



**TRANSPARENCY
INTERNATIONAL**
the global coalition against corruption

PEOPLE'S EXPERIENCES OF CORRUPTION: IMPLICATIONS FOR BUSINESS IN SOUTH-EAST ASIA

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Merdeka Square in Kuala Lumpur, Malaysia

Out of the six surveyed countries, respondents in Malaysia had the worst perception of their government's performance in fighting corruption. The "Malaysia 1MDB" scandal involved the diversion of billions of dollars from a state investment fund. The former Prime Minister of Malaysia was arrested and charged by anti-corruption officials in 2018.

INTRODUCTION

Corruption continues to be a pressing issue around the world, contributing to growing inequality and an erosion of democracy and public trust in governments. It is often regarded as a public sector issue, where government officials and civil servants abuse their entrusted power for personal gain. However, there is a strong link between corruption and the private sector that is important to acknowledge, especially within growing economies such as those in South-East Asia, where corruption could discourage legitimate foreign investment. As stipulated in the United Nations Convention against Corruption and evidenced many times in relevant literature, corruption is a key element in economic underperformance and a major obstacle to poverty reduction.¹

Corruption increases both the costs and difficulty of doing business in a particular country, where such costs paid through bribery are eventually passed down to consumers themselves. Some businesses in developing countries also find that facilitation payments made to public officials are frequently necessary in order to receive basic public services in a timely manner.² Bribery and facilitation payments are problematic for businesses, as these practices not only increase prices, but also distort market competition.

In recognising that corruption continues to be one of the key challenges faced by companies doing business in South-East Asia, this report provides a perspective on the link between corruption and businesses in six countries: Cambodia, Indonesia, Malaysia, Myanmar, Thailand and Vietnam.

This report expands on survey data for these six countries in the 2017 Asia Pacific Global Corruption Barometer,³ by providing further analysis related to business integrity and initiatives to reduce corruption within the private sector. We spoke to 6,256 people across the six surveyed countries between February 2016 and January 2017 about their perceptions and experiences of corruption.

We found that most people believed that corruption had increased over the previous 12 months, and that, on average, 40 per cent of people paid a bribe in the past year when trying to access basic services such as the police or the issuance of identity documents.

One way to stop corruption is to encourage victims to report it, so that perpetrators can be held to account. While survey respondents in general agreed that reporting corruption is the right thing to do, they also gave strong reasons for why people do not in fact do so. The main reason given was that people were afraid of the consequences (27 per cent). This suggests that there needs to be greater whistleblower protection and whistleblower channels established in both the public and private sectors for people who want to report corruption.

To effectively mitigate corruption and sustain economic growth, action against corruption must be taken at both the government and private sector levels, with increased collective action initiatives involving all stakeholders.

KEY FINDINGS

1. Few people think corruption is on the decline

Almost half the people surveyed thought that the level of corruption in their country had increased over the preceding 12 months. The highest result was in Indonesia, where nearly seven out of 10 people said they thought that the level of corruption had worsened.

2. People are divided as to whether governments are doing enough to stop corruption

People are almost equally divided over how well their governments are doing at tackling corruption: 47 per cent of respondents said that the government was doing well, and 46 per cent said that the government was doing badly.

3. Two in five paid a bribe when using a public service in the six surveyed countries

On average, two in five people had paid a bribe when they accessed any of six key public services in the six surveyed countries. The police was not only perceived as the most corrupt institution, but also had the highest bribery rates out of the six public services.

4. The rich reported paying more bribes than the poor

Wealthy people, possibly connected to businesses, have overwhelmingly paid more bribes than poorer people in Vietnam, Myanmar and Cambodia, raising serious business integrity concerns within these countries.

5. Two in three said they could make a difference in the fight against corruption

A majority of respondents agreed that they could make a difference in the fight against corruption. People said that refusing to pay bribes, followed by reporting corruption to officials, were the best ways for them to tackle corruption in their own country.

6. Few report corruption, due to fear of the consequences

While reporting corruption was in theory seen as generally acceptable, we found that there were strong reasons why people do not do so. The main reasons are because they are afraid of the consequences, followed by a belief that it would not make a difference if a report is made.

RECOMMENDATIONS

Based on the findings in this report, and our experience and knowledge in the region, Transparency International makes the following recommendations for governments and companies operating in the six surveyed countries:

- **Governments** should enact stronger anti-corruption laws, prohibiting both active and passive bribery, as well as facilitation payments. They should also provide the resources to adequately enforce these laws and strengthen anti-corruption agencies.
- **Both government and business leaders** should set the tone at the top, by committing to mitigate corruption within their respective governments and companies.
- **Both government and businesses** must strengthen whistleblower protection laws, regulations and practices. To this extent, businesses should establish anonymous and protected lines for whistleblowing (for example, a hotline, email address or website) to encourage employees at all levels to report cases of corruption or other wrongdoing without fear of reprisal.
- **Companies** should establish and enforce anti-corruption policies, along with providing adequate training for all employees and directors with respect to: preventing conflict of interest; gifts, hospitality and entertainment, and prohibiting facilitation payments. These anti-corruption policies should also apply to all agents, suppliers or others acting on companies' behalf.
- **Companies** should publicise their commitment to fighting corruption via advertising and promotional campaigns, along with adopting anti-corruption policies and ensuring that these policies are made visible on their websites.
- **Business associations and chambers of commerce** should organise training in business integrity for their members.
- **Business associations** should actively secure commitments among their members for collective action initiatives against corruption, through the establishment of integrity pledges and by joining together and refusing to pay informal fees.
- **Foreign investors** should conduct rigorous due diligence before doing business in the six surveyed countries. Companies should ensure they have established adequate procedures to prevent bribery.



Setiabudi, Indonesia

Almost half of the people surveyed thought that the level of corruption in their country had increased over the preceding 12 months. The highest result was in Indonesia, where nearly seven out of 10 people said that they thought the level of corruption had worsened.

PERCEPTIONS OF CORRUPTION: GOVERNMENT ACTION

MANY BELIEVE CORRUPTION HAS INCREASED

We asked people in the six surveyed countries how they thought the level of corruption in their country had changed over the previous 12 months – whether it had increased, decreased or stayed the same.

Just one in four thought that corruption had decreased (24 per cent), compared to two in five who thought that the level of corruption had increased (42 per cent). A further one in three thought that there had been no change in the level of corruption (31 per cent).

There are vast differences when comparing the results across the six surveyed countries. In Indonesia, nearly seven out of 10 people (65 per cent) said that they thought the level of corruption had worsened. This is the highest of the six surveyed countries, followed by Malaysia and Vietnam, where around six in 10 thought that corruption had increased (59 per cent and 56 per cent, respectively).

In contrast, around one third of people in Cambodia said that corruption had increased over the previous 12 months (35 per cent). In Myanmar and Thailand less than a quarter of people said that corruption had increased (22 per cent and 14 per cent, respectively).

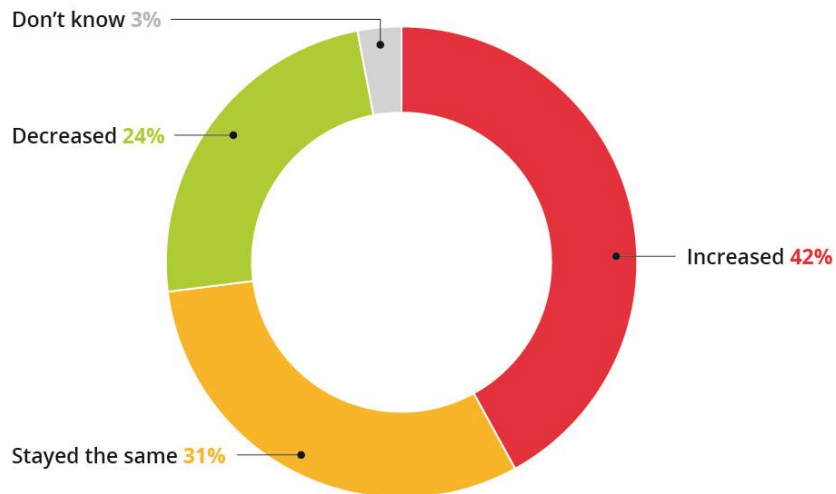
With most people believing that corruption has increased, this raises significant concerns for the growing number of foreign companies expanding in the six surveyed countries. For example, US foreign direct investment (FDI) in South-East Asia has increased six-fold, from under US\$50 billion in 2001 to over US\$306 billion in 2016.⁴ This continued growth in US FDI makes a number of companies more exposed to liability as a result of the extraterritorial reach of the US Foreign Corrupt Practices Act, which makes it illegal for specific entities connected to the US to bribe foreign officials anywhere in the world. Any company with a US connection element must therefore ensure that it carries out enhanced due diligence before conducting business in any of the six surveyed countries.

Corruption is also of particular concern for companies with a UK connection that conduct business in any of the six surveyed countries. Such companies could also find themselves liable under the UK Bribery Act (“the Act”). Under section seven of the Act, a company can commit an offence for failure to prevent bribery if an employee, subsidiary, agent or service provider bribes another person anywhere in the world to obtain or retain business or a business advantage.⁵

How has the level of corruption changed recently?

Results of the six surveyed countries

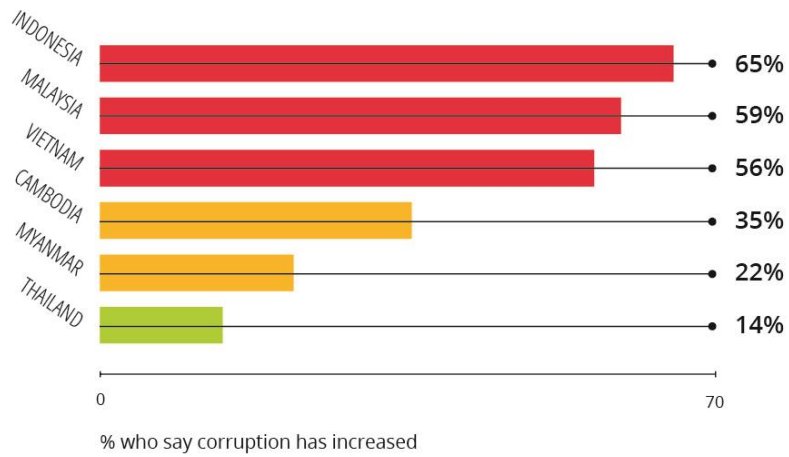
Q. In your opinion, over the past year, has the level of corruption in this country increased, decreased or stayed the same? Base: all adults. Results presented combine those who said "Increased a lot" and "Increased somewhat". For ease of comparison, "Stayed the same", "Decreased somewhat", "Decreased a lot" and "Don't know" responses not shown.



Percentage who think the level of corruption has increased in their country

Results by country

Q. In your opinion, over the past year, has the level of corruption in this country increased, decreased, or stayed the same? Base: all adults. Results presented combine those who said "Increased a lot" and "Increased somewhat". For ease of comparison, "Stayed the same", "Decreased somewhat", "Decreased a lot" and "Don't know" responses not shown.



THE POLICE ARE SEEN AS THE MOST CORRUPT

We asked people how corrupt they thought various institutions in their country were, to better understand which were perceived as the most and least corrupt.

The results from the six surveyed countries show that the majority of people thought that the police were the most corrupt, with more than half saying that the police were mostly or entirely corrupt (55 per cent).

Many people also perceived government officials to be highly corrupt (42 per cent). Over a third said that judges and magistrates, local government councillors, the president or prime minister, tax officials and legislatures were highly corrupt (from 36 per cent to 39 per cent). By contrast, religious leaders were seen as the least corrupt, with 13 per cent of people saying that religious leaders were highly corrupt.

People in Thailand were particularly likely to think that the police were highly corrupt, with over three quarters saying that most or all police officers were corrupt (78 per cent).

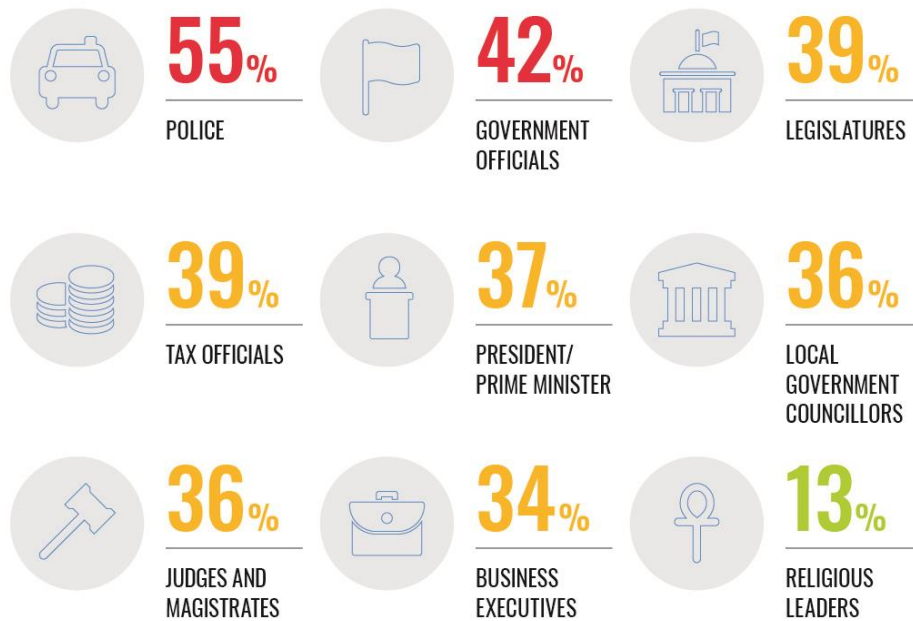
ONE IN THREE PEOPLE SAID BUSINESS EXECUTIVES WERE HIGHLY CORRUPT

It is also worth noting that one in three people said that business executives were highly corrupt (34 per cent). This perception is of deep concern, due to the role that businesses play in investment, the generation of employment and the development of societies in general.

How corrupt are different institutions and groups in society?

Results of the six surveyed countries

Q. How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say? Base: all respondents, excluding missing responses. Chart shows the percentage of respondents who answered that either "Most" or "All" of them are corrupt. "None", "Some" and "Don't know" responses not shown, for ease of comparison.



HOW ARE GOVERNMENTS DOING AT TACKLING CORRUPTION?

We asked people to tell us how well or badly they thought their government was doing in fighting public sector corruption. People were almost equally divided – 47 per cent said that the government was doing well, and 46 per cent said that the government was doing badly.

Almost three quarters of people in Thailand said that their government was doing a good job in tackling corruption. The governments in Indonesia and Myanmar were also frequently perceived as doing well (64 per cent and 47 per cent respectively). It is worth noting that this approval of government performance in tackling corruption in Indonesia is also reflected in the country's improved score in Transparency International's Corruption Perceptions Index (CPI) over the previous five-year period (from 32 points in 2013 to 38 points in 2018).⁶

In contrast, around three out of five people in Cambodia, Vietnam and Malaysia believed that their government was doing a bad job in fighting corruption (ranging from 56 per cent to 62 per cent).

Is the government doing well or badly in fighting corruption?

Results of the six surveyed countries

Q. How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say?
Base: all respondents, excluding missing responses. "Fighting corruption in government". Response categories "Very badly" and "Fairly badly" are combined into "Badly", and response categories "Very well" and "Fairly well" are combined into "Well". "Don't know" responses are not shown, for ease of comparison.



say their government is doing badly

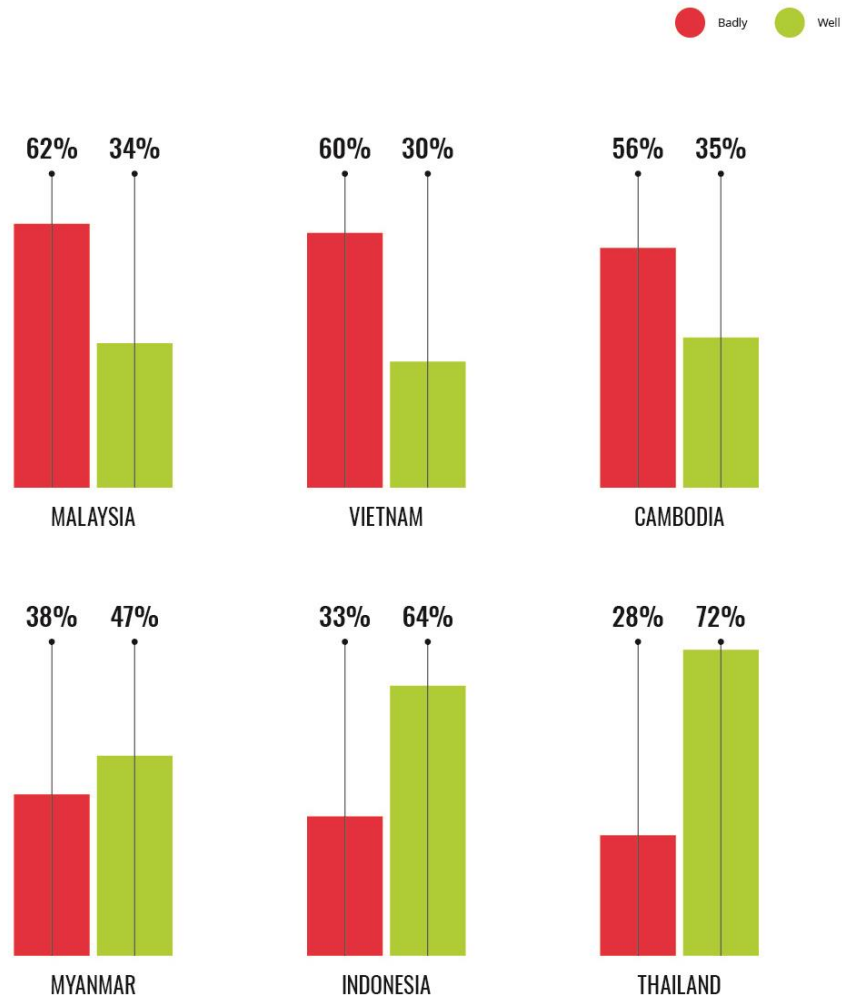


say their government is doing well

Is the government doing well or badly in fighting corruption?

Results by country

Q. How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say?
Base: all respondents, excluding missing responses. "Fighting corruption in government". Response categories "Very badly" and "Fairly badly" are combined into "Badly", and response categories "Very well" and "Fairly well" are combined into "Well". "Don't know" responses not shown, for ease of comparison.



Shifting the culture from corruption to integrity in Malaysia

Out of the six surveyed countries, respondents in Malaysia had the worst perception of their government's performance in fighting corruption. In 2017, at the time of the survey in Malaysia,⁷ the prime minister was Najib Razak. Mr. Razak was ousted by voters in May 2018 who were upset about the corruption scandal at the 1Malaysia Development Berhad, a state investment fund. On 4 July 2018, Mr. Razak was charged by anti-corruption officials resulting from an investigation involving billions of dollars being diverted from the investment fund.⁸ Mahathir Mohamad assumed office as Malaysia's seventh prime minister in 2018.

Since coming into office, Mahathir Mohamad's administration has ushered in a number of anti-corruption initiatives. This includes the establishment of the National Centre for Governance, Integrity and Anti-Corruption (GIACC), along with the launch of a strong National Anti-Corruption Plan (NACP) to root out corruption in Malaysia over the next five years.⁹ The development of the NACP was a collaborative effort between the government and various stakeholders, including the business community. The NACP's vision is to create a corruption-free nation through achieving three specific goals: accountability and credibility of the judiciary, prosecution and law enforcement agencies; efficiency and responsiveness in public service delivery, and integrity in business.¹⁰

In the NACP it is noted that between 2013 and 2018 corruption in the public sector was due to poor governance in public procurement. This raises serious concerns regarding business integrity and corruption involving the private sector. With this in mind, the NACP identifies a number of initiatives to address the causes of corruption, including a detailed strategy to enhance good governance in corporate entities.¹¹ A notable initiative in the NACP is the obligation placed on public bodies and regulated private sector entities to develop a formal anti-corruption plan to address integrity, governance and anti-corruption issues within their organisation.¹²

As Malaysia moves forward in reversing the stigma of kleptocracy, many citizens and investors will be watching to see if the NACP will produce sustainable long-term results.

Introducing electronic platforms in Cambodia to mitigate corruption

In 2016, Cambodia's Ministry of Commerce introduced an online platform for business registration that has been viewed by businesses as an effective mechanism for mitigating corruption in the registration process. The introduction of online platforms to assist in service provision is a trend that both Cambodia's Ministry of Commerce and Ministry of Economy and Finance plan to use in order to limit bureaucracy in company registration and licensing processes.¹³

The Ministry of Economy and Finance also recently launched a national single window, which creates one standardised entry point for all import-, export- and transit-related regulatory requirements. The national single window will be managed by the General Department of Customs and Excise.¹⁴



Hanoi, Vietnam

We found that two in five people in the six surveyed countries had paid a bribe in the previous 12 months when they used a public service (40 per cent). The bribery rate was drastically high in Vietnam, where around two thirds of people who accessed public services had to pay a bribe. Despite the Vietnamese government's efforts to mitigate private sector corruption, the trend in which the wealthiest people paid more bribes than the poorest people was highest in Vietnam, where almost three in four of the rich had paid a bribe (73 per cent).

EXPERIENCES OF CORRUPTION: BRIBERY

We asked people whether they had come into contact with any of the following six key public services during the previous 12 months: public schools, public clinics or hospitals, official document providers, utility services, the police and the courts. Of those who had contact, we asked whether they had paid a bribe, given a gift or done a favour in order to receive the services they needed.

On average, 40 per cent of residents paid a bribe across the six South-East Asian countries.

We found that two in five people in the six surveyed countries had paid a bribe in the previous 12 months when they used a public service (40 per cent).

The bribery rate was drastically high in Vietnam, where around two thirds of the people who had accessed public services had to pay a bribe (65 per cent).

Bribery was below the average in Malaysia and Indonesia, where 23 per cent and 32 per cent of respondents, respectively, said that they had paid a bribe when they accessed public services.

BRIBERY IN GIFT-GIVING CULTURES

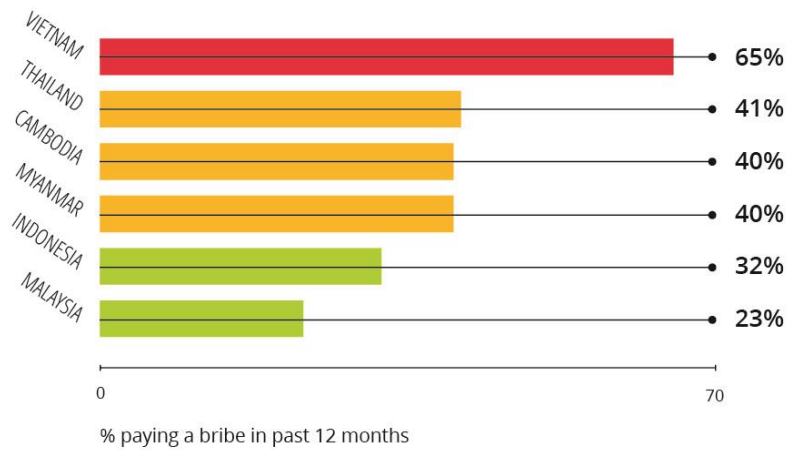
In countries such as Cambodia, the link between business and corruption could originate in the cultural concept of gift giving as an appropriate way to build relationships. Many businesses often feel an obligation to offer gifts during the Khmer or Chinese New Year holidays. However, gift giving for the purposes of obtaining influence is illegal under Cambodia's criminal code.

In the 2016 World Bank Enterprise survey of 363 firms, approximately 65 per cent of private enterprises in Cambodia reported receiving at least one request to pay a bribe. In about 60 per cent of public transactions, a gift or informal payment was requested. Additionally, 50 per cent of businesses had to pay a bribe to receive an operating licence, 63 per cent to receive an import licence and 87 per cent to receive a construction permit. Sixty-six per cent of surveyed businesses were required to pay a bribe in order to "get things done". In this regard, it is vital for businesses in gift-giving cultures such as Cambodia's to set specific guidelines and policies on the value of gifts that may be provided to public officials. This establishes boundaries between cultural norms and outright bribery.

Percentage of people who paid a bribe when accessing basic services

Results by country

Q. How often, if ever, did you have to pay a bribe, give a gift, or do a favour for: a teacher or school official; a health worker or clinic or hospital staff; a government official in order to get the document, a government official in order to get the [utilities] services; a police officer; a judge or court official? Base: Respondents who had contact with at least one service in the past 12 months, excluding missing responses. The results from Malaysia are based on the total population, due to differences in the way the bribery questions were implemented during fieldwork.



BRIBERY TRENDS AMONG THE RICH AND POOR

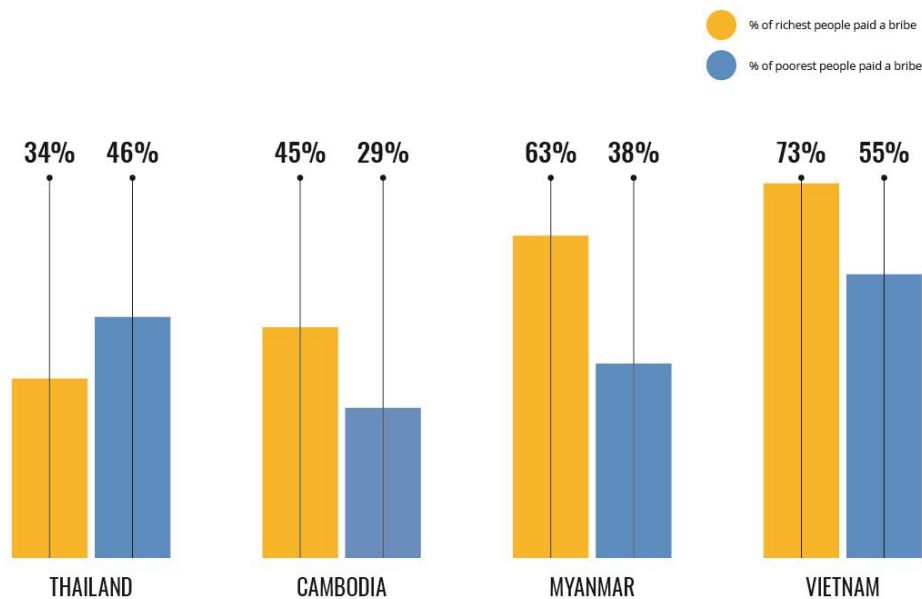
Globally, bribery often hurts the poorest most, which may be because they have fewer alternative options available to them, or because they have less power of influence to avoid paying bribes. For example, in Thailand, the poorest people are far more likely than richer people to pay a bribe (46 per cent versus 34 per cent, respectively).

It is worth noting that the richest people were more likely to pay bribes in half of the six surveyed countries. This may be because they have more resources to pay bribes when asked, or because they want to get a quicker or better-quality service through facilitation payments. In particular, wealthy people in Vietnam (73 per cent), Myanmar (63 per cent) and Cambodia (45 per cent) overwhelmingly paid more bribes than poorer people. This trend raises serious business integrity concerns for these particular countries, as these wealthy individuals are most often linked to businesses.

Who paid bribes to access public services – the rich or the poor?

Results by country

Results are based on those who have come into contact with at least one of the six public services in the past 12 months. The demographic analysis excludes Indonesia and Malaysia, due to differences in how the bribery questions were implemented during fieldwork.



Vietnam has a serious business integrity concern

In 2009, the Vietnamese government issued a national strategy on anti-corruption until 2020. One of the aims is: “Promoting the role of businesses and business associations in the fight against corruption through building and practising a fair and non-corrupt business culture, and coordinating with competent state agencies to prevent and detect corrupt acts of officials.”¹⁵

In addition, Vietnam has had an unprecedented anti-corruption campaign since 2016, led by General Secretary Nguyen Phu Trong. So far, this anti-corruption campaign has led to numerous prosecutions of high-ranking officials and senior executives at major state-owned enterprises and private companies. It should also be noted that both the penal code and the anti-corruption law were revised to include corruption in the private sector. The former became effective in January 2018, the latter in July 2019.

Despite the Vietnamese government's efforts to mitigate private sector corruption, the trend in which the wealthiest people paid more bribes than the poorest people was highest in Vietnam, where almost three in four of the rich had paid a bribe (73 per cent). This result is alarming, given that Vietnam also has the highest bribery rate among the six surveyed countries.¹⁶ This suggests that a serious business integrity concern in Vietnam needs to be addressed.

In the past few years, the Vietnamese government has made considerable efforts to improve the business climate, via measures such as institutional reforms and simplifying administrative procedures aiming at creating a healthier and corruption-free business environment.¹⁷ However, at implementation level, the results of these efforts have not been highly effective, as they are limited to the areas of business registration and investment procedures.¹⁸

POLICE ARE THE MOST LIKELY TO TAKE BRIBES

We looked at the bribery rates for the six key public services to see which had the greatest risk of bribery in the six surveyed countries, and found that the police had the highest bribery rate. Just over one third of people who came into contact with the police in the previous 12 months had to pay a bribe (35 per cent), either to get assistance that they needed or to avoid a fine. In the case of Vietnam, traffic police bribery is an issue, where citizens may resort to paying a bribe instead of paying a fine for traffic violations.

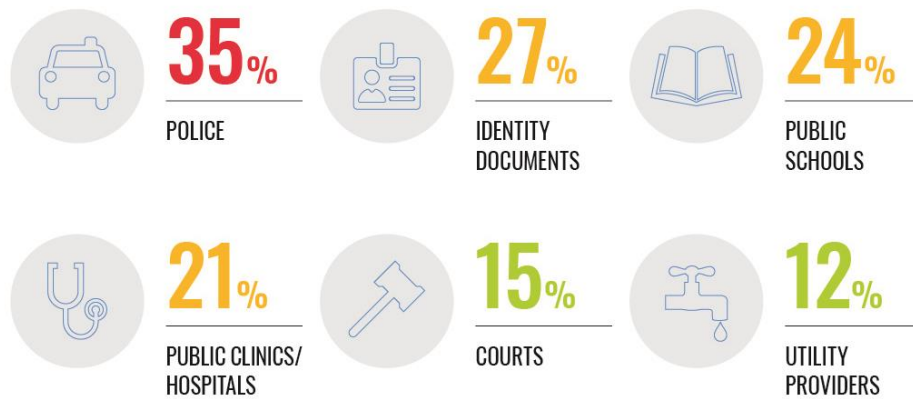
Bribery for utility services and the courts was also reported, with just over one in 10 respondents having to pay a bribe to access these services. Such bribery is a serious concern for companies in particular, as it increases the cost of doing business in a particular country, and these costs are then passed on to the consumer. Additionally, bribery in the courts is worrying, as any potential investor in a country would want to ensure a fair legal process in the event of a dispute involving any agreement they had entered into.

High bribery rates for public services seriously affect the ease and cost of doing business within the six surveyed countries. For example, in Cambodia, bribes paid for identity documents have direct repercussions for businesses, as identity documents are required for company and labour registration. Additionally, corruption in the police force may lead to an increase in crime, including economic crime, which can be problematic for doing business in these countries.

Service users who said they had paid a bribe

Results of five surveyed countries, by six key public services

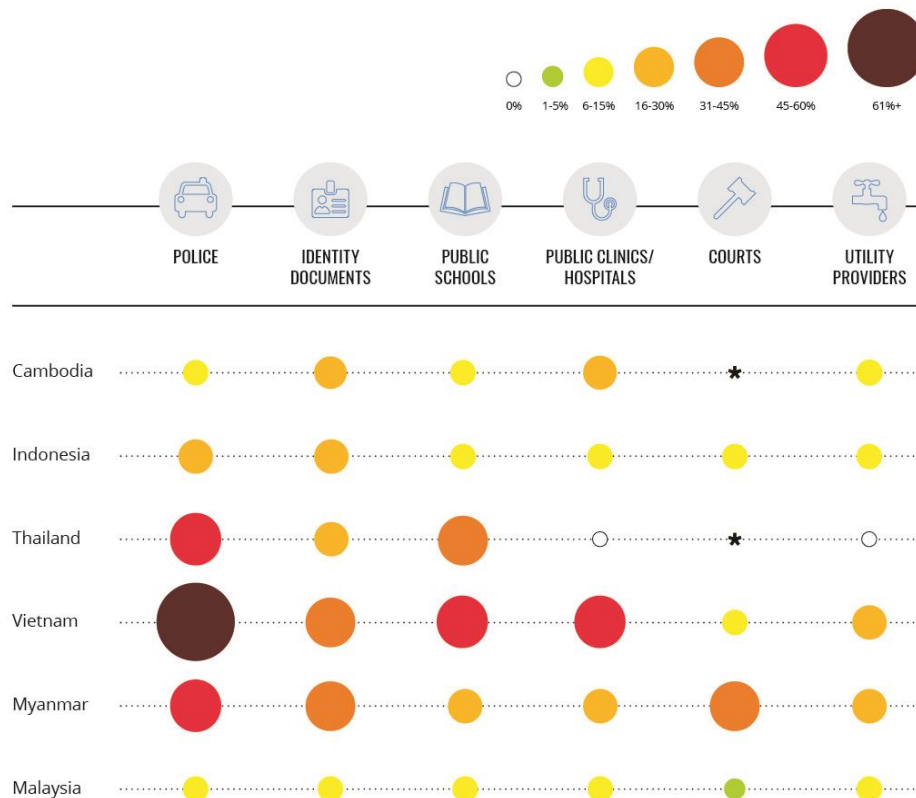
Q. How often, if ever, did you have to pay a bribe, give a gift, or do a favour for: a teacher or school official; a health worker or clinic or hospital staff; a government official in order to get the document; a government official in order to get the [utilities] services; a police officer; a judge or court official. Base: pooled responses from across five countries; respondents who had contact with each service in the previous 12 months, excluding missing responses. Results from Malaysia are excluded, due to a difference in the way the bribery questions were implemented during fieldwork.



Percentage of service users who paid a bribe in the last 12 months

Results by country and type of public service

Q. How often, if ever, did you have to pay a bribe, give a gift, or do a favour for: a teacher or school official; a health worker or clinic or hospital staff; a government official in order to get the document, a government official in order to get the [utilities] services; a police officer; a judge or court official. Base: Respondents who had contact with at least one service in the past 12 months, excluding missing responses. An "X" denotes places where the service was not requested, or where the service had a base size of fewer than 60 respondents. The results from Malaysia are based on the total population, due to differences in the way the bribery questions were implemented during fieldwork.





Phnom Penh, Cambodia

Around three quarters of respondents in Indonesia, Cambodia, Myanmar and Thailand felt they could make a difference in the fight against corruption. In the six surveyed countries, people thought that refusing to pay bribes (25 per cent), followed by reporting corruption (11 per cent), were the most effective ways to tackle corruption.



PEOPLE TAKING A STAND AGAINST CORRUPTION

ORDINARY PEOPLE CAN MAKE A DIFFERENCE IN THE FIGHT AGAINST CORRUPTION

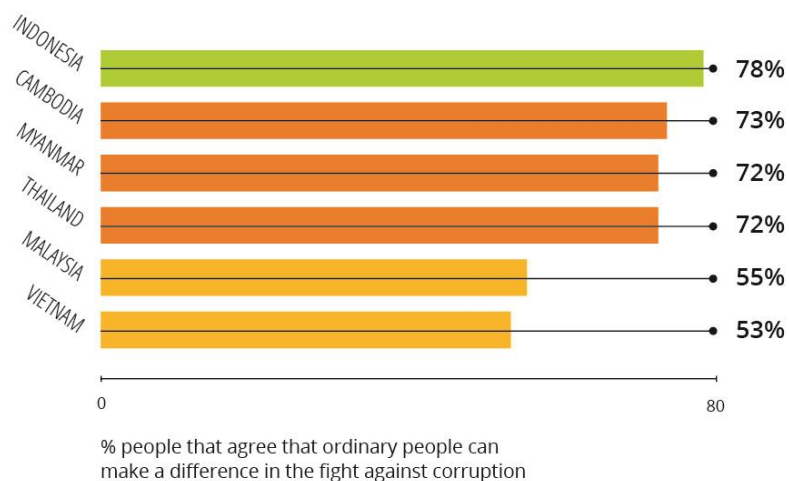
We asked people whether they thought ordinary people could make a difference in the fight against corruption. A majority of respondents agreed that they could make a difference (67 per cent), which suggests that people in the six surveyed countries are ready to take action against corruption when provided with adequate protection and reporting mechanisms.

In particular, around three-quarters of respondents in Indonesia, Cambodia, Myanmar and Thailand felt they could make a difference in the fight against corruption (ranging from 72 per cent to 78 per cent).

Can ordinary people make a difference in the fight against corruption?

Results by country

Q. Please tell me whether you agree or disagree with the following statement: "Ordinary people can make a difference in the fight against corruption". Base: all respondents, excluding missing responses. "Strongly disagree", "Disagree", "Neither" and "Don't know" answers are not displayed, for ease of comparison.

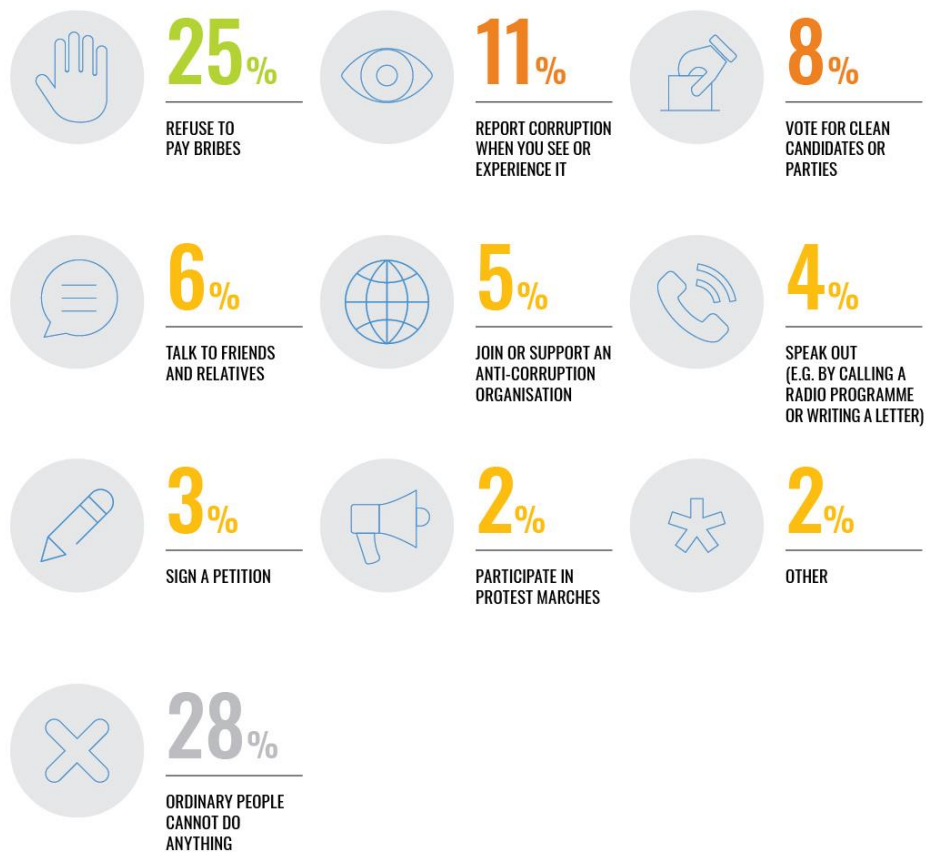


We wanted to find out the best ways people thought they could tackle corruption in their own country. In the six surveyed countries, people said that refusing to pay bribes (25 per cent), followed by reporting corruption (11 per cent), were most effective. It is worth highlighting that there was a large minority (28 per cent) who were completely pessimistic about the effect that ordinary people can have on corruption in their country.

Views on the most effective actions people can take against corruption

Results by action for all six surveyed countries

Q. What is the most effective thing that an ordinary person like you can do to help combat corruption in this country? Base: all respondents, excluding missing responses. "Don't know" responses are not shown.



PRIVATE SECTOR COLLECTIVE ACTION AGAINST CORRUPTION

The refusal to pay bribes is very important, especially for businesses. In this regard, businesses can do their part in refusing to pay bribes by developing industry standards against bribery. One way to mitigate corruption is through coordinated and collective efforts among all stakeholders in the private sector. Undoubtedly, such collective action initiatives would level the playing field between competitors. Collective action could also lead to greater industry standards countering weak local laws and anti-corruption practices.¹⁹ To this extent, the World Bank Institute has identified four possible types of collective action: anti-corruption declarations, integrity pacts, principle-based initiatives, and business coalitions that certify companies that engage in best practices.²⁰

Private sector collective action in Thailand

Thailand provides a good case study of businesses working together in anti-corruption efforts via collective action, through the establishment of the Private Sector Collective Action Coalition against Corruption (CAC).²¹ The CAC has joint undertakings with the Thai government's official anti-corruption agency, the National Anti-Corruption Commission. The CAC promotes the implementation of effective anti-corruption policies to create a clean business environment in Thailand, and has developed a unique certification programme to help companies put in place strong anti-corruption compliance standards. The CAC also assumes an advocacy role in graft-fighting on behalf of the business sector. Since its inception in 2010, it has attracted almost 1,000 signatory companies and certified almost 400 companies.

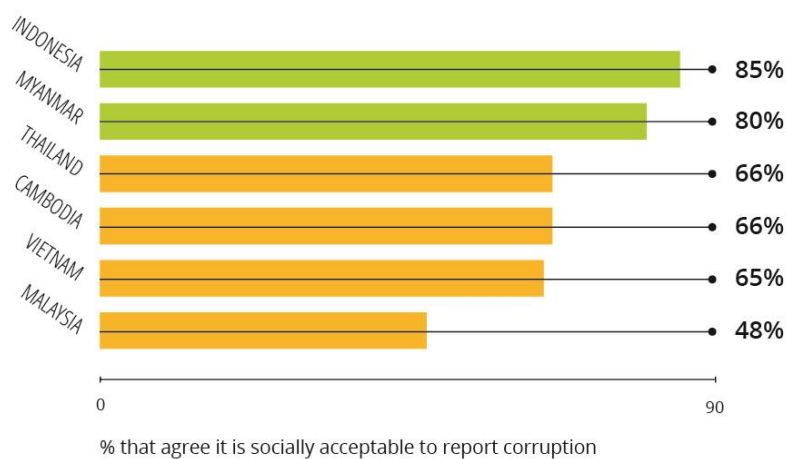
SUPPORT FOR REPORTING CORRUPTION

We asked respondents whether it is generally acceptable in their societies for people to report a case of corruption that they have witnessed. There was very positive support for this statement, with the majority of the respondents agreeing with this position in five of the six surveyed countries. Malaysia was the only country where less than half of the respondents agreed with this position (48 per cent).

Percentage of those who agree it is socially acceptable to report corruption

Results by country

Q. Please tell me whether you agree or disagree with the following statement: "In our society it is generally acceptable for people to report a case of corruption they witness". Base: all respondents, excluding missing responses. "Strongly agree" and "agree" combined. "Neither", "disagree", "strongly disagree" and "don't know" are not shown, for ease of comparison.



WHY PEOPLE DO NOT REPORT CORRUPTION

While reporting corruption was in theory seen as generally acceptable within the six surveyed countries, we found that there were strong reasons why people do not report corruption.

When asked why more people do not report corruption, the main reason given by respondents in the six surveyed countries was that they were afraid of the consequences (27 per cent). This suggests that there needs to be greater whistleblower protection for people who want to report corruption in these countries. A further 21 per cent said that they would not report because they think it would not make a difference, and 11 per cent said that they did not know how to report corruption, or where to do so (10 per cent).

Why do people not report incidents of corruption?

Results by the top four responses

Q. Some people say that many incidents of corruption are never reported. Based on your experience, what do you think the main reason is why many people do not report corruption when it occurs? Base: all respondents, excluding missing responses.



CONCLUSION

Citizens in the six surveyed countries perceived increased corruption in the region, and everyone has a key role to play in fighting it.

Anti-corruption leadership should come from two key types of decision-makers – both government and business leaders. Long-term success in mitigating corruption will require commitment and action not only by governments, but also other stakeholders, particularly in the business community. Anti-corruption efforts in the six surveyed countries should therefore not be limited to just improving anti-corruption measures in the public sector, but should also include initiatives to strengthen business integrity in these countries. There must be more collective action initiatives against corruption in the private sector, and governments and companies need to work together to mitigate corruption, which in turn will enhance the ease of doing business.

Governments must also reform their police forces and whistleblower protection to enable citizens to help beat corruption. The police is not only viewed as the most corrupt public institution in these countries, but is also the public institution receiving the most bribes. It is therefore not surprising that the two main reasons why people rarely report corruption in the six surveyed countries are because they are afraid of the consequences, and they don't think that reporting would make a difference.

South-East Asia has one of the fastest-growing economies today. However, countries in this region are falling behind in controlling corruption. This results in increasingly unfair competition for market participants. If the six surveyed countries want to sustain their economic growth, they must ensure that the necessary anti-corruption reforms are not only enacted, but are effectively enforced.

Overview of corruption – a citizen scorecard

The anti-corruption performance of the government and the corruption risks as rated by citizens, by country

These groupings are meant to be indicative and regionally contextual. It is important to keep in mind that they are based on the subjective perceptions and experiences of citizens in each country rather than on an assessment against a common objective benchmark.



METHODOLOGY NOTE

The Global Corruption Barometer 2017 survey was carried out face to face in Cambodia, Indonesia, Thailand, Vietnam, Myanmar and Malaysia, with a random selection of adults in all six surveyed countries.

Face-to-face household interviews were conducted either with Computer Assisted Personal Interviewing or Paper-and-Pencil Interviewing. A random probability stratified clustered sample was designed in each project country. The sample was stratified by regions and by level of urbanisation. Households were selected at random, using a random walk or existing registers. The respondent was selected at random from all adults in the household.

WEIGHTING

The survey samples were selected and, if necessary, weighted to be nationally representative of all adults living in each country. The results have margins of sampling error of a maximum ± 3.1 percentage points (for a sample of 1,000) for dichotomous questions (for example, yes or no) at a 95 per cent confidence level.

In addition, an extra weight was applied so that the sample sizes for each country are equalised. The overall results for the six surveyed countries are equivalent to an average of the countries surveyed.

Global Corruption Barometer 2017 Country Details

The anti-corruption performance of the government and the corruption risks as rated by citizens, by country

These groupings are meant to be indicative, and regionally contextual. It is important to keep in mind that they are based on the subjective perceptions and experiences of citizens in each country, rather than on an assessment against a common objective benchmark.

PLACE	SURVEYING ORGANISATION	FIELDWORK	SAMPLE SIZE
Cambodia	Efficiency3	28.04.2016 - 19.04.2016	1003
Indonesia	Efficiency3	26.04.2016 - 27.06.2016	1000
Malaysia	Efficiency3	21.11.2016 - 31.01.2017	1009
Myanmar	Cvoter International	24.02.2016 - 09.03.2016	1224
Thailand	Efficiency3	10.04.2016 - 27.05.2016	1020
Vietnam	Efficiency3	26.05.2016 - 20.06.2016	1000

ENDNOTES

¹ https://www.transparency.org/whatwedo/answer/the_impact_of_corruption_on_growth_and_inequality

² <https://knowledgehub.transparency.org/helpdesk/evidence-of-the-impact-of-facilitation-payments>

³ https://www.transparency.org/whatwedo/publication/people_and_corruption_asia_pacific_global_corruption_barometer

⁴ Bureau of Economic Analysis, US Department of Commerce, 2017. http://www.bea.gov/scb/pdf/2017/07%20July/0717_direct_investment_positions_tables.pdf

⁵ The UK Bribery Act, 2010. <https://www.legislation.gov.uk/ukpga/2010/23/contents>

⁶ <https://www.transparency.org/research/cpi/overview>

⁷ The survey was conducted in Malaysia between 21 November 2016 and 31 January 2017.

⁸ <https://www.nytimes.com/2018/07/03/world/asia/najib-razak-arrested-malaysia.html>

⁹ <https://www.straitstimes.com/asia/se-asia/malaysia-launches-first-national-anti-corruption-plan>

¹⁰ Malaysia's National Anti-Corruption Plan (2019-2023), <http://giacc.jpm.gov.my/wp-content/uploads/2019/01/National-Anti-Corruption-Plan-2019-2023.pdf>

¹¹ Malaysia's National Anti-Corruption Plan (9)

¹² Malaysia's National Anti-Corruption Plan (9)

¹³ Information obtained from the 2017 Business Integrity Country Agenda (BICA) Assessment Report prepared by Transparency International Cambodia.

¹⁴ <https://www.khmertimeskh.com/50619318/cambodia-launches-national-single-window/>

¹⁵ Resolution 21/NQ-CP of the Government dated 12/5/2009 issuing A National Strategy on Anti-Corruption until 2020.

¹⁶ Sixty-five per cent of respondents in Vietnam who had contact with at least one of the following six public services in the past 12 months had paid a bribe, given a gift, or done a favour for: a teacher or school official; a health worker or clinic or hospital staff; a government official in order to get the document, a government official in order to get the [utilities] services; a police officer; a judge or court official.

¹⁷ Centre for Social Governance Research (CENSOGOR), Anti-Corruption in Doing Business: An Assessment from Enterprise Perspective (2017).

¹⁸ Centre for Social Governance Research (22)

¹⁹ Collective Action Against Corruption: Business and Anti-Corruption Initiatives in ASEAN Report (May 2014)

²⁰ Collective Action Against Corruption (24)

²¹ Thailand's Private Sector Collective Action Coalition against Corruption, <https://www.thai-cac.com/>

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