

**A STUDY OF BRIBERY AND WEALTH IN THE ASEAN
COMMUNITY BASED ON THE CORRUPTION
PERCEPTION INDEX SCORES AND GNP PER CAPITA**

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Abstract

Corruption is a reality of life in all countries and the ASEAN Community is no exception. This paper proposes that the wealth of a country can be a determinant of corruption. Accordingly, the authors sought to ascertain if there is a relationship between gross national product (GNP) per capita and the corruption perception index (CPI) of ASEAN countries. Through statistical analysis, this study demonstrates that there is a significant linear relationship between wealth generation and a country's level of corruption. Wealth, or lack of it, emerges as a significant determinant variable in understanding the corruption pattern. The implications of these findings are discussed and suggestions for future research are provided by the authors.

Key words: morality, ethics, corruption, wealth, corruption perception index, CPI, gross national product, GNP, ASEAN, Foreign Corrupt Practices Act.

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Introduction

This paper is designed to explore several cultural, legal, and economic concepts in an attempt to address the seminal question - “Is there a relationship between GNP and CPI in the ASEAN community?” And if so, then “why” is there a relationship between GNP and CPI in these ten ASEAN countries? “ASEAN” refers to the Association of Southeast Asian nations, which was established in 1967 in Bangkok, Thailand. The five original members were Indonesia, Malaysia, Philippines, Singapore, and Thailand; and in 1995, Vietnam joined the organization (Mujtaba, McClelland, Cavico and Williamson, 2012; Wilkey, 2002). Today, ASEAN also includes the countries of Brunei, Laos, Cambodia, and Myanmar. The major purposes of ASEAN, as set forth in its declaration, are two: 1) to promote economic growth, social progress, and cultural development in the region by means of partnerships, joint ventures, accords and agreements; and 2) to promote regional stability and peace by adherence to the principles of the United Nations charter (Wilkey, 2002). Joint efforts to fight crime and combat corruption are certainly within the “jurisdiction” of ASEAN.

In answering the aforementioned research questions for the ASEAN countries, the authors relied on data from Transparency International (TI). TI, which was founded in 1993, is a non-governmental international organization whose objectives are to reduce corruption and bribery in politics, public affairs, and the private sector, and to promote economic development. Transparency International accomplishes these objectives primarily by conducting in-depth economic studies and disseminating the results of these studies as publicly and broadly as possible in order to improve societal awareness of corruption and bribery and the harm that these types of misconduct inflict on societies (Transparency International, Mission, Vision and Values, 2012). Two important aspects of TI’s work for the purposes herein are: 1) the Corruption Perceptions Index (CPI), which is an annual report that as of 2011 ranks 183 countries by their perceived levels of corruption (Transparency International, 2011 Corruption Perceptions Index); and 2) the Bribe Payers Index, which is a listing of the 28 “leading economies” based on the likelihood of businesses from those economies paying bribes abroad (Transparency International, 2011 Bribe Payers Index). The Organization of Economic Cooperation and Development has an international treaty specifically combating bribery, called the Convention on Combating Bribery of Foreign Government Officials in International Business Transactions. This treaty is patterned after the primary U.S. statute prohibiting bribery abroad, the Foreign Corrupt Practices Act

(FCPA) (Cavico and Mujtaba, 2011; Earle and Cava, 2008). For the U.S. business person, the key statute is the Foreign Corrupt Practices Act, which has also extraterritorial reach, and which is enforced by the Justice Department. The FCPA makes the payment of a bribe, or the transfer of something of value, directly or indirectly, to a foreign government official, by a business person, in order to wrongfully secure a government contract with the host country a serious criminal wrong (Cavico and Mujtaba, 2010). Although it is beyond the purposes of this paper to examine in detail the FCPA, the authors must emphasize that in order for there to be legal liability pursuant to the statute, the government must possess evidence of wrongful intent, that is, the bribe-giver must have had an “evil mind” and the corrupt motive, to, in essence, wrongfully direct the business to his or her firm, that is, to “purchase” the contract. Internationally, moreover, there is a treaty in the form of a convention by the Organization for Economic Cooperation and Development (OECD) which bans bribery. This treaty sets out criteria for national anti-bribery legislation, some of which provisions are very similar to the FCPA. However, in the FCPA as well as the OECD convention there is an exception, that is, a legal “bribe,” called the “facilitating and expediting” exception. This legal exception bears direct relevance to the central issue on examination for this paper. Pursuant to the “facilitating and expediting” exception, a business person can make relatively small payments or “gifts” to lower level foreign government officials, who possess merely ministerial clerk-like authority, to facilitate, that is, to make things go more smoothly, and expedite, that is, to make to go more quickly, routine government actions, such as the processing of visas, custom forms, obtaining permits, licenses, and documents, and other “paperwork,” that the business person is legally entitled to. Yet the greater the sum of money paid to the foreign government official, and the higher his or her position is, and the more discretionary power he or she has, and the less “routine” the government actions, the risk is that the payment will be transformed, at least in the eyes of the Justice Department, from a legal “bribe” to an illegal and perhaps felonious one (Mujtaba, McClelland, Cavico and Williamson, 2012). Nevertheless, the “facilitating and expediting” exception was placed in the law by Congress to reflect a “real-world” view that in many countries, especially less developed and poorer ones, these payments are considered normal, and culturally acceptable, business practices, in order to afford additional compensation to inadequately paid lower level government officials (that is, “petty bureaucrats”). Hall (2002)

explains the pernicious effects in the context of Cambodia of the government not paying its civil servants a “living wage”:

It is unreasonable to expect civil servants – including judges – whose salaries are often as little as US\$ 12 a month, to refrain from accepting bribes. With pay levels set below even starvation level, all civil servants are forced to become corrupt regardless of their personal preference. Factory inspectors need bribes to feed their children, judges need money from parties to feed their families, and officials need money from business people in order to provide some degree of financial security to themselves and their loved ones. The failure to pay civil servants a good, decent wage, ensures only one thing: the development of a system where corruption is pervasive, accepted, and perceived as necessary. In a system where the officials are, to a greater or lesser extent, corrupt, a tolerance for corruption develops and a reluctance to denounce serious offenders spreads. Failure to pay a living wage strongly suggests that the Government encourages and condones such corruption, seeing it as a means of running a civil service with only minimal financial outlay. In addition, Government can selectively appoint key supporters to positions that have access to lucrative income from bribes. Patronage, cronyism, and political allegiance all flourish in a system that protects and encourages corruption. Paying inspectors and other ministry officials adequate wages will ensure that bribes are no longer an economic necessity (pp. 170-71).

Similarly, regarding Indonesia, White (2006, pp. 10-11) relates the following: “Indeed, most of the corruption in Indonesia is in the nature of rent-seeking activities by government officials. Very low government salaries which encourage rent-seeking, together with a broad cultural ‘expectation that if anyone provides a service, there will be some payment for it,’ combine to foster the culture of corruption....’ (In a sense, the ordinary functions of government have been quietly privatized in what we would think of as perverse ways.’ And, where the top strata of the state and its bureaucracy set an example of corruption, corruption becomes part of the national culture.”

The Asian Development Bank as well as the World Bank have promulgated anti-corruption policies and integrity principles and also are engaged in monitoring activities to encourage national governments to implement strategies to combat bribery and corruption

(Kumar, 2008). The Asian Development Bank's efforts are based on certain fundamental understandings, to wit: corruption is widespread; corruption raises serious ethical and political concerns; corruption has a deleterious effect on good government and the rule of law, impedes economic growth and efforts to reduce poverty, and distorts competition; yet nonetheless the fight against corruption is a complex undertaking that will require involvement by all parts of a society. Emphasis also must be made on a policy statement by the World Bank, pertinent to the purposes herein, which relates economic development to corruption. The World Bank believes that anti-corruption efforts are based on, and must be integrated with, a country's attempt to reduce poverty and increase economic development since creating economic opportunities and reducing poverty make a state more transparent and accountable (Earle and Cava, 2008).

Table 1 – GNP and CPI Scores of ASEAN Countries

Country	CPI	GNP per capita (\$)
Singapore	9.20	43929.00
Brunei	5.20	29915.00
Malaysia	4.30	8262.00
Thailand	3.40	4735.00
Indonesia	3.00	3023.00
Vietnam	2.90	1236.00
Philippines	2.60	2014.00
Laos	2.20	1045.00
Cambodia	2.10	731.00
Myanmar	1.50	715.00

The data presented in Table 1, relating perception of corruption (the CPI index from Transparency International, 2009/2010), to average wealth among ASEAN countries (as measured by GNP per capita), displays a significant positive correlation between the two variables. Put simply, the poor are perceived, correctly or incorrectly, as being more corrupt; and, as a corollary, the perception of corruption decreases as countries become wealthier.

The CPI data was taken from Transparency International data list for 2009 and 2010 (Transparency International, 2009/2010). The GNP per capita data came from IMF World Economic Outlook Database 2010. The data is presented as U.S.\$ per capita for each country, based on the GDP divided by the population. Gross National Product (GNP) represents the total value, in dollar amounts, of a country's overall goods and services sold or provided to consumers that are produced in a given year. These products and services must have been owned by the country's citizens, and the amount includes incomes that are earned abroad.

This paper sets out to explore the relationship between corruption and wealth, which appears to be strong, and then to follow several lines of conjecture as to why this relationship might exist, and what such a relationship might mean in terms of a country's development. However, it is first necessary to address culture and the cultural component of corruption, focusing on one major form of corruption – bribery in the public sector.

The Asian Cultural Orientation

Culture is generally defined as the common values, beliefs, ideas, practices, symbols, and artifacts of a distinct group of individuals (Huang, 2006). Organizational cultures can influence interpersonal relationship and behaviors in the department (Cavico, Samuel and Mujtaba, 2012). Societal cultures influence people through their socialization in it, especially so during their upbringing. Culture is acquired knowledge that people of a country or region use to interpret experience in a common manner and generate social behavior. This knowledge forms values, creates attitudes, and influences behaviors. Culture can form the foundation for ethics and ethical behavior by determining what is moral or immoral. The norms and practices of one culture, including moral beliefs and precepts, may not be the norms and practices of another. Generational and gender differences and discrimination naturally affect the employment setting, but cultural differences are also an important reality of today's workforce. Cultural differences, such as languages spoken, clothing designs, and music played, are often apparent among people living in different cities, countries, or continents. Yet certain cultural differences, such as beliefs, values, and morals, are not always apparent at the "surface" level, but they are adhered to and practiced among different human groups (Mujtaba, McClelland, Cavico and Williamson, 2012).

Thailand. Thailand is naturally part of the Eastern cultural tradition; and thus Thai society possesses certain Asian cultural components. Koonmee, et al (2010) state that Thailand is

considerably different from Western societies in terms of fundamental values as well as work-related values. According to Kini, et al (2004), “Thais’ dominant values are caring for others and the quality of life, while Americans’ dominant values are success, money, and material things” (p. 96). In particular, the Thai people are more collectivist and more accepting of power than people in the United States (Mujtaba, 2008). Thailand also has a more “feminine” culture in that Thai people tend to prefer more nurturing behavior over assertive conduct and they make more of an effort to avoid situations of uncertainty (Koonmee, et al, 2010). Singhapakdi, et al (2000) agree: “Thailand is fundamentally different from the U.S. and most Western countries....Thailand is a more collectivist and a less masculine society than the U.S. and many other Western countries” (p. 273). Kini, et al (2004) further state: “The social structure in Thailand and the U.S. are quite different. In Thailand, the society respects its elders, superiors, and patrons more so than in the U.S. The social status, seniority, and personal connections govern the relationships in Thailand, creating moderately high gap between people with power and people without power” (pp. 94-95). There are more community influences in Thailand; and core values are considered to be collectivistic, fatalistic, and externally power controlled (Kini, et al, 2004). Accordingly, “because of these traits, for a collectivist Thai, approval and compliance of his/her behavior with others is more important than his/her own attitude toward certain behavior” (Kini, et al, 2004). However, people in the U.S. are “individualistic and with strong internal locus of control, believe they have the dominion over nature, and feel their own attitude toward the behavior is more important than others” (Kini, et al, 2004, p. 96). Moreover, people in the U.S. “typically...are self-assertive and strive for personal achievement. They are materialistic, and material rewards such as salary, promotion, and rewards enhance their motivation. Thais, on the other hand, give priority to maintaining good relationships since loyalty and trust to seniors are important to them, rather than task achievement and material rewards” (Kini, et al, 2004, p. 96).

Suwannachin (2003) points out that on Hofstede’s “culture map,” Thai people score high in Power Distance, Collectivism, Uncertainty Avoidance, and Femininity (p. 36). The high Power Distance ranking influences the behavior of Thai people, including administrators, teachers, students, and parents, in that they always must show respect toward those people in “senior status in all social relationships” (Suwannachin, p. 37). This showing of respect “results in a pervasive, socially-legitimated, expectation that decisions should be made by those in positions of authority” (Suwannachin, p. 37). However, there are reciprocal obligations in Thai culture,

that is, “the relationship between superiors and subordinates means that there are obligations on both sides, and the Thai subordinates expect to be treated with respect” (Suwannachin, p. 38). The high Collectivism characteristic of Thai culture “shapes the context for change by locating it more in the group than in individuals. This tend(s) to exhibit a strong ‘we’ as opposed to ‘I’ mentality” (Suwannachin, p. 37). High Uncertainty Avoidance “...means that Thais are strongly socialized to conform to group norms, traditions, and rules and regulations. They evince a stronger tendency to seek stability than to be creative, and they find change disruptive and more disturbing than people in lower uncertainty avoidance cultures” (Suwannachin, p. 37). Finally, “the feminine aspects of the culture lead Thais to place an extremely high value on social relationships, harmony, (and) conflict avoidance. Thais also place a great deal of emphasis on living and working in a pleasurable atmosphere, and on fostering a strong spirit of community through pleasant and congenial social relations” (Suwannachin, 2003, pp. 37-38).

Resanond (2002) agrees that “Thailand is an ‘authority ranking culture’ in which vertical collectivism is emphasized”; but he also notes that, “Thais follow fewer rules than do most authority ranking cultures” (p. 16). The hallmark of an “authority ranking culture” is the existence of “dynamic and two-way relationship between a superior and others” (Resanond, p. 17). The authority aspect of Thai culture is reflected in its education system, which “stresses memorization and the taking of copious notes in lectures. Discussion is not emphasized” (Resanond, p. 17). Another key concept in Thailand is taking another person’s feelings into account (Resanond, 2002). Even in the superior-subordinate relationship, “...there are obligations on both sides, and Thai subordinates expect to be treated with respect” (Resanond, p. 18).

Vietnam. Vietnamese cultural values have been deeply influenced by Confucianism. Accordingly, the Confucian desire to achieve harmony is extended beyond the family to wider social groups (Vietnam-Culture.Com, Vietnamese Culture, Vietnamese Culture Values, 2012). The Vietnamese value system is based on four core principles: allegiance to the family, a desire for a good name and reputation, love of learning, and respect for other people. These values, moreover, are closely related (Vietnam-Culture.Com, 2012). The most important component in the value system is the family, which is the preoccupation of the ordinary person and the pillar of Vietnamese society. Each person strives to be the pride of the family. Success brings honor and pride to the whole family, but misconduct is blamed not only on the person him- or herself but on the whole family (Vietnam-Culture.Com, 2012). A child in Vietnam is taught from an early

age on that he or she must, if necessary, sacrifice for the sake of the family. “Central to the concept of the family is the obligation of filial piety which is considered the most essential of all virtues in Vietnamese. The child is expected to be grateful to his parents and ancestors first, even at his own expense, to make sacrifices for his parents’ sake, to love and care for them in their old age. The Vietnamese man who lacks filial piety is looked down upon and ostracized not only by his own family but also by the community” (Vietnam-Culture.Com, 2012, p. 1).

A love of knowledge and learning and a respect for learned people are also important values in Vietnamese culture; and thus a learned person enjoys great prestige in Vietnamese society. However, the love of learning does not spring from purely disinterested motives. The lure of prestige and the prospect of improved social status are among the strongest incentives to the pursuit of knowledge. Education tends to represent the essential stepping stones to the social ladder and to good job opportunities. Education just might be the prime force of “vertical mobility in Vietnamese society (Vietnam-Culture.Com, The Vietnamese Value System, 2012, p. 2).

As emphasized, the concept of respect is very important in Vietnamese society. A person is expected to show respect to people who are senior to him or her in age, status, or position. At home, one should show respect for one’s parents, older siblings, and older relatives. Respect is related to the concept of filial piety. Beyond the family, one must pay respect to elderly people, teachers, the clergy, supervisors and employers, people in high positions, and particularly learned and virtuous people. However, “respect is not a one-way behavior. The Vietnamese common man also expects other people to show respect to him, by virtue of his age, status or position. Special respect is gained by leading a virtuous life, by accomplishing certain heroic deeds or by achieving a high degree of intellectuality” (Vietnam-Culture.Com, The Vietnamese Value System, 2012, p. 3).

Traditional family values in Vietnam have been deeply affected by Confucianism. In order to achieve perfection according to Confucian philosophy one must follow established codes of conduct, which include respect for family and reverence for one’s ancestors. Duty to one’s family and society are also essential elements in this value system. These family values were manifested in Vietnam by the fulfillment of traditional roles, to wit: the role of a man and a woman as parents; the role of the father as the head of the household and decision-maker in all matters; and the role of the woman as a secondary member of the family serving as housewife

and mother. (Vietnam-Culture.Com, Vietnamese Culture, Vietnamese Traditional Family Values, 2012). “The parental role in the family was to define the law. Obedience and respect were the traditional virtues which Vietnamese children were taught to exhibit in the family” (Vietnam-Culture.Com, Vietnamese Culture, Vietnamese Traditional Family Values, 2012, p. 2). Consequently, the oldest male in the family is the head of the family and the most important family member; and his oldest son is the second leader in the family (Vietnam-Culture.Com, Vietnamese Culture, Vietnamese Family and Social Culture, 2012). As emphasized, Vietnamese parents have traditionally had a high regard for education. Education is usually considered a way for personal and family advancement. Parents encourage their children to study hard and excel in their professionals. As such, the Vietnamese people place a higher value on education rather than on material success (Vietnam-Culture.Com, Vietnamese Traditional Family Values, 2012, p. 2).

Regarding the rights of women, certain changes have occurred in modern-day Vietnam. First, the French introduced Western values of individual freedom and equality of the sexes. As such, though mainly in urban areas, Western values and patterns of social behavior became more common, especially among the more educated and wealthy Vietnamese people; but in the countryside traditional Vietnamese family values remained strong. Furthermore, the trend toward adopting Western values continued in South Vietnam during the division of the country in 1954. However, in the North, social values, ethics, and behavior were defined by the Communist Party (Vietnam-Culture.Com, 2012). Upon reunification, “the government officially recognized equality of the sexes, and women began to obtain employment in professions previously dominated by men. At the same time, the government began enforcing a more puritanical lifestyle as a means to counter the so-called decadent practices of Western society. Traditional values continued to hold sway in rural areas and countryside, where the concept of male superiority remained common” (Vietnam-Culture.Com, Vietnamese Family and Social Culture, 2012, p. 2). However, in the 1980s, the Vietnamese government adopted an economic reform program that emphasized free market principles and encouraged foreign investment and tourism; and “as a result, the Vietnamese people have become increasingly acquainted with and influenced by the lifestyles in developed countries of South East Asia and the West” (Vietnam-Culture.Com, Vietnamese Family and Social Culture, 2012, p. 2).

Corruption and Culture in ASEAN

Corruption has been defined generally as “the misuse of public power for private gain” (Kumar, 2008, p. 477). White (2006, pp. 4-5) notes that the preceding definition is “probably the most widely-accepted definition often relied upon when discussing corruption in Asia.” This definition is also the one the World Bank uses (White, 2006). Kumar (2008) indicates that corruption in the Asia-Pacific region is an “all pervasive problem,” “widely prevalent in many countries,” “deeply institutionalized within the government structure” (p. 477), and consequently a “serious issue that affects the people in the Asia-Pacific region” (p. 482). Furthermore, Kumar (2008, p. 477) emphasizes that “the ground realities within Asia reflect a high degree of apathy and helplessness in dealing with the problem.” Similarly, Earle and Cava (2008) relate that corruption and bribery are prevalent in many parts of Asia; and these forms of misconduct “have been accepted as a necessary evil, difficult to eradicate and integral to the existing business landscape” (p. 59). Jacobs and Wagner (2007, p. 327) deem public corruption to be a “plague,” “which exists everywhere, but wreaks its most debilitating havoc in developing countries,” particularly Indonesia.

Indonesia is the 4th largest country in the world with over 235 million people spread over 6000 islands in the country’s 18,000 island archipelago (Jacobs and Wagner, 2007). The country has been described as “vast and complicated” (Jacobs and Wagner, 2007, p. 330). One consequence of the reign of the former leader, President Suharto, was a “legacy of pervasive and entrenched corruption,” especially the capital, Jakarta (Jacobs and Wagner, 2007, p. 330). Recent constitutional reforms, moreover, note Jacobs and Wagner (2007), although having the “salutary effect” of increasing regional autonomy, have also had a negative consequence, that is, “increased government corruption at the local level as opportunities for rent-seeking become more widely available” (p. 330). MacMillan (2011, p. 587) deems Indonesia to be “one of the most corrupt countries in the world”; and indicates that public corruption is “deep-rooted” historically. Wagner and Jacobs (2008, p. 196) state that corruption in Indonesia is “deeply embedded in the fabric of society and institutions,,” it typically is “highly organized,” “endemic” in the bureaucracy, state owned enterprises and in government-business transactions, and a “serious problem” in the police. This level of corruption is “significant,” says MacMillan (2006, p. 590), because it is in essence a form of “regressive taxation,” because “the poor have to pay off government officials for everything they need.” Furthermore, Jacobs and Wagner (2007) relate: “Corruption pervades the police, the prosecutors of the Attorney General’s Office and the

judiciary – from regional judges up to the Supreme Court justices. Within existing institutional structures, therefore, it is difficult to achieve the sort of honest and efficient law enforcement efforts necessary to punish perpetrators, deter future offenders, and the change the nature of corruption” (p. 330). To illustrate, the Wall Street Journal (Chu and Sentana, 2012, p. B3) reported that although Indonesia should be an attractive country for foreign investment due to its oil, gas, and mineral wealth as well as growing middle class, a recent survey, conducted by the American Chamber of Commerce of 236 chamber members in seven Southeast Asian countries, indicated that corruption was one of the main reasons why 75% of the companies surveyed did not plan to expand business in Indonesia. White (2006) explains the “culture of corruption” afflicting Indonesia:

With respect to Indonesia, it has long been said that there is a ‘culture of corruption.’ In fact, with a diverse population of more than 240 million people, spread over an archipelagic state of 17,508 islands, corruption may be Indonesia’s predominant cultural common-denominator. The reasons for such widespread corruption are difficult to ascertain and somewhat controversial....Indonesia’s political history, including recent efforts to accomplish greater government decentralization, may be the most important factor in shaping the current culture of corruption. Other contributing factors may include a certain sense of resignation or acquiescence by the average person in Indonesia (even in the midst of widespread calls to eradicate corruption. Further, there has been a lack of ‘staying power’ by outside donor organizations, intermittently ‘ramping-up’ their insistence for anti-corruption reforms, only to later lose momentum and interest (pp. 7-8).

The negative consequences of public corruption on Indonesia’s economic development are set forth by MacMillan (2011, p. 596): “Public corruption reform plays a major role in Indonesia’s overall economic reform efforts. If Indonesia has a reliable government and legal system, potential new investors will be better able to assess the investment risks in Indonesia. Reliable government and legal systems have a higher probability of attracting foreign investors into a given country...Governments and legal systems cannot be reliable when faced with rampant public corruption. Therefore, curbing public corruption is imperative for Indonesia’s overall growth and stability.”

Corruption, particularly, bribery of the judiciary, is a major problem in Cambodia (Scully, 2011; Mujtaba, McClelland, Cavico and Williamson, 2012). Young (2006, p. 122) adds that there is “widespread judicial corruption, which has been a problem for both Cambodians and foreigners and is the most significant deterrent to internal and external investors.” Young (2006, pp.122-23) indicates that “the newly developed legal and judicial professions are plagued with corruption, yet the government has no provision against this corruption and bribery....Since there has been little progress in legal and judicial reform, the advancement of the democratic process has been constrained and the reform of the social sector has been undermined.” Exacerbating the problems in Cambodia is the lack of trained lawyers and judges, since most were killed during the reign of the Khmer Rouge, who devastated the legal system (Young, 2006). Moreover, Scully (2011, p. 337) relates that “the possibility of bribes being paid caused no surprise amongst Cambodians, who recognize that the culture of corruption as a fact of life that reaches to the highest levels of the administration.”

Culture thus has a relationship to corruption; many forms of corruption are intrinsically bound up in the social norms and practices of a society. Despite the laws and regulations and government agencies, corruption continues. Furthermore, despite the prevalence of corruption in many countries and despite the existence of a major statute and treating outlawing a principal form of corruption - bribery, surprisingly, there is very little in the literature as to the specific effect of wealth as a discrete cultural component influencing corruption, particularly bribery, and especially concerning bribery in the form of “facilitating and expediting” payments. As such, in order to “reduce the area of ignorance,” the authors propose the following hypothesis:

Hypothesis 1: Wealth and corruption perception scores are not statistically related.

Methodology and Analysis

The variables of GNP and CPI are well established in their particular domains; and there is no reason to suspect they are wildly inaccurate in terms of either reliability or consistency. There are several ways of measuring GNP, which yield differing, but not widely different results. The ASEAN information given herein is the “official” measure of wealth and population; and the data is calculated on the same basis for each member state using their latest data (or estimates in

respect of population between censuses). Accordingly, the data must be considered as the most accurate measure of wealth that is practical to obtain for this region.

Table 2 – CPI and GNP Correlations of ASEAN Countries

	CPI	GNP
Pearson Correlation	1	.950**
CPI Sig. (2-tailed)		.000
N	10	10
Pearson Correlation	.950**	1
GNP Sig. (2-tailed)	.000	
N	10	10

** . Correlation is significant at the 0.01 level (2-tailed).

In regards to the hypothesis, as can be seen from the Table 2 evaluation, the 2-tailed significance values lead to the alternate hypotheses being supported for the ASEAN Community countries. It can be concluded that there is a significant correlation between GNP and CPI ($p < 0.05$) for the ASEAN countries in this dataset, a conclusion that holds true at the 1% level ($p < 0.01$) as well.

As there is significant correlation with the data another hypothesis test is undertaken for the dataset, it is that of regression as follows:

$$H_0: \beta_1 = 0$$

$$H_1: \beta_1 \neq 0$$

The resulting ANOVA for the dataset (Table 3) demonstrates a significance values of 0.000, supporting the alternate hypothesis for both datasets ($p < 0.01$). As such, we can conclude that there is a significant linear relationship between the independent variable GNP and the dependent variable CPI.

Table 3 – Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.950 ^a	.903	.891	.73646

a. Predictors: (Constant), GNP

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.565	1	40.565	74.792	.000 ^b
	Residual	4.339	8	.542		
	Total	44.904	9			

a. Dependent Variable: CPI

b. Predictors: (Constant), GNP

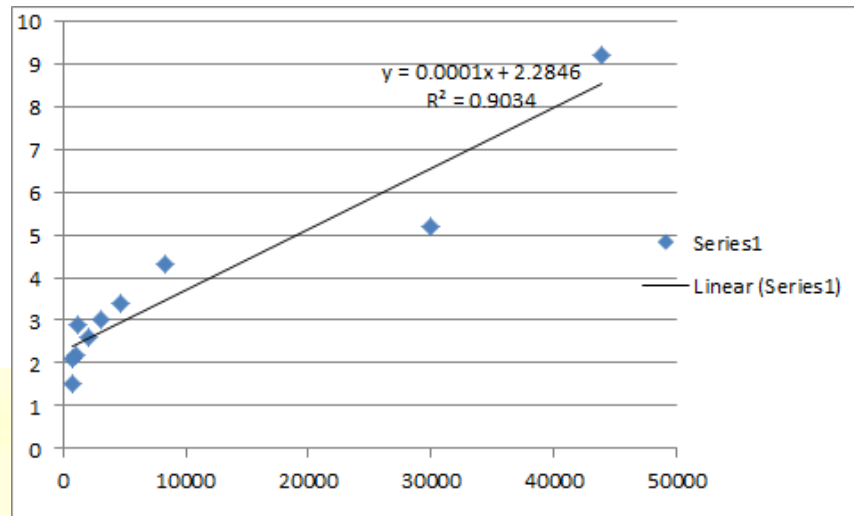
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.285	.281		8.138	.000
	GNP	.000	.000	.950	8.648	.000

a. Dependent Variable: CPI

Therefore, for the ASEAN countries, as can be seen from Table 2, Figure 1, and Table 3, there is significant correlation $r = 0.95$; (R-square 0.903). Combining the Regression outcome supported and Adjusted R-square (89.1% explanatory), the data supports the existence of a potentially strong forecasting model for these ASEAN countries.

Figure 1 - GNP (indep) v CPI (dep) data of the ASEAN Countries



Implication and Recommendations

This paper was an examination of culture, corruption, and wealth. The study was designed to address the question - “Is there a relationship between GNP and CPI?” And if so, then explore “why” there is a relationship between GNP and CPI? The ASEAN nations are generally both multicultural and multi-faith, from the devote Catholicism in the Philippines to Islamic and Buddhist cultures in Southeast Asia (Mujtaba, McClelland, Cavico and Williamson, 2012). Of course, one might assume that there is a relationship between religion as one facet of culture and corruption; and such a “religious” investigation would be a valuable academic research endeavor. Based on the analysis here, health might certainly be a consideration, since as people become richer they have less need to be corrupt, which seems to be a logical progression. That is, their needs and wants are more than satisfied from legitimate sources of income; and hence there is less need or desire to indulge in activities which may be illegal, risky, and demeaning. As the World Bank noted, anti-corruption efforts ultimately are premised on, and must be integrated with, a country’s attempt to reduce poverty and increase economic development, since creating economic opportunities and reducing poverty make a state more transparent and accountable. Moreover based on the Need Theory, Maslow would suggest that corruption only exists to satisfy the basic physiological needs. Put simply, people are only corrupt because they have to be corrupt in order to physically survive. Such would be the case of

government officials who must take the payments, whether illegal bribes or legal “facilitating and expediting” payments, in order to supplement their insufficient government salaries. Yet there is very little in the literature as to the specific effect of wealth as a discrete cultural component influencing corruption, particularly bribery, and especially concerning bribery in the form of “facilitating and expediting” payments. Accordingly, the authors would recommend for future research investigations as to the relationship of bribery and particularly a “bribe” in the form of a “facilitating and expediting” payment.

However, despite a growing consensus that corruption hinders economic development, slows economic growth, and worsens poverty (Wagner and Jacobs, 2008), mention must be made of what is called the “Asian Paradox,” that is, the controversial view that corruption together with an authoritarian government structure does not impede but may actually aid economic growth in developing countries (Wagner and Jacobs, p. 198). For example, White (2006, p. 5), in examining growth and corruption in China, posits that “corruption in China may have some positive short-term effects on the Chinese economy, despite negative long-term effects.” White’s (2006) premise should be tested in other studies.

An alternative perspective might suggest that as a country’s wealth increases, and its tax revenues rise, its ability to police and enforce anti-corruption measures improves, and hence the level of corruption falls due to legal intervention. This explanation, however, is based on a series of assumptions, to wit: notably that (a) there is a parallel rise in anti-corruption activity with increasing budgets (there is no reason why there should be); and (b) this deterrent activity is successful in reducing the level of corruption. These assumptions should be tested by future researchers. The authors, accordingly, acknowledge and believe there is not a single factor which tends toward or away from the perception of corruption. Corruption plainly is a multi-faceted problem; and consequently there may be a number of factors, which once combined together, can lead to greater or lower levels of CPI. Nevertheless, using the full global results of the aforementioned two dimensions, the relationship between the two variables emerges from this analysis as strong and highly significant. Starting from this discrete culturally defined base-point, and over time, as a country becomes wealthier, so will the CPI rise. The authors’ contention thus would be that the base-point (i.e., the intercept on the vertical axis) would vary according to the nation’s cultural grouping; and also the rate of the rise of the CPI with wealth from this point would not be uniform, but would be related to the level of the base-point; and furthermore that the

rise with wealth would be steepest where the initial starting point was higher. The logic behind this idea is that the culturally determined base CPI score will give a proclivity more or less toward corruption, and that as average wealth rises so this proclivity will become more or less actualized. These suppositions by the authors also should be further tested in academic studies.

Summary

Wealth creation is an objective and expectation for countries since obviously wealth is important for each citizen's quality of life. However, certain countries in the ASEAN Community seem to have more wealth than others. Similarly, in some countries there apparently are widespread cases of corruption, encompassing illegal and unethical behavior, that prevent these countries from attracting more foreign investors, retarding growth and development, and thus inhibiting wealth creation. Corruption typically is viewed in the larger context of culture. Corruption, therefore, is a malignant cultural factor that retards economic growth, worsens poverty, and weakens government. To combat corruption, functioning states, civil society, laws against corruption, enforcement of these laws by honest and efficient government agencies and public servants, societal moral norms against corruption, as well as economic development and growth and wealth creation, are all required. Comprehensive anti-corruption policies and practices thus are required that increase growth and development and lessen poverty, promote public awareness of corruption, prevent corruption, protect whistleblowers, and detect and punish malefactors. Regarding the economic factor, in this paper, the authors explored whether the wealth of a society, as one aspect of culture, could be a determinant in the growth or reduction of corruption. The authors found that there is a significant linear relationship between wealth generation of a country and the country's level of corruption as demonstrated by the actual data in the ten ASEAN countries. Wealth, therefore, as a component of a society's culture has a significant relationship to corruption; and thus economic betterment of the people in a country, in conjunction with other anti-corruption efforts, will reduce corruption.

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