least corrupt Asian countries across the three corruption indicators. Singapore is ranked first and Hong Kong is ranked fourth among the 16 countries included in PERC's 2018 corruption survey. Singapore and Hong Kong have also performed well on the World Bank's control of corruption indicator in 2017 with respective percentile ranks of 97.6 and 92.3. According to Rose-Ackerman and Palifka (2016), corruption flourishes in those "societies with low levels of trust" (p. 248) and "people are likely to distrust the government" if the anti-corruption agencies (ACAs) and other anti-corruption policies are ineffective (pp. 256–257). As "corruption influences the level of trust" (p. 259), it is not surprising that the citizens of Singapore and Hong Kong have