Eradicating Corruption: The Malaysian Experience

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ERADICATING CORRUPTION: THE MALAYSIAN EXPERIENCE[1]

Nik Rosnah Wan Abdullah[2]
nrosnah@um.edu.my

Abstract
Corruption has long been a focus of concern. Studies have shown that there can be a huge array of anti-corruption institutions, regulations and laws available in a given society and there have been some success stories in fighting corruption. This paper examines the governance of corruption in developing countries. It reviews the relevant country experience, in particular the success story of Singapore, before it evaluates critically the Malaysian experience on governing corruption. It concludes with the question 'Can Malaysia eradicate corruption? It is hoped that the paper could provide an analysis of corruption from the developing Asian countries.

Introduction

In recent years there is widespread condemnation of corruption, as illustrated by the final declaration of the Global Forum on fighting Corruption and Safeguarding Integrity II held in The Hague, Netherlands on May 29-31 2001, participated by representatives of 142 countries. In Malaysia, as in many Asian countries, several events, notably the Asian financial crisis, have helped to catalyse the shift in public perception of corrupt practices so that it has now become a critical component of public policy.

Studies have shown that corruption has 'toxic' effects on societies (Carino, 1986: 194). As documented in the literature, corruption affects economic growth, investment and government expenditure (Mauro, 1997; Campos, Lien and Pradhan, 1999; Mehrez and Kaufmann (1999), hurts the poor and worsens income inequality and poverty (Tanzi and Davoodi, 1998; Gupta, Davoodi and Alonso-Terme, 1998; Gray and Kaufmann, 1997; Kaufmann and Shang, 1999), reduces the efficiency of firms, and increases the transaction costs of doing business (Kaufmann and Shang, 1999).   Indeed, the report on Human Development in South Asia 1999 concluded that:

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[2] The author is a Senior Lecturer at the Department of Administrative Studies, University of Malaya. This paper was written during her time spent as a Visiting Fellow at the Lee Kuan Yew School of Public Policy, NUS.

> "Corruption is one of the most damaging consequences of poor governance. It undermines investment and economic growth, decreases the resources available for human development goals, deepens the extent of poverty, subverts the judicial system, and undermines the legitimacy of the state. In fact, when corruption becomes entrenched, it can devastate the entire economic, political, and social fabric of a country…corruption breeds corruption – and a failure to combat it effectively can lead to an era of entrenched corruption" (Human Development in South Asia, 1999:96).

Clearly, eradicating corruption provides multiple benefits to society. As Kaufman, Kraay, and Zaido-Lobaton (2000) observe, in countries where corruption is successfully controlled, there is greater inflow of foreign investments, higher per capita income growth, higher literacy rate and increased business growth. Hence, eradicating corruption inevitably helps further poverty eradication and economic development.

This paper examines critically the governance of corruption in Malaysia. The rest of the paper is organized as follows: Literature on corruption. The next section reviews the relevant country experience. The paper then evaluates critically the Malaysian experience on governing corruption. It concludes with the question 'Can Malaysia eradicate corruption? It is hoped that the paper could provide an analysis of corruption from the developing Asian countries, in general and Malaysia in particular.

Literature Review

In this section three critical aspects of corruption will be discussed: a. the conceptual framework of corruption; b. a review of country studies, and c. the methods of control currently in place.

Conceptualizing Corruption

"Corruption" is often used interchangeably with "rent seeking," and there is a large area of overlap. Rent seeking is the effort to acquire access to or control over opportunities for earning rents.[3] These efforts are not necessarily illegal, or even immoral. However, of concern is what Bhagwati termed "directly unproductive" rent seeking activities, because they waste resources and can

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[3] Rents are defined as '…that part of the payment to an owner of resources over and above that which those resources could command in any alternative use'. (Buchanan 1980:3).

contribute to economic inefficiency (Bhagwati, 1974, Krueger, 1974). Rents are unproductive when they are spent in resource reallocation rather than resource creation (Buchanan, 1980). The theory of rent-seeking argues that state incurs losses when resources are unproductively diverted in order to capture rents generated by state intervention (Buchanan 1980:3). State intervention is also identified as an arena of patron-client transactions which give rise to clientelism, an explanation alternative to that of rent-seeking. Clientelism refers to a form of social organization characterized by "patron-client" relationships, where powerful and rich "patrons" promise to provide relatively powerless and poor "clients" with jobs, protection, infrastructure, and other benefits in exchange for votes and other forms of loyalty including labor. Patrons are often unaccountable for their actions. Thus, clientelistic relationships are often corrupt and unfair. Often the dominant relationship underlying corrupt transfers is a patron-client relationship between the state acting as patrons and its clients, the recipients of subsidies, licenses or other valuable resources. Khan (1996) argues rent-sharing by bureaucrats usually happens in this context of patron-client transactions. Patron-client transactions refer to a set of exchanges which overlap with corrupt transactions. The state in its status of patron is able to organize collusive transfers where officials can participate in share of the resources being transferred to clients or in the share of the wealth that is eventually created as a result of the transfer (Khan 1996:13). Corruption in patron-client exchanges is thought to have negative consequences because it favours particularistic arrangements that favour specific clients, which can give rise to allocative inefficiency as the most deserving clients do not necessarily get access to public resources. While the relationships may be characterized by rent capture, they can be classified as corrupt only if they are illegal. As Khan (1996) further argues, although particularistic arrangements are not always corrupt, they usually involved transactions which are. The term "corruption" on the other hand, is used as a reference for illicit or illegal activities and it involves the misuse of public power for private gains. However, there is no universal or comprehensive definition as to what constitutes corrupt behavior.

A glean on the literature shows that the various definitions of corruption are classified into three: public-office-centred, market-centred, and public-interest-centred (Heidenheimer, 1989). Public-office-centred definitions of corruption are those that focus on the concept of the public office and describe corruption in terms of deviations from the norms binding the incumbent. One example is Nye's (1967) definition of corruption:

> "…behaviour which deviates from the normal duties of a public role because of private-regarding (family, close private clique), pecuniary or status gains; or violates rules against the exercise of certain types of private–regarding influence. This includes such behaviour as bribery (use of reward to pervert the judgement of a person in a position of trust); nepotism (bestowal or patronage by reason of ascriptive relationship rather than merit); and misappropriation of public resources for private-regarding influence" (Nye, 1967:419).

Market-centred definitions of corruption, in contrast, focus on the market, as in van Klaveren's (1989) definition:

> "A corrupt civil servant who regards his public office as a business, the income of which he will …seek to maximize. The office then becomes a 'maximising unit.' The size of his income depnds…upon the market situation and his talents for finding the point of maximal gain on the public's demand curve." (van Klaveren, 1989:26)

Public-interest-centred definition of corruption views corruption as an erosion of public interest, as in Friedrich's (1989) definition:

> "The pattern of corruption can be said to exist when a power holder who is charged with doing things, i.e who is a responsible functionary or officeholder, by monetary or other rewards not legally provided for, induced to take actions which favour whoever provides the rewards and thereby does damage to the public and its interest" (Friedrich, 1989:15).

For the purpose of this paper, the public-interest-centred definition of corruption will be used. The definition utilized by the World Bank is "the abuse of public office for private gain" (World Bank, 1997 p.8), a definition similar to that employed by Transparency International (TI):

> "Corruption involves behavior on the part of officials in the public sector, whether politicians or civil servants, in which they

improperly and unlawfully enrich themselves, or those close to them, by the misuse of the public power entrusted to them." (Pope, 1996:1).

In contrast, the UNDP's exposition which defined corruption as "the misuse of public power, office or authority for private benefit – through bribery, extortion, influence, peddling, nepotism, fraud, speed money or embezzlement" (UNDP, 1999:7) is applicable to both the public and the private sectors and also identifies the major forms of corruption.

Caiden (1981) noted two important distinctions on corruption: First, whether corruption is a fact of life or a way of life[1]. Second, whether corruption is of grand or petty in nature.[2] Effective anti-corruption strategies are those that are able to curb both grand and petty corruption simultaneously (Quah, 2003).

The causes of corruption are rooted in the particular political and economic conditions of each country and "as such are as complex as the types of corruption are varies", the complexity of which makes remedial efforts difficult (World Bank, 1992:16).   Three main factors are identified as causes of corruption: opportunities, salaries, and policing (Palmier, 1985; Mauro, 1997). Palmier (1985) hypothesized that:

> "[B]ureaucratic corruption seems to depend not on any one of the [three] factors identified, but rather on the balance between them. At one extreme, with few opportunities, good salaries and effective policing, corruption will be minimal; at the other, with many opportunities, poor salaries, and weak policing, it will be considerable." (Palmier, 1985:271-272).

Alatas (1991) argued that the "involvement of the highest leadership in turn causes permissiveness towards corruption" which is the "greatest causes of its perpetuation".

Whilst the specific causes of corruption vary from country to country, there are some general methods of control that can serve as a useful starting point. One of the key points is the extent to which the rule of law prevails, as exemplified in the quality of the judicial system. Besides the formal rule of law which provides external control, the other is the informal and non-legal forms of control -- the

values and cultural factors and the degree of trust existing in society (World Bank, 1997) that provide normative restraints and internal discipline and control. In an Asian context, Faruqi (1995:14) observes,

> "…informal and non-legal controls over the administration are of much greater importance than legal ones… Mechanisms of control are not merely structural in form but must encompass values, attitudes and community responsiveness. Institutions and principles cannot work adequately if the socio-economic, moral, cultural and political pre-requisites for their performance are absent".

Corruption can be reduced if the public perceives it as a "high-risk, low-reward" activity, i.e when corrupt individual is likely to be caught and punished severely. For corruption to be perceived as "high-risk, low-reward" activity, the government must publicise the detection of corrupt behaviour among the civil servants and political leaders through the mass media, and their punishment according to the law if they are guilty (Palmier, 1985; Stapenhurst, 2000).

In sum, an effective anti-corruption strategy is likely to remove the opportunities for corruption, raise the salaries of civil servants and politicians, ensure a high degree of policing through effective application of the formal rule of law and the informal controls which encompass values, culture, moral and society responsiveness, and provide a negative publicity as a deterrent.

Past studies on Asian Countries

In Asian countries three patterns of corruption control have been identified (Quah, 2003):

1. The first pattern is where there are anti-corruption laws but no specific agency that implement those laws, as found in Mongolia which has instituted the Law on Anti-Corruption and three provisions restricting bribery in the Criminal Code.

2. The second pattern of corruption control involves the combination of anti-corruption laws and several anti-corruption agencies, as found in Philippines, China and India.[3]

3. The third pattern of corruption control involves the impartial implementation of comprehensive anti-corruption laws by a specific

anti-corruption agency. Singapore, Malaysia, Hong Kong, Thailand and South Korea adopt this pattern.[4]

In many Asian countries, corruption is a serious problem and has become one of the most pressing issues confronting government leaders, as evidenced in the many press reports and exposure of corruption scandals in these countries. However, from the Corruption Perceptions Index (CPI) published annually by Transparency International (TI)[5], and Political Economic Risk Consultancy (PERC). Singapore and Hong Kong have been more successful in controlling corruption. The ranking by PERC has also consistently placed Singapore as the least corrupt country, whilst Philippines and Indonesia is ranked as the most corrupt Asian country.

Singapore's Experience

According to the surveys conducted annually by Transparency International from 1995-2006 (Table 1) and PERC from 1997 – 2007 (Table 2), Singapore is the least corrupt country in Asia, and one of the least corrupt country in the world. Therefore, in the context of Malaysia, it would be useful to have a close look at how Singapore has managed successfully in controlling corruption.

Table1: Top Three Ranking and Scores* of Asian Countries on the Corruption Perceptions Index, 1995-2006

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Singapore	3 (9.26)	7 (8.80)	9 (8.66)	7 (9.1)	7 (9.1)	6 (9.1)	4 (9.2)	5 (9.30)	5 (9.7)	5 (9.3)	5 (9.4)	5 (9.4)
Hong Kong	17 (7.12)	18 (7.01)	18 (7.28)	16 (7.8)	15 (7.7)	15 (7.7)	14 (7.9)	14 (8.20)	14 (8.0)	16 8.0)	15 (8.3)	15 (8.3)
Japan	20 (6.72)	17 (7.05)	21 (6.57)	25 (5.8)	25 (6.0)	23 (6.4)	21 (7.1)	20 (7.10)	21 (7.0)	24 (6.9)	21 (7.3)	17 (7.6)
Sample size	41	54	52	85	99	90	91	102	133	145	158	166

*Score ranges from 0 (most corrupt) to 10 (least corrupt). The scores are indicated in brackets.

*** Not available

Source: Compiled from Transparency International's Corruption Perceptions
Index. See http://www.transparency.org

**Table 2: Top Three Ranking of Asian countries by the Political Economic
Risk Consultancy, 1997-2006**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Hong Kong	2 (3.03)	2 (2.74)	2 (4.06)	2 (2.49)	3 (3.77)	3 (3.33)	2 (3.61)	3 (3.60)	3 (3.50)	3 (3.13)	2 (1.87)
Japan	3 (4.60)	4 (5.00)	3 (4.25)	3 (3.90)	2 (2.50)	2 (3.25)	3 (4.50)	2 (3.00)	2 (3.46)	2 (3.01)	3 (2.10)
Singapore	1 (1.05)	1 (1.43)	1 (1.55)	1 (0.71)	1 (0.83)	1 (0.90)	1 (0.38)	1 (0.50)	1 (0.65)	1 (1.30)	1 (1.20)

Grades range from zero to 10, with zero being the best grade possible and 10 the worst.
Source: PERC. See http://www.asiarisk.com/lib10.html

One can argue on the geographical difference between Malaysia and Singapore.
Unlike Malaysia, Singapore is an island with a land area of 682.3 sq.km and a
city state. It is compact with a high degree of urbanization. It is not burdened
with rural development programmes or problems of rural-urban migration. Its
small size has contributed to a highly centralized bureaucracy, insulated from the
problem of afflicting a federal bureaucracy in its interaction with the state or local
government bureaucracies.

However, Malaysia and Singapore share similarities in many aspects, in
historical perspective and demographic content.[6] Both had inherited the British
colonial legacy in the public service. Both countries have an uninterrupted rule
since independence, a political continuity which forms an important feature that
attributed to the stable public bureaucracy and predictable policy-making.
Therefore, it makes sense to look at Singapore's effective ways in combating
corruption so that Malaysia can adopt the best practices and adapt some
features in its effort to eradicate corruption.

Corruption in Singapore: a brief history

Historically, corruption in Singapore was a way of life throughout the colonial period. It was widespread throughout the entire public bureaucracy. The cause of corruption was identified as the low salaries, inadequate controls over policemen which gave ample opportunities for corruption; and the low risk of detection and punishment (Quah, 2003).

Corruption in Singapore was first made an offence in 1871, but it was only 66 years later in December 1937 that the first anti-corruption law was introduced with the enactment of Prevention of Corruption Ordinance (POCO). However, POCO was ineffective, due to its limited penalties. The Anti-Corruption Board (ACB) of the Criminal Investigation Department (CID) of Singapore Police Force was responsible for the implementation of POCO, but the ACB was also ineffective – for reasons that it was a small police unit consisting of 17 men entrusted to eradicate corruption in the Singapore Police Force and other government departments, with limited manpower and other resources, and police corruption was prevalence. In October 1952, the British colonial government set up an independent anti-corruption agency, the first in Asia, the Corrupt Practices Investigation Bureau (CPIB) to replace the ACB (Tan, 1999).

Anti-Corruption Strategy

The Legal Framework-POCA and the Independent Corruption Prevention Investigation Bureau (CPIB)

When the People's Action Party (PAP) government came into power, it enacted the Prevention of Corruption Act (POCA) in 1960, which enhanced the penalties for corrupt offences and strengthened the CPIB's powers to fight corruption. The CPIB is under the jurisdiction of the Prime Minister's Office and the Director reports directly to the Prime Minister (Singapore 1990). Its legal powers enable the CPIB to obtain the required cooperation from both public and private organizations. If the CPIB does not obtain the consent of the Prime Minister to investigate complaints of corruption against a minister, the Director is empowered under Article 22G of the Constitution of the Republic of Singapore to investigate cases, with the support of the elected President (Thio, 1997:.114).

POCA spelt out explicitly the various forms of 'gratification', and penalties for corruption. Amendments to POCA were made on several instances to further strengthen it and to increase the deterrent effect. The CPIB enforced the POCA impartially against the rich and famous and is said to be responsible for Singapore's success in minimizing corruption as corruption is perceived as 'low-reward, high-risk' activity (Quah, 2003).

The CPIB is not only impartial but also swift in its action, as demonstrated in a case in which the CPIB Director informed the then Prime Minister Lee Kuan Yew on November 21, 1986 of a complaint of corruption that had been made against a Minister of National Development, Teh Cheang Wan. On the authorization of the Prime Minister to pursue the case, the accused was interviewed on December 2, 1986, for 16 hours. Three days later Teh was required to provide the CPIB within two weeks with a sworn statement of assets belonging to him and his family. The CPIB took the necessary action within two weeks from the day it obtained the authorization from the Prime Minister.[7] However, the case was closed, when the accused committed suicide on December 14, without furnishing the CPIB the list of his asset.

In a statement to Parliament in January 1987, the former Prime Minister, Lee Kuan Yew, identified five factors responsible for Singapore's effective anti-corruption strategy:

> The effectiveness or our system to check and punish corruption rests, first on the law against corruption contained in the Prevention of Corruption Act; second , on a vigilant public ready to give information on all suspected corruption; and third, on a CPIB which is scrupulous, thorough and fearless in its investigations. For this to be so, the CPIB has to receive the full backing of the Prime Minister, under whose portfolio it comes. But the strongest deterrent is in a public opinion which censures and condemns corrupt persons; in other words, in attitudes which make corruption so unacceptable that the stigma of corruption cannot be washed away by serving a prison sentence (Report of the Commission of Inquiry on Investigations in Quah, 2003:2, cited from).

And as ascertained by PERC:

> All countries have laws aimed at fighting corruption, but very few governments apply such laws as strictly and consistently as

Singapore…Corrupt officials, particularly high-ranking ones, are dealt with in Singapore with a severity rarely seen elsewhere (*Straits Times*, April 9, 1996:3)

Improving Civil Service Salaries

The PAP government also implemented its second prong strategy – the reduction of incentives for corruption by means of improving salaries and working conditions in the Singapore Civil Service. The rationale was to prevent brain drain of competent civil servants to the private sector and the need to remove temptations for corruption. The then Prime Minister, Lee Kuan Yew contended that if political leaders and senior civil servants were underpaid, they would succumb to temptation and indulge in corruption.[8] As Bannarjee (1996) argues, "if bureaucrats are paid a high enough wage, even a small chance of losing their job would discourage them from being corrupt. On the other hand if they are underpaid, even the most rigid honest bureaucrats will be tempted to go beyond the law to preserve their standard of living" (Bannarjee, 1996:110).

More recently, it was announced that there will be yet another changes in the pay of Cabinet ministers and the civil service[9] to close the gap between the public and private sector earners, as Prime Minister Lee Hsien Loong said "[T]alented Singaporeans are being headhunted by top global companies as well as by other governments eager to replicate Singapore's success story" (*The Star,* 24 March 2007:43).

Arguably, raising salaries alone will not solve the problem of corruption. The Singapore public service was regarded as almost entirely free from corruption. Largely, this reflected the strong emphasis the national leadership placed on probity and dedication to national values. In a system with a legacy of the British administrative civil service, that recruited top graduates of the elite universities, Singapore's public service recruits the most academically talented youth. The Public Service Commission awarded scholarships to promising young people for study both locally and at foreign universities on the condition that the recipients join the civil service after graduation. New appointees to the development-oriented statutory boards were often given substantial responsibilities for ambitious projects in industrial development or the construction industry. Officials

enjoy greater social prestige than their peers in business; with power and official title outranked money.

The experience of Singapore demonstrated the strong political will to eradicate corruption through reducing opportunities and incentives for corruption. There is a strong legal framework in the form of a combination of POCA with severe punishment. The independent Corrupt Practices Investigation Bureau (CPIB) that implements POCA enjoyed sweeping powers of investigation and the unreserved support of the prime minister. Official honesty was also promoted by the relatively high salaries paid to the officials. The mass media also played its role which censures and condemns corrupt persons.

The Malaysian Experience

This section looks at the problem of corruption in Malaysia and examines some critical instruments that Malaysia has adopted to eradicate corruption in the country.

In the Transparency International (TI) Corruption Perception Index (CPI), Malaysia, as with Taiwan, South Korea, Thailand, Philippines, China, India, Pakistan, Vietnam, and Indonesia, have through the years, generally backslided (Table 3).

Table 3: Ranking and Scores* of Asian Countries on the Corruption Perceptions Index, 1995-2006

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Singapore	3 (9.26)	7 (8.80)	9 (8.66)	7 (9.1)	7 (9.1)	6 (9.1)	4 (9.2)	5 (9.30)	5 (9.7)	5 (9.3)	5 (9.4)	5 (9.4)
Hong Kong	17 (7.12)	18 (7.01)	18 (7.28)	16 (7.8)	15 (7.7)	15 (7.7)	14 (7.9)	14 (8.20)	14 (8.0)	16 (8.0)	15 (8.3)	15 (8.3)
Japan	20 (6.72)	17 (7.05)	21 (6.57)	25 (5.8)	25 (6.0)	23 (6.4)	21 (7.1)	20 (7.10)	21 (7.0)	24 (6.9)	21 (7.3)	17 (7.6)
Taiwan	25 (5.08)	29 (4.98)	31 (5.02)	29 (5.3)	28 (5.6)	28 (5.5)	27 (5.9)	29 (5.60)	30 (5.7)	35 (5.6)	32 (5.9)	34 (5.9)
Malaysia	23 (5.28)	26 (5.32)	32 (5.01)	29 (5.3)	32 (5.1)	36 (4.8)	36 (5.0)	33 (4.90)	37 (5.2)	39 (5.0)	39 (5.1)	44 (5.0)
S.Korea	27	27	34	43	50	48	42	40	50	47	40	42

	(4.29)	(5.02)	(4.29)	(4.2)	(3.8)	(4.0)	(4.2)	(4.50)	(4.3)	4.5	(5.0)	(5.1)
Thailand	34	37	39	61	68	60	61	64	70	64	59	63
	(2.79)	(3.33)	(3.06)	(3.0)	(3.2)	(3.2)	(3.2)	(3.20)	(3.3)	(3.6)	(3.8)	(3.6)
Philippines	36	44	40	55	54	69	65	77	92	102	117	121
	(2.77)	(2.69)	(3.05)	(3.3)	(3.6)	(2.8)	(2.9)	(2.60)	(2.5)	(2.6)	(2.5)	(2.5)
China	40	50	41	52	58	63	57	59	66	71	78	70
	(2.16)	(2.43)	(2.88)	(3.5)	(3.4)	(3.1)	(3.5)	(3.50)	(3.4)	(3.4)	(3.2)	(3.3)
India	35	46	45	66	72	69	71	71	83	90	88	70
	(2.78)	(2.63)	(2.75)	(2.9)	(2.9)	(2.8)	(2.7)	(2.70)	(2.8)	(2.8)	(2.9)	(3.3)
Pakistan	39	53	48	71	87	NA	79	77	92	129	144	142
	(2.25)	(1.00)	(2.53)	(2.7)	(2.2)		(2.3)	(2.60)	(2.5)	(2.1)	(2.1)	(2.2)
Vietnam	NA***	NA	43	74	75	76	75	85	100	102	107	111
			(2.79)	(2.5)	(2.6)	(2.5)	(2.6)	(2.40)	(2.4)	(2.6)	(2.6)	(2.6)
Indonesia	41	45	46	80	96	85	88	96	122	133	137	130
	(1.94)	(2.65)	(2.72	(2.0)	(1.7)	(1.7)	(1.9)	(1.90)	(1.9)	(2.0)	(2.2)	(2.4)
Sample size	41	54	52	85	99	90	91	102	133	145	158	166

*Score ranges from 0 (most corrupt) to 10 (least corrupt). The scores are indicated in brackets.

*** Not available

Source: Compiled from Transparency International's Corruption Perceptions Index. See http://www.transparency.org

From a 23rd position in 1995, it has backslided to 39th position in 2004. It retained its 39th position in 2005, but dipped to 44th placing in 2006 (Table 4). Within a duration of 12 years Malaysia had fallen to 21 places. The score ranges between 4.8 and 5.32. Although the CPI scores seemed to have remained within the range of 5.2 to 5.0 since 2003, the trend is worsening.

Table 4: Corruption Perception Index for Malaysia 1995 - 2006

Year	Ranking	Total no. Of countries	CPI Score
1995	23	41	5.28
1996	26	54	5.32
1997	32	52	5.01
1998	29	85	5.3
1999	32	99	5.1

2000	36	90	4.8
2001	36	91	5.0
2002	33	102	4.9
2003	37	133	5.2
2004	39	146	5.0
2005	39	158	5.1
2006	44	163	5.0

Source: Annual Report Transparency International 1995 - 2006 http://www.transparency.org 20 Mac 2007

The ranking on Malaysia by PERC is also consistent with the TI's CPI (Table 5). Although Malaysia might not have as bad a corruption problem as Vietnam, Philippines or Indonesia, but it is still one of the key vulnerabilities of the government.

Table 5: Ranking of 13 Asian countries by the Political Economic Risk Consultancy, 1997-2006

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
China	10 (8.06)	6 (6.97)	10 (9.00)	9 (9.11)	7 (7.88)	7 (7.00)	8 (8.33)	7 (7.48)	9 (7.68)	9 (7.58)	7 6.29
Hong Kong	2 (3.03)	2 (2.74)	2 (4.06)	2 (2.49)	3 (3.77)	3 (3.33)	2 (3.61)	3 (3.60)	3 (3.50)	3 (3.13)	2 (1.87)
India	11 (8.20)	9 (7.40)	11 (9.17)	11 (9.50)	10 (9.25)	11 (9.17)	11 (9.30)	11 (8.90)	10 (8.63)	8 (6.76)	9 6.67
Indonesia	12 (8.67)	12 (8.95)	12 (9.91)	12 (9.88)	11 (9.67)	12 (9.92)	12 (9.33)	12 (9.25)	13 (9.10)	13 (8.16)	11 8.03
Japan	3 (4.60)	4 (5.00)	3 (4.25)	3 (3.90)	2 (2.50)	2 (3.25)	3 (4.50)	2 (3.00)	2 (3.46)	2 (3.01)	3 (2.10)
Macao	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4 (4.78)	4 (5.11)
Malaysia	4 (5.80)	5 (5.38)	6 (7.50)	4 (5.50)	4 (6.00)	4 (5.71)	5 (6.00)	6 (7.33)	7 (6.80)	7 (6.13)	6 6.25
Philippines	6 (6.50)	8 (7.17)	4 (6.71)	8 (8.67)	9 (9.00)	8 (8.00)	7 (7.67)	9 (8.33)	12 8.80	11 (7.80)	13 9.40
Singapore	1 (1.05)	1 (1.43)	1 (1.55)	1 (0.71)	1 (0.83)	1 (0.90)	1 (0.38)	1 (0.50)	1 (0.65)	1 (1.30)	1 (1.20)
South Korea	8 (7.71)	7 (7.12)	8 (8.20)	(7 8.33)	6 (7.00)	5 (5.75)	4 (5.50)	5 (6.67)	6 (6.50)	5 (5.44)	8 (6.3)

Taiwan	5 (5.96)	3 (5.20)	5 (6.92)	5 (6.89)	4 (6.00)	6 (5.83)	6 (6.33)	4 (6.10)	4 (6.15)	6 (5.91)	5 (6.23)
Thailand	7 (7.49)	11 (8.29)	7 (7.57)	6 (8.20)	8 (8.55)	10 (8.89)	9 (8.75)	8 (7.80)	8 (7.20)	10 (7.64)	11 8.03
Vietnam	9 (8.00)	10 (8.25)	9 (8.50)	10 (9.20)	12 (9.75)	9 (8.25)	10 (8.83)	10 (8.71)	11 (8.65)	12 (7.91)	10 7.54

Grades range from zero to 10, with zero being the best grade possible and 10 the worst.
Source: PERC. See http://www.asiarisk.com/lib10.html

According to the most recent survey carried out by PERC, Malaysia's economy is perceived by foreign businessmen to be more corrupt this year compared to 2006, as in Table 6 (*The Star*, 14 March 2007). The problem is seen to be worse in the public sector than the private sector.

Table 6: Corruption Scores

9.40	Philippines
8.03	Indonesia Thailand
7.54	Vietnam
6.67	India
6.3	South Korea
6.29	China
6.25	Malaysia
6.23	Taiwan
5.11	Macau
2.10	Japan
1.87	Hong Kong
1.20	Singapore

Source: PERC

Mechanisms for prevention and eradication of corruption: What went wrong?

Malaysia's ranking in Transparency International's global corruption-perception and the recent PERC survey seem to show that the corruption mentality runs deep. Therefore, there are legitimate and widespread concerns that this backslide is not being arrested, let alone reversed. The backslide reflects the governance of the country, which results from the the political behaviour, bureaucratic behaviour, business behaviour and the society behaviour that are facing critical moral problem.

The Malaysian government acknowledged the prevalence of corruption and recognised the dangers of corruption to economic growth and has set itself the task of fighting corruption, as evidenced in the various steps that it has taken to eradicate corruption. However, it is useful to have a close look at those various institutions and see if there are problems.

Legal framework and the implementing agency: The Prevention of Corruption Act and the Anti Corruption Agency [ACA]

The legal framework is the Prevention of Corruption Act 1961 that was passed by the Parliament to replace the British-created Prevention of Corruption Ordinance 1950. Six years later, in 1967, the Anti-Corruption Agency was established to implement the Prevention of Corruption Act. The Anti-Corruption Agency of Malaysia (ACA) began its formal operations on 1st October 1967. The major functions of the ACA is: (1) to investigate and prosecute offences under the Prevention of corruption Act 1961; (2) to introduce preventive measures against corruption in the civil service and statutory boards; and (3) to investigate disciplinary complaints against civil servants.[10] The Anti-Corruption derived its powers from the Prevention Corruption Act 1961, Anti-Corruption Agency Act 1982 and section 11 of the Emergency (Essential Powers) Ordinance 22 0f 1970.

The Prevention of Corruption Act 1961 was revised, and subsequently repealed and replaced with the Anti Corruption Act 1997. The existence and operation of the long standing Anti-Corruption Agency [ACA] was reiterated in the Anti-

Corruption Act 1997 (Act 575) that was passed by the Malaysian Parliament in 1997 and came into force on 8 January 1998.[11] With the repeal, the ACA -- which is under the jurisdiction of the Prime Minister's Office is said to been strengthened.

In the initial stage of the establishment of ACA, there were teething problems: the ACA was staffed with seconded police officers who were not trained to investigate corruption offences. These police officers were also reluctant to investigate corrupt practices in the police force and other departments where they might be posted to in the future.[12] These initial problems were resolved by the ACA's reorganization in 1968. Nevertheless, the Anti-Corruption Agency faces constant criticism. It has been perceived that although complaints of various forms of corruption and abuse of power were abound, they were not vigorously pursued by the ACA. Between 2001 and 2004 the ACA received a total of 38,471 complaints, of which only 3,761 were investigated.[13]

Besides, the ACA is also perceived as not swift in its action in investigating cases. More significantly, it was alleged that the ACA is targeting the *ikan billis* or the small and middling fish and not investigating corruption cases involving 'big fish' impartially.[14] In 2004, the government made corruption arrest totalling 485 cases (Table 7). However, out of these, there has been only one major catch -- a former Land and Cooperatives Development Minister who is alleged to have used his position for his financial gain by approving the sale of 16.8 million shares in SAPI Plantations Sdn Bhd to Bismark Enterprise Sdn Bhd in which he was promised 3.36 million shares. -- and it is only now, which is more than two years later that this case is undergoing a full hearing (*New Straits Times,* March 24, 2007 p.6). .

Table 7: Corruption Cases from 2000 - 2005

Year	No. of Investigations	No. of arrests	No. Charged
2000	699	430	160
2001	663	318	115
2002	1063	290	200
2003	1058	339	175

| 2004 | 977 | 497 | 178 |
| 2005 | 1441 | 485 | 205 |

Source: Anti-Corruption Agency

The reason advanced for this situation is that while the ACA can conduct its investigations independently, the final decision to prosecute an individual rests with the Chief Public Prosecutor.[15] The Chief Public Prosecutor is the Attorney General (AG),[16] appointed by the Yang di-Pertuan Agong (the King) on the advice of the Prime Minister.[17] The general perception is that it is this process of appointment of the AG that leads to the non-prosecution of senior government officials and ministers that were investigated by the ACA.[18] Unlike in most countries where the AG is a member of Parliament, Malaysia's position is unique. The AG does not sit in Parliament and no one answers on his behalf, which made him the most protected individual, a privilege accorded to the position. Also, the fact that the ACA is under the Prime Minister's Department, raises doubts on the independence of the ACA, as voiced by the Malaysian human rights group *Aliran* in a recent newsletter: "As long as the ACA comes under the Prime Minister's Department, we can be assured that there will be political interference hindering the work of the ACA".

The appointment of the ACA Director-General [DG] is also made by the King on the advice of the Prime Minister. The appointee must be a member of the public services and the period of his appointment and the terms and conditions of service will be specified in the instrument of appointment.[19] This again raises the question of the independence of the DG and consequently that of the ACA.

One suggestion is that the government should free up the ACA, and institute due process in appointment and appointing mechanism that ensures consensus support for an appointee through the Parliament, rather than the government. And that there should be an accountability mechanism outside the government, such as, a Parliamentary Select Committee on which all major parties are represented. Whichever mechanism that is introduced, the appointment process must ensure that the DG to be appointed is an independent person of integrity, and that he is adequately protected while in office. The DG should also be

afforded the same rights of tenure of office as those enjoyed by a superior court judge. Removal from office should be in accordance with a prescribed and open procedure, and on the grounds of incompetence or misbehaviour, and not at the discretion of the executive.

Since 1992, there have been concerns that the ACA lacks the teeth, for reasons that the Prevention of Corruption Act does not question the fact that a public official or Minister amassed a vast amount of unexplained wealth and living beyond their means. The law enables the ACA to seek out corruption but requires it to provide evidence. The problem seems to be the difficulty in obtaining evidence for prosecuting the public official or Minister suspected of corruption offences even though the public perception is that they are corrupt. Therefore, the call is that there need be a presumption of corruption and a public accountability clause in the law for effective management.[20]

The Public Accounts Committee

There is no universally accepted or seriously robust method of control of corruption. The Public Accounts Committee (PAC), appointed pursuant to Standing Orders No.77 (1) at the beginning of every Parliament,[21] has played an important role by mandating that the accounts of the Federation and the States be examined by the Auditor-General which then has to be submitted to the Yang di-Pertuan Agong who then shall cause it to be laid before the House of Representatives, the *Dewan Rakyat*.[22]

As such, the PAC acts to ensure financial accountability on the part of government agencies and departments. It initiates action on concerns expressed in the Auditor-General's report.[23] It has the power under Standing Orders 77(5) to summon for persons, or requests for issuing of letters, papers and records, and to issue statements to Parliament. The PAC will identify areas in the report which warrant explanation and may request relevant agencies or ministries to respond to queries of non-conformity raised in the Auditor-General's report. However, the PAC is held back by lack of resources and does not have its own manpower.[24]

The PAC was a system inherited from the British parliament. But unlike the parliament in Britain, Australia, New Zealand, Canada and India for, example, it was not a tradition for the Malaysian PAC to have an opposition MP as chairman.

National Integrity Plan and the Integrity Institute of Malaysia (IIM)

When Dato' Seri Abdullah Ahmad Badawi assumed office as Prime Minister on 31 October 2003, he pledged to eradicate corruption and promote good governance and ethical values.[25] As new measures to combat corruption, the Prime Minister launched the National Integrity Plan (NIP) in April 2004 for the purpose "*…to develop a society , which is morally and ethically strong, with its members possessing religious and spiritual values that are strong and streadfast, and is supported by good values."* (Malaysia, 2004: vii, 18). An Integrity Agenda has been developed and targets not only the public sector which is perceived as the main perpetrators of corruption but aims to involve all sectors of society.[26]Simultaneously the Integrity Institute of Malaysia (IIM) was also launched as a company limited by guarantee, to ensure that all the planning, implementation, coordination, monitoring and evaluation related to the implementation of NIP are carried out. Since its inception, IIM has conducted various activities on ethics and integrity for the public sector, and has thus provided the platform for citizens to voice their concerns on corruption. Although it is still early days to assess the effect of these programmes, they represent a step in the direction towards inculcating ethical values in individuals from all sectors of society.

Reforming the Police Force (PDRM): Royal Commission on Police
The Malaysian police force (PDRM) has constantly been criticised for abuses of power, violations of human rights and corruption. Therefore, to enhance the integrity of frontline agencies and strengthen their capability and capacity, a seventeen member Royal Commission to Enhance the Operation and Management of the Royal Malaysia Police (RCP) was appointed and came into effect on February 4, 2004 headed by the former Chief Judge, Tun Mohammed Dzaiddin Haji Abdullah. The RCP was to make recommendations "to change the

mindset and values of members of the police force [PDRM] so as to improve their service and to adopt zero tolerance towards corruption."[27]

The Report which was made public on 16 May 2005 noted the changes in the political and social environment governing policing, namely "the expectations of better service from public agencies including the police"; "demands for greater transparency and accountability from government"; as well as "the trend towards engaging civil society and the private sector in policy making and governance" (Report 2005: 2-3).

The RCP's Report revealed widespread corruption within PDRM. Of the 926 complaints received by the RCP from the public between March 2004 and March 2005, 98 were on police corruption. The corruption activities include collection of monthly payments from illegal factory owners and employers of illegal immigrants; demand of payment for providing food in the police lock-up to detainees or for allowing them to make a telephone call; accepting bribes for not acting against people guilty of committing offences or for detaining and investigating innocent people. From a survey finding conducted among police personnel, the corruption awareness is significantly low among personnel of all levels.

The Report of the RCP identified nine challenges confronting PDRM of which police corruption is ranked third. [28] Out of the 125 recommendations made by the RCP, 10 relate to eradication of corruption in the PDRM. The RCP gave a short time frame for the implementation of recommendations relating to corruption which was to be implemented by August 2005 while most of the other recommendations were given till December 2005 and June 2006. [29]

The prescribed time-frame underscores the urgency in resolving the issue of corruption and other recommendations for improving PDRM. However, it has now been more than a year and very little is heard of the outcome of the recommendations of RCP, except for a recent newspaper report (*The Star,* 26 March 2007) in which the Inspector-General of Police proposed a 20% more of basic salary increase as compared to any other government servant. The proposal received support from many members of the public, as many agree that

the Malaysian police force are overworked and underpaid. It can be argued that an attractive salary is not the only factor that defines an effective force, but certainly it is a major contributor. It is hoped that a higher salary would also be a deterrent to corrupt practices, as Leiken (1997) recommended "when the people pay government functionaries decent salaries, they are buying a layer of insulation against patronage and bribery" (Leiken, 1997:.68).

The Public Complaints Bureau (PCB)

The Public Complaints Bureau (PCB) was established in 1971 as a channel for the public to lodge official complaints against government departments, agencies and the civil servants. It provides a non-judicial, informal and inexpensive remedy to those with grievances against the administration. However, the PCB is not an independent constitutional agency. It is under the Prime Minister's Department and is supervised by the chief Secretary to the government. However, the PCB does not have legal powers in every aspect. It cannot order any decision to be reversed or any compensation to be paid. It has no powers to subpoena documents and persons or to prosecute anyone. It suggests but cannot order. It can merely ask government departments to look into the complaints and provide a reply.

Therefore, it is gratifying to note that under Abdullah's administration, the PCB is getting stronger. The Public Complaints Bureau is seeking more legal muscles, including powers to investigate. The powers sought include access to official government documents, power to enter premises of public agencies and power to question civil servants involved in complaints. A draft of proposals for investigative powers has been sent for approval from the Cabinet.

For the year 2005 the PCB received 2,707 complaints, out of which 1,578 complaints involving the Federal Government level and 1,129 involving the state level (Table 8). Out of this, 83% or 2,247 cases were solved within three months. In 2006, it was reported that from January to Sept 15, the bureau received 2,627 complaints - 1,555 involving state governments and 1,072 involving ministries, of which 597 cases were settled.

Table 8: Public Complaints at Public Complaints Bureau (PCB) 2000 -2005

Year	Complaints involving Federal Government Level	Complaints involving State Level	Total complaints received
2000	1,868	826	3,721
2001	1,744	805	2,769
2002	2,272	1,180	4,202
2003	2,034	1,180	4,069
2004	1,858	928	2,792
2005	1,578	1,129	2,707

Source: Annual Report of Public Complaints Bureau for years from 2000 to 2005

Among the complaints are delays in taking action, lack of public facilities, amenities and services, failure of enforcement, failure to adhere to procedures and abuse of power and misconduct by civil servants and unfair action. Complaints relating to corruption were referred to the Anti Corruption Agency [ACA] for investigation and further action.

Other preventive measures

There are many other initiatives taken by the Malaysian government, such as the internal auditing system [IAS], responsible for auditing monetary and financial management of the government. The most recent strategy is the improvement of the public service delivery system to reduce the bureaucratic red-tape (*The Star* 14 April 2007). The recent Malaysian Transparency Perception Survey showed that among the races, the Chinese have the highest bribe-paying experience, with 58 per cent, compared with Indians (23 per cent) and Malays (14 per cent). In response to the survey, a Minister was reported to have made a statement that the Chinese are forced to bribe in the face of bureaucracy and red tape and official impediments, which was echoed by a number of Chinese leaders (*The Sun,* March 13, 2007). The case in point is the perception that the public had to bribe officials to get things done.

The Malaysian media also played its role makes commendable effort towards exposing wrongdoings in the public and private sector. Complaints and comments from readers and viewers exposing wrongdoings are bold. However,

as Faruqi (1995) observed, fundamental policies and principles are rarely challenged.

On the political front, the Malaysian government is also fighting corruption through its Disciplinary Board and Code of Ethics to put an end to money politics and corruption among party members. The Code of Ethics requires that all elected representatives to declare their assets every two years, listing their local and overseas bank accounts, landed property, vehicles, jewelry, their direct or proxy stakes in companies and the number of shares held. They are also required to report on their work every three months. Regrettably, it is unclear how far the Code is being implemented, who or which body receives, monitors and evaluate the declarations of assets from the elected representatives, and whether sanctions have been imposed for breaches of the Code. The concern is that without a proper mechanism to monitor, evaluate and investigate, if need be, the Code might be an exercise in futility without much effect in reducing corrupt practices, if any, among elected representatives.

There are many other initiatives taken by the Malaysian government in its attempt to engage the private sector in its fight against corruption, an example is the Malaysian Code of Corporate governance [MCCG] established in 2000 that sets out best practices for corporate governance for companies to apply to their organizations. However, they have not been seen to be translated into positive results.

Informal and Non-legal Controls

As discussed earlier, for the formal institutions and principles to work adequately, as in the fight against corruption, it would also need to depend on the informal and non-legal forms of control that provide normative restraints and internal discipline. However, regrettably, in Malaysia, the absent of the socio-economic, moral, cultural and political pre-requisites for the performance of the institutions is felt in the matter of calling the government for its accountability (Faruqi, 1995:14). The reason for this situation is attributed to the government's and the people's preoccupation with nation-building, securing peace and economic prosperity, which have been commendably achieved by "pragmatic" measures such as the

Sedition Act, Internal Security Act and the Printing Presses and Publications Act". However, while these measures have helped to preserve social stability, it has been argued that they have also prevented the growth of openness and accountability in the government (Faruqi, 1995, Param Cumaraswamy, 2005).

Conclusion

So, will corruption in Malaysia be eradicated? The preceding discussion shows that Malaysia has a wealth of principles, procedures and institutions and the necessary infrastructure to fight corruption. There is also a vigour exuberance on the government to eradicate corruption, as demonstrated by the many initiatives it has taken. However, apart from those initiatives, there are also other ingredients for anti-corruption strategies to be effective, as demonstrated by Singapore experience. Foremost, there must be honest and incorruptible political leaders. There need be strong policing, through the sole agency dedicated to the task of combating corruption that is not only independent but also incorruptible. Consequently, there need also the "high-risk, low reward perception" of the public for corrupt activities, through the competitive salaries, the severe punishment when detected, and publicity in the mass media. The successful experience of Singapore in curbing corruption proved that it is possible.

In the context of Malaysia, the many steps taken to fight corruption seem to be ineffective. The backslide in the CPI and the PERC survey is a grim warning that the anti-corruption drive is not making much headway and there is an urgent need for drastic measures if the battle against corruption is not to be lost altogether. As in the case elsewhere in the world, mechanisms for fighting corruption are not always operating effectively. As Quah (2003) observes, the critical factor for success is not in the number of anti-corruption measures, but whether these measures are impartially implemented. What is needed is the political will to implement the measures effectively:

> "Political will is absent when the 'big fish' are protected from prosecution for corruption and only small fish are caught. Under these circumstances, the anti-corruption strategy lacks credibility and is doomed to failure" (Quah, 2003 p. 181).

For the political will to be established, the state capacity needs to be strengthened and this requires a broader conditions. Engaging more of the civil society and the private sector can be a key piece in the puzzle necessary to implement the necessary measures. The private sector's participation can help build the state and market institutions that will work together to create healthy competition in the economy through standard business practices. The various institutions that have been established need to be strengthened with the system of checks and balance restored. The government needs to demonstrate its political will and this requires the changing of mindsets of those in power.

Notes

[1] In a country where cases of corruption are exception rather than the rule, then corruption is a fact of life. In a country where corruption is rampant and become the norm rather than the exception, then corruption is a way of life (Caiden 1981).

[2] Grand corruption refers to corruption by political leaders and senior civil servants and usually involves 'large international bribes and hidden overseas bank On the other hand, petty corruption is practiced by underpaid junior civil servants who demand bribes to perform favours account' (Pope 2000)..

[3] In India, the Prevention Corruption Act is implemented by the Central Bureau of Investigation, the Central Vigilance Commission, the state anti-corruption bureau and the state vigilance commission. In China, the anti-corruption laws are implemented by three agencies, depending on the sector. Philippines has the most anti-corruption measures, consisting of seven laws and 13 anti-corruption agencies (Quah 2003).

[4] In Hong Kong, the Independent Commission Corruption (ICAC), created in 1974, implemented the ICAC Ordinance and Prevention of Bribery Ordinance. Similarly, in Thailand, the Counter Corruption Commission, was established in 1975, with the enactment of Counter Corruption Act. In South Korea, the Anti-Corruption Act (ACA) was enacted in July 2001 and the Korean Independent Commission Against Corruption (KICAC), formed in January 2002, implement the ACA.

[5] Transparency International (TI) has published an annual Corruption Perceptions Index (CPI) based on the perceptions of selected groups of businessmen, risk analysts, and the general public, on the extent of corruption in many countries. The sample size of TI's CPI has increased from 41 in 1995 to 166 in 2006.

[6] Historically, both countries were under the British colonial rule and attained independence peacefully in 1957 and 1959 respectively. After independence, Singapore was at one time, a part of Malaysia from 1963 – 1965. Demographically, both countries are heterogenous in terms of ethnicity, language and religion, with multi racial population consisting of Malays, Chinese, Indians and others. Both countries have great diversity in language - Malay, Mandarin and Tamil (and several other Chinese and Indian dialects). Similarly, both have diversity in religion among the population such as Muslims, Buddhists, Christians, Taoists and Hindus. Economically, both had their industrialisation programme and developed rapid economic growth since the last four decades. And administratively, both adopt the same pattern of controlling corruption.

[7] Report of the Commission of Inquiry on Investigations Concerning the late Mr. Teh Cheang Wan , Singapore: Singapore National Printers 1987 p: 27-30

[8] Between 1973 and 1994, four revisions of salaries of the civil servants were made.

[9] Singapore's civil service and ministerial salaries are among the highest in the world. Although there has been concerns raised among its citizens the government maintained that such pay was necessary to keep talent in the public sector.

[10] Y. Mansoor Marican (1979) Combating Corruption: The Malaysian Experience" Asian Survey Vol. 19 No. 6 June 1979, pp.601-603

[11] Section 3(1), Act 575 which repealed the Prevention of Corruption Act 1961 and the

Anti-Corruption Agency Act 1982.

[12] Quah Bureaucratic Corruption in the ASEAN countries p.170.

[13] Malaysiakini report on 7 July 2005 of the written response by the Deputy Minister in the Prime Minister's Department to a parliamentary question.

[14] National Integrity Systems, Country Study Report, Malaysia 2003. p.32

[15] Section 50, Act 575

[16] The Public Prosecutor is the Attorney General who "shall have power, exercisable at his discretion, to institute, conduct or discontinue any proceedings for an offence, other than proceedings for an offence before a Syariah Court, a native court or a courtmartial." (Article 145(3), Federal Constitution)

[17] Article 145 (1)

[18] See also Dato'Param Cumaraswamy (2005) 'Evaluation of government Initiatives for the past year' a paper presented at the Seminar on Anti-Corruption Initiatives in Malaysia : An Update, oreganised by Asian Institute for Development, 3 October 2007, Kuala Lumpur

[19] Section 3(2), Act 575

[20]From a seminar discussion. See Patrick Pillai et.al (eds.) 1995) Managing Trust: Transparency, Accountability & Ethics in Malaysia, Kulal Lumpur: ISIS Malaysia p. 51

[21] Article 106(1), Federal Constitution

[22] Article 107(1), Federal Constitution.

[23]The Auditor General's report relates to the accounts of the federation and the States (a) the accounts of the Federation and the appropriation of the sums granted by Parliament to meet the public expenditure;(b) accounts of public authorities and other bodies administrating public funds as may be laid before the House;(c) reports of the Auditor-General laid before the House in accordance with Article 107 of the Constitution;(d) other matters as the Committee may think fit, or which may be referred to the Committee by the House.

[24] Datuk Sharir Abdul Samad (2005) Keynote Address delivered at the Seminar on Anti-Corruption Initiatives in Malaysia, organized by Asian Institute for Development Communication, Kuala Lumpur, 3 October 2005.

[25] Statement reiterated in a Special keynote Address "Integrity – The Basis of Good Governance" at the World Ethics and Integrity Forum 2005, 28 – 29 April 2005, Kuala Lumpur.

[26] National Integrity Plan, p.35, para.5

[27] Statement by Prime Minister when announcing his decision to appoint a commission in Malaysiakini, 6 February 2004.

[28] The other two priorities are reducing crime and compliance with prescribed laws and human rights.

[29] The Action Plan to eradicate corruption include:
 Adopt a proactive anti-corruption strategy.
 Develop education and training programmes to encourage culture of honesty and integrity.
 Review and strengthen PDRM's anti-corruption mechanism in the Disciplinary Division.
 Establish an Audit Management Unit.
 Implement regular job rotations and tenure limitation (as some departments provide greater opportunities for corruption).

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