
Part I

COMBATING CORRUPTION ON ALL FRONTS

- A. National Efforts
- B. Reducing Corruption Among Public Officials
- C. Increasing School Education and Public Awareness

A. NATIONAL EFFORTS

Chapter 1

Cleaning Up Seoul's City Government: A Systematic Approach

■ **Hong-Bin Kang**

Since the incumbent administration took office two years ago, Seoul's city government has witnessed a drastic change. No longer do residents view City Hall as a place where pandemonium rules, a place rife with bureaucratic corruption and other irregularities. They now see the Seoul Metropolitan Government as a model of ethical reform in Korea, and other national and local government entities are eagerly emulating many of its anti-corruption measures. Opinion polls show that citizens feel that City Hall has become cleaner. International society, including Transparency International, has recognized Seoul's determination and its innovative approach toward the battle against corruption. What made this drastic change possible, and why was bureaucratic corruption so widespread in the first place?

Korea achieved the "Miracle on the Han River" out of the rubble of war in a short span of 30 years. The authoritarian state planned and managed this development, and in the process took total control over resource allocation. State control of the market led to collusion between those holding political power and the economic elite. To make matters worse, lacking political legitimacy and popular support, governments relied on illicit funds and docile bureaucrats to stay in power. Rampant political and bureaucratic corruption was the inevitable result.

This explains why previous anti-corruption efforts were ineffectual. Periodic campaigns took place, especially when the regime changed; however, the purging of wrongdoers in the government and business sectors was more ritual than substance. While unethical conduct was attributable largely to structural causes within the system, the government tended to focus on individual irregularities, turning a blind eye to the system itself. What was needed was wholesale surgery of the system, which in turn called for a change in circumstances and in leadership in the government. As the growth-oriented, state-managed structure proved incapable of adjusting to the needs of changing

times and collapsed in the face of the globalizing world economy, the preconditions for such change presented themselves.

The current city administration began its tenure when the country was deep in the crisis that resulted in the International Monetary Fund taking over the country's economic management. When Goh Kun won a landslide victory in the mayoral election in mid-1998, six months after reform-minded Kim Dae-Jung took the presidency, large numbers of factories and businesses were folding, the ranks of the unemployed and homeless were growing daily, and mushrooming citizen groups were challenging the government's authority. The new leadership faced the gargantuan task of rebuilding the economy while providing emergency relief to the needy. To tackle this task effectively, reshaping the bureaucracy to become more responsive and transparent was imperative.

From his first day in office, Mayor Goh began to restructure the city government. Reforms progressed rapidly and on a large scale. In just two years the number of city employees was reduced by 20 percent, while more outside professionals were brought in to raise the level of expertise. Privatization and outsourcing have also been actively implemented. At the same time, an all-out effort was initiated to enhance the ethical performance of the city government.

In contrast to previous administrations, Mayor Goh's team approached corruption from a systemic perspective. The idea was to create an administrative system that eliminates the causes of corruption and prevents unethical behavior. To this end, the team decided to pursue four major lines of action simultaneously: introducing preventive measures, establishing punitive measures, increasing transparency in administration, and enhancing public-private partnership.

Foremost among the preventive measures was deregulation: 80 percent of regulations that were unduly confining were abolished or revised.

As an old saying goes, "stagnant water breeds disease." Thus public officials assigned to one place for an extended period may develop patron-customer relationships in their jurisdictions, and cozy relationships often breed corruption. The team introduced two measures to eliminate potential collusion. First, in the area of permits, approvals, and inspections the team abolished the long-standing practice of assigning jurisdiction over a specific area to a single individual. Officials are now assigned on a daily basis to handle applications submitted from different areas. Second, in a massive personnel reshuffle, some 4,000 officials in 25 district offices were transferred.

In baseball a batter is called out after three strikes. In Seoul city officials are punished after a single instance of wrongdoing. To ensure 'zero tolerance for corruption, once a month the mayor's office sends questionnaires to those who have had dealings with the city government in fields prone to corruption. The mayor personally reads all the responses and ensures that wrongdoers are properly punished.

On the assumption that transparency is the most effective corruption deterrent, in April 1999 the city government introduced the Online Procedures Enhancement for Civil Applications (OPEN) system, which makes those administrative practices vulnerable to corruption completely open and transparent. This system allows the public to monitor the progress of their applications using the Internet. With real-time information available to everyone, officials cannot sit on cases without justifiable reasons or make arbitrary decisions. An open record of all stages of administrative procedures eliminates the need for personal contact with particular officials and does away with "express fees." As a result, the transparency and integrity of the Seoul Metropolitan Government has greatly improved. It is popular with the public and has gained recognition from international organizations such as Transparency International, the World Bank, and the OECD. The national government has decided to adopt the system for all central government ministries and at all levels of local government.

Along with OPEN, City Hall has introduced an anti-corruption index to evaluate the level of integrity of each administrative unit by means of opinion polls among those who submitted civil applications. Every year the city makes the results public. The first results were published in 1999 and attracted uproar in those districts with low ratings; an uncomfortable but predictable reaction.

The city administration actively involves citizens in its various anti-corruption activities. Every year 4,000 citizen volunteers help to inspect bars, nightclubs, and karaoke establishments. Seoul also operates a citizen ombudsman system and has various channels for direct communication between citizens and the mayor. Examples of the latter include hot lines, email, and the "Mayor's Saturday Date with Citizens" program. The recently introduced Integrity Pact is aimed at preventing irregularities in the area of public procurement by means of five special ombudsmen who monitor the whole process of Integrity Pact implementation, such as bid submissions, contracting procedures, and contract implementation.

Controlling corruption is as complex as the phenomenon of corruption itself. For anti-corruption efforts to be effective, one must look beyond

individual corrupt behavior and focus on the structural causes that allow corruption to develop. Thus the Seoul Metropolitan Government has adopted a systematic approach to create an environment where corruption cannot take hold. To this end, it has endeavored to strengthen transparency mechanisms and opened up the government's operations to public scrutiny. It is quantifying the ethical performance of departments and districts to induce administrative units to enter into benign competition to improve their ethical standings.

Several factors have contributed to the success of the city's efforts. The first factor was the strong and able leadership committed to the cause. The second was widespread pressure from citizen groups that aided the reform actions. The third was the wide use of information technology that enabled instant two-way communication between the government and citizens. While these factors were vital in Seoul's successful fight against bureaucratic corruption, these three factors alone would not have been enough. The catalyst that promoted the reshuffling of pervasive systems and practices and allowed the three factors to become effective was the 1997 financial crisis. It provided an impetus to move Korean society quickly toward democracy and a market economy led by the private sector. Seoul's new city administration seized this opportunity. While much remains to be done, the last two years have seen significant progress.

Chapter 2

Combating Corruption in the People's Republic of China

■ **Zhao Dengju**

Corruption is a global problem, characterized by state functionaries using their positions for personal profit, thereby directly endangering the state's economic foundation and stability and public order. Therefore unremitting struggles against corrupt behavior are important to guarantee the honest and effective administration of governments, uphold social stability, and promote economic and social development. The PRC is a socialist market economy whose people are protected by the rule of law. The PRC constantly pays attention to the task of combating corruption using a variety of tools.

First, the government has set up systems for combating corruption. Party committees have the ultimate responsibility for leadership, and the party and government together are responsible for management. Commissions are responsible for disciplinary oversight, and each department is responsible for its own anti-corruption activity.

Second, the government has implemented a series of laws, regulations, and systems to punish corruption. The Criminal Procedural Law of the PRC was revised in March 1996. In March 1997 the revised Criminal Law of the PRC was issued officially. These two laws have provided the legal basis and established the procedures for punishing the perpetrators of corruption, bribery, and similar crimes. In accordance with these laws, the State Council issued the Temporary Provisions for Administrative Disciplinary Measures for Corruption and Bribery of Functionaries of State Organizations and the Administrative Supervisory Regulations of the PRC. The Ministry of Supervision issued the Detailed Rules and Regulations of Implementation for the Temporary Provisions and the Measures for Procuratorial Organizations to Investigate and Handle Cases of Infractions of Administrative Regulations. The PRC has begun to implement the system of true-name deposit, and requires income declarations by senior cadres in the party and in government organizations.

Third, given the important duties of those in public office and the serious harm that corruption has caused, the priorities are

- To investigate and deal with significant cases of corruption in the party and in government, judicial, and administrative organizations
- To enforce laws and ensure efficient and effective management of departments
- To investigate senior cadres who violate the law.

Fourth, functional departments at three different administrative levels are required to play a role in combating corruption. At the first level is the commission for ensuring discipline in the Communist Party of China, which is responsible for investigating the behavior of party organizations and party members at all levels that violate the party's constitution and discipline. At the second level is the government's supervisory organization, which is in charge of investigating and dealing with administrative organizations and functionaries who violate administrative codes. At the third level is the People's Procuratorates, which handle cases of personnel in public office involved in corruption, bribery, and other crimes. The duties of those working at the three levels have clear demarcation lines. The Criminal Procedural Law stipulates that the people's procuratorates should investigate cases of alleged corruption and bribery and decide whether a public prosecution should take place. This legal supervision duty is an important mandate of the people's procuratorates.

To combat corruption more effectively, the procuratorial organs, have adopted the following main measures:

- *Reporting crimes.* Procuratorial organs nationwide have set up systems to accept reports, to protect and reward those reporting crimes, and to provide feedback to informers. Sixty percent of the cases under investigation have stemmed from reports by citizens and units.
- *Setting up a bureau for combating corruption and bribery.* This is the functional department that investigates and handles corruption and bribery. The people's procuratorates have been established at four levels. The Supreme People's Procuratorate has set up the General Bureau of Anti-Corruption and Bribery. Its subordinate units, namely, procuratorates and military procuratorates of 31 provinces, autonomous regions, and municipalities directly under the central government, as well as procuratorates of prefectures, autonomous prefectures, cities, and counties, have all set up organs to combat corruption. Setting up bureaus to combat

corruption and bribery has greatly facilitated the work involved in investigating and solving cases.

- *Allocating responsibilities depending on the seniority of suspected individuals.* The people's procuratorates at the levels of prefecture, autonomous prefecture, and city are responsible for investigating and handling crimes by cadres at the levels of department and provincial bureau. The Supreme People's Procuratorate is responsible for investigating and handling crimes by cadres at the level of heads of departments and bureaus and above in the central state organizations, and by vice-governors and above in provinces. This allocation of responsibilities makes clear who does what.
- *Strengthening the lead of the higher-level procuratorates.* This has helped combat corruption and enhanced the supervision by procuratorates at the higher levels to the procuratorates at the lower levels. The Supreme People's Procuratorate and procuratorates at the provincial level have set up investigation and command centers for major cases. Their main tasks are to organize and lead the investigation of major cases that have transprovincial ramifications and other important cases, especially those that have resulted in strong reactions from the public and that local procuratorial organs may find it difficult to investigate; to organize large-scale special investigating activities; and to coordinate and manage cooperation among different procuratorial organs.
- *Practicing an internal restriction system to prevent and correct behavior that would violate laws and breach discipline.* People's procuratorates perform authority to accept and hear, investigate and to prosecute the cases of crimes of corruption and bribery etc. Directly, these duties are borne by different departments respectively, for example, the reporting center is responsible for work to accept and hear, to manage reporting clues; the departments combating corruption and bribery as well as supervisory departments of malfeasance and tort are responsible for investigating work on cases; the department to examine arrest and the department to examine prosecution are responsible for deciding whether to arrest suspects as well as for the examination and prosecution of cases; the appealing departments are responsible for appeals and reexamination of cases, etc.

Having persisted in the principle of treating the disease by investigating its root causes as well as its symptoms, the PRC has made great efforts to prevent corruption by taking action against its source. Merely investigating cases of corruption and convicting the corrupt is insufficient. To get at the

root of the problem reforms are needed to perfect the supervisory mechanism, including supervision of the party, of governments, of society, and of democratic political parties and groups. Departments within the procuratorial organs are also working actively to eliminate the conditions that breed corruption and bribery.

The procuratorial organs have disseminated information about the legal system, encouraged people to report corruption and bribery, and strengthened immunity for whistle-blowers. Their experience with prosecuting cases has allowed them to advise organizations how to implement appropriate systems and regulations, strengthen their management, and close loopholes.

The procuratorial organs are responsible for investigating and handling corruption by and bribery of functionaries of state organizations. This is an important component of the struggle against corruption, and a number of tangible results are apparent.

First, from 1998 to 2000 the procuratorial organs have filed and investigated nearly 100,000 cases of corruption and bribery. More than 38,000 of these were major cases of corruption and bribery, with more than 3,000 involving amounts of more than Y1 million. They have cleared up more than 85,000 cases and have prosecuted more than 58,000 cases.

Second, many cases of corruption by leading party members and officials at the director level in the government have been investigated and handled based on the principle that everyone is equal before the law. Among those sentenced are Cheng Kejie, deputy chairman of the Standing Committee of the National People's Congress of China, and Hu Changqing, former deputy governor of Jiang Xi province.

Third, the procuratorial organs have dealt with many crimes that would have destroyed the socialist market economy system. They have strengthened their actions against new types of economic crimes by coordinating their own reforms with those of the state enterprises, the shareholder system, the financial and monetary system, and the system of foreign trade. The procuratorial organs have investigated crimes that occurred in the course of various reforms, for example, real estate and import and export trade reforms. They have also investigated many crimes in large and medium state enterprises. They have thus contributed to the smooth reformation of state enterprises and the prevention of losses of state assets.

To combat corruption we need to strengthen cooperation between countries and regions. The eighth conference of the Asia Crime Prevention Foundation was held in Beijing in October 2000. During the conference the Supreme People's Procuratorate signed cooperation agreements and memoranda with 20 countries over and above the 47 already concluded. This shows PRC's commitment to strengthen cooperation in the fight against corruption and contribute to the construction of peace and world order.

Combating Corruption in Pakistan

■ **Khalid Maqbool**

One indication of the extent of corruption in Asia is that whenever a political regime has crumbled in Pakistan and some other countries in South Asia, a major and often decisive cause has been the prevalence of official misconduct among politicians and administrators and the concomitant spread of corruption among business people. Pakistan's current regime has rightly concluded that to achieve stability, corruption must be eliminated from all segments of society. The government has identified this task as a priority objective and is fully committed to its pursuit, along with that of strict accountability.

HISTORICAL PERSPECTIVE

To develop practical anti-corruption strategies, an understanding of the historical and political context of corruption is imperative. Traditionally, the South Asian countries have been pluralist societies; however, the legacy of colonial rule was a fragmentation of loyalties through corruption and bribery. That is why corruption and nepotism continue to exist. Loyalties to a particular group; family; caste; or ethnic, religious, or linguistic community invites corruption in the form of nepotism. The culture of nepotism was further promoted in the colonial system of administration by the awarding of land, titles, and jobs to groups supporting colonial objectives.

Since independence, the nationalization of bank and industries in the 1970s, the use of foreign aid, and the infusion of drug money into the economy, corruption has become even more systemic. Moreover, the informal structure of the economy has created abundant opportunities for corruption malpractice for the private sector, the tax authorities, and government officials. Corruption grew as links were forged between legislators and businesses, and a new class of business owner politicians emerged and corrupted the bureaucracy and other state organs.

EXTENT OF CORRUPTION

The public perception is that law enforcement agencies and government organizations are the most corrupt elements of society. In monetary terms, the level of corruption is highest in departments dealing with tax collection, followed by the public sector, which accounts for 24 percent of gross domestic product. Together these entities handle transactions worth US\$19 billion per year, of which as much as 20 percent may be siphoned off as kickbacks and commissions to those handling these transactions (World Bank 1998).

PAST SHORTCOMINGS

Corruption has always been a critical aspect of Pakistan's domestic politics, and almost every government claimed that it would work to combat corruption. However, unfortunately they failed to deliver for the following reasons:

- *Lack of political will.* Successive governments used accountability either as a tool for political victimization or were not strong enough to implement true accountability.
- *Cumbersome criminal judicial system.* Legal institutions are understaffed and lack trained administrators, modern management systems, and technology. Instead of facilitating legitimate economic transactions, the legal system is widely perceived to be an obstacle to efficiency.
- *Imperfect accountability structure.* The Federal Investigation Agency at the federal level and anti-corruption establishments at the provincial level have existed for a long time. However, because of the lack of professional expertise; outdated information management systems to detect, investigate, and prosecute white collar crimes cases; general staff shortages; and low pay the process is inevitably imperfect.

CURRENT FOCUS

The present government was involuntarily pushed into the responsibility of running the country in October 1999. Respecting popular sentiment, it soon realized that combating corruption was one of its main responsibilities. The government has approached this process methodically and effectively.

The current drive to achieve accountability aims at deterring corruption by prosecuting high-profile cases in every segment of society. The authorities are making a serious effort to curtail corruption in public sector organizations

and by public officeholders. While striving to achieve this objective, the National Accountability Bureau is guided by national priorities for economic revival and an untainted judicial process.

The National Accountability Bureau is headquartered in the capital, Islamabad, while regional offices are located in all provincial capitals. The bureau is provided with sufficient resources to collect information, conduct investigations, and prosecute cases. The cases are filed in designated accountability courts that function independently under the judiciary.

As part of the process of setting up the National Accountability Bureau, the government passed an ordinance intended to eradicate corruption and corrupt practices and hold accountable all those accused of such practices. The law covers the full spectrum of corruption and corrupt practices, including money laundering. It includes willful default of loans by banks and the government as a criminal act. The National Accountability Bureau is responsible for investigation, whereas the independent judiciary controls the judicial function and judicial processes. The accused are entitled to appellate rights up to the highest appellate forum, the Supreme Court.

For the first time in its history, Pakistan has launched an accountability drive that is unbiased, transparent, and makes no exceptions. Cases currently in the courts include those brought against former prime ministers and chief ministers, senior bureaucrats, and armed forces personnel previously considered untouchable by the law. Corrupt business people are also being charged.

Of 226 cases ordered to date, 160 are currently in the courts and 66 have been decided, of which 54 have resulted in convictions. As a result, US\$474 million have been either recovered or saved.

Vision for the Future

The present regime is aware that the general public's intolerance toward corruption and corrupt practices is rising. It also believes that the future of the accountability program revolves around strengthening internal accountability mechanisms in government organizations, restructuring the institutions, and reforming systems. Unless these steps are fully implemented, corruption cannot be addressed comprehensively.

To this end, the National Accountability Bureau will have to be a permanent constitutional body with full financial and administrative autonomy

organized on the same lines as the Office of the Auditor General, and Pakistan's entire anti-corruption structure will have to be reorganized to undertake the task.

Institutional Reforms

Given the pervasiveness of heavy foreign debts, weak internal economic structures, parallel or underground money markets, an unproductive private sector, sluggish public institutions and procedures, and looted nationalized banks, to achieve reform and deregulation in all these areas the corruption genie must be put back into the bottle. The government has taken several steps toward relevant institutional reforms as follows:

- *Documenting the economy and restructuring the tax system.* Recognizing that a large informal economy and complex taxation system are the root causes of corruption, the government is addressing these issues by initiating a massive drive to document economic activity so as to record the real economy in an attempt to widen the tax base, restructuring the entire tax department to introduce computerization with the purpose of reducing contact between tax collectors and taxpayers, and planning the work needed to simplify the tax laws.
- *Deregulating the economy.* An ambitious program to privatize public units in the energy, financial, and communication sectors is already under way. Unless absolutely in the public interest, the requirements for government sanctions or approvals are being minimized.
- *Initiating civil service reforms.* The government has initiated studies to reduce the size of bureaucracy and the number of public sector organization and ministries. A "right-sized" bureaucracy would be a well paid, competent workforce.
- *Devolving power.* Successive governments have supported the idea of devolution, but have not translated this support into action. One of the main objectives of the current government is to devolve power to the grassroots level. The plan envisages establishing genuine democracy in a manner that will ensure that power is transferred to the people comprehensively and irrevocably.

CONCLUSION

Much has been achieved since the creation of the National Accountability Bureau and much more is being attempted. The aim is not only to prosecute those responsible for offenses in the past, but to prevent corruption in the future so as to strengthen the economy and protect society.

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**B. REDUCING CORRUPTION
AMONG PUBLIC OFFICIALS**

The Role of the Ministry of Justice and the Prosecutor's Office in Korea

■ Kee Bong Paek

Perceiving that collusion among bureaucrats and business people was one of the major factors that caused the 1997 economic crisis, and recognizing that eradicating corruption was vital to facilitate the development of democracy and a free market economy, the Korean government initiated a strong campaign against corruption following President Kim Dae-Jung's accession to office in February 1998.

THE LEGAL SYSTEM

The legal framework for eradicating corruption includes the following:

- Special criminal laws provide for heavy statutory penalties for public officials found guilty of corruption. Punishments include confiscation of assets and freezing of bank accounts, which permit the authorities to lay their hands on illegal proceeds obtained by means of corruption.
- Since 1993 for financial transactions and 1995 for real estate dealings, all those involved must use their real names or otherwise confirm their identities. The objective of this change, which obligates public officials to disclose the full extent of their assets, is to deter and detect illegitimate enrichment by public officials.
- Prosecutors, who are empowered to direct the activities of the police and other special investigative agencies and to make the final decisions with respect to investigations and prosecutions, play the key role in fighting corruption.

ROLE OF THE PROSECUTOR'S OFFICE

The minister of justice oversees the Prosecutor's Office, ensures that sentences are carried out, protects citizens' human rights, and oversees immigration. The Ministry of Justice implements its anti-corruption policies by means of actual cases prosecuted through the Prosecutor's Office. It has designed a legal framework to deter and punish corruption, and it coordinates its anti-corruption policies with other relevant agencies. Prosecutors initiate investigations *ex officio* or direct and supervise police activity in relation to the investigation of offenses.

Prosecutors should act as representatives of public interests in carrying out their duties and exercising their powers. Prosecutors are immune from dismissal, suspension from office, and punitive wage cuts unless they are impeached, reprimanded, or convicted. The prosecutor-general's tenure of office, which is two years, is guaranteed by law. The minister of justice supervises and directs all prosecutors as the supreme supervisor of the Prosecutor's Office, but in effect directs and supervises only the prosecutor-general, thereby allowing prosecutors to exercise their powers of investigation and prosecution independently.

Eradicating corruption is one of the priorities of the Prosecutor's Office. Some prosecutors are responsible only for anti-corruption activities. The Central Investigation Department of the Supreme Prosecutor's Office oversees the work of these prosecutors.

ACTIONS TAKEN BY THE PROSECUTOR'S OFFICE

After President Kim Dae-Jung took office in February 1998, the Prosecutor's Office led a strong crackdown on corruption in line with the new government's reform efforts. As a result, corruption seemed to have been eradicated in various areas; however, as the economy recovered from the financial crisis in 1997, corruption began to show signs of resurgence.

In September 1999 the government established the Anti-Corruption Committee directly under the president, reaffirming its commitment to combat corruption. At the same time, the Ministry of Justice directed the creation of an anti-corruption investigation headquarters in the Supreme Prosecutor's Office and anti-corruption investigation departments at all levels of the Prosecutor's Office. These departments were provided with significant resources so that they could effectively carry out their task of investigating

corruption. Their focus is structural and chronic corruption in corruption-prone areas. They launched a crackdown on corruption by public officials at all levels.

The anti-corruption investigation departments categorized corruption-prone areas into 16 types: personnel management, architecture, real estate, construction, health and the environment, transportation, fire fighting, labor, investigation, taxes, education, military conscription, the financial sector, the legal sector, the supply of goods, and quasi-reporters. The strategy of concentrating on activities especially prone to corruption proved to be highly effective: 4,920 people were investigated for corruption offenses, of which 1,648 were held in custody during the process of investigation and prosecution. Among those held in custody, 266 were public officials. Table 4.1 shows the number of people accused and the number arrested for corruption offenses.

Table 4.1
Number of People Accused and Arrested for Corruption,
1996–2000

Year	Accused	Arrested
1996	3,728 (688)	1,734 (482)
1997	2,892 (576)	1,417 (329)
1998	5,206 (1,035)	2,487 (613)
1999	5,099 (775)	1,893 (447)
Jan-Sept. 2000	3,764 (335)	1,209 (204)

Note: Figures in parentheses indicate the number of public officials.

Source: Prosecutor's Office

Information from whistle-blowers is an important key to detecting corruption. To encourage whistle-blowers who have also offered bribes, the Prosecutor's Office will consider reducing their punishment or granting them immunity using a provision of the criminal law that reduces the punishment for offenders who surrender themselves. The Prosecutor's Office traces the assets of public officials accused of corruption so as to confiscate illicit proceeds as specified by the Special Act on Confiscation in Relation to Offenses by Public Officials.

In February 2000 the Supreme Prosecutor's Office and the Seoul District Prosecutor's Office established computer crime investigation departments, and computer crime investigation teams were set up in local prosecutor's offices

nationwide. The aim was to improve the investigation of white collar crime and to employ modern computer techniques in the process of investigation.

The Prosecutor's Office holds meetings for senior prosecutors in charge of special investigations at least once a year and holds seminars for prosecutors in charge of special investigations several times a year. These meetings and seminars provide opportunities to develop and disseminate investigative techniques and to promote close working relationships among local prosecutor's offices.

The Inspection Department in the Supreme Prosecutor's Office, which is headed by a chief prosecutor, is intended to prevent and punish corruption within the Prosecutor's Office. The department collects information about irregularities in connection with the activities of officials in the Prosecutors Office and investigates complaints against them.

All except lower-level officials working at the Prosecutor's Office are required to disclose their assets. This discourages officials from engaging in illegal activities and makes exposing corruption easier.

By promoting ethical behavior among its staff, the Prosecutor's Office has won the public's respect and confidence.

EXAMPLES OF CORRUPTION CASES

The following paragraphs describe some of the major corruption cases investigated and prosecuted.

Corruption in the Selection of Local Broadcasting Service Operators

In 1994 Company C, one of the top 40 companies in Korea, gave millions of dollars to a high-ranking official in the President's Office in connection with the selection of local broadcasting service operators. Company C was eventually selected as one of the local broadcasting service operators.

Company C's bribery of a high-ranking government official remained uncovered until 1997, when the company became insolvent. The Prosecutor's Office investigated an allegation that the bankruptcy was caused by the illegal use of corporate funds. The investigation revealed that management had misappropriated corporate funds totaling ₩140 billion. Four company officials, including the chairman, were arrested and indicted for violating the Act on

the Aggravated Punishment of Certain Economic Offenses, along with the government official who had accepted the bribe.

The Prosecutor's Office conducted a thorough probe into the flow of the misappropriated funds to reveal any involvement by politicians or public officials in the corruption and to trace and retrieve corporate funds concealed either in Korea or abroad. The investigation revealed that Company C had used secret slush funds to lobby officials and politicians in connection with various projects. The projects included land purchases, a housing association project, and the construction of recreation resorts. The secret funds were also used to contribute to the campaigns of politicians running in the 1995 local elections and the 1996 National Assembly election.

The Prosecutor's Office also detected assets concealed by the company's chairman totaling W17 billion, including a beneficiary certificate valued at W7 billion that the chairman had bought in the name of his brother; stocks valued at W6 billion that the chairman owned in the names of company officials; and real estate. The concealed assets were restored to the company to pay employees and creditors.

Corruption in the Licensing of Personal Communication Service Providers

In June 1996 the Ministry of Information and Communication selected 27 providers for 7 key telecommunication businesses, including personal communication services, for which it selected 3 companies, K, L, and P. Following the announcement of the selected providers, suspicions of favoritism and corruption arose in connection with the selection process, and the Supreme Prosecutor's Office began investigating the allegations.

The Prosecutor's Office found that three high-ranking officials of the Ministry of Information and Communication had received W20 million to W60 million from a particular bidder for a personal communication service license. The investigation also revealed that a member of the screening committee received W200 million from a bidder. Those involved were arrested and indicted.

Corruption in Military Conscription

Korea has been divided for the last half century. Given the prevailing state of military tension, national security is of the utmost importance. To this end Korea has a compulsory conscription system. Under this system, people

with physical defects are exempted from military service. Some people have taken advantage of this, and have been exempted from service by various illegal means, including submitting false diagnoses indicating that they are physically unfit to serve. This aroused frustration and anger amid those who have faithfully fulfilled their military obligation, thereby undermining social unity.

As part of the government's reform efforts, in December 1998 a joint team from the Prosecutor's Office and the Ministry of Defense initiated an investigation into corruption related to the conscription process. For five months the team investigated 1,000 people allegedly involved in conscription corruption, including parents who offered bribes to have their sons illegally exempted from military service, army doctors, and mediators between parents and the doctors. Some 207 people were found to be involved in corruption, of which 135 had offered bribes; 23 were military officials; and 49 were mediators, including officials in the Military Manpower Administration. Of the 207 people, 180 were indicted. In addition, 133 people who had been illegally exempted from military service were required to undergo physical examinations, and if found fit for duty were made to serve in the military.

After the investigation, the rate of exemption from military service for health reasons fell drastically, particularly in Seoul, from 6.9 percent of potential conscripts in 1997 to 2.7 percent in March 1999.

Corruption among Lawyers

Since the current government took office, the Prosecutor's Office has made many attempt to eradicate corruption in the legal sector. It has exposed a number of judges and prosecutors who received money, gifts, and favors from lawyers and made them resign. It also exposed and disciplined 118 lawyers who gave bribes to officials of investigative agencies in return for being introduced to clients in criminal cases.

As a part of the effort to stop corruption in the legal sector, the Ministry of Justice introduced a code of conduct for prosecutors and revised the Lawyers Act, recognizing that corruption in the legal sector seriously undermines the rule of law and social justice. The revised Lawyers Act prohibits officials of the courts and investigative agencies from introducing clients with whom their agencies are dealing to lawyers. It prohibits lawyers and their assistants from visiting investigative agencies to attract clients and prohibits lawyers from attracting clients through brokers. It also provides for the establishment of an

ethics committee for the legal profession consisting of judges, prosecutors, lawyers, and law professors.

MONEY LAUNDERING PREVENTION AND ANTI-CORRUPTION ACTS

The Ministry of Justice is working to enact the Money Laundering Prevention Act (aimed at both organized crime and corruption) and the Anti-Corruption Act. The former will provide for the confiscation and freezing of illicit proceeds derived from criminal activities and will also include provisions facilitating international assistance in investigation. The Anti-Corruption Act will provide the basis for establishing the Presidential Anti-Corruption Committee; state the obligations of the government, public agencies, political parties, corporations, and the public in fighting corruption; and establish the basic principles of anti-corruption policies.

In April 2000 the Ministry of Justice and the Ministry of Finance and Economy set up a task force to establish a financial intelligence unit. The unit's responsibilities will include collecting information about transactions from financial agencies, conducting inquiries into suspicious transactions, and reporting to investigative agencies when it suspects that such transactions might be criminal.

CONCLUSION

Corruption disrupts the fair and transparent distribution of resources and undermines people's confidence in each other, thereby hindering the country's overall development. In recognition of these consequences of corruption, the public, the Ministry of Justice, and the Prosecutor's Office are strongly committed to the effort to combat corruption, and the Prosecutor's Office will continue to strengthen its investigations of corruption, especially in the 16 corruption-prone areas.

A large amount of public funds was put into insolvent companies and financial agencies to help them recover from the 1997 economic crisis. Recently, corruption by officials of these companies and of banks has become a social problem. The Prosecutor's Office will conduct intense investigation into these corruption cases, and will strengthen cooperation with such authorities as the Board of Audit and Inspection to deal effectively with newly emerging types of corruption.

The Ministry of Justice will complete all the procedures necessary to enact the Money Laundering Prevention Act and the Anti-Corruption Act in 2001, thereby providing a legal, systematic mechanism for eradicating corruption.

The Ministry of Justice recognizes that corruption occurs worldwide. It thus believes that countries should share experiences and information regarding the eradication of corruption and seek collaborative ways to deal with the problem. In this regard, the Ministry of Justice plans to host the third Global Forum on Fighting Corruption and Safeguarding Integrity in Seoul in 2003. Meetings of this type, where high-level officials dealing with corruption problems gather from around the world, increase countries' awareness of the seriousness of the corruption problem and help them design and disseminate strategies for dealing with the problem. The ministry also supports and is ready to participate in the efforts of the United Nations, which is undertaking the preparatory work to elaborate a comprehensive convention against corruption.

The PRC's Struggle to Combat Corruption and Bribery: Countermeasures and Challenges

■ Ye Feng

In the PRC the prosecution services are responsible for investigating cases of corruption, bribery, embezzlement, and so on and for further proceedings in accordance with the constitution and the law. In the last 10 years the prosecution services have investigated more than 500,000 cases of corruption and bribery, of which more than 10,000 involved county-level officials, nearly 1,000 involved officials at the level of head of a department or bureau within a ministry, and approximately 10 involved heads of provincial departments. The prosecution services have learned that to punish the crime is not enough, but that they also need to find administrative and economic measures that will be effective against the root causes of corruption and bribery. Thus they need to consider the characteristics of such crimes, the main countermeasures to combat corruption and bribery, and the challenges faced in the struggle to combat corruption and bribery.

CHARACTERISTICS OF CORRUPTION AND BRIBERY

Crimes of corruption and bribery are increasing and becoming more widespread. In recent years 70 to 80 percent of the cases handled by the prosecution services took place after the government had decided to increase its fight against such activity. For example, after the president of a trust and investment company had been sentenced to death for corruption, accepting bribes, embezzling public funds, and engaging in speculation and profiteering, her successor was investigated and convicted of similar crimes. Similarly, after the secretary of a party committee in a large company was sentenced to death for corruption and accepting bribes, the general manager and his assistant in an associated company were also sentenced for accepting bribes. One official accepted bribes of more than Y41 million (US\$1 is equivalent

to about Y20), mostly during his term as governor of Autonomous Region between 1994 and 1998.

Bribery and other crimes of corruption are related. In one city in 1998 crimes involving Y64 billion and lost tariffs to the state of Y12 billion were associated with bribes for smuggling and for releasing smugglers. More than 540 people participated, including both the secretary of the city's party committee, the head of the customs service, and members of the anti-smuggling police. In another smuggling case for which the statistics are incomplete, the amount involved was Y70 billion, with many leading cadres suspected, including the deputy head of the Provincial Public Security Department and a deputy mayor. To evade investigation some customs and public security personnel helped smugglers flee overseas.

When the government enacts new laws to deal with corruption, those involved find new ways to evade the law. For example, when state enterprises were auctioned, annexed, or reorganized, some people transferred state assets at absurdly low prices, some accepted bribes, some accepted benefits such as free tourism and sex services instead of money or goods, and some transferred state enterprise assets to private companies or transferred assets overseas and embezzled them. The chairman and four other senior managers of one company used the reformation of the company's share system to embezzle more than Y9 million. All were severely punished.

Corruption is pervasive in the judiciary and public administration in some provinces, with bribes accepted and offices sold. Investigations in one province in 1998 showed that leading cadres bought and sold offices. After the secretary of a township party committee was sentenced for corruption, he was determined to have his position restored. He offered bribes to the party committee of the county and the head of the county, and was appointed as head of the county's anti-corruption bureau. Elsewhere an illiterate who was ignorant of the law was made vice-president of the county court, where he bent the law for the benefit of his relatives and friends. This particular criminal was later sentenced to death.

Corruption and bribery have serious consequences. Instances include drugs that are falsely labeled and seeds that fail to germinate. The collapse of a bridge exposed bribery by a former secretary of a party committee, and 87 people died after a video hall fire, which occurred because personnel involved in the hall's construction had accepted bribes and neglected their duties.

Increasing numbers of high-ranking officials are being found guilty of corruption. In 1998, 1,573 officials at the level of section and county were scheduled for investigation by the prosecution services. This figure rose to 1,893 in 1999 and 1,025 in the first half of 2000. At the more senior level of department and bureau, the number rose from 98 in 1998 to 125 in 1999 and 89 in the first half of 2000.

Huge sums of money are involved in corruption and bribery. The number of cases investigated by the prosecution services that involve corruption and bribery involving more than ¥50,000 or the embezzlement of public funds of more than ¥100,000 have increased from 2,000 in 1992 to more than 10,000 a year. Such large cases make up more than 40 percent of those investigated by the prosecution services. The number of cases involving more than ¥1 million have also increased each year, rising from about 100 in 1992 to 750 in the first half of 2000. Several bankers have been found guilty of large-scale corruption, for example, the head of a finance bureau acquired more than ¥100 million, equivalent to 10 years of income for a poor county.

COUNTERMEASURES

Combating and punishing corruption and bribery is a national policy, in effect since the PRC's founding in 1951. Since the beginning the party and government have viewed the struggle against corruption as a serious political struggle that affects the very existence of the party and the state. They have formulated a guiding ideology and basic principles and developed systems to root out corruption. The steps taken include policy decisions and plans for the army, the armed police forces, and political bodies and the passage of laws that bar these entities from engaging in trade. They have also issued laws and regulations governing the functioning of the party and its administration and investigated many important cases. Thus step by step they have worked to create a strong and continuing commitment to fight corruption.

A long-term strategic measure is combining action against corruption with measures to prevent it. While the prosecution services at all levels have investigated crimes of corruption and bribery, they have also attached great importance to prevention. The main prevention methods include learning from experience gained during investigations, closing legal loopholes, helping professional groups set up and strengthen their supervision mechanisms, helping firms improve their management, promoting education about the legal system, strengthening state functionaries' knowledge of the legal system, and changing people's attitudes toward corruption. Recently the Supreme People's

Procuratorate has set up a special department preventing crimes involving bribery and corruption.

Another priority is to seek cooperation between the specialized anti-corruption organs and the public. The main anti-corruption organs are the bureaus of the people's prosecution services, the commissions charged with party oversight, and the government's supervisory departments. These three entities are generally responsible for investigating and bringing to court cases of corruption and bribery. There is a clear division of labor among these organizations, which cooperate with each other and coordinate their activities as necessary. . These organizations depend on tips from the public, and reward and protect those who report crimes. Mobilizing society to participate in the struggle against corruption brings into play society's supervisory function and uses public opinion to strengthen the functions and powers of the special organs in their fight against corruption.

The fight against corruption has focused on those professions and trades where corruption and bribery are more prevalent, which include the coal, railways, banking, and customs subsectors.

The legal system against corruption and bribery is continuously being improved. Basic principles were established when the PRC was founded. In 1952, the Committee of the Central People's Government established regulations governing the punishment for corruption, which considered corruption and bribery to be crimes, along with such actions as using public office for private gain. In 1979 the PRC's first penal code defined the crimes of corruption and bribery. The current reforms and opening up of the PRC have led to new opportunities for corruption. In response, the government has implemented a number of new laws and regulations, and has added to actions defined as crimes of corruption and bribery, which now include embezzling public funds, holding large amounts of assets whose ownership cannot be explained, and hiding deposits overseas. Finally, in 1996 the government passed new criminal law that includes a special section on crimes of corruption and bribery.

CHALLENGES FACED

Some think that the process of creating a more market-oriented economy makes it inevitable that some loopholes that criminals can exploit will remain, and that for the moment, crimes of corruption and bribery should be tolerated and treated leniently, because they will disappear of their own accord following

the completion of economic reforms. Others think that continuing to fight corruption shames the party, while not fighting it shames the nation, and therefore call for only limited action against corruption. The number of cases brought against high-ranking politicians increases each year. Some believe that this is because systems against corruption have become more effective, while others maintain that it is because corruption has become more pervasive. Nevertheless, despite the increased number of investigations, the number of those imprisoned has not increased, probably because of the pervasive corruption within the judicial system.

Punishment is an important deterrent to corruption and bribery, but it cannot replace prevention. Levels of corruption will only be reduced by preventing crimes of corruption and bribery.

The PRC needs special legislation to prevent, investigate, and prosecute crimes of corruption and bribery. Some actions, for example, embezzling common public property for personal use, have not been identified clearly as crimes. In other areas current law is simply vague, thereby providing loopholes that criminals can exploit.

Good People, Good Laws: Curbing Public Sector Corruption

■ Chua Cher Yak

Singapore is one of the most corruption-free countries in the world. Transparency International has consistently ranked Singapore as one of the 10 least corrupt countries in the world, and as the 6th least corrupt country in 2000. The Political and Economist Risk Consultancy has consistently rated Singapore as the least corrupt country in Asia.

This stands in stark contrast to the state of widespread corruption in the early years of its independence, particularly before the 1960s. The following factors account for this turnaround:

- ***Political will of the government.*** This is, by far, the single most important factor. Throughout its tenure, spanning the entire postcolonial era, the government has pursued a strong anti-corruption policy.
- ***Sincerity of purpose.*** Singapore's political leaders match their words with their deeds by setting good examples for public officers to follow. Since coming to power in 1959 the government has not flinched from punishing those guilty of corruption, notwithstanding their position in society.
- ***Effective instruments of control.*** These include
 - The setting up of the Corrupt Practices Investigation Bureau to enforce the corruption laws, which operates independently and is free from outside interference.
 - The credibility of the Corrupt Practices Investigation Bureau, which it has earned through effective action, proving itself to be a crack investigative agency.
 - The availability of enforceable legislation to facilitate evidence collection and eventual conviction in a court of law.
 - The actions taken to review government procedures to remove opportunities for corruption.

- An education program, in which public officials regularly attend discussions about the pitfalls of corruption
- The imposition of administrative sanctions against those who have been convicted in court. If for technical reasons officers cannot be brought to court, they can be subject to internal disciplinary action. Companies convicted of corruption offenses are barred from participating in government contracts for up to five years.

The acid test, however, is not so much the measures that have been formulated, but the sincerity and determination in enforcing them.

**C. INCREASING SCHOOL
EDUCATION AND PUBLIC
AWARENESS**

Tackling Corruption: School Education and Public Awareness

■ Catherine Chui

This chapter highlights how the Independent Commission Against Corruption (ICAC) tackles corruption in Hong Kong, China, through its school education program. This comprehensive program has contributed significantly to the increase in public awareness of the importance of the anti-corruption cause.

THE BAD OLD DAYS

Before ICAC was set up in 1974, the police force was responsible for investigating allegations of corruption. Corruption was a serious problem both within the government and elsewhere. To members of the public, corruption was a way of life, recognized as a necessary evil. However, a new citizenry that was young, educated, and concerned about public affairs began to demand positive action from the government. The flight of a senior police officer facing prosecution for corruption triggered a storm of public protests and prompted a public inquiry by a high court judge. It subsequently led to the establishment of ICAC, a dedicated, independent, and powerful agency to deal with corruption, whose commissioner was directly responsible to the governor.

STRUCTURING THE FIGHT AGAINST CORRUPTION

When formulating an anti-corruption strategy, motivation and opportunity must both always be considered, because both factors must come together for corruption to occur. In devising Hong Kong, China's, corruption prevention strategies to bring about changes, the following three key initiatives appeared relevant:

- Creating a strong deterrent through vigorous enforcement activities to demonstrate that corruption is a high-risk crime
- Implementing changes at the institutional and organizational levels to minimize opportunities for corruption
- Transforming social values and behavioral patterns to reinforce the principles of justice, fairness, and transparency, thereby reducing the motivation for corruption.

Consistent with the above thinking, from the outset ICAC adopted an integrated, three-pronged attack comprising all the critical functions of investigation, education, and prevention. Its organizational structure is built around these functions and comprises three departments: the Operations Department to put the corrupt behind bars, the Corruption Prevention Department to plug corruption loopholes in systems and procedures, and the Community Relations Department (CRD) to change public attitudes toward corruption. The work of these three departments is interdependent, and each capitalizes on and builds on the performance of the others.

The CRD publicizes anti-corruption messages through the mass media and face-to-face contacts. To ensure that the department can effectively hammer home its message to different target groups, it has identified distinct groups in the community so that it can address their particular needs and concerns. One significant target group is young people, who the department reaches through its school education program.

ICAC is well aware that for its anti-corruption efforts to succeed, it must bring about fundamental changes in public attitudes toward corruption. Probably the most fruitful approach is inculcating a firm attitude to resist corruption among the young. By teaching schoolchildren that corruption is evil and unacceptable, the hope is that in time, fighting corruption will rely less on external controls and deterrents and more on self-discipline and self-motivation. Thus the CRD's school education program, which works throughout the school system to reach children and young adults from age 6 to 22, aims to promote sound values, such as a sense of justice and responsibility and integrity.

THE EDUCATION SYSTEM

Hong Kong, China, provides nine years of free and compulsory education. As such, the school setting provides a captive audience for the CRD's anti-corruption messages. However, the school system faces some constraints. The curriculum is extremely full, and teachers are under pressure

to cover the syllabus. Education is examination oriented, and moral education often takes a back seat to “practical” knowledge.

THE ICAC APPROACH

To ensure the effectiveness of its school education program the CRD has developed a number of strategies.

Incorporation into Formal Curricula

ICAC staff sit on various curriculum development committees of the Education Department to attempt to include relevant topics into school curricula such as government and public affairs. However, this approach is limited given the already packed curricula. To supplement these efforts, the CRD liaises with textbook publishers and writers to encourage them to include relevant material.

The approach has been extended to all universities to develop a strong work ethic among future professionals and managers. To achieve this universities are urged to include at least one ethics module in a mandatory course for their first-year students. Instead of preaching values, the program attempts to equip students with the necessary skills to make the right decisions when confronted by ethical dilemmas.

Partnering Approach

Given the huge size of the student population, the CRD cannot work with every student. A significant part of the school education program is partnering with others involved in education and youth work. To this end the CRD produces various teaching materials for use both in the classroom and during extracurricular activities. ICAC staff, teachers, school principals, education experts, psychologists, and youth workers are invited to help create, test, and produce these packages of materials. Each package is self-contained and self-explanatory, with clear instructions, but also with sufficient flexibility for teachers to adapt them to suit their particular students.

In 1998 ICAC invited primary schools to take part in ICAC Week, a project to promote positive values to primary school pupils through a series of school-based activities. ICAC provided teachers with reference materials and teaching aids to support the planned activities. In the past two years a total of 239 primary schools with 170,000 students have participated in ICAC Week. Feedback from schools has been positive.

As for university lecturers, the CRD produces materials on ethics for integrating into their teaching materials as appropriate.

Direct Dialogue

ICAC does not rely solely on teachers and lecturers to disseminate its messages. It has arranged with all universities for ICAC staff to conduct face-to-face presentations for their final-year students. Such presentations are tailored to the students' specific needs. They cover the legislative provisions governing corruption, fraud, and other types of malpractice and employ case studies pertinent to the students' academic disciplines. This will help equip students with the necessary skills and knowledge to handle the temptations they are likely to encounter in their future careers.

ICAC staff also conduct classroom talks for senior secondary students. In 1999 they conducted 1,760 talks for 77,000 secondary school students.

Active Involvement

To improve the interest level and enhance the impact of secondary classroom talks, since October 2000 ICAC has used a format that involves a more interactive approach. Anti-corruption messages are conveyed through discussion and group games involving student participation. ICAC has also introduced an interactive drama performance at schools. A professional drama group performs an interactive play that illustrates the evils and consequences of corruption. Students have responded positively to both these new formats, which they considered to be more effective than the traditional classroom talks.

ICAC believes that involving young people in anti-corruption activities is the best way to implant positive values. In 1999 ICAC and youth organizations organized a total of 67 activities, including leadership training camps, seminars, conferences, and competitions, that reached about 400,000 young people. In 2000, 800 young people from Hong Kong, China; Macau; and mainland China attended a summit to discuss the role of young people in cultivating a clean and fair society.

Starting Early

ICAC believes that moral education should start as young as possible, and is taking its message to kindergartens via a television cartoon program. To reinforce the messages of the cartoon series, a teaching package comprising a

video, games, and books based on the cartoon program is distributed to all kindergartens. Through these activities, young children are helped to grasp abstract concepts like fairness, honesty, and obeying the law. ICAC also regularly conducts parenting forums to harness parents' support in the moral education of their young children.

Internet Use

In 2000 ICAC launched a web site called "Teensland" to publicize anti-corruption messages through computer games, web page activities, and links. Students were recruited to contribute to the web site as reporters, web designers, and content producers.

CONCLUSION

ICAC hopes that its educational efforts will cultivate an ingrained intolerance of corruption that will remain intact as students mature. There is no doubt that the key to success in the fight against corruption lies in the young. Corruption is no longer a way of life. ICAC has broken the back of syndicated corruption and turned an attitude of meek acceptance into a high level of intolerance of corruption. In 1974 only about 30 percent of complainants to the ICAC were willing to identify themselves. Now nearly 70 percent of them do so, and more than 90 percent of reports about corruption come directly from the public.

ICAC will endeavor to keep corruption an issue of public concern through its education efforts, through the mass media, and through face-to-face contacts. To ensure that the anti-corruption message pervades all levels of society, ICAC has established a number of regional offices in strategic locations to receive corruption complaints and for direct contact with the public.

ICAC has achieved a quiet revolution in changing public attitudes toward corruption. The culture has changed from tolerance of corruption to clear rejection. Hong Kong, China, now has an honest and efficient civil service and a level playing field for investors. In recent years, international surveys have consistently rated Hong Kong, China, among the top three least corrupt economies in Asia.

Tackling Corruption: The Media, School Education, and Public Awareness

■ **Enayetullah Khan**

Corruption, defined as the abuse of public office for private gain, is inversely proportional to the systemic checks and balances that make governance effective. In Bangladesh, corruption extends across the entire spectrum of human activity. It debases and corrodes every facet of life: national, political, economic, governmental, parastatal, and private and corporate businesses. Personal greed and the temptation to access unearned income lie at its root. The poisonous weeds growing out of it spread unchecked when corruption is condoned socially or when society chooses to look the other way rather than ostracize the venal and corrupt among them. Legal or moral deterrents, social contracts, or even the traditional mores of society are increasingly proving insufficient in curbing or containing corruption.

In the broad sense, corruption is an economic crime. It is committed under the table by circumventing the rules of a transaction, whether in the public or in the private domain, and it takes two to play. The economic crime of corruption is therefore intrinsically different from such unilateral criminal acts like robbery or forgery. The criminal law pertaining to crimes deals with them following detection, and disposes of them through the magistracy and the judiciary. The law forbids theft and robbery, and for their perpetrators to be punished requires only that the crimes be proved in a court. However, corruption sometimes exists within the law; between the lines of rules of business, for both governmental and other economic transactions; and often slips through the loopholes of anti-corruption laws, even in the face of upright anti-corruption watchdog bodies. No wonder then that the very word corruption has been sanitized with such neutral terms as “informal costs,” and that one of corruption’s most practiced forms, bribery, is referred to as “rent-seeking.”

Gone are the days when a person tainted by corruption in the public perception is socially ostracized. Instead, in most resource-poor countries like Bangladesh, where corruption is bred by an unequal relationship between political power and economic opportunities, corruption is the gateway to heaven. “One who has gold,” observes Christopher Columbus, “does as he wills in the world, and it even sends souls to paradise” (Michael Beaud, *A History of Capitalism [1500–1980]*). The need-based corruption of a poorly paid lower-level employee in the government or private sector has become part of the system, while corruption among the power elite and top government functionaries is becoming an unwritten rule rather than a reprehensible exception.

EDUCATION

A Bangla primer for young children contains a rhyme with a moral: “One who studies hard rides a car or a horse.” The rhyme does not refer to the elite, but merely symbolizes the opportunities available through education. However, today educational corruption at the institutional level of schools, colleges, and universities ranges from rent-seeking by school administration at the time of admission, extortion by teachers through mandatory private coaching, leaking of question papers, and student cheating on examinations. These have rendered the original rhyme into a parody: “One who cheats in the exams rides a car and a horse.” The less said of the quality of education, the better. It produces semiliterate young people not even up to the educational standards of the 1960s.

HEALTH

The health sector is the same picture of wanton corruption, with practitioners, new and old, acting un-Hippocratically in oath and practice. The Bangladesh Medical Association regrettably does everything else but attend to professional causes and health issues. Of course, some medical professionals are campaigning and working for the health causes of the people in general, and the poor, children, and women in particular. Unfortunately, they are but exceptions to the rule of unethical corrupt culture in the sector.

POLITICS

While corruption in the provision of education and health are particularly worrying because of their relationship to human development, what is most alarming is the politico-bureaucratic corruption link, the human rights

violations, and the wanton misuse of power. Political power is hard cash. While donors are driving reforms of the administrative apparatus for a leaner and more accountable government, the donors themselves become party to abetting corruption by co-opting the bureaucracy and the political elite into their fold by pampering them. Perhaps it is time for the international agencies to take a critical look at their actions in various countries. Some of their handouts and priorities wittingly or unwittingly breed corruption amid a haze of nontransparency. To cite an example, the multilateral agencies award consultancies to bureaucrats only or recruits their wards in temporary country jobs. To me, this is a bribe. The UN system as represented in Dhaka bestows a hefty amount in foreign exchange for image building of Bangladesh to the child of a ruling party stalwart. The entire exercise of the Asia-Pacific Parliamentary Association has been a waste, leading to a scramble for the largesse.

THE NONGOVERNMENT ORGANIZATIONS

Except for the Bangladesh Rural Advancement Committee, the Grameen Bank, and a few others, donor charity has created a new elite thriving on unearned money, and even taking partisan political positions. Those representing the association of nongovernment organizations are not advancing democracy, transparency, and development. They are the new lords of poverty who are advancing doctrinaire politics with donor money. This is unacceptable.

SOCIETY

When, as in the case of the nongovernment organizations, social activism degenerates into commerce or partisan politics; when the schools do not teach the liberal arts and sciences, but feed their students partisan history; when donors squander their money on patronage of the changing elites; then corruption will have a heyday. Democracy will be in name only in purloined elections, and Bangladesh's entry into the 21st century will be the despair of another missed millennium.

It takes courage to place the burden of corruption on the political and bureaucratic establishments rather than on the little men who supplement their meager earnings with *bakshish* (graft). They are corrupt, because an illiberal democracy breeds as much corruption as feudalism in the 11th century or the mercantilist and monetary societies that ushered in centuries of capitalism starting in the 15th century.

THE MEDIA

The media, of which I am a member, are a picture of disinformation. While they have frequently dug out corruption at certain levels, they tend not to touch the holy cow: the illiberal, democratic overlords in a one-way-street parliament. Nevertheless, corruption in high places in a hierarchical chain of political and state power has recently been getting some exposure in print. The media speak of ministers' sons raiding public and private properties, impersonation of government officials to advance clandestine deals in the new found gold mines of telephony and energy, family jaunts to the metropolitan power centers in the industrial North in the name of state visits, and placement of loyalists in strategic positions in the government.

Transparency International, which has set up a Bangladesh chapter, has been documenting the various forms and instances of corruption and has been scanning the media for reports of these events. Somehow the scanning skips the daily reports of unabashed and audacious instances of corruption in high places. The documentation of corruption by Transparency International, while commendable, focuses on the small time. If the political elite are accumulating unearned income of Fortune 500 proportions, then the traffic and tax men, the power sector meter readers, and the small *sabibs* in their offices will abuse their own little areas of power to mine the crumbs of a corruption-based political order.

CONCLUSION

Corruption, besides being a legal, moral, and ethical issue, is intrinsically a matter of politics. The 18th century ideological tumult involving Hobbes and Locke, Montesquieu and Jean Jacques Rousseau, Linguet, Helvetius, Voltaire, and many other social and political thinkers on such issues as wealth, the writ of the state, and social contracts, needs to be revived now in the context of corruption. As long as politics is profit, corruption will rule. Short of social action, corruption in high places cannot be defeated.