**Forum:** General Assembly 3

**Issue:** Developing policies to address the impact of corruption on global development and promote transparency and accountability in South East Asia

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**Introduction**

In a newfound era of rapidly developing globalization and increased interconnectedness, the theme for this conference, “Coexisting Peacefully in a Polarized World” holds incredible significance. It is my hope that through fruitful debate, delegates can come together to bridge divides and surmount economic, political, and social differences ingrained within society

The General Assembly is one of the six principal organs of the United Nations, in which it fulfills the indispensable role as the United Nation’s chief representative policymaking organ that provides a unique opportunity for delegates to discuss the widest spectrum of issues. In General Assembly 3, delegates will be tasked with the issues of transparency and accountability amidst corruption - an issue that is prevalent within all nations.

The first issue in this conference is “developing policies to address the impact of corruption on global development and promote transparency and accountability in South East Asia.” The issue of corruption within South East Asian is one that dates back to centuries, the result of intertwined structural vulnerabilities within bureaucracy. Corruption serves as an obstacle to global development as it impedes multinational projects due to issues such as but not limited to the misallocation of funds. Thus, it is of profound importance that delegates come together to procure innovative and multifaceted solutions for the concerted development of the entire Southeast Asian region.

**Definition of Key Terms**

**Corruption**

Corruption is defined as the exploitation of entrusted power by authorities for private gain. It can take from several ways, such as the demanding of money/favors in exchange for services, the misuse of public money in exchange for contracts, or receiving bribes for personal deals. Though this topic focuses mainly on bureaucratic corruption, or corruption within a government, corruption can be prevalent anywhere. Corruption can take several forms, ranging from petty corruption, meaning the exchange of a small sum of money, to grand corruption, including high-ranking officials in large scale projects.

**Transparency**

 Transparency, in this paper, is defined as being open and honest on the inner-workings of the government/corporation, such as the allocation of resources. Transparency is often seen as one of the main pillars of democracy, as it can hold governments accountable and empower citizens to voice their opinions.

**Accountability**

Accountability is defined as accepting the responsibility of being ethical and transparent in the given role. There are several means in which an entity can be held accountable. In terms of the government, there should be legislation and infrastructure in place to ensure a series of “checks and balances” for those with entrusted power. For example, the division of roles into separate, independent branches is one way in which they prevent abuse of power and ensure accountability.

**Foreign Direct Investments (FDI)**

Foreign Direct Investment (FDI) is defined as a cross-border investment in which a foreign corporation in one economy invests a significant amount of capital (over a certain threshold) into another country. FDIs are seen as a major catalyst in global development, as it increases capital flow and enables national and global advancement.

**Background**

 The issue of corruption has plagued Southeast Asia for decades. Although corruption is universal, there have been particular glaring cases in Southeast Asia that called for and continue to call for extensive reform in regards to policies that address the impact of such corruption. To better understand this complex and multifaceted issue, it is important that we establish the history of corruption and anti-corruption policies, and then move on to the contemporary issue at hand.

**Historical Analysis of Corruption in Southeast Asia**

 Bureaucratic corruption in Southeast Asia has been a pervasive issue for centuries - considered an “one of the most serious and embarrassing obstacles” to global development. Despite the lack of significant research on Southeast Asian corruption before the 2000s, countless cases of corruption in all ASEAN countries compelled ASEAN governments, some in cooperation with the United Nations, to begin implementing anti-corruption strategies.

 ***The History of Corruption in Southeast Asia***

Many ASEAN countries began to record cases of corruption under colonial rule, as civil servants from the colonial administration were easily manipulated by offers from local contractors. As corruption seeped into the daily lives of the civil servants, it became “a way of life for many people,” a deep rooted issue that permeated the entire institution. To illustrate, in the Philippines during the 1950s, “corruption permeated the entire gamut of the Philippine bureaucracy, extending from the lowest level of the civil service to the top.” However, regardless of colonial rule, political and administrative corruption has proved a major problem in development for every Southeast Asian country. The crux of bureaucratic corruption in all nations tended to lead to the inadequate salaries and working conditions of civil servants, compelling some to resort to corruption to survive. In Singapore during the Japanese occupation, in the Philippines under Spanish occupation, and Indonesia under President Sukarno, the meager salaries amidst raging inflation correlated directly with the rise in corruption.

***The History of Anti-Corruption Policies in Southeast Asia***

The historical attempts to combat corruption are generally twofold: through legislative measures and an agency created to enforce such laws. This report will elaborate on the approaches of two countries - Singapore and Indonesia.

In 1952, the Singaporean government created the Corrupt Practices Investigation Bureau (CPIB) which was supported by the Prevention of Corruption Act (POCA) in 1960. These two policies had a dependent relationship, with one supporting the other - the CPIB implementing the legislation within POCA. The CPIB, a separate and autonomous entity apart from the Singaporean police, with the power provided by the POCA was able to successfully combat corruption within the government - largely responsible for the relatively low levels of bureaucratic corruption today.

In Indonesia, the first attempts to address bureaucratic corruption arose in 1955. Until 1964, the first two attempts failed, as President Suharto stopped investigations. The first complete attempt was in 1968, in the creation of the Corruption Eradication Team under the Attorney General’s office. However, this attempt was largely ineffective as it was under an initially corrupt institution. Indeed, several powerful authorities within the regime blocked the team’s efforts, creating a cycle where corruption was being shielded by the powerful.

**Major Issues Faced Today**

 Unsurprisingly, the issue of corruption is still widely relevant today. However, as the economy becomes globalized, corruption is increasingly becoming a major obstacle in global development. To take a holistic approach on this issue, the report will first provide context on global development in Southeast Asia, and then elaborate on contemporary case studies that illustrate the impact of corruption.

 ***Global Development in Southeast Asia***

Southeast Asia is one of the most economically dynamic regions in the world, being a great power within global growth. According to the Organization for Economic Cooperation and Development, ASEAN is one of the world’s largest economies with a total combined GDP of USD 3.1 trillion in 2019, projected to be fourth by 2030. Southeast Asia attracts almost one-fifth of global inflows of foreign direct investment annually, making it a prime player in global development. The emerging market economies in Southeast Asia have prompted a significant increase in foreign investments.

***Corruption within ASEAN Countries***

In 2019, three out of ten ASEAN countries scored above 50 on the Corruption Perceptions Index (CPI) - Singapore, Brunei, and Malaysia (0 indicating the most corrupt). Furthermore, the World Bank’s Worldwide Governance Indicators revealed that only one out of 10 ASEAN member governments received a positive accountability score. Through several surveys conducted by Transparency International, it is revealed that corruption widely ranges per country, on average,

***The Impact of Corruption on the Global Development***

 The ASEAN region holds great potential in economic growth, and thus has received an influx in foreign direct investments - making governments even more susceptible to corruption. Multinational companies seeking to invest in the ASEAN region have been shown to be a large factor in corruption, as they may be inclined to resort to illicit behavior to maximize their profits. According to the UNDP, “such corruption in business and poor governance remain major obstacles to doing business in ASEAN and discourage foreign investors.” Recently, there have been a multitude of high profile cases where foreign businesses attempted to bribe public officials for their favor. According to Transparency international - in 2017, Danish company Consia Consultants APS reportedly bribed government officials of Indonesia and Vietnam; in 2018, Australian company Jacobs Group conspired to bribe public officials in the Philippines and Vietnam to win procurement contracts; and, in 2019, Swedish telecommunications company Ericsson paid over US$1 billion in fines for bribery of government officials to receive contracts, including the Indonesian government.

**Major Parties Involved**

**Cambodia**

Among the poorest in the region, Cambodia struggles with rampant corruption, most especially in the business sector. It said that corruption within Cambodia “permeates every aspect of Cambodian social fabric,” as the power is highly concentrated in the upper echelons. Thus, business corporations within Cambodia are able to “buy” their way out of legal accountability. According to Transparency International, “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.” The primary issue that must be addressed is the lack of accountability within the government (due to the lack of separation of powers). Although Cambodia has created several anti-corruption legislation, issues regarding its legal enforcement render it largely ineffective.

**Indonesia**

Indonesia has made significant strides towards addressing corruption due to fundamental changes within its political structure, which allowed for the decentralization of power. Indonesia’s anti-corruption efforts are noted to be one of the most effective within the region, such as the Komisi Pemberantasan Korupsi (KPK), an anti-corruption commission, and the Pengadilan Tindak Pidana Korupsi (TIPIKOR), an anti-corruption court. However, there remains a high level of mistrust towards the government due to recent high-profile corruption cases, such as the exposure of President Yudhoyono which shook national elections.

**Malaysia**

Malaysia scores among the top three countries within the region, with an increasing focus towards specifically addressing corruption within the private sector. However, there still remain obstacles within the upper levels of the government that prevent the nation from fully overcoming this deep-rooted issue. The recent 1MDB scandal, which were a series of scandals that exposed the embezzlement of billions of USD, have brought light towards Malaysia’s corruption.

**Association of Southeast Asian Nations (ASEAN)**

 The Association of Southeast Asian Nations (ASEAN) is a political and economic union consisting of 11 member nations: Brunei, Burma (Myanmar), Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The aim of ASEAN is to collaborate to aid economic growth, social development, and cultural progress within Southeast Asia.

**Transparency International**

 Transparency International is an organization aimed to address corruption. According to Transparency International’s website, it is a “global movement [that] works in over 100 countries to end the injustice of corruption by promoting transparency, accountability and integrity.”

**World Bank**

 For the past 20 years, the World Bank has been working with countries to mitigate the effects of corruption. The World Bank works at all levels to “help build capable, transparent, and accountable institutions and design and implement anti corruption programs relying on the latest discourse and innovations.” The World Bank is known to hold companies/firms accountable to corruption, sanctioning more than 1,000 entities up to date.

**Organization for Economic Cooperation and Development (OECD)**

 The OECD has been highly involved in combating corruption. The OECD mostly does this through setting global standards and providing the tools for their implementation. Furthermore, they collect data and conduct analysis, publishing several extensive reports on Southeast Asia’s corruption.

**Timeline of Key Events**

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| Date | Description of event |
| 2003 | United Nations Convention Against Corruption (UNCAC) is established. The UNCAC is the only legally binding international anti-corruption multilateral treaty. This treaty has been signed by 185 countries. |
| 2001-Ongoing: | A series of global corruption scandals |
| 2001 | Indonesia - Bank Bali Scandal |
| 2004 | Thailand - Shin Corp Scandal |
| 2004-Ongoing: | A series of anti-corruption acts by several South East Asian countries |
| 2004 | Malaysia - Formation of Anti-Corruption Commission (MACC) |
| 2006 | Philippines - Anti-Graft and Corruption Practices Act |
| 2012 | Thailand - National Anti-Corruption Commission (NACC) Act |
| 2014 | Myanmar - Formation of Anti-Corruption Commission |
| 2016 | Philippines - Duterte's Anti-Corruption Initiatives |
| 2017 | Malaysia –1MDB Investigations |
| 2019 | Indonesia - Revisions to Anti-Corruption Laws |
| 2020 | Brunei – Convictions of Embezzlement of over 15 million USD |

**Previous Attempts to Resolve the Issue**

There are a multitude of previous attempts to address corruption within Southeast Asia- such as but not limited to legally binding conventions, regional conferences, and regional parties.

1. UN Convention Against Corruption (UNCAC)

The UN Convention Against Corruption (UNCAC) is the “the only legally binding universal anti-corruption instrument,” making it unique in that it attempts to universally address this issue (meaning that the solution isn’t specifically geared towards Southeast Asian countries). Adopted by the UN General Assembly in 2003, the UNCAC has 190 parties to the convention, including all 11 of the ASEAN member states. The purpose of the UNCAC is as follows:

(a) “To promote and strengthen measures to prevent and combat corruption more efficiently and effectively;

(b) To promote, facilitate and support international cooperation and technical assistance in the prevention of and fight against corruption, including in asset recovery;

(c) To promote integrity, accountability and proper management of public affairs and public property.”

The UNCAC was indeed a momentary step against corruption. The UNCAC also has a review mechanism, in which each country under the convention is subject to self-review, peer-review, and UNODC expert review, which is then published publicly. This mechanism advocates for holding each country accountable under more transparent terms, and in this way can be seen as a positive step towards resolving the issue.

1. Fast-tracking Implementation of United Nations Convention Against Corruption (UNCAC) for Economic and Social Development in Southeast Asia Programme

This programme aims to create a platform that enables the enforcement of UNCAC on a regional basis. Under this programme, Southeast Asian countries gather in conferences to “create and foster partnerships and to establish a regional platform to fast track implementation of UNCAC in support of the 2030 Sustainable Development Agenda, in particular Goal 16.” The conference held around “180 participants, including 17 civil society representatives from eight Southeast Asian countries as well as national authorities and representatives from the private sector.” This conference was used to promote dialogue and cooperation between the Southeast Asian countries - agreeing on a set of recommendations, such as but not limited to creating a “regional mechanism to receive and review complaints about cross-border corruption.” It is important to note that such conferences may only be successful underneath more legally-binding, restrictive measures which mandate compliance, and simple recommendations may lack adequate enforcement.

1. ASEAN-PAC Official Portal

The ASEAN-PAC lists two main objectives: “to establish and strengthen collaborative efforts against corruption among the parties , and “to increase capacity and institutional building among the parties in preventing and combating corruption.” The ASEAN-PAC holds annual meetings, along with workshops, to support anti-corruption efforts in ASEAN member countries. In cooperation with the UNODC, they held the ASEAN-PAC Capacity Building Workshop in 2023, learning more about anti-corruption education programs, public participation in eradicating corruption, and corruption prevention in the public sector from experts.

**Possible Solutions**

Addressing corruption requires a multi-faceted approach, most particularly as Southeast Asia encompasses several countries - all with varying levels of corruption, development, and cultures. It is important to keep in mind that there must be a balance between regional and national, preventative and reactive measures.

1. Addressing issues within national anti-corruption agencies

Although all ASEAN countries have created national anti-corruption agencies, many of these agencies have not been utilized effectively due to several factors. For one, they lack necessary authority to fulfill their role. Moreover they lack complete autonomy and independence from the government. A solution that addresses these issues will allow for agencies to hold their respective governments accountable. Such measures will increase the legitimacy of these anti-corruption agencies and thus lead to rising citizen trust towards the government.

1. Addressing issues within citizen accountability

There is a need for more transparency from the government. Whistleblower protection laws are vital in that they encourage accountability, yet out of all ASEAN countries, only Malaysia has passed dedicated whistleblower legislation. Furthermore, the lack of public awareness and engagement on the issue of corruption removes a series of necessary checks and balances for the government. In many nations, governments have put extensive restrictions on public access to information, excusing it under the name of national security.

1. Addressing issues within regional bureaucracy

The ongoing shift towards digitalization has exacerbated the issue of corruption within multinational transactions. Namely, the lack of financial transparency has made it increasingly difficult to trace illegal transactions. Thus, it is of paramount importance that all nations employ innovative technological instruments to combat corruption. However, this is difficult for several South East Asian countries’ technology needed to investigate possible violations lags behind and increase accountability. Indeed, it is estimated by the UNODC that less than 50% of key agencies in the region “utilize some limited form of data analytics as part of anti-corruption, fraud or anti-money-laundering activities.” Through means such as encouraging, supporting, or providing digitalization of infrastructure, member nations of the General Assembly will be taking a significant step towards eliminating corruption.

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**Appendix**

<https://scholarship.law.nd.edu/ndjicl/vol2/iss1/3/>

This source provides important insight into the successes and failures of the UNCAC. Through studying this report, one may get a closer look at how the UN incorporated both short-term and long-term solutions to address corruption on a wide-scale.

1. <https://knowledgehub.transparency.org/assets/uploads/kproducts/Corruption-in-ASEAN-2020_GCB-launch.pdf>

This source provides a highly comprehensive review on corruption in ASEAN member states. It is highly recommended that this is reviewed for a better understanding of the issue at hand.