



PAÑÑASĀSTRA UNIVERSITY OF CAMBODIA

Social Sciences  
and International Relations

## PERSPECTIVE

### **Combatting Corrosive Corruption**

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Corruption acts like a slow-acting poison hindering social progress and the health of the polity. It not only cripples economic growth but also erodes the very foundations of a peaceful society. Understanding these detrimental effects is crucial in crafting a comprehensive strategy to dismantle this pervasive force. Corruption is linked to undermining development efforts and preventing the stability and good governance necessary for peace. Specific reforms across several key sectors are necessary to reduce corruption. To achieve such reforms a coordinated effort by diverse essential actors is required.

#### **Corruption Contradicts Development and Peace**

Beyond the immediate loss of funds due to embezzlement, corruption creates an environment of uncertainty and distrust that discourages investment. Studies by the World Bank consistently show a negative correlation between corruption and foreign direct investment (FDI). A study published in the *Journal of International Business Studies* by researchers Mohsin Habib and Leon Zurawicki found that corruption discourages FDI by increasing transaction costs and reducing the predictability of the business environment. Imagine a foreign company considering a multi-million dollar investment in a country where permits and regulations can be manipulated through bribes. The fear of arbitrary decisions or changes in policy based on corrupt interests becomes a significant deterrent. This stifles innovation and hinders economic diversification, leaving a nation reliant on a limited number of industries, often controlled by those with political connections.

Furthermore, corruption creates an uneven playing field for businesses, as documented by researchers like Andrei Shleifer and Robert Vishny in their work *Corruption*. Honest entrepreneurs

are forced to compete with those who engage in bribery to secure contracts or gain unfair advantages. This leads to a distorted market where success is measured by political connections rather than merit and efficiency. Businesses that engage in corrupt practices distort competition, often leading to higher prices for consumers and a reduction in the quality of goods and services. Research by Paulo Mauro in his work *Corruption and Growth* suggests that this can lead to a vicious cycle, where poor quality infrastructure and services further deter investment and hinder economic development.

The negative impacts of corruption extend far beyond the economic sphere. When citizens witness public officials enriching themselves through illegal means, their faith in the rule of law crumbles. A sense of cynicism and despair permeates society, as the notion of justice becomes distorted and inaccessible to the average citizen. This loss of trust breeds resentment and fuels social unrest.

Research by the Institute for Economics & Peace demonstrates a clear correlation between high levels of corruption and societal instability. Their *2023 Global Peace Index* found that countries with rampant corruption are more likely to experience civil unrest, violence, and even civil war. A 2015 evidence paper published by the UK Department for International Development found that corruption weakens the social contract between the government and its citizens, jeopardizing legitimacy and stability. This lack of trust and social cohesion creates a breeding ground for extremism and violent resistance. Imagine a situation where a peaceful protest against a corrupt land acquisition project is met with violence by police officers on the payroll of a powerful private developer. Such instances not only undermine the legitimacy of the state but also create a sense of hopelessness that can lead to radicalization and violent conflict.

## **Combatting Corruption**

Combatting entrenched corruption requires building a robust anti-corruption framework, and understanding the devastating consequences of corruption is only the first step. Dismantling this system requires a multi-pronged approach that addresses both the institutional and ideological aspects. Required reforms must encompass strengthening the judiciary, ensuring the safety of whistleblowers, regulating campaign finance to ensure equity and transparency, ensuring adequate and enforced procurement regulations, and real financial oversight.

First, an independent and well-resourced judiciary, as emphasized by researchers like Robert Klitgaard in his work *Controlling Corruption*, acts as a powerful deterrent against corruption. Judges empowered to make impartial decisions free from political influence are essential for a fair and equitable justice system. Judicial reform will require ensuring security of tenure, adequate funding, and improved accountability. Guaranteeing judges cannot be easily removed from office for political reasons protects their impartiality, as highlighted in a 2018 study by the World Justice Project. This can be achieved through fixed terms or appointment processes that require broad consensus from multiple stakeholders. Providing sufficient resources for the judiciary to function

effectively, including competitive salaries for judges to discourage bribery. Research by the International Monetary Fund suggests that well-paid judges are less susceptible to corruption. Additionally, adequate funding ensures courts have the resources to handle complex corruption cases efficiently. Establishing mechanisms for investigating and disciplining corrupt judges, fostering public trust in the judiciary. Independent oversight bodies can ensure impartial investigations and appropriate sanctions when necessary. This may include removal from office, fines, or even imprisonment.

Second, whistleblowers play a crucial role in exposing corruption, as highlighted by researchers like Susan Rose-Ackerman in her work *Corruption and Government: Causes, Consequences, and Reform*. However, they often face retaliation and intimidation. Reforms needed include whistleblower protection laws, effective reporting mechanisms, and investigative follow-up. Providing legal safeguards for whistleblowers who report corruption, including anonymity options and protection from dismissal or harassment. Research by Transparency International suggests that robust whistleblower protection laws encourage more individuals to come forward with information about corruption. These laws should also ensure swift and effective remedies for whistleblowers who face retaliation. Establishing clear and accessible channels for whistleblowers to report corruption without fear of retribution. This could include hotlines, online platforms, and dedicated units within law enforcement agencies. These mechanisms should be well-publicized and easily accessible to ensure whistleblowers know how to report wrongdoing. Finally, Ensuring thorough investigations into whistleblower reports and appropriate prosecution of those implicated. A lack of follow-up discourages future whistleblowers and weakens the system. Investigations should be conducted promptly, impartially, and with adequate resources to ensure a successful outcome. Additionally, providing feedback to whistleblowers about the status of their reports can help maintain trust in the system.

Third, the ability of certain political parties or special interests to finance campaigns by the clandestine siphoning of public finances indicates extreme corruption. However, overreliance on private donations from special interests fuels corruption as well, as political scientist Larry Diamond argues in his article “Assessing and Reforming Public Efforts to Control Corruption”. When politicians depend on wealthy donors for campaign funding, they may feel obligated to return favors once elected, creating a breeding ground for corruption. In such contexts, campaign finance reform is needed, as is transparent spending disclosure, and real enforcement mechanisms, such as a designated anti-corruption body that is actually active and independent.

Reducing dependence on private donations by providing public funding for campaigns. This can be implemented with transparent and equal spending limits to ensure a level playing field, as suggested by researchers at the Brennan Center for Justice. Public financing can help to reduce the influence of special interests and create a more democratic electoral process. Also, mandating transparency in campaign finances, requiring candidates to disclose the sources and amounts of their donations. Public access to this information allows for greater scrutiny and accountability. Citizens can hold politicians accountable for their fundraising practices and identify potential

conflicts of interest. Finally, enacting tough penalties for violations of campaign finance laws to deter abuse of the system. This may include fines, disqualification from office, or even imprisonment. Strong enforcement mechanisms are essential to ensure that campaign finance laws are followed and that those who break the rules are held accountable.

Fourth, inefficient and non-transparent procurement processes create a breeding ground for corruption. Research by the World Bank suggests that a lack of transparency in procurement is a major driver of corruption in developing countries. Opportunities for bribes and kickbacks flourish when contracts are awarded behind closed doors without proper oversight. To preclude such conditions that are so undesirable to positive peace and economic development, reforms are needed to bring about an open bidding process, independent oversight, and digitalization processes which increase access and accountability.

Ensuring open competition for government contracts, with clear criteria for award selection to minimize subjectivity. Open bidding processes should be well-publicized and allow for participation from all qualified businesses. Additionally, clear criteria for evaluating bids should be established and made public to ensure fairness and transparency. Establishing independent bodies to monitor procurement processes and investigate potential irregularities. These oversight bodies should be staffed with qualified individuals who are free from political influence. They should have the authority to review contracts, investigate complaints, and recommend sanctions for violations. Implementing digital procurement systems to increase transparency, streamline processes, and reduce opportunities for manipulation. E-procurement platforms can automate many aspects of the procurement process, reducing the need for human interaction and minimizing opportunities for corruption. Additionally, these platforms can provide public access to bid information and contract details, fostering greater transparency.

Fifth, robust financial oversight mechanisms are crucial for detecting and deterring corruption. Weak oversight allows corrupt officials to misappropriate funds with impunity. Research by the International Monetary Fund suggests that countries with strong financial oversight institutions tend to have lower levels of corruption. Achieving such oversight demands independent auditing bodies, enforced anti-money laundering regulations, and asset disclosure requirements.

Creating independent auditing institutions to ensure unbiased scrutiny of public finances. These institutions should have the authority to conduct audits of government agencies and programs, and to report their findings publicly. They should be well-resourced and staffed with qualified auditors who are free from political influence. Implementing comprehensive regulations to track and prevent the flow of illicit funds, a major source of income for corrupt officials. This may involve collaborating with international organizations to monitor financial transactions and identify suspicious activity. Anti-money laundering regulations can help to deter corruption by making it more difficult for corrupt officials to hide their stolen wealth. Requiring public officials to declare their assets and income to identify potential instances of unexplained wealth accumulation. This can help to deter corrupt practices and ensure that officials are accountable for their finances. Asset

disclosure requirements should be comprehensive and include provisions for verification of reported assets and income.

## **Coordinating Key Actors**

To achieve the aforementioned reforms and advance the fight against corruption requires a collective effort from all stakeholders. Civil society organizations, independent media, opposition parties, the private sector, and even progressive elements within the existing ruling elite all have a role to play. International cooperation and support from donor agencies can also be a catalyst for progress. Technology too can be harnessed for good, with e-governance platforms and open data initiatives empowering citizens and enhancing transparency.

The role of civil society and media depends on the independence of media and the dynamism of civil society organizations. A vibrant and independent media plays a crucial role in exposing corruption, holding governments accountable, and fostering public discourse on anti-corruption issues. Research by Freedom House suggests that a strong correlation exists between press freedom and lower levels of corruption. Media outlets need to be protected from intimidation and harassment to ensure they can fulfill their watchdog role effectively. Civil society organizations (CSOs) can play a vital role in advocating for anti-corruption reforms, raising public awareness, and monitoring government activities. Research by the World Bank suggests that a strong and active civil society can be a powerful force against corruption. CSOs can also provide support and resources to whistleblowers and investigative journalists.

The Private Sector's Responsibility extends beyond standard corporate social responsibility actions, which tend to range from at best sporadic (inconsistent and unsystematized) social welfare provision and at worst an extension of corporate teambuilding exercises. The business community must demonstrate the courage to advocate for and organize anticorruption compliance programs and normalize transparency in business practices. Businesses can help to combat corruption by implementing robust anti-corruption compliance programs. These programs should include clear policies against bribery and other corrupt practices, as well as training for employees on ethical behavior. Research by the Organization for Economic Co-operation and Development (OECD) suggests that companies with strong anti-corruption programs are less likely to be involved in bribery and other corrupt activities. Businesses can further contribute to the fight against corruption by promoting transparency in their own business practices. This includes disclosing the ownership structure of companies, publishing financial statements, and avoiding opaque financial arrangements. Increased transparency makes it more difficult for businesses to engage in corrupt practices.

Despite the limits of donor driven aid and the ability of elite capture of donor resources intended for the grassroots level, international donors still have a role to play, and its important to not throw the baby out with the bathwater. International cooperation can play a crucial role in the fight

against corruption by facilitating the sharing of best practices and experiences. Countries with successful anti-corruption initiatives can provide valuable insights and support to those struggling to address the issue. International organizations like the United Nations Office on Drugs and Crime (UNODC) can play a key role in facilitating this exchange of knowledge and expertise. Moreover, corruption often transcends national borders. International cooperation is essential for investigating and prosecuting corruption cases that involve multiple jurisdictions. This may involve mutual legal assistance treaties that allow for the sharing of evidence and the extradition of fugitives. Also, recovering stolen assets from corrupt officials is an important element of deterring corruption. International cooperation is essential for tracking, freezing, and repatriating stolen assets. This can help to deprive corrupt officials of their ill-gotten gains and send a strong message of deterrence. At the same time, it is essential to recognize that developed states have created and sustained the international networks and practices that are essential to tax evasion, money laundering, and the financing of organized crime. Without addressing this reality, donor efforts to combat corruption are both disingenuous and mask root causes.

Finally, reform efforts across sectors can leverage technology to erode the foundations of entrenched corruption. Consider the potential impact of e-governance platforms, open data initiatives, and social media. E-governance platforms can help to streamline bureaucratic processes, reduce opportunities for bribery and rent-seeking, and improve access to government services for citizens. These platforms can also enhance transparency by making government data and information more readily available to the public. Open data initiatives empower citizens to analyze government spending and identify potential irregularities. Imagine a website where citizens can access budget information and track expenditures by different government agencies. This level of transparency can deter corrupt practices and foster greater public accountability. Social media can foster transparency and citizen engagement, creating a virtual space for public discourse and holding leaders accountable. Imagine a social media campaign that exposes a school construction project where funds have been embezzled. Citizen pressure generated through such platforms can force authorities to investigate and hold those responsible accountable.

To sum up, the fight against corruption is a long-term endeavor, requiring sustained effort and unwavering commitment. There will be setbacks and moments of discouragement. Powerful vested interests may resist reforms that threaten their grip on power. The journey toward building a society grounded in positive peace – where security, economic prosperity, and a sense of justice go hand-in-hand – requires this collective effort. Only then can true progress and a brighter future unfold, where the potential of every citizen can flourish in an environment free from corruption. This collective action, informed by research and best practices, engenders an avenue to a future where corruption no longer suffocates growth and erodes peace. By dismantling the corrupt citadel, brick by painstaking brick, we can build societies where trust, transparency, and accountability form the bedrock of a just and prosperous future.