Transparency International Anti-Corruption Helpdesk Answer

Corruption in ASEAN

Regional trends from the 2020 Global Corruption Barometer and country spotlights

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The countries of the ASEAN region are among the fastest growing economies in the world, and recent years have seen a significant increase in foreign direct investment and regional integration. However, despite economic growth, sustainable development in the region is hampered by severe governance shortcomings, most notably in the form of autocratic governments, low levels of accountability and highly politicised public sectors. To tackle corruption, many countries have made substantial reforms of their legal frameworks in recent years, as well as an uptick in enforcement action. Results from the 2020 edition of the Global Corruption Barometer (GCB), produced by Transparency International, indicate increasing levels of trust in governments and governmental institutions, as well as in their ability to tackle corruption challenges, and there is a drop of reported levels of bribes paid (with Thailand being a notable outlier). Despite these improvements, gaps remain in the insufficiently resourced and independent anti-corruption agencies, high levels of state capture and a lack of protection for whistleblowers. This Helpdesk Answer looks at regional trends from the GCB, and provides country overviews for Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Thailand and Vietnam.

Caveat: the regional trends analysed in this Helpdesk Answer are based in part on the results of the 2020 GCB, which did not include ASEAN members such as Singapore, Brunei, and Laos. Unless explicit mention is made of these countries to provide comparisons, where regional averages are given based on the GCB, they refer to ASEAN minus Singapore, Brunei and Laos.

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Introduction

Southeast Asia is an exceptionally dynamic and diverse region that has seen a remarkable level of regional integration, starting with the formation of the Association of South East Asian Nations (ASEAN) in 1967. ASEAN members are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. As such, it encompasses all sovereign states of the Southeast Asia region, except East Timor. In 2015, ASEAN established the ASEAN Economic Community (AEC) to enhance trade and economic integration within the region (OECD/ADB 2019; Vu 2020).

The ASEAN community has seen some significant growth in recent years, and today, as a group, it forms the seventh largest economy in the world with an average GDP growth rate of 4.8 per cent in 2019. It is also one of the top worldwide destinations for foreign direct investment (FDI), which grew by 30.4 per cent between 2015 and 2018 (UNDP 2019a and Vu 2020).

On governance, the region presents a very mixed picture in terms of levels and control of corruption, with some countries faring much better than others. But performance and progression are not necessarily linear: countries that have been performing well on relevant international governance indices are not uniformly those enjoying the greatest trust of their citizens, and

Main points

— ASEAN has seen significant improvement in terms of GCB results, particularly with regards to trust in government and levels of corruption

— Nonetheless, the region is still held back by significant governance challenges that affect governments' willingness to curb corruption and the credibility of their anti-corruption efforts

— Dedicated anti-corruption agencies have been established across the region, but they lack the independence, resources and visibility to effectively tackle corruption

— Bribery to access public services has dropped notably, but bureaucratic corruption remains a challenge due to a highly politicised public sector as well as high levels of nepotism and favouritism

vice versa. This may be partly due to recent corruption scandals that have marred some countries in the region. For instance, Malaysia, which has traditionally been one of the region's better performers on governance indicators, has been marked by massive corruption scandals – most notably surrounding its sovereign wealth fund (1MDB) – that have shaken its citizen's trust in their government's willingness to effect change.

As will be discussed in the country overviews below, several nations in the region have undergone significant political turbulence and

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instability in recent years, which has likely affected their anti-corruption trajectory. Other countries, like Myanmar, which is one of the worst performers in the region on governance indices, have seen a notable improvement of its regulatory framework and implemented other much-needed reforms – although starting from a low base (BTI 2020b). Hence, caution should be exercised to avoid over-generalisation of governance issues in a region with heterogeneous political, social and economic situations.

Yet while the ASEAN countries differ quite substantially in their economic performance, political stability and (perceived) levels of corruption, it is still possible to identify certain shared core governance challenges that affect their ability and willingness to tackle corruption.

These challenges include weakening rule of law, inadequate checks and balances, low levels of accountability and government transparency, overconcentration of bureaucratic power in the hands of (political) elites, and ineffective regulatory environments and administrations (Horowitz 2020; Transparency International 2019; Transparency International 2015).

In spite of these challenges, the region has made some significant strides in recent years. While progress on composite indices such as the Corruption Perceptions Index (CPI) or the Worldwide Governance Indicators (WGI) is not clear-cut across the region, citizen perceptions and reported incidents of bribery have improved significantly between the last two versions of the Global Corruption Barometer (GCB) in 2017 and 2020.

In its first part, this Helpdesk Answer identifies some common trends and challenges across the ASEAN region, with reference to results of the most recent regional GCB conducted as well as additional literature.[1] It then provides overviews of national corruption challenges and anti-corruption efforts for the seven countries covered in the GCB (Cambodia, Indonesia, Malaysia, Myanmar,

Philippines, Thailand and Vietnam), to put the GCB results in context.

Corruption challenges in ASEAN countries

In 2019, only three out of ten ASEAN countries scored above 50 (out of a possible 100, with 0 indicating the most corruption and 100 the most clean) on the Corruption Perceptions Index: Singapore (85), Brunei (60) and Malaysia (53) (Transparency International 2019a). These scores place them in the top third of CPI rankings worldwide, with Singapore ranked 4, Brunei 35 and Malaysia 51 out of 180 countries. Of the remaining seven countries, four countries were in the middle-third on CPI scores: Indonesia (40), Vietnam (37), Thailand (36), and the Philippines (34). Finally, the three ASEAN countries with the lowest scores were Laos (29), Myanmar (29) and Cambodia (20). In terms of performance over time, out of the seven countries covered in this paper, three have improved notably between 2014 and 2019 (Indonesia +6 on CPI scores, Vietnam +6, and Myanmar +8), two have deteriorated (Philippines -4 and Thailand -2), and two have remained slightly unchanged (Cambodia -1 and Malaysia +1).

Intriguingly, citizen perceptions on the extent of corruption in government across the ASEAN region recorded as part of the most recent GCB edition from 2020 do not correspond closely with the CPI scores. In Indonesia, Thailand and Malaysia, corruption was identified as a "very big problem" by the largest group of respondents: 51 per cent, 49 per cent and 40 per cent respectively. In the Philippines, the majority of respondents (64 per cent) found the issue of corruption in government to be "quite big". Conversely, the largest number of respondents in Cambodia (59 per cent) and Myanmar (36 per cent) felt the issue of corruption in government to be "fairly small".[2]

When asked in the 2020 GCB whether corruption had increased or decreased in the past year, the

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[1] The GCB Asia surveys were conducted during the global COVID-19 pandemic in all countries except Vietnam and Sri Lanka, where the survey took place before 2020. As a result, face-to-face surveys were not possible in those countries, and all interviews were conducted via mobile

phone. Depending on the mobile phone penetration in each country, the sample drawn may fall short of conventional national representation qualities.

[2] Singapore Brunei, and Laos were not covered in the GCB, and this question was not posed in Vietnam.

regional average in ASEAN countries improved notably compared to the 2017 GCB results. In 2017, 42 per cent of respondents across ASEAN countries said corruption had increased in the past year, while 29 per cent said it had decreased (Transparency International 2017a). In 2020, on the other hand, only 36 per cent of ASEAN respondents said that corruption had increased, and another 36 per cent said that it had decreased. But there are some notable differences within the group. The largest number of respondents in Thailand (55 per cent), Indonesia (49 per cent), Malaysia (39 per cent) and Vietnam (39 per cent), perceived that corruption in their country had increased in the past year. For Indonesia, Malaysia and Vietnam, this is a significant improvement from the 2017 GCB when the numbers of respondents who perceived an increase in corruption were much higher. Thailand presents an outlier in this category, with a sharp increase in citizens believing corruption has increased in the past year, up from only 14 per cent in 2017 (Transparency International 2017a) to 55 per cent in 2020. At the other end of the spectrum, most respondents of the 2020 GCB in the Philippines (64 per cent), Cambodia (55 per cent) and Myanmar (45 per cent) perceived that corruption had decreased in the past year.

Indeed, despite the fact that there tends to be a clear stratification of governance performance by ASEAN countries on indicators such as the CPI and the Worldwide Governance Indicators – where Singapore tends to perform well and Myanmar and Cambodia typically do poorly – the GCB results alone provide a somewhat mixed picture with no clear best or worst performers in the region. The only exception is Thailand, which has deteriorated on several indicators (a current CPI score of 39), and is now a visible outlier in some respects, most notably with regards to citizens' trust (the 2020 GCB results indicate it has the worst score of 71 per cent for no or little trust the government).

Despite the apparent incongruities and diversity of experiences and perceptions of corruption across the ASEAN region, some core governance challenges can be distilled from the results of the most recent GCB as well as relevant literature.

Governance and the rule of law

A central corruption challenge in the region is the overall relatively poor performance of ASEAN countries in terms of governance and the rule of law. According to the World Justice Project's 2020 Rule of Law Index,[3] only Singapore manages to obtain a spot in the top third of the ranking, at 12 out of 128 countries. Malaysia (47), Indonesia (59), Thailand (71) and Vietnam (85) rank in the middle third, while the Philippines (91), Myanmar (112) and Cambodia (127) rank towards the bottom (WJP 2020).[4]

In the 2019 edition of the World Bank's Worldwide Governance Indicators,[5] severe gaps can be identified for the countries covered in this paper, with the exception of Malaysia. The ASEAN countries fared badly, in particular on the voice and accountability indicator, where only Indonesia received a positive score (0.2). On control of corruption, Singapore was rated best (2.2) and Laos worst (-1.1).

Two key challenges to rule of law in the region are worth consideration in more detail: the legacy of authoritarian government and the phenomenon of state capture.

Legacies of authoritarianism

Scholars such as Chang, Chu & Welsh (2013) and Kurlantzick (2018) have attested to a backsliding of democracy in much of the region, starting from the 2000s. Barber (2018) identifies a "new breed of autocrat" on the rise, ruling over "crony-capitalist one-party states". This includes Cambodia, Thailand, Vietnam and Myanmar where there have been open or effective one-party systems and

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increased attacks the press and opposition, including in the Philippines. Other countries such as Myanmar and the Philippines have also experienced increased violence in the war on drugs and against ethnic minorities respectively (Barber 2018; Chang, Chu & Welsh 2013; Kurlantzick 2018; Pepinsky 2020).

Other authors do not see a backsliding of democracy (Morgenbesser 2020 and Pepinsky 2020). They rather argue that an authoritarian regime type has established a foothold in Southeast Asia since the countries' independence and has continued to evolve since. Pepinsky (2020) describes the regimes of Southeast Asia of today as "authoritarian developmentist regimes", following the Beijing model of "authoritarian capitalism", by which the state directs economic development in the national interest, while civil liberties and democratic freedoms are suppressed to ensure political stability. Examples of such regimes can be seen in Vietnam, Laos and Cambodia where economies were opened to ensure growth after the end of the Cold War, while the political systems remained largely closed. In this type of regime, according to Pepinsky (2020), governance and development are increasingly decoupled from democracy or civil liberties.

Similarly, Morgenbesser (2020:1) sees authoritarian regimes in Southeast Asia as developing from "retrograde" to "sophisticated" authoritarianism. He notes that throughout Southeast Asian history, "a string of personalist dictators, military juntas, royal families, and single parties have flourished and faltered in the region". And unlike in other regions around the world, these regimes have largely not transitioned into democracies but rather proved surprisingly adaptive and demonstrated staying power by embracing or mimicking some democratic institutions without truly democratising, and continuing to rely on "elite protection pacts" to remain in power.

These regimes may hold elections, grant some space to civil society and establish constitutions, but the rights guaranteed under such constitutions are commonly not fulfilled in practice. Constitutions as in place in Myanmar and Vietnam today fall under this category, which Morgenbesser (2020:11) calls "sham constitutions" that are not adhered to by leaders. Other regimes, such as

Singapore, have gone further, by also guaranteeing some of the documented rights in practice, but only up until a threshold as determined by the ruling party. Similarly, the elections held in sophisticated authoritarian regimes are often flawed and severely constrained by the fact that there are no true multi-party systems. But they do provide some of the "participatory attributes of democracy". All regimes in Southeast Asia, except Brunei, now hold some form of election, but they vary significantly in degree, with elections in Laos and Vietnam being heavily controlled (Morgenbesser 2020).

State capture
Unlike other forms of corrupt relationships between political and economic actors, which aim to influence a specific situation (such as bribery, nepotism, favouritism), state capture involves individuals or groups who wield their influence to change the rules of the game by corrupt means (for example, by influencing laws or elections) (Zúñiga 2019).

In Asia, the situation has often been described as "crony capitalism", a situation where "personal connections and political patronage, rather than entrepreneurial ability, determine who gets access to government generated rents, bank credit and other lucrative economic resources" (Zúñiga 2019: 3). Crony capitalism is thus characterised by a disregard of market principles to the benefit of personal connections and patron-client relationships. In situations of state capture, businesses and elites rely on their government connections to secure access to crucial resources (particularly government contracts), while the politicians rely on the funds to finance their campaigns or careers (Zúñiga 2019).

In Myanmar, a sprawling "war economy" has contributed to a significant growth in illicit trade and has strengthened regional non-state actors, including former insurgents, who wield significant control over the central government (Bak 2019). Additionally, corporations that are often linked to the military are known to set up funds with the express purpose of funding politicians and their endeavours (Chau 2020). This, along with a stifling bureaucracy and an uneven playing field for the private sector, has led the 2020 Bertelsmann Transformation Index (BTI) to attest to Myanmar's "persistent structures of crony capitalism" (BTI

2020b). But even in countries generally regarded as enjoying better governance, such as Malaysia, recent scandals like the public investment fund 1MDB have shed light on the close ties between private interests and executive powers, as well as interference in investigations (Jones 2020 and Transparency International 2019).

Political funding by private entities have also been key in the capture of state institutions. For post-Suharto Indonesia, Berenschot (2018) found, that in the absence of established parties that could have provided a political platform and support to upcoming political candidates, candidates for (local) political office tended to rely on the financial and political support created by forging alliances with religious leaders, local businessmen and elites. In exchange for the support of these networks, candidates would often promise access to coveted services once in power, such as jobs, licences or government contracts. As a result, powerful local businessmen were successful "in translating material wealth into political power" and contributing to the "oligarchic nature of Indonesian politics" (Berenschot 2018: 1570). In the absence of a predominant party with budget control, politicians in Indonesia and the Philippines also tend to rely more on non-party networks (Aspinall & Berenschot 2020). In Cambodia, corporate and industrial tycoons donate substantial funds to the Cambodian People's Party in exchange for contracts, licences and advisory positions in government (Morgenbesser 2017). In all these countries, the increased and unregulated political funding by economic elites increases the risk of capture of politicians by the same elites who will need favours once their sponsored party has won elections.

Bureaucratic corruption

A 2015 report by Transparency International found that public institutions in many ASEAN countries lacked transparency and accountability (Transparency International 2015). However, recent years have seen some improvement in reforming public services and the institutions that deliver them. For instance, a 2019 study from the OECD and Asian Development Bank (OECD/ADB 2019) identified several remaining challenges such, as government openness, but also found that all Southeast Asian countries now had digital government strategies to facilitate the issuing of permits and licences and were undertaking performance management measures to professionalise human resources in public service. The study also noted that citizen satisfaction with public service delivery, while varying from country to country, was generally high. This is in line with the results of the 2020 GCB, which have seen a significant improvement in terms of rates of bribes paid to access public services.

On average, across all countries and services, 23 per cent of respondents in the ASEAN countries covered in the 2020 GCB reported having paid a bribe when accessing basic services – most often when dealing with the police (29 per cent) and least often when dealing with a public clinic or hospital (13 per cent). While these numbers are slightly worse compared to the average across Asia, they constitute a significant improvement compared to the 2017 GCB, when 40 per cent reported having paid a bribe in the previous year. The most significant drop was registered in Vietnam, where the percentage fell from 65 per cent in GCB 2017 to 15 per cent in 2020.

Yet, differences between countries are relatively stark in 2020. For example, only 4 per cent of respondents in Malaysia said they had to pay bribes when dealing with the courts, while 37 per cent of respondents in Cambodia did pay such bribes. And while only 7 per cent of respondents in Vietnam said they had to bribe to receive licences or other official documentation, 40 per cent in Cambodia paid such bribes.

Intriguingly, an average of 39 per cent of respondents across ASEAN stated they were not asked to pay a bribe, give a gift or do a favour when accessing services. Instead, they wanted "to express gratitude", which was the most common reason given for paying a bribe, gift or favour in Cambodia (51 per cent), the Philippines (50 per cent), Thailand (37 per cent), Malaysia (35 per cent) and Indonesia (33 per cent). In contrast, an average of 19 per cent of respondents across the ASEAN region stated that they were asked to pay bribes, and 19 per cent said they had offered to pay a bribe to get things done quicker or better.

The institutions which respondents in the GCB 2020 perceive as most corrupt, determined by their belief that most or all are corrupt, include local government councillors (25 per cent), the police (25 per cent), government officials (23 percent) and

members of parliament (23 per cent). This is a significant improvement compared to the GCB 2017 when the three most corrupt institutions in the Asian region were police (39 per cent), legislatures (37 per cent) and government officials 35 per cent).

High trust in government (efforts) amid significant governance challenges

Maybe surprisingly, considering the significant governance challenges and prevalence of authoritarian modes of government, citizen perceptions of government performance in tackling corruption as well as overall trust in government are high and have improved significantly over the latest two rounds of the GCB.

The percentage of respondents saying their government was doing either very well or fairly well in countering corruption went from 47 per cent in 2017 to 69 per cent in 2020. The most notable improvements were registered in Myanmar, which went from 47 per cent of respondents saying their government was doing very or fairly well in 2017, to 93 per cent in 2020 (+46 per cent) and Cambodia, which went from 35 per cent to 79 per cent (+44 per cent). Thailand proves a significant outlier, with 73 per cent of respondents in GCB 2020 saying the government was doing very or fairly badly in fighting corruption, which is a notable deterioration from 2017, when only 28 per cent of respondents in Thailand said their government was doing very or fairly badly.

In all countries surveyed, with the exception of Thailand, significant majorities also indicated that they had either a "fair amount of trust" or a "great deal of trust" in government, ranging between 73 per cent in Malaysia up to 89 per cent in Myanmar (in Thailand, only 29 per cent of respondents said they had a "fair amount" or "great deal of trust", and 71 per cent said they had either "no trust at all" or "not a lot of trust").

Some reform efforts and anti-corruption activities have been undertaken in the countries covered, which might explain some of the increase in trust. For instance, Indonesia and Vietnam have seen a significant spike in enforcement actions, including against high-level public officials (Merkle 2018 and Transparency International 2019). And after initial

cover-ups, Malaysia started prosecuting people involved in the 1MDB scandal, which included the arrest and sentencing of the former prime minister Najib Razak (Jones 2020). An empowered anti-corruption agency (ACA) in Myanmar has been investigating increasing numbers of high-profile corruption cases (Bak 2019), in addition, measures to tackle private sector corruption and increase transparency of legal entities were introduced in Myanmar and Vietnam (BTI 2020b and Towards Transparency 2019).

Notwithstanding these reform efforts, which are undoubtedly crucial and may have influenced citizens' perceptions of their governments' efforts and credibility in countering corruption, the level of government support is still surprising considering the region's significant governance challenges. This is especially true for countries like the Philippines (82 per cent), Myanmar (89 per cent), and Cambodia (78 per cent), who score highest among the group on trust in government in the 2020 GCB, while getting the worst rule of law scores from both the WGI and the Rule of Law Index.

A possible explanation for the significant trust and approval ratings in authoritarian regimes may be fear from survey respondents to voice criticism to strangers. The 2020 GCB Asia was conducted over the phone due to the COVID-19 pandemic, which may have exacerbated fear of surveillance from respondents.

Other characteristics of authoritarian regimes, such as a lack of free press and limited space for independent civil society, will also affect the type of critical information that citizens have access to, and thus how enabled they are to objectively assess relevant challenges. This case was made, for example, by Heydarian (2020) for the Philippines, where President Duterte has recently seen approval ratings of up to 92 per cent in the face of an economic downturn, the shutting down of the country's largest media network and a crackdown on government critics.

But while measuring trust in government through citizen surveys in authoritarian regimes may come with some challenges, a second explanation for the surprisingly high trust in government may be more salient: the sophisticated authoritarian regimes of Southeast Asia were successful in using their distinct economic development

trajectories to obtain legitimacy among the population without providing political participation or civil liberties. Morgenbesser (2020) argues, for example, that successful economic development in the region, which included low unemployment and substantial economic growth, allowed regimes to provide welfare to their citizens in a way that he describes as "mechanisms of co-optation". In addition, Barber (2018) further argued that several regimes in the region, such as Indonesia, the Philippines and Myanmar were able to cement their power and gain approval in the process by promising stability and security in the face of Islamic insurgencies and/or ethnic rivalries.

In comparing Southeast Asian countries, Pepinsky (2020) found no correlation between democratisation and improved governance. He argues that in many countries of the region, including Indonesia, Vietnam and Myanmar, governance is largely championed as a "technocratic or managerial problem" regarding government effectiveness in service delivery, bureaucratic responsiveness or infrastructure development, rather than a question of accountability, civil liberties or representation.

In a similar vein, Chang, Chu & Welsh (2013: 153), have argued that in Southeast Asia, "regime legitimacy has always been tied to the output of governments, including economic performance, public service delivery, the enforcement of law and order, and the government's overall responsiveness to the people's needs". They thus found that regular and competitive elections on their own did not constitute a significant determinant of regime legitimacy in Southeast Asia. Rather, regime legitimacy was largely based on how governments perform, meaning, the quality rather than the type of governance. While economic performance may be beneficial to regimes in general, Chang, Chu & Welsh (2013: 151) found it to be less relevant in ensuring regime support than the perception of citizens that "the government is responsive to their needs, effective at controlling corruption, and fair and equal in its treatment of ordinary people". Additionally, regimes' ability to cultivate nationalism and a nationalist identity and build on distinct social and cultural values helped bolster their popularity.

As concluded by Chang, Chu & Welsh (2013), it appears that political stability, the conditions of the national economy, equal access to services and government responsiveness were simply rated as greater concerns by citizens overall than a lack of political competition, democratic participation or individual liberties.

Corruption and the economy

While the region has seen an increase in regional integration as well as foreign direct investment (FDI), which hold tremendous economic opportunities, these have also increased corruption risk. Enhanced intra-regional trade and a huge influx of capital often result in larger investments in public procurement projects as well as a greater presence of multi-national companies. In the absence of adequate safeguards in key areas such as procurement, investment and trade, corrupt behaviour may increase as different stakeholders compete to win contracts and maximise their gains (Transparency International 2015). According to the UNDP, such corruption in business and poor governance remain major obstacles to doing business in ASEAN and discourage foreign investors (UNDP 2020b).

Transparency International's most recent Exporting Corruption report (Transparency International 2020), which analyses enforcement of the OECD anti-bribery convention, found several instances in which foreign corporations were accused or convicted of bribing public officials in Southeast Asia. For instance, in 2017, Danish company Consia Consultants APS was debarred by the World Bank over alleged bribery of government officials in Indonesia and Vietnam. In 2018, Australian company Jacobs Group was charged with conspiring to bribe public officials in the Philippines and Vietnam to win procurement contracts. And in 2019, Swedish telecommunications company Ericsson paid fines exceeding US$1 billion for bribery of foreign officials to obtain contracts, including in Indonesia (Transparency International 2020).

But beyond some limited enforcement in Singapore (Transparency International 2020), and a general mention of cases brought against individual businesspeople in some countries (Blank 2019), there is no evidence of significant enforcement action against private sector entities from governments in the region.

The "unease" of doing business

In the 2020 edition of the Ease of Doing Business Index, the 10 ASEAN countries perform in a somewhat similar distribution pattern to the CPI. Singapore ranks highest, making 2 out of 190 countries ranked, with a score of 86.2 out of 100. It is followed by Malaysia (ranked 12, score 81.5) and Thailand (ranked 21, score 80.1), who both still make it into the top third. Four countries make it into the middle third: Brunei (ranked 66, score 70.1), Vietnam (ranked 70, score 69.8), Indonesia (ranked 73, score 69.6) and the Philippines (ranked 95, score 62.8), while Cambodia (ranked 144, score 53.8), Laos (ranked 154, score 50.8) and Myanmar (ranked 165, score 46.8) is in the bottom third (World Bank 2020a).

Cambodia was ranked among the 10 worst performers globally on starting a business and enforcing contracts, while Myanmar ranked among the 10 worst performers globally on enforcing contracts and access to credit. Incorporating a business can take between six days in Thailand and 33 in the Philippines. And dealing with construction permits can take between 41 days in Malaysia to 200 days in Indonesia (UNDP 2020b). Such an uneasy way of doing business in ASEAN countries opens doors for corruption as individuals and businesses may resort to unethical ways to speed up the process to incorporate a business, enforce contracts or access credit.

Though countries in the ASEAN region have improved on the Ease of Doing Business Index in recent years, they have deteriorated on the World Economic Forum's Global Competitiveness Ranking, again presenting a mixed picture and grounds for both optimism and pessimism (UNDP 2020a and WEF 2019).

Natural resource governance

An area of particular risk in ASEAN economies is natural resource governance. The countries of the region that are covered on the Natural Resource Governance Index (NRGI 2017a) – Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines and Vietnam – show an overall inadequate performance. None of the countries were rated "good", with the "best performer", Indonesia, receiving only satisfactory scores (68 out of 100) for its mining and oil and gas sector. Laos, Myanmar and Cambodia were rated particularly badly, with either poor or failing scores.

However, the two countries covered under the Extractives Industries Transparency Initiative (EITI), Indonesia and the Philippines, fare relatively well, receiving a status of "meaningful" and "satisfactory" progress, respectively. While some gaps were noted for Indonesia with regards to overlapping licences and gaps in registration and tax administration, the Philippines was lauded in 2017 as the "first country to meet all the requirements of the EITI standards" (EITI 2017).

As is to be expected, natural resource management appears to be particularly fraught and problematic where overall governance is weak and the political situation is unstable. This is, for example, the case for Myanmar's jade extraction. The country mines 90 per cent of the world's jade supply, with key mining sites in Kachin state, a region that has seen significant conflict and violence (NRGI 2018). Companies operating in the mining sector often do so as joint ventures with the Myanmar Gems Enterprise, a state-owned enterprise that received a score of 16 out of 100 and is thus considered "failing" by the Natural Resource Governance Institute (NRGI 2017a and 2018). According to NRGI (2018), jade mining and trade in Myanmar come with considerably negative environmental consequences, lack of health and safety for miners, illicit trade, reduced government income and a fuelling of violent conflict, with both the military and ethnic armed organisations having (informal) financial investments in the trade.

Anti-corruption agencies established, but only partly effective

Almost all countries covered in this paper have established dedicated anti-corruption agencies (ACAs) in recent years, in line with UNCAC, which has been ratified by all ASEAN countries. However, as with other aspects, the extent to which they operate varies across the region.

Most ACAs in the region lack necessary authority and resources, as well as institutional and operational independence to effectively fulfil their role. For instance, the new Presidential Anti-

Corruption Commission in the Philippines operates at the discretion of the presidency, and in its young history has already seen the dismissal and replacement of a commissioner after a disagreement with the president about an investigation (Kabiling 2020). And in Vietnam, established anti-corruption institutions are usually headed by ruling party officials, giving the institutions little to no independence from the executive and senior party members (BTI 2020d). But in other countries, even as ACAs operate under sometimes sub-optimal conditions with insufficient independence, some have been operating with increasing confidence, bringing a substantial number of cases against often high-ranking public officials, including in Myanmar (Bak 2019).

In the 2020 GCB, citizens' awareness of their country's ACAs was often low, with majorities in Cambodia (81 per cent), Myanmar (70 per cent), Vietnam (68 per cent), Philippines (63 per cent) and Thailand (59 per cent), saying they either had never heard of their ACA or had heard the name but knew nothing about what the agency does. Only in Indonesia (62 per cent) and Malaysia (63 per cent) did most of respondents say they knew either a "fair amount" or "a great deal".

Among those respondents that had heard of their country's ACA, significant majorities in all countries said they were doing either fairly well or very well in tackling corruption, except in Thailand where 66 per cent of respondents said the ACA was doing very or fairly badly.

Citizen engagement and reporting corruption

Several countries in ASEAN fare particularly badly with regards to citizens' ability to make their voice heard. This includes the status of press freedom, access to information and whistleblower protection. Six out of the 10 ASEAN countries perform badly on the WGI's voice and accountability indicator, including Brunei (-0.9), Laos (-1.8), Malaysia (0), Singapore (-0.2), Thailand (-0.8) and Vietnam (-1.4).

On Reporters Without Borders' (RSF) Press Freedom Index of 2020, no country in the ASEAN region was rated "good" or even "fairly good". The "best performer" is Malaysia, which is already in

the "problematic" category, ranking 101 out of 180 countries. A slight majority of ASEAN countries were rated "bad": Indonesia (rank 119), Philippines (rank 136), Myanmar (rank 139), Thailand (rank 140), Cambodia (rank 144) and Brunei (rank 152). The remaining three countries were rated "very bad": Singapore (rank 158), Laos (rank 172) and Vietnam (rank 175).

Freedom House strikes a similar tone, with Brunei scoring 28 out of 100, Cambodia (25), Laos (14), Myanmar (30), Thailand (32) and Vietnam (20) considered particularly problematic, with self-censorship of the media, intimidation and incarceration of journalists, legal restrictions and sometimes physical attacks common.

A Transparency International (2015) report found that ASEAN countries, and Asia in general, lagged behind on access to information, partially because secrecy in the interest of national security was applied too widely. Some improvements have been noted in recent years, including the passing of access to information laws in Indonesia, Thailand and Vietnam, and an executive order in the Philippines that provides partial access rights. However, many of these still come with challenges. In Thailand, for example, the commission overseeing requests to access of information lacks independence, there is no specific timeline/deadline for responses to requests and there are a lack of penalties if government agencies do not comply (Friedrich Naumann Stiftung 2017).

Out of all ASEAN countries, only Malaysia has a dedicated whistleblower protection law, the Whistleblower Protection Act of 2010. While other countries, including Cambodia and Indonesia, have some protection for whistleblowers and/or witnesses outside of a dedicated law, they are often inadequate by lacking clarity or including overly broad penalties for false reporting (Merkle 2018 and Rahman 2016).

Perhaps unsurprisingly, only 6 per cent of respondents in the 2020 GCB across the region that had previously paid a bribe said that they had reported the payment to a government official or authority. This may be partly due to the fact that most respondents who paid a bribe indicated they did so on their own initiative. But fear of reporting may also play a role, with responses on the

question of whether people can report corruption without fear relatively evenly split. Respondents in Myanmar (67 per cent), Philippines (61 per cent) and Malaysia (53 per cent) said reporting corruption without fear was possible. However, respondents in Indonesia (61 per cent), Thailand (59 per cent) and Cambodia (57 per cent) reported that they feared reprisals if reporting corruption. Yet the largest distinct majorities in all countries said that if they were to report a case of corruption it was either "somewhat likely" or "very likely" that action would be taken, with the lowest percentage in Thailand 48 per cent.

Results are also somewhat mixed on the question of whether ordinary people can make a difference in anti-corruption. While majorities in all countries said they could, and the overall percentage rose from 67 per cent in 2017 to 70 per cent in 2020, numbers deteriorated in three out of six[6] countries (Indonesia, Cambodia and Thailand).

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[6] The Philippines were not included in the 2017 GCB, so it is not possible to determine a trend.

Transparency International Anti-Corruption Helpdesk

Corruption in ASEAN countries: regional trends and country spotlights

Country overviews

Cambodia

Worldwide Governance Indicators (World Bank)			CPI (TI)	GCB (TI)	Ease of doing Business (World Bank)	UNCAC	Freedom House
Control of Corruption (percentile rank, of 100)	Rule of Law (percentile rank, of 100)	Accountability (percentile rank, of 100)	Rank (of 198) / Score (of 100)	Bribery rate (% of citizens over past 12 months)	Rank (of 190) / Score (of 100)	Status	Score (of 100)
9.6 (2019)	17.8 (2019)	15.3 (2019)	162 / 20 (2019)	37% (2020)	144 / 53.8 (2020)	Accession 2007	25 (not free) (2020)

Background

Cambodia has been governed by Prime Minister Hun Sen of the Cambodian People's Party (CPP) since 1985. Though officially a multi-party constitutional monarchy, it is considered a de facto one-party state by Freedom House (2020), which notes that the 2018 elections were characterised by a "severely repressive environment".

The country is among the poorest in the region but has made significant strides in recent years. According to the World Bank (2020b), the poverty rate more than halved between 2007 and 2014, the rates of child and maternal mortality have improved, and access to education has been expanded. The country experienced an average GDP growth rate of 8 per cent between 1998 and 2018, making it one of the fastest growing economies in the world.

However, Cambodia continues to perform relatively poorly on business environment indicators, which points to the fact that a number of practices and processes may entail a high risk of corruption. For instance, on the World Bank's Ease of Doing Business Ranking, Cambodia recently scored 53 out of 100 (which ranks it 144 out of 190 countries), with particular deficits on starting a business (187 out of 190) and on enforcing contracts (182). This suggests excessive red tape which creates rent-seeking opportunities (Transparency International Cambodia 2017).

Corruption challenges

Patronage systems and political violence

Corruption remains a significant challenge, largely due to the country's severe governance defects. Cambodia notably performs worse than other countries in the region on relevant governance and corruption indicators, including the CPI. According to Rahman (2016: 1), "corruption permeates every aspect of the Cambodian social fabric; the elite has monopolised procurement, land concessions and access to resources through the establishment of patron-client networks. A kleptocratic bureaucracy thrives on red tape, while the population is disillusioned with governance institutions". Transparency International Cambodia (2014: 7) has previously noted that "power is highly centralised within the intra-elite patronage network of the ruling CPP", leading to opaque decision-making structures and a legislature and judiciary that are not separated from the executive, despite constitutional guarantees.

Cambodia is often referred to as an "autocracy" or "authoritarian", with Prime Minister Hun Sen having been in power for almost 40 years, and it is common for the government to crack down on opposition figures, activists and journalists. Human rights violations are also frequently reported as part of the country's "war on drugs", including incarceration without trial and torture (Rahman 2016; Kuhl and Johnson 2019). According to Morgenbesser (2020:23), in past elections, the CPP used "low intimidation against opposition

activists and high vote buying in rural villages" to both ensure compliance from citizens while at the same time mimic electoral aspects of a democracy.

Politicisation of the bureaucracy and public sector corruption

Rahman (2016) identifies political corruption as a key challenge, with the CPP using its dominance to fill positions in government based on party allegiance. A politicised police and justice system are a particular concern as police officers and judicial officers are mainly picked on political grounds. As a result, abuse by law enforcement and the judiciary is said to be common, sham trials frequent, and impunity of elites ensured, while the judiciary assists the government in prosecuting cases against opposition figures (Freedom House 2020). According to the country's national integrity system assessment, the judiciary and law enforcement agencies were found to be the weakest institutions in government that suffered from politicisation and inadequate remuneration, hence increasing incentives for corruption and reducing the constraints in terms of conflicts of interest (TI Cambodia 2014).

According to the 2020 GCB, Cambodians were most likely in the region to have paid a bribe when trying to receive identity documents (40 per cent), when interacting with the courts (37 per cent), when accessing utilities (29 per cent), and when dealing with hospitals (24 per cent). Yet paradoxically, Cambodia is the only country in the region where a majority of GCB respondents (63 per cent) said corruption in government was either "no problem at all" or "fairly small". A majority of respondents in Cambodia (55 per cent) also said that they felt corruption had decreased in the past year (which is only topped by the Philippines), and 79 per cent of respondents said the government was handling corruption either very well or fairly well.

Challenges surrounding the surveyed citizens' trust in authoritarian regimes were discussed above and may be particularly relevant in Cambodia. The country is among the half of ASEAN countries that are considered overall "not free" by Freedom House (2020), with elections "neither free nor fair", political opposition parties largely "quashed", and media outlets attacked and intimidated. All of which may arguably have an

effect on citizens' level of (dis)comfort in voicing critical positions on the government.

At the same time, the country has experienced significant economic growth that has translated into greater per capita wealth, poverty reduction, shrinking inequality, and larger public spending on education and health (TI Cambodia 2017). And a genuinely improved individual socio-economic situation may positively affect citizens' opinions of their government, even as civil liberties are lacking.

Corruption in the business environment

A significant problem in Cambodia, according to Rahman (2016), is the fact that business leaders tend to "buy" government contracts and tax breaks as well as their way out of legal trouble. This is particularly pronounced in natural resource management, where "corruption in the procurement process and lax law enforcement is often a key enabling factor in land grabbing, illegal logging, and mining by private and state-owned enterprises, which strip the country of valuable assets" (Rahman 2016: 6).

TI Cambodia issued a Business Integrity Country Agenda (BICA) assessment report in 2017, according to which the legal framework regulating corruption, including private sector corruption, generally aligned with international standards. However, severe gaps were identified in the enforcement of relevant laws, including laws prohibiting bribery of public officials, laws prohibiting commercial bribery, as well as enforcement of public disclosure requirements of political contributions (TI Cambodia 2017).

Anti-corruption efforts

Legal framework

Cambodia's anti-corruption law came into force in 2011. It includes provisions to strengthen anti-corruption education, prevention and law enforcement and created relevant anti-corruption institutions, such as the National Council against Corruption (NCAC) and the Anti-Corruption Unit (ACU).

According to the country's latest National Integrity System assessment, Cambodia's legal framework was considered comparatively robust and comprehensive. However, implementation has been deemed lacking, and existing laws are not equally applied or effectively upheld, resulting in the inability to tackle widespread impunity (Rahman 2018 and TI Cambodia 2014).

The BICA (TI Cambodia 2017) further notes that the legal framework exhibits significant gaps in the areas of undue political influence, regulation of political contributions and conflicts of interest.

Anti-corruption agencies

As the main anti-corruption agency, the Anti-Corruption Unit (ACU) is tasked with implementing the law through education, awareness raising and other preventive measures. It is also tasked with supporting law enforcement. The NCAC serves as the ACU's board and provides guidance and recommendations on strategy. However, according to TI Cambodia, the ACU lacks independence, and reporting mechanisms and decision-making processes are opaque (TI Cambodia 2014 and 2016).

Additionally, according to the 2020 GCB results, 81 per cent of respondents in Cambodia said they had either never heard of their country's anti-corruption agency or heard the name but did not know what they do, which is the lowest level of awareness among the ASEAN countries covered. This is an area of concern as such high levels of unawareness of the ACU may reflect invisibility of the unit's work, and further lowers public confidence in anti-corruption work by the government – with 31 per cent of respondents saying the ACU was doing badly at fighting corruption in the country.

The country's BICA assessment further notes that, in corruption cases surrounding the private sector, the ACU has tended to push for internal resolutions rather than prosecuting cases. And since the ACU's establishment, only one high-level public official has been convicted in a bribery case as of 2017 (TI Cambodia 2017).

Whistleblower protection

While the overall legal framework is comprehensive, there are loopholes surrounding whistleblower protection, and no freedom of information law is in place, which prevents citizens from holding government to account (Rahman 2016 and TI Cambodia 2016).

While, according to TI Cambodia (2016), the importance of whistleblowers is recognised in the country's anti-corruption strategy, the law provides insufficient protections. Moreover, there are powerful deterrents to reporting incidences of corruption, including the criminalisation of making false denunciations (TI Cambodia 2017).

Reporting rates are thus low. According to the 2020 GCB, only 3 per cent of Cambodian respondents who had paid a bribe in the past said they had reported it. And in 2019, the ACU received only 621 complaints, which is low considering the country's overall corruption rates. According to TI Cambodia (2016), barriers to reporting include a fear of having no protection, a worry that reporting would have no impact and a lack of knowledge of reporting procedures.

This gap has been recognised and a new whistleblower protection law is reportedly being drafted. The process has been ongoing since 2014, and was reportedly near completion as of late 2017 (Library of Congress 2018). However, according to information provided by TI Cambodia, the law is currently at a parliamentary committee stage.

Improving the business environment

On the crucial challenge of corruption in the private sector, Cambodia has begun to implement reforms aimed at improving transparency and integrity in the business environment and improving the ease of doing business. These measures include the introduction of an online platform for business registrations and a single-window system for import, export and transit related licence requirements. According to Transparency International (2019b), the country is looking to build on and increase the use of electronic platforms for service provision to limit bureaucratic

red tape and discretion, which can both increase corruption risk.

An automated system for customs data had been implemented at 54 major customs branches, covering about 87 per cent of trade activity as of 2017, limiting personal interactions in customs with the hope of reducing the frequent informal payments that have been impeding private sector productivity (TI Cambodia 2017).

Indonesia

Worldwide Governance Indicators (World Bank)			CPI (TI)	GCB (TI)	Ease of doing Business (World Bank)	UNCAC	Freedom House
Control of Corruption (percentile rank, of 100)	Rule of Law (percentile rank, of 100)	Accountability (percentile rank, of 100)	Rank (of 198) / Score (of 100)	Bribery rate (% of citizens over past 12 months)	Rank (of 190) / Score (of 100)	Status	Score (of 100)
38.0 (2019)	42.3 (2019)	52.7 (2019)	85 / 40 (2019)	30% (2020)	73 / 69.6 (2020)	Ratified 2006	61 (partly free) (2020)

Background

Following the Suharto regime that had been in power from 1965 to 1998, Indonesia embarked on a "transition from authoritarian rule to one of the largest democracies in the world" (Merkle 2018: 2). However, with the legacy of authoritarianism, the country also inherited a system of rampant corruption, including patronage. For instance, Suharto was estimated to have embezzled up to US$35 billion during his time in power (Blank 2019).

Indonesia has undergone fundamental political reforms in the years since its political transition, including electoral reform and decentralisation. As a result, it has seen some significant improvements, including on the CPI, on the first edition of which, in 1995, Indonesia was ranked last. Nonetheless, corruption remains a challenge, and after several high-profile corruption cases shook the government of President Yudhoyono (2004-2014), his approval rates plummeted. Subsequently, Indonesia's current President Joko Widodo ran on a platform promising to curb corruption and won the country's 2014 elections (Merkle 2018). Yet political corruption remains rife.

The Bertelsmann Transformation Index (BTI) (2020a) notes that "rampant corruption and weak rule of law continue to sabotage the development of a modern economy". Even though the country's performance on corruption indicators such as the CPI and the World Bank's Control of Corruption score have been improving, the BTI (2020a) contends there has been an overall decline in the quality of democracy in Indonesia since 2017, with attacks on freedom of speech, suppression of social and religious minorities, and increasing repression against critics.

Corruption challenges

Although Indonesia ranks second among countries covered in this Helpdesk Answer on the CPI (after Malaysia), trust in institutions appears low. Indonesia had the most respondents that believed most or all parliamentarians (51 per cent), local government councillors (48 per cent), government officials (45 per cent) and judges and magistrates (24 per cent) were corrupt in the 2020 CGB. In addition, 92 per cent of respondents in Indonesia said corruption in government was "quite big" or a "very big problem", which is the highest percentage in the region, while 49 per cent of those surveyed said that it had increased in the last year.

Since the creation of the country's anti-corruption commission, a large number of parliamentarians and public officials have been arrested on corruption charges, including the speaker and deputy speaker of parliament, and the secretary general of the supreme court had to resign over corruption charges (BTI 2020a and Merkle 2018). This may explain why these persons or institutions are regarded as the most corrupt.

Conflicts of interest and political corruption

This challenge is exacerbated by shortcomings in the party and campaign financing system and an inadequate regulation of conflicts of interest, which leaves many politicians exposed to undue influence from interest groups and oligarchs (TI Indonesia 2017). There have been no significant attempts to enact specific regulations to regulate

conflicts of interest. Such regulation is vital to curb the growing problem where public officials occupy multiple positions. Not infrequently, officials are drawn from political parties that support the government to occupy positions in the bureaucracy and state-owned enterprises (TI Indonesia 2017). For instance, in August 2020, the Indonesian Civil Service Commission (KASN) noted that 490 civil servants were reported to be not neutral in the general election, and 372 of them were sanctioned for violating neutrality (Medcom 2020).

While parliamentarians are required to submit asset declarations to the anti-corruption commission, and Indonesia's asset declaration framework has been considered best practice for other countries in the region, compliance has been a challenge (Merkle 2018). Nonetheless, it was reported that declaration of assets of public officials in the first semester of 2020 reached 95.33 per cent. This number increased from the previous year, from 88.37 per cent, in the same period. Asset declaration compliance in parliament reached 92.16 per cent of the 20,298 mandatory reports (Harahap 2020).

Bureaucratic corruption

Bureaucratic corruption remains a challenge. In the 2020 GCB, 31 per cent of Indonesians reported having paid a bribe in the previous year to receive identity documents or permits (the second highest percentage in the region after Cambodia), 41 per cent reported having paid a bribe when dealing with police (the second highest percentage in the region after Thailand), and 22 per cent reported having paid a bribe when dealing with schools (the highest percentage in the region).

Indonesia's decentralisation process has also resulted in new corruption challenges. While decentralisation was often championed in the 1990s and 2000s as a means to reduce corruption, Merkle (2018) argues this is only the case when it is accompanied by adequate resources, accountability and transparency. The extent to which this was the case in Indonesia appears to vary significantly between different regions, with local government institutions in many parts of the country lacking accountability, and coordination between local and national structures considered inadequate.

An effective bureaucratic organisation through the merit system approach has been included in Indonesia's national anti-corruption plan. However, the problem of nepotism and kinship ties still exist, from downstream to upstream or starting from admissions and transfers to promotions. The non-neutral practice of buying, and civil servants selling, positions has become a common practice at all levels of personnel management. Furthermore, the data management of the civil servants' qualifications, competencies and performance has not been managed in an integrated manner (Kompas 2020).

Corruption in the business environment

High levels of bureaucratic corruption continue to affect the Indonesian business environment. According to the World Bank's 2015 Enterprise Survey, about a third of surveyed companies reported that they had experienced at least one bribe request in the past, and 45 per cent of firms said that gifts were required to get an import licence or construction permit. Overall, irregular payments or gifts were required in about 27 per cent of public transactions, while 33 per cent of firms said they were expected to give gifts to secure government contracts. However, this survey was conducted prior to some of the more recent reform measures, so it would need to be investigated further if these numbers have improved. KPK data shows that, between 2004 and 2019, there were 297 perpetrators of corruption in the private sector. Businesspeople were the largest group of perpetrators in that time span (KPK 2020).

A 2017 survey by TI Indonesia showed that many businesspeople in Indonesia were not interested in eradicating corruption. The survey of 1,200 businesspeople indicated that 58.7 per cent of entrepreneurs allowed corruption to occur. The number of businesspeople who did not consider corruption an important phenomenon is also concerning. As many as 61.5 per cent of businesspeople did not think corruption should be eradicated and 57.8 per cent said corruption was not a priority issue. In fact, businesspeople were considered very permissive to corrupt behaviour, with 53.9 per cent of them considering corruption to be a common way of doing business (TI Indonesia 2017).

Anti-corruption efforts

Anti-corruption framework

Indonesia's anti-corruption legal framework is built on several laws in the country's criminal code, including the anti-corruption law which came into force in 1999 (Eradication of Criminal Acts of Corruption) and was revised in 2001.

The country's latest UNCAC review in 2018 found some evidence of progress, including code of ethics implementation in the public sector, enhancing campaign financing transparency, increasing transparency and ethics requirements in the appointment of judges, and introducing one-stop shops for licensing and other public services. But it also identified some remaining shortcomings, for example, with regards to the management of complaints against public service representatives, gaps in implementing conflict of interest disclosure requirements, and a lack of capacity in relevant authorities, especially at the local and regional level, to implement and coordinate relevant measures (UNCOSP 2018).

There is no procurement law in Indonesia, although civil society organisations have proposed draft legislation since 2012. The lack of a unified public procurement law makes enforcing legislation difficult. The recent regulation is the presidential regulation (PR) 16/2018 that regulates the procurement unit's independence, electronic catalogues, electronic purchasing and other related issues. Another regulation, PR 16/2018 ensures the transparency of information in the public procurement process. However, the transparency clause in the regulation only applies to the tendering stage; there are no information transparency requirements after this phase (UNCOSP 2018).

Gaps have also been identified in whistleblower protection, notably a lack of clarity in defining the terms whistleblower, threat and protection, and for failing to include protections against retaliation or discrimination in the workplace (Merkle 2018).

A notable improvement includes the introduction of a new anti-corruption strategy in 2018, through regulation No.54/2018 concerning the national strategy of corruption eradication (Stranas PK)

(Merkle 2018: 10). It focuses on the priority areas of licensing and commerce, state finance, law enforcement and bureaucratic reform.

In recent years, Indonesia has ramped up enforcement action, and a significant number of prison sentences against public officials have been handed down, including some rather lengthy ones. For instance, the former speaker of parliament Novanto was sentenced to 15 years imprisonment in 2018, and Fuad Amin, a regent from Madura who had embezzled over US$42 million was sentenced to 13 years in 2017 (Blank 2019 and BTI 2020a).

The anti-corruption commission

The Komisi Pemberantasan Korupsi (KPK) was established in 2002 to investigate, charge and prosecute corruption and lead most of the country's anti-corruption efforts (Merkle 2018). The KPK was given investigative and prosecutorial powers, including the authority to wiretap communications, examine bank and tax records, freeze assets, arrest suspects and prosecute suspects in a designated anti-corruption court. This was done in recognition of the fact that previous anti-corruption entities had failed due to their dependence on the executive and the inability of the attorney general's office to effectively prosecute corruption cases (Bolongaita 2010; Merkle 2018; Transparency International 2017b).

Since its establishment, the KPK has arrested 1,125 on graft allegations, 136 of whom were regional heads. The KPK has also succeeded in saving more than Rp.65.7 trillion in state funds. The KPK also charged corporations as suspects. Until now, it has accused six corporations as perpetrators of criminal acts of corruption (KPK 2019).

The KPK is also one of the well-known ACAs in ASEAN, with 62 per cent of respondents in GCB 2020 indicating that they knew a fair amount or great deal about the ACA. Only Malaysia (63 per cent) had more respondents who indicated they knew either a great deal or a fair amount about their country's anti-corruption agency than in Indonesia. The KPK was doing fairly or very well in fighting corruption in the country, according to 67 per cent of respondents. In a study on different ACAs across Asia, that ranked agencies on

several indicators, including legal independence, human and financial resources, detection and public perception, the KPK came out top, with an average score of 80 out of 100 (TI Indonesia 2019a).

However there was a recent revision of the KPK law, passed by parliament in 2019, and that has been criticised for attempting to limit KPK's authority and independence (Buehler 2019 and Blank 2019). According to TI Indonesia (2019b), the law introduced a supervisory board that weakens KPK's investigation and prosecutorial powers, such as wiretapping permits, searches and confiscation of evidence. It also reduces investigators' independence as every KPK investigator will carry out their duties under the police's coordination and supervision. KPK commissioners are also not independent since they are appointed by the president, and obstacles can arise if the KPK handles cases involving, for example, power, officials or businesspeople from ruling groups (TI Indonesia 2019b).

Anti-corruption court

Indonesia established a specialised anti-corruption court, the Pengadilan Tindak Pidana Korupsi (TIPIKOR) in 2002 to ensure expertise and insulate corruption cases from a corrupt judicial system. The specialised court hears cases investigated and prosecuted by the KPK as well as corruption cases investigated by the public prosecution service (Bolongaita 2010 and Merkle 2018). The court has produced a number of high-profile convictions and was able to ensure speedier trials, with KPK cases tried in the TIPIKOR taking on average eight months (Bolongaita 2010). But some concerns have been raised regarding staffing challenges, mostly surrounding the qualification and integrity of the court's "ad hoc" judges (Merkle 2018).

Malaysia

Worldwide Governance Indicators (World Bank)			CPI (TI)	GCB (TI)	Ease of doing Business (World Bank)	UNCAC	Freedom House
Control of Corruption (percentile rank, of 100)	Rule of Law (percentile rank, of 100)	Accountability (percentile rank, of 100)	Rank (of 198) / Score (of 100)	Bribery rate (% of citizens over past 12 months)	Rank (of 190) / Score (of 100)	Status	Score (of 100)
62.5 (2019)	73.1 (2019)	43.3 (2019)	51 / 53 (2019)	13% (2020)	12 / 81.5 (2020)	Ratified 2008	52 (partly free) (2020)

Background

Since its independence, Malaysia had been ruled by different iterations of the National Front Party (Barisan Nasional, BN) under a constitutional monarchy. But in 2018, partly due to the fallout from the massive corruption scandal surrounding the country's sovereign wealth fund, 1 Malaysia Development Berhad (1MDB), BN Prime Minister Najib Razak lost the election. He was defeated by a former prime minister, Mahathir Mohamed, and his Alliance of Hope (Pakatan Harapan) coalition, who had already governed the country from 1981-2003, then as part of the BN (Varagur 2018 and Walden 2020).

This victory was considered remarkable, but the Pakatan Harapan coalition collapsed in February 2020 and Mahathir Mohamed had to resign. The king appointed Muhyiddin Yassin, a long-standing member of BN, as his successor, whose commitment to reforms has been questioned by critics (Walden 2020).

During the long-standing grip of the BN on power, the ruling party has controlled most mainstream media and is said to have "bought" the support of its constituents with free fertiliser, foodstuffs and other necessities, leading to BN in rural areas becoming synonymous with "government", according to Varagur (2018).

Economically, Malaysia is the third richest economy in the ASEAN region (after Singapore and Brunei) and has a diversified, open economy (UNODC 2018). Malaysia also generally scores among the top three countries in ASEAN on relevant corruption and governance indicators, and

is typically the best performer among the seven countries covered in this paper.

While Malaysia had seen a slight drop on the CPI in 2017 and 2018, likely due to 1MDB, it improved its score in 2019 to 53 points, its highest score since 2012.

But considering its better performance on composite indices such as the CPI and WGI, Malaysia's performance on the GCB is surprisingly mixed and not as markedly better than its neighbours as one might expect. For example, on trust in government in GCB 2020, where Malaysia reaches a 73 per cent, it comes in after Cambodia (78 per cent), the Philippines (82 per cent) and Myanmar (89 per cent). Similarly, on the question of how well government is doing in fighting corruption, 67 per cent of Malaysian citizens say it is doing very well or fairly well. While this is a significant improvement from 34 per cent in 2017, it is again below the approval ratings for the Philippines (85 per cent), Myanmar (93 per cent) and Cambodia (79 per cent).

Corruption challenges

Bureaucratic corruption and political interference

As in neighbouring countries, favouritism and political interference are key corruption challenges in the country, most notably in public procurement and in the appointment of public officials. Other challenges that have been identified are a lack of political will to implement announced anti-corruption measures and a lack of independence of relevant enforcement agencies, including law

enforcement and the anti-corruption agencies. (GIACC 2019 and Kapeli and Mohamed 2019).

State capture and the 1MDB scandal

Several recent corruption scandals have brought the issue of corruption to the forefront in Malaysia and internationally, most notably the 1MDB scandal surrounding the country's development fund. 1MDB, alongside other recent scandals, "have seen billions, even trillions, of ringgit[7] being syphoned off from the country" (GIACC 2019: 3).

1MDB was an investment fund, wholly owned by the Malaysian government through the Ministry of Finance. Several joint ventures and subsidiaries were registered abroad, which later made the tracing of illicit flows difficult. Fund misappropriation largely occurred through borrowing and bond issues, including the misappropriation of funds borrowed from the state's civil service pension fund. According to US prosecutors, over US$6.5 billion flowed from 1MDB "through a complex web of opaque transactions and fraudulent shell companies, to finance spending sprees by corrupt officials and their associates" (Jones 2020: 61). In addition to embezzlement, other crimes included money laundering, false declarations, bond mispricing and bribery by employees of Goldman Sachs to officials in 1MDB and the Malaysian government to underwrite bond issues for a very high fee (Jones 2020).

In the course of the 1MDB scandal, billions of US dollars were embezzled, with illicit money often laundered outside Malaysia (Jones 2020). The scandal quickly implicated the Malaysian prime minister at the time, Najib Razak, who was also chairman of the advisory board of 1MDB, as well as his wife, and Low Taek Jho, a Malaysian businessman, along with other bankers, businesspeople and government officials, from within Malaysia and abroad.

According to Jones (2020), once the scandal came to light, the Malaysian government went to substantial lengths to cover it up. This included the dismissal of several ministers, the attorney general and other public officials. The government also allegedly harassed and exerted undue influence over the Malaysian Anti-Corruption Commission (MACC), the National Audit Department and the attorney general to ensure these agencies would not be able to fulfil their supervisory functions. The dominance of the BN is relevant in this respect, as it allowed the party to put constraints on monitoring and enforcement agencies to protect its own interests. This positioning both facilitated the scandal and then made it harder to resolve (Jones 2020).

The close links between the government and private interests, as well as mismanagement and conflicts of interests, further facilitated the scandal and prevented its immediate resolution. With Najib being the prime minister as well as the chairman of the 1MDB advisory board and allegedly a beneficiary of the scheme, "there was no political will at the top to deal with the corruption in 1MDB. In fact, any minister in Najib's government who questioned the management of 1MDB was removed from office and eventually expelled from the United Malays National Organisation (UMNO), the dominant party in the then ruling Barisan Nasional coalition" (Jones 2020: 67).

Anti-corruption efforts

While Malaysia has traditionally been somewhat more successful at preventing corruption than other countries covered in this paper, according to Kapeli and Mohamed (2019), previous anti-corruption efforts were often insufficient or ineffective largely due to three factors: a lack of political will at the top; a lack of consideration of the root causes of the systemic nature of corruption, such as state capture, and a duplication of efforts, especially as new leaders often tended to demonstrate their anti-corruption bona fides by creating new measures instead of reforming existing ones.

But reforms have been undertaken in recent years, including a greater focus on private sector corruption, increasing transparency and integrity in procurement, including the launch of an electronic procurement system, and the establishment of dedicated integrity units across government departments and agencies (UNODC 2018b).

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[7] The Malaysian currency. US$1 is approximately 4.15 Malaysian ringgit.

Legal reform and enforcement

Malaysia's anti-corruption legal framework is largely built on the Malaysian Anti-Corruption Commission Act (MACC) of 2009 as well as the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act of 2001 (AMLATFAPUAA), and related government regulations, orders, circulars and instructions (UNODC 2018b). While the country's legal framework is considered adequate by GIACC (2019), enforcement is lacking due to a lack of capacity and resources in government agencies to monitor, inspect and audit.

Recent legal amendments introduced corporate liability of legal persons, and Prime Minister Mahathir Mohamed, in addressing the audience at Transparency International Malaysia's Anti-Corruption Summit in 2018, implied that further measures to protect citizens who report corruption would be undertaken through amendments to the 2010 Whistleblower Protection Act (UNODC 2018a).

In a highly anticipated case, former prime minister, Najib Razak, was found guilty earlier this year in the first of several corruption trials surrounding his involvement in the 1MDB case and was sentenced to 12 years in prison for abuse of power, and another 60 years on six counts of money laundering and breach of trust. The extent to which the new Malaysian government will uphold or interfere with the case, "will reveal a lot about Kuala Lumpur's seriousness in tackling corruption" (Salman 2020). But with Mahathir Mohamed's resignation and Yassin's assumption of power, some observers worry that Malaysia's reform period, including on judicial reform, press freedom and corruption, may prove to be short-lived (Walden 2020).

Malaysia has issued a series of national plans to foster integrity and fight corruption, starting with the National Integrity Plan of 2004 and the Government Transformation Programme of 2012 (Kapeli & Mohamed 2019). In 2019, on the back of the 1MDB scandal, several anti-corruption reforms were initiated by the new government under Prime Minister Mahathir Mohamed. These included the establishment of a National Centre for Governance, Integrity, and Anti-Corruption (GIACC) and the launch of the country's first integrated anti-corruption plan, the National Anti-Corruption Plan 2019-2023 (NACP). The plan was established as part of a multi-stakeholder process and focuses on four key areas: accountability and credibility of the judiciary; improvement of prosecution and law enforcement agencies; increased efficiency and responsiveness in public service delivery; and business integrity (GIACC 2019 and TI 2019). In cooperation with the UNDP, an online monitoring and evaluation tool was developed and launched to assess progress of the NACP, and new capacity building material was developed for GIACC to train civil servants (UNDP 2020a).

The Malaysian Anti-Corruption Commission

The Malaysian Anti-Corruption Commission (MACC) in its current form was established in 2009, building on earlier experiences with anti-corruption agencies in the country. Malaysia introduced a dedicated and unified anti-corruption agency for the first time in 1967. However, this first ACA had limited authority and independence and went through various rounds of reform and restructuring, until the creation of the MACC with both preventive and investigative powers (Kapeli & Mohamed 2019).

The MACC is the principal agency responsible for corruption prevention, including for education and awareness raising of public officials and the public. It also assists in investigations of corruption cases and supervises over 800 integrity units set up across departments, ministries, and government agencies responsible for the detection of violations and complaints management (UNODC 2018b).

While there are some legal provisions to safeguard the MACC's independence (UNODC 2018b), its independence was often not guaranteed in practice. According to GIACC (2019), political interference in MACC's work was one of the biggest hindrances to resolving the 1MDB scandal.

Myanmar

Worldwide Governance Indicators (World Bank)			CPI (TI)	GCB (TI)	Ease of doing Business (World Bank)	UNCAC	Freedom House
Control of Corruption (percentile rank, of 100)	Rule of Law (percentile rank, of 100)	Accountability (percentile rank, of 100)	Rank (of 198) / Score (of 100)	Bribery rate (% of citizens over past 12 months)	Rank (of 190) / Score (of 100)	Status	Score (of 100)
28.8 (2019)	13.0 (2019)	23.6 (2019)	130 / 29 (2019)	20% (2020)	165 / 46.8 (2020)	Ratified 2012	30 (not free) (2020)

Background

After almost 50 years of military rule, Myanmar embarked on a transition towards democracy following the dissolving of the military junta in 2011. During the junta's rule, Myanmar "was widely viewed as one of the most opaque and mismanaged countries in the world" (Chau 2020). But despite having stepped down from formal power, the military remains deeply entrenched in the country's political system, with a large number of parliamentary seats reserved for the military as well cabinet positions, control over the appointment of bureaucrats, and a veto power over constitutional amendments. The country's long-standing military rule has left it with severe governance challenges, including a weak rule of law, impunity of military actors and the influence of "military linked cronies" in several sectors (Bak 2019 and BTI 2020b).

Systemic challenges notwithstanding, recent years have seen some substantial reform, which has led to a gradual improvement of the country's CPI ranking, from a score of 15 in 2012 to 29 in 2019.

Despite these reforms, the BTI sees the country in democratic regression, noting increasing constraints on the press and civil society, the ethnic cleansing against the Rohingya and human rights violations in the conflict areas Kachin and Shan state, as well as an overall stagnation of the peace process (BTI 2020b).

The current government, despite coming into power as part of a hopeful wave of democratisation, is "exhibiting authoritarian governance practices", according to the BTI (2020b), and very few political players appear to be interested in building a truly liberal democracy, but rather in supporting "a powerful executive and limitations on rights".

Given this overall rather bleak picture, some of the 2020 GCB results from Myanmar seem striking. The country came first among all ASEAN countries covered on trust in government, with 89 per cent of respondents saying they had either a "great deal of trust" or a "fair amount" of trust. It also came first on how well the government was doing in tackling corruption, with 93 per cent of respondents saying the government was doing either fairly well or very well.

Corruption challenges

Military rule and lack of political integrity

The predominant role of the military over the country's politics has resulted in state capture by the military and a lack of civilian control over the armed forces (Bak 2019).

A particular governance challenge in Myanmar is the fragility of the state, with government control significantly diminished in the peripheries (Bak 2019 and BTI 2020b). In a phenomenon that has sometimes been labelled "ceasefire capitalism", the government has tended to enter deals with (former) insurgents (for example, through concessions to exploit natural resources or turning a blind eye to drug trafficking) in an attempt to gain control and integrate armed actors into the state apparatus (Bak 2019).

The country's anti-corruption law does not criminalise the offering of bribes, and regulations on corporate donations are inadequate, which has

resulted in the practice of businesses setting up foundations with the express purpose to fund the endeavours of lawmakers and public officials (Chau 2020). While such donations were reportedly more "out in the open" under military rule, with explicit donations in return for licences or permits, according to the Myanmar Centre for Responsible Business they still occur through thinly veiled "corporate social responsibility" budgets and donations (Chau 2020).

Bureaucratic corruption

According to Bak (2019), bureaucratic corruption is widespread, and this has been attributed to inadequate remuneration of public servants as well as a cumbersome bureaucratic process. Intriguingly, the average number of respondents in Myanmar that reported having paid a bribe in the last 12 months to access basic services dropped from 40 per cent in 2017 to 20 per cent in 2020.

Bureaucratic corruption affects the private sector through significant licensing requirements and severe inadequacies in the country's business environment due to policy shortcomings. These include a stifling bureaucracy, an uneven playing field for the private sector, an underdeveloped banking system, insecure private property regulations and land ownership, and "persistent structures of crony capitalism" (Bak 2019 and BTI 2020b).

However, according to BTI (2020b), some much-needed reforms have been introduced in recent years, such as the facilitation of foreign investment, measures to increase competition, improvements to ownership transparency, improvements to the banking system and the passage of the companies law. While some of these are still rudimentary, they are steps forward relative to the low baseline.

The courts and law enforcement

The judiciary is among the more corrupt institutions in the country. In the 2020 GCB, 27 per cent of respondents said that they had paid a bribe when dealing with judges or courts, and 22 per cent of respondents said they consider most or all judges or magistrates to be corrupt. According to Bak (2019), judicial corruption in Myanmar is a result of the use of brokers who negotiate

settlements for a fee, patronage networks within the judiciary, low pay for junior judges and political interference.

The police were ranked the most corrupt institution in Myanmar on the GCB, with 33 per cent of respondents saying most or all of the police were corrupt, and 28 per cent of those surveyed saying they had bribed in the past 12 months when dealing with the police. According to Bak (2019) there have been accusations of police involvement in drug trafficking, human trafficking, human rights abuses, rent-seeking and extortion. The police's close ties to the military regime make this a particularly complicated challenge.

Natural resource governance

A further area of particular concern in Myanmar is natural resource governance. According to Bak (2019), the sector lacks oversight and transparency, fails to distribute revenue equitably, and a significant majority of operators in the extractive industries have said they need to bribe to be able to operate. The dominance of powerful military linked companies further complicates matters, and despite some notable improvements, the regulatory framework and reporting quality remain inadequate.

On the Resource Governance Index of the Natural Resource Governance Institute (2017a), Myanmar ranked 83 out of 89 countries in 2017, classifying it as "failing". The country's gemstone sector was noted as doing particularly badly, ranked second to last globally. The NRGI (2017b) notes that, "The government has virtually no transparency requirements and discloses almost no information related to the licensing process, contracts or the identities of those with ultimate financial interests in the gemstone sector and trading companies". The country's state-owned enterprises in the sector, the Myanmar Gems Enterprise and the Myanmar Oil & Gas Enterprise, were rated equally badly, receiving scores of 16 (out of 100) (failing) and 35 (poor) respectively (NRGI 2017a). According to Global Witness (2017), revenues from the country's jade extraction and trade, in particular, are used to fuel the violent conflict in Kachin state.

Some improvements have been made since 2014, when Myanmar became a candidate to join the

EITI. These include a better coordination of regulatory tasks and responsibilities, an increased use of environmental impact assessments, a more structured evaluation of bids, capacity building and improved revenue reporting (Bak 2019).

Money laundering

In part due to the high prevalence of (armed) insurgency groups and their involvement in the shadow economy, illicit financial flows are high and the country's underground economy is estimated to be sizeable. This has detrimental effects on Myanmar's ability to collect revenue in taxes and poses significant money laundering risks (Bak 2019). Consequently, Myanmar was put under enhanced monitoring by the Financial Action Task Force (FATF), which remains in effect despite some progress through the issuance of a presidential anti-money laundering order in 2019 (FATF 2020).

Anti-corruption efforts

While the country's corruption related challenges are evidently substantial, the last few years have seen some important steps forward. These include the passing of Myanmar's first dedicated anti-corruption law in 2013. Most notably, amendments to the anti-corruption law in 2018 have strengthened the country's anti-corruption commission, given it more political support, and resulted in an uptick in enforcement action (Bak 2019 and BTI 2020b).

The Anti-Corruption Commission

A dedicated anti-corruption agency, the Anti-Corruption Commission (ACC), was established in 2014 and given more powers in years that followed. While initially it could only act on formal complaints, since 2018 it also has the authority to launch preliminary investigations based on tips or suspicions of unusual wealth. However, it has no jurisdiction over corruption in the armed forces (BTI 2020b and Chau 2020).

Critics caution that the ACC lacks independence, as five of its 15 members are appointed by the president, and another five each by the upper and lower houses of parliament. This gives rise to the concern that political appointments will affect the

agency's ability and willingness to investigate independently (Bak 2019).
However, according to BTI (2020b), under the presidency of Win Myint, personnel changes within the ACC in 2018 were meant to "give it more teeth" and the agency was explicitly encouraged to go after high-ranking public officials and report any attempts at interference.

The agency appears to have been able to act with some degree of independence since then, despite the limits to its institutional independence. Among others, it has initiated investigations in high-profile cases against the chief minister of the Tanintharyi region, Yangon's attorney general, the former director general of the ministry of health and sports, and several judges (Bak 2019 and BTI 2020b).

Following the ACC case brought against her, the Tanintharyi chief minister Daw Lei Lei Maw was sentenced to 30 years in prison in four separate graft cases in May 2020, making her the first chief minister to be charged and sentenced since the NLD government took over in 2016 (Xinhua 2020). Also arrested were the Yangon attorney general U Han Htoo, along with a district judge and other officials, after the ACC had brought a case against them for dropping murder charges in exchange for a bribe. The case appears to be ongoing (Mon 2018).

While a sizeable number of respondents in the 2020 GCB (70 per cent) did not know anything about the work of the ACC, 94 per cent of those who did said they thought the agency was doing either fairly or very well, which is the highest percentage in the region.

In 2019, Myanmar introduced additional corruption prevention units (CPU), across 22 government ministries. The civil servants working in these units have received training from the ACC (in cooperation with the UNDP) on relevant anti-corruption tools, including the use of risk-based approaches in countering corruption (UNDP 2020a). Also, in cooperation with the UNDP, the ACC has launched a series of sub-national multi-stakeholder discussion forums on corruption to raise awareness about the issue, which was considered a crucial first step considering the country's usually low accountability and citizen engagement (UNDP 2020a).

The Philippines

Worldwide Governance Indicators (World Bank)			CPI (TI)	GCB (TI)	Ease of doing Business (World Bank)	UNCAC	Freedom House
Control of Corruption (percentile rank, of 100)	Rule of Law (percentile rank, of 100)	Accountability (percentile rank, of 100)	Rank (of 198) / Score (of 100)	Bribery rate (% of citizens over past 12 months)	Rank (of 190) / Score (of 100)	Status	Score (of 100)
31.3 (2019)	34.1 (2019)	47.3 (2019)	113 / 34 (2019)	19% (2020)	95 / 62.8 (2020)	Ratified 2006	59 (partly free) (2020)

Background

The Philippines' history since independence has been characterised by a legacy of deeply entrenched patronage and clientelist systems, state capture by the ruling elite, and widespread corruption (Agator et al. 2013). The Bertelsmann Transformation Index considers the Philippines to be a "highly defective democracy", and in its 2020 report stated that "the democratic and economic transformation of the Philippines is severely hindered by the oligarchic structures of both the political and the economic system" (BTI 2020c).

In 2016, Rodrigo Duterte assumed the presidency under the promise of fighting crime. The Duterte regime has been described as exhibiting "strongman" and authoritarian characteristics (BTI 2020c). Thompson (2016:3) described Duterte's administration as having replaced a "liberal reformist" political order with an illiberal "law and order regime". Criticisms levied against Duterte include corruption, attacks on the media and critics, police violence, human rights abuses in the war on drugs, attacks against activists, extrajudicial killings, suppression of the opposition and faltering democratic institutions (Amnesty International 2020; BTI 20202c; Jensen and Hapal 2018; Mourdoukoutas 2020).

Despite considerable international criticism and a subpar performance on international indicators, the Philippines fares reasonably well on the GCB. In 2020, 64 per cent of respondents said that corruption had decreased in the past year – by far the largest percentage in the region. Additionally, 85 per cent of respondents said that the government was doing well in tackling corruption, which is also the highest percentage in the region.

And 82 per cent said they had a fair amount or great deal of trust in government. However, some observers point to the growing climate of fear in the country, which may have influenced respondents' willingness to answer survey questions honestly (Heydarian 2020).

Corruption challenges

Political corruption and patronage

The economic and political system in the Philippines suffers from high levels of state capture and patronage, having been described as "oligarchic" (BTI 2020c) and "neo-patrimonialistic" (Agator et al. 2013). This is partly due to a high concentration of power in the executive, which has led to the politicisation of the state budget and public service.

Throughout the Philippines' long history of (semi-) autocratic governments, corruption scandals at the highest level were commonplace, as were instances of embezzlement in public procurement and positions being filled based on favouritism rather than merit (Agator et al. 2013 and Malindog-Uy 2020). President Marcos allegedly embezzled between US$5-10 billion. President Estrada had to resign over accusations of corruption in 2001. And President Arroyo (2001-2010) was involved in several corruption scandals (Agator et al. 2013).

Bureaucratic corruption

Entrenched patronage, as well as cumbersome regulations and excessive red tape, result in high levels of bureaucratic corruption, affecting citizens and business alike (Agator et al. 2013; BTI 2020c; Malindog-Uy 2020).

Reported instances of bribes paid are largely in line with regional averages. According to the 2020 GCB, the total rate of bribery reported for public services stood at 19 per cent, compared to an ASEAN average of 23 per cent. In the World Bank's 2015 Enterprise survey, 17 per cent of firms said they experienced at least one bribery request, against an East Asia and Pacific average of 16 per cent. Firms experienced significantly higher instances of bribery when trying to receive construction permits (40 per cent). Bribes to receive government contracts were much lower at 20 per cent and have dropped significantly from 2009 (58 per cent) (Agator et al. 2013 and World Bank 2015).

Recently, entrenched corruption came to light in the Philippines' public health insurance company PhilHealth. Allegations include false and bloated medical claims, non-existent patients, fabricated crediting of premiums, overpayments and embezzlement of COVID-19 relief funds. In response, the president ordered an investigation led by a multi-agency task force including several ministries and the Presidential Anti-Corruption Commission (PACC). In a separate probe by the PACC, cases were brought against 36 PhilHealth officials (Malindog-Uy 2020 and Nonato et al. 2020).

Judicial corruption

A further consequence of high levels of patronage and concentration of power in the executive is an insufficiently independent judiciary. While the judiciary is formally independent, bribes and political interference have often influenced prosecution and sentencing, and political appointments to court positions are common (BTI 2020c). Underfunding, low salaries and protracted court cases further contribute to the problem (Agator et al. 2013 and BTI 2020c). According to GCB 2020, 22 per cent of respondents said they had paid bribe to a judge or court official in the previous 12 months.

Police brutality and corruption in the war on drugs

According to human rights organisations and academics, the Duterte government and its police force are responsible – under the guise of tackling the country's drug problem – for the killing and torture of thousands, largely poor victims without accountability (Amnesty International 2020; Jensen and Hapal 2018). This is exacerbated by the fact that the police, as well as the military and public officials, allegedly have significant ties to organised crime, including drug trafficking, which has led to a system of mutual protection and immunity (Agator et al. 2013). Two complaints regarding crimes against humanity and mass murder against Duterte were received by the International Criminal Court, which prompted the Philippines to withdraw from the court (AP 2020).

Despite this, trust in the police among citizens appears to be high. In the 2020 GCB, 85 per cent of respondents had either a great deal or fair amount of trust and confidence in the police, which is the highest number among ASEAN countries covered. Meanwhile, 18 per cent of respondents reported having paid a bribe to the police in the past year, which is below the ASEAN average of 29 per cent and a significant drop from 32 per cent in 2009 (Agator et al. 2013).

Anti-corruption efforts

Under President Benigno Aquino III (2010-2016), the Philippines embarked on several anti-corruption reforms. This included drafting freedom of information and whistleblower protection laws, strengthening the country's anti-money laundering legislation and establishing a good governance and anti-corruption plan. Several investigations and cases were also opened into high-ranking public officials over allegations of corruption (Agator et al. 2013).

However, since the Duterte presidency, the Philippines has seen a larger concentration of power around the executive (BTI 2020c). And while Duterte had likewise promised a focus on countering corruption, in practice his anti-corruption efforts appear largely politicised. While some high-profile public officials and cabinet members have been fired over corruption allegations, other suspects, including former president Macapagal-Arroyo, have been released (BTI 2020c).

Presidential Anti-Corruption Commission

The Presidential Anti-Corruption Commission (PACC) was founded by President Duterte in 2017

to investigate suspected cases of corruption in the public sector. However, as of yet there is very limited information available on its functioning or activities. The extent to which it will have a notable positive impact remains to be seen.

From the little that is known, concerns regarding the ACAs independence seem warranted; the PACC operates under the president, limiting its independence from the executive. This fact was demonstrated when Duterte fired the head of the PACC Manuelito Luna earlier this year and replaced him with Danilo Yang, apparently a long-time companion of Duterte (Kabiling 2020).

Anti-corruption court

The Philippine anti-corruption court (Sandiganbayan) is the oldest specialised anti-corruption court in the world, which started operations in 1979 (Stephenson 2016). The court has jurisdiction over any corruption case above a certain monetary threshold and if the accused has a certain level of seniority. The rationale for establishing the court was to increase efficiency and speed of corruption cases in an otherwise slow and ineffective justice system. However, this goal has largely not materialised, with the average time from case filing to disposition at about seven years and a current backlog of over 3,000 cases. Having a centralised court in Manila, where decisions would be taken by a panel of judges, was also hoped to insulate the court from the politicisation in the "regular" judiciary and from political interference (Stephenson 2016).

According to Stephenson (2016), despite some challenges, the court had an overall good reputation for independence and integrity. But it has been unsuccessful in holding high-ranking public officials to account. According to Bolongaita (2010) the highest-ranking officials convicted were two governors, but neither ended up serving time.

Unlike in the TIPIKOR in Indonesia, verdicts are not executed if a defendant appeals to the supreme court, and the accused is released on bail while awaiting appeal. With often protracted cases in the justice system, this can take a significant time, diluting the likelihood sanctioning. One study found that 86 per cent of Sandiganbayan defendants were out on bail (Bolongaita 2010).

Ombudsman

The Philippines introduced the office of an ombudsman in 1988 following the ousting of President Marcos and calls to tackle the country's massive corruption challenges. The ombudsman is empowered to receive and handle anti-corruption complaints, to investigate cases and to prosecute them in the Sandiganbayan.

According to Nonato (2020) corruption cases filed by the ombudsman had been growing steadily after around 2007, when only 93 cases were filed, up to a peak of 2,513 cases filed in 2017. But since Ombudsman Samuel Martires, a Duterte appointee, took over in 2018 cases have dropped sharply. And in 2019 only 198 cases were filed, which is the lowest number filed since 2007. This is particularly concerning as Martires had noted, upon taking over the position, that government officials should be protected from public scrutiny and the ombudsman should not appear to push for convictions (Nonato 2020).

For 2018, the last year for which an annual report was available, the office of the ombudsman reports that it achieved a conviction rate of 71 per cent, with 443 out of 627 cases brought in front of the Sandiganbayan resulting in convictions (Office of the Ombudsman 2018).

Thailand

Worldwide Governance Indicators (World Bank)			CPI (TI)	GCB (TI)	Ease of doing Business (World Bank)	UNCAC	Freedom House
Control of Corruption (percentile rank, of 100)	Rule of Law (percentile rank, of 100)	Accountability (percentile rank, of 100)	Rank (of 198) / Score (of 100)	Bribery rate (% of citizens over past 12 months)	Rank (of 190) / Score (of 100)	Status	Score (of 100)
39.4 (2019)	57.7 (2019)	24.1 (2019)	101 / 36 (2019)	24% (2020)	21 / 80.1 (2020)	Ratified 2011	32 (partly free) (2020)

Background

Thailand is classified as a constitutional monarchy, but has seen a military coup every seven years on average since the end of absolute monarchy in 1932. The latest coup occurred in 2014 following months of protests, after which a military junta (the National Council for Peace and Order, NCPO) took power. The coup had been justified in part with the need to bring about stability, stop further violence and weed out corruption. However, four years later, public perception appeared to have turned on the NCPO and corruption was as widespread as ever. Accusations against the regime included the misappropriation of funds, the weakening of political parties and civil society and a crackdown on civil liberties (Tanakasempipat & Thepgumpanat 2018).

Elections were held in 2019 and the NCPO was formally dissolved. But, according to Freedom House, the elections were "designed to prolong and legitimize the military's dominant role in Thailand's governance". And the resulting government was labelled only "nominally civilian" by Freedom House, with the former head of the NCPO, Prayuth Chan-o-cha, emerging as the new prime minister.

However, in 2020 protests returned, and in a first, open criticism has been mounting against the Thai monarchy, particularly against Prince Vajiralongkorn who has regularly been embroiled in scandals, and made headlines earlier this year for hiding out during the COVID-19 pandemic in a luxury hotel in the German Alps while his country plunged into an economic crisis (Ebbighausen 2020; Rojanaphruk 2020).

While Thailand has seen significant GDP growth in recent years (from 1 per cent in 2014 to 3.9 per cent in 2017), the country's poorer population, especially in the agriculture sector, has not benefitted from this growth (Tanakasempipat and Thepgumpanat 2018).

Corruption challenges

Thailand commonly ranks somewhere towards the middle on governance indicators, both globally and compared to its regional neighbours. However, political turmoil in recent years appears to have been a key factor behind the sharpest drop in the ASEAN region in terms of citizen perceptions of corruption and attitudes toward government actions as measured by the GCB.

In the 2017 GCB, only 14 per cent of Thai respondents stated that corruption had increased in the past year – the lowest value in the ASEAN region. In 2020, that number has jumped to 55 per cent – the highest number in the region. Correspondingly, the number of people believing that the government was doing well at countering corruption has plummeted from 72 per cent in 2017 to 26 per cent in 2020.

Governance challenges

Among surveyed ASEAN countries in the 2020 GCB, Thais had the lowest trust in their government, with 71 per cent of respondents saying they had no trust at all or not a lot of trust. They also showed the lowest trust in the courts (with 40 per cent indicating no or little trust), the police (with 59 per cent indicating no or little trust).

Thailand is also the only country among those covered where a majority of respondents (73 per cent) said government was doing badly in their measures to counter corruption.

Thailand also exhibited the overall most significant drop in results compared to the 2017 GCB (Transparency International 2017a). Considering the country's political trajectory over the last five years, this is not very surprising. According to BTI (2020e), following the 2014 coup, the country has seen a reduction in political participation, with Thai citizens being stuck between "the autocratic control of the NCPO" and a "near-absolutist monarchy". Additionally, BTI (2020) has criticised the fact that there had effectively been no separation of powers, that there was significant repression of dissent and cases of corruption against public officials were being brought exclusively for political reasons against members of the former regime, while suspicions against junta representatives and their affiliates were not investigated.

Patronage and bureaucratic corruption

While the junta government came to power on the promise to curb corruption, there are indications that corruption has actually increased since then. In particular, there have been reports of junta family members receiving high paying government jobs, as well as allegations of large kickbacks being paid to government officials in infrastructure projects, and some evidence of government representatives showcasing suspicious amounts of undisclosed wealth (BTI 2020e and Chachavalpongpun 2018).

While the NCPO had declared that it would investigate any public officials suspected of corruption, in practice cases have been heavily politicised. According to BTI (2020e), for example, several members of the junta-appointed national legislative assembly displayed unusual amounts of wealth, a fact that "no courts have dared to probe".

According to the OECD (2018a), around 80 per cent of civil servants in the country agreed that social patronage and clientelism were serious issues in the Thai public administration.

Corruption in the police force is a particular challenge. In the 2020 GCB, 37 per cent of Thai respondents said they thought most or all members of the police were corrupt, which is the highest value in the region. And 47 per cent said they had paid a bribe in the past 12 months when dealing with the police, which is the highest value in the region, far exceeding the regional average of 29 per cent.

Aside from interactions with the police, instances of bribes paid in Thailand were not significantly higher than elsewhere in the region in the 2020 GCB, with bribery rates to other institutions usually falling roughly in line with the regional average.

Fear of reporting and whistleblower protection

Reporting corruption also appears to be a particular challenge in Thailand. While some legal protections for witnesses exist, there is no dedicated whistleblower protection legislation. According to the OECD (2018a), existing protections are inadequate, as they lack a clear definition and understanding of what constitutes a witness or whistleblower, what is considered unfair treatment or what types of disclosures are covered. Whistleblowers may become witnesses in legal proceedings, which would grant them protection under the law, but this is not necessarily the case. Furthermore, protections against retaliation in the workplace, such as demotion or dismissal, are not covered.

Among the Thai respondents in the 2020 GCB that had paid a bribe in the past year, 10 per cent said they had reported it, which is slightly higher than the ASEAN average of 6 per cent. However, 59 per cent of respondents said that they would fear reprisals when reporting corruption, which is the second highest number after Indonesia.

Additionally, 52 per cent said that if they were to report a case of corruption it was either not at all likely or not very likely that adequate action would be taken in response. This is the highest number in the region, and Thailand is the only ASEAN country surveyed where more people thought it was unlikely that adequate action would be taken than thought it was likely.

Anti-corruption efforts

According to a 2018 OECD Integrity Review of Thailand, the country has a generally comprehensive and extensive legislative framework. Anti-corruption provisions are found in different laws, but most notably in the Organic Act on Counter Corruption of 1999, amended in 2015. The act criminalises relevant corrupt acts and establishes liability for legal persons in bribing public officials.

Thailand has established a national anti-corruption strategy, the latest phase of which was launched in 2016 to run from 2017 to 2021, with a focus on both prevention and law enforcement (OECD 2018).

Anti-corruption agencies

Thailand has two ACAs, the National Anti-Corruption Commission (NACC) and the Public Sector Anti-Corruption Commission (PACC). The NACC is a "constitutionally independent commission" (OECD 2018a:25), with a largely preventive mandate, plus an investigative mandate for high-ranking officials. It is also the lead agency on the national anti-corruption strategy and coordinates anti-corruption efforts across sectors. The PACC is a government agency under the prime minister and responsible for the investigation of lower ranking public officials (OECD 2018).

However, according to the OECD their work and mandates somewhat overlap, reducing their effectiveness. Improvements could be made to ensure "efficiency and impact in public ethics, knowledge management, standard setting, awareness raising, capacity building, monitoring and evaluation, asset declarations and corruption reporting" (OECD 2018a: 40).

There have also been accusations of politicisation at the NACC, with some critics arguing that the agency serves primarily to safeguard the interest of the regime (Chachavalpongpun 2018). The OECD (2018a) also points to government interference in the appointment of NACC leadership.

Overlap and the resulting inefficiencies can also be found in terms of investigation, with the NACC, PACC, and the National Administration Centre for Anti-Corruption all playing a role (OECD 2018a).

In 2012, Thailand established anti-corruption operation centres (ACOCs) across various line ministries and government institutions. Thirty-five centres have so far been established and are expected to be rolled out "across all public institutions and state enterprises at national and provincial levels" (OECD 2018a: 43). ACOCs could prove promising, according to the OECD (2018a), in decentralising corruption prevention across institutions and in providing guidance, capacity building, and monitoring and evaluation. However, their role appears to still be emerging.

Public procurement

Through an amendment to the country's government procurement act, Thailand has recently mandated contract disclosure under the Construction Sector Transparency Initiative (CoST) for infrastructure projects above a certain threshold, which was previously voluntary. Through greater transparency and accountability, Thailand was able to reduce its procurement cost by around 20 per cent (equivalent of saving around US$360 million) since the start of the CoST programme (CoST Thailand 2019 and UNDP 2020a).

Vietnam

Worldwide Governance Indicators (World Bank)			CPI (TI)	GCB (TI)	Ease of doing Business (World Bank)	UNCAC	Freedom House
Control of Corruption (percentile rank, of 100)	Rule of Law (percentile rank, of 100)	Accountability (percentile rank, of 100)	Rank (of 198) / Score (of 100)	Bribery rate (% of citizens over past 12 months)	Rank (of 190) / Score (of 100)	Status	Score (of 100)
34.1 (2019)	53.4 (2019)	11.8 (2019)	96 / 37 (2019)	15% (2020)	70 / 69.8 (2020)	Ratified 2009	20 (not free) (2020)

Background

Vietnam has been governed by the Communist Party of Vietnam (CPV) since the unification of North and South Vietnam resulted in the formation of the Socialist Republic of Vietnam in 1976.

Starting in the 1980s, the CPV began moving Vietnam from a socialist "command" economy to a market economy (Martini 2012). The Bertelsmann Foundation (BTI 2020d) points out that "Vietnam remains an authoritarian state ruled by a single party, the Communist Party of Vietnam, that is however increasingly integrating into the international community and world economy".

In recent years, the importance citizens attributed to corruption has increased significantly, while the rates of reported bribes paid have gone down (Towards Transparency 2019). In a national survey by Towards Transparency (2019), the national contact of Transparency International, 49 per cent of respondents considered government efforts to be effective, which is more than double the amount that thought so in 2016. This largely aligns with the 46 per cent of Vietnamese respondents in the 2020 GCB who said the government was doing very well or fairly well at curbing corruption. The country has also begun improving on the CPI, moving from a score of 31 in 2015, to 37 in 2019.

Nonetheless, a survey by Towards Transparency (2019) showed that 73 per cent of Vietnamese citizens also said that corruption in the public sector was either a problem or a serious problem. Moreover, the human rights situation in the country remains challenging and according to some expert assessments, the situation is deteriorating in terms of freedom of speech and women's rights (BTI 2020d).

Corruption challenges

While Vietnam formally has a separation of powers between the three government branches of executive, legislative and judiciary, in practice most power derives from and goes back to the CPV (BTI 2020d). According to the Bertelsmann Foundation, political power in the country rests on four pillars: the CPV General secretary, the state president, the prime minister, and the chair of the national assembly. Party committees are present at all levels of government and across all branches.

This predominant position of the CPV, which overrides checks and balances and institution building, has facilitated high levels of state capture, as well as corruption (including nepotism and favouritism) across the bureaucracy.

Political corruption and oligarchy

Vietnam's economy, just as its political system, is characterised by the socialist nature of the state and has been characterised as a "market economy with socialist orientation" (Zúñiga 2019: 7). The political dominance of the CPV also translates into strong control over the economy. This includes "networks of mass organisations and trade unions" as well as ensuring protection and privileges for state-owned enterprises (SOEs) and other economic organisations associated with the CPV (Zúñiga 2019). These networks connecting the national level to the local level, as well as the tight politics-business nexus, "has generated the

personal enrichment of party officials, their families and friends" (Zúñiga 2019: 7).

Since 2007, there have been some attempts to open up the economy and reduce the number of SOEs. To an extent, this is visible in Vietnam's improved performance on the World Bank's Ease of Doing Business Index and the World Economic Forum's Global Competitiveness Index (WEF 2019 and World Bank 2020a).

Nevertheless, 54 per cent of respondents in a national survey by Towards Transparency (2019) said that large private companies and special interest groups often or always had influence over government decisions and policy. According to Towards Transparency (2019:17), this reflects "widespread concern and discussions in the media about the negative impacts of special interest groups on the socio-economic developments of Vietnam".

Bureaucratic corruption

While bribery is still considered a significant challenge by most Vietnamese citizens, the rates of reported bribery instances have gone down notably in recent years.

In the 2020 GCB, Vietnamese respondents reported the lowest rates of bribes paid for access to utilities, identity documents and dealing with the police among the ASEAN countries covered, with only 4 per cent, 7 per cent and 11 per cent of respondents respectively saying they had paid a bribe in the past year.

In the national survey by Towards Transparency (2019), the traffic police was considered to be the most corrupt institution (by 30 per cent of respondents), and also the institution in which most corrupt actions were recorded. The police in general came in second (20 per cent), but saw a significant drop from 2013, when 72 per cent had considered the police corrupt[8] (Towards Transparency 2019).

However, while bribery rates are going down, nepotism and favouritism in the bureaucracy remain a challenge. While a merit-based system for civil service appointments is in place, in

practice appointments based on party allegiance are common (BTI 2020d).

Sextortion

When asked about sexual extortion (or sextortion), 78 per cent considered it to be a problem or a serious problem, and only 3 per cent said it was not a problem at all (Towards Transparency 2019). According to Towards Transparency (2019), these results are not surprising as sextortion has been debated widely in the country, both in policy making forums as well as in the media. However, only 3 per cent of respondents said that they had had any personal experience with sextortion or knew someone that had. Despite this, Towards Transparency notes that sextortion can be associated with feelings of shame and victim blaming as well as difficulties identifying it, which could make it prone to underreporting.

Freedom of speech and reporting corruption

While reporting rates in the 2020 GCB were low across the region, they were particularly low in Vietnam, where not even one person among those surveyed had reported a bribe they had paid. When Towards Transparency (2019) asked Vietnamese why they did not report, the most common reasons given were fear of consequences (49 per cent), the perception that reporting would not make a difference (49 per cent), and people not knowing how to report (32 per cent). These findings from Towards Transparency could explain why GCB respondents were hesitant to report bribery.

The fear of reporting instances of corruption may be linked to the country's limited freedom of speech. Vietnam fares worst among all ASEAN countries on the 2020 RSF Press Freedom Index, ranking 175 out of 180 countries and regions ranked. RSF notes that traditional media in Vietnam "all follow the Communist Party's orders", making bloggers and independent journalists the only sources of independent information. These, however, are increasingly subject to government

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[8] However, it should be noted that 2019 appears to be the first year in which the traffic police was enquired about

separately. So the drop in rates for the police may largely be a matter of separation into two categories.

oppression, including through incarceration and violence from plainclothes police officers.

Anti-corruption efforts

Starting in 2016, Vietnam, under General Secretary Nguyen Phu Trong, embarked on a concerted anti-corruption campaign. This included "numerous prosecutions of high-ranking officials and senior executives at major state-owned enterprises and private companies" as well as reforms to the legal framework (Transparency International 2019: 20).

Legal reform and enforcement

The country's anti-corruption law of 2005 was amended in 2018, introducing, for the first time, measures on private sector corruption. Legal changes included provisions on conflicts of interest in SOEs, regulations limiting the revolving door phenomenon of outgoing public officials and encouraging the establishment of codes of conduct and internal controls (Towards Transparency 2019 and UNDP 2020a).

While the 2005 anti-corruption law included some provisions on whistleblowing, they were deemed insufficient due to a lack of legal protection and a high burden of proof (Martini 2012). A new law on denunciation, passed in 2019, aimed to rectify this by providing legal protection for whistleblowers and their families (Towards Transparency 2019). The law on access to information was established in 2016, and it regulates citizens' request to information from state agencies.

The government has also ramped up its enforcement activities, with 427 cases investigated and 200 prosecuted in 2018. For the first time in Vietnamese politics, arrests have included high-ranking public officials, including members of the politburo, ministers and generals (Towards Transparency 2019). According to the Bertelsmann Foundation, 4,300 public officials and party members were disciplined, expelled from the party or arrested/sentenced between 2017 and 2018. This included a member of the politburo, two members of the CPV central committee, several former ministers and heads of local government (BTI 2020d).

Administrative reforms and improvements in the business environment

Several administrative and institutional reforms have been implemented to improve the business climate and increase transparency in public service provision. These include the passing of the enterprise law in 2000, the land law in 2013, and the investment law in 2014, as well as a simplification of company establishment procedures, reducing permit requirements, introducing one-stop-shops and e-government processes (Martini 2012 and PCI 2019). However, survey results from Viet Nam Provincial Governance and Public Administration Performance Index (PAPI) in 2019 suggested that efforts to streamline procedures had less impact on citizens than businesses. It was pointed out that "a deeper look within the PAPI findings reveals the lack of improvement may partly be due to the spotty rollout of e-governance reforms designed to streamline procedures for citizens" (CECODES, VFF-CRT, RTA & UNDP 2020).

The Vietnam Provincial Competitiveness Index, a business survey assessing the quality of governance across the country's provinces, has found continuous improvements in the Vietnamese business environment starting in 2005. Processing times to register a business dropped from 20 days in 2006 to 5 days in 2019, and waiting times to receive land use rights certificates dropped from 121 days to 30 in the same time period (PCI 2019). The percentage of business representatives saying bribery was common to influence court decisions or legal proceedings dropped from 31.6 per cent in 2017 to 21.6 per cent in 2019. However, 54.1 per cent of respondents "affirmed the existence of corruption when having procedures settled", 41.3 per cent said they had to pay commission to win procurement contracts, 53.6 per cent said they had paid informal charges, and 42.5 per cent said they had to bribe during customs procedures. But while high, all these numbers have dropped in the last few years (PCI 2019: 24).

Anti-corruption agencies

Vietnam has a variety of anti-corruption organs, including the Central Steering Committee for Anti-corruption (CSCAC), the Central Inspection

Commission of the Communist Party of Vietnam (CIC), and the Central Committee for Internal Affairs (CIA). The CSCAC was established by the 2005 anti-corruption law to coordinate and oversee the government's anti-corruption efforts (Martini 2012). The current head of the CSCAC, Nguyen Phu Trong, is also the CPV general secretary and state president, giving the agency little to no independence (BTI 2020d).

None of these agencies are traditional ACAs and rather form part of the party structure. This may explain the low awareness numbers among citizens of these bodies. The CIA was known only by 14 per cent of respondents in the survey conducted by Towards Transparency (2019: 20), the CIC by 20 per cent, and the CSCAC by 25 per cent, making them the least known anti-corruption agencies in the country.

Similarly, in the 2020 GCB, 35 per cent of Vietnamese citizens said they had never heard of their country's ACA, and only 31 per cent said they knew either a great deal or fair amount. Nevertheless, of those who knew about the ACA, about 58 per cent said it was doing fairly or very well at countering corruption in the country.

Conclusion

Political and bureaucratic corruption

Political corruption remains a huge challenge across ASEAN, with huge scandals such as 1MDB having shed light on the close ties between private interests and executive power, and affected citizens' trust in government. Other countries have experienced increasing cases of politically-motivated attacks on the media, police violence, human rights abuses in the war on drugs, attacks against activists, suppression of the opposition and faltering democratic institutions.

High levels of politicisation and the ongoing legacy of authoritarian forms of government in the region have resulted in a politicised public sector and high bureaucratic corruption, especially in the form of nepotism and favouritism. Across the region, appointments in the public sector are often not based on merit but political or familial connections. This, together with red tape, inefficiencies and a lack of regulatory clarity, has significant negative effects on citizens and the business environment.

In the recent past, corruption was often cited as an impediment for doing business. In some countries in the region, there have been improvements in the business environment, partly driven by the region's substantial economic growth. This has generated increased investment and integration with international markets, leading to reforms across the region to simplify regulations and streamline procedures.

Improvements can also be seen in citizens' experience of bribery when dealing with the public sector, for example, in accessing public services. Across the countries discussed in this paper, with the exception of Thailand, citizens' reported rates of paying bribes to access goods and services have declined in the latest iteration of the GCB, in some cases quite dramatically.

Simultaneously, trust in institutions and government has improved significantly across the region, again with the exception of Thailand.

Law enforcement on corruption cases

Across the ASEAN region, legal frameworks are often reasonably adequate to tackle corruption related challenges, and many countries have seen relevant amendments in recent years intended to close legal gaps. However, implementation is often lacking.

This is partly due to a lack of resources and capacity on the part of enforcement agencies, but often it is also due to high levels of state capture and political interference in the justice system that prevent the equal application of the law, as well as insufficient independence of the judiciary.

Some countries in the region have ramped up their enforcement activity in recent years and have begun investigating and charging individuals that would have been considered untouchable not too long ago. But even so, overly strong executives, one-party dominance and state capture by private interests or oligarchic structures all hamper effective law enforcement and, in some countries including the Philippines and Thailand, concerns have been raised that corruption cases are often brought for political reasons rather than on their merit.

The role of anti-corruption agencies

All countries across the region have established dedicated anti-corruption agencies, with the potential exception of Vietnam, whose main anti-corruption committee may not qualify. ACAs are not a panacea in countering corruption and have often failed to have notable impact. However, this is often down to a lack of organisational and operational independence, a lack of resources, and inadequate mandates and authority.

This can also be seen in the ASEAN region, where, almost all ACAs suffer from a lack of independence and have experienced undue influence and political obstruction. An extreme example is the recently created Presidential Anti-Corruption Commission in the Philippines, which appears to suffer from a great deal of political interference.

ACAs in the region are also often relatively unknown by large parts of the population. This may be due to their investigations of often low

profile cases and unwillingness or inability to go after high-profile cases. It remains to be seen whether the recent empowerment of some ACAs, such as the ACC in Myanmar and MACC in Malaysia, will have an effect on those perceptions.

Despite existing constraints, some ACAs, such as the ACC in Myanmar, have met with increasing success in recent years, even under sub-optimal conditions. It is particularly worrying that recent legal amendments in Indonesia appear to be designed to curtail the KPKs independence, despite its relative success in countering corruption. While the impact of these reforms is as of yet hard to assess, developments should be watched very carefully.

Reporting corruption and protecting whistleblowers

Across the region, very few people who paid bribes report them to the responsible authority, which is sometimes due to a lack of awareness of where or what to report, but often also due to fear of retaliation. As such, there is a general need to strengthen reporting channels, both by creating greater awareness of reporting opportunities as well as through the introduction of strong whistleblower legislation that protects reporting individuals from retaliation.

Some countries in the region, such as Thailand and the Philippines, have seen a backsliding into authoritarian forms of government in recent years, while others, such as Cambodia, Malaysia, Myanmar and Vietnam, had never fully democratised. To varying degrees, intimidation, politicised trials and attacks against political opponents and critical journalists are prevalent across the region, which would surely affect a citizen's comfort in reporting on a public official for bribery. Another factor that may explain low reporting rates is the fact that a majority of respondents in the 2020 GCB indicated having paid bribes on their own initiative without being prompted.

Lastly, overall low enforcement rates of anti-corruption laws may also have a negative effect on reporting rates as citizens are more likely to think that no appropriate action would be taken as the result of a report. To that end, increased

enforcement action against higher level public officials in recent years, including in Indonesia, Myanmar and Vietnam, may contribute to rectifying this.

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