

<<<EMBARGOED UNTIL 00.01 (GMT)  
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## **Corruption risks rife despite Xi Jinping's anti-corruption crackdown**

***Transparency International warns that unchecked military power is threatening regional stability.***

Several Asian powers are at high risk of corruption posing a threat to stability in the region according to a new Government Defence Index from Transparency International.

Six of the seventeen states assessed in the index receive either E or F grade, representing either a "very high" or "critical" risk of defence corruption. Growing military capability is accompanied by high levels of secrecy, and low levels of accountability, oversight and transparency

Katherine Dixon, Programme Director Transparency International Defence and Security, said:

*"Asia is home to some of the most rapidly growing defence budgets in the world, but it's not just the size of defence spending that matters. The question is, who is in charge of all this new power?"*

*"In a highly populated region, with overlapping territorial claims and rising defence budgets, stability depends on establishing clear standards for the way military power is governed, based on accountability to citizens and basic transparency.*

*This is what being a responsible power in the 21<sup>st</sup> Century should mean."*

The region has some of the most rapidly growing defence budgets in the world, with the 17 countries studied in this report spending approximately \$432.7 billion on military expenditure in 2014, or 24.5 % of global military spending.

But much of this spending remains highly secretive. Oversight of defence budgets, essential to holding military elites to account, is often minimal.

China accounts for around 30% of the world's most secretive spending. In theory, defence policy is supervised by the National People's Congress, but the US Congress receives more information about Chinese military capability and defence budgets.

And there is little evidence that top down government messaging and large scale investigations have been accompanied by institutional changes or fundamental improvements in transparency that would increase public confidence.

Chinese military might is reflected in defence strategies and acquisition plans of many of its neighbours, but there is still cause for optimism. Nearly half the countries studied had some meaningful checks and balances over defence policy.

Singapore emerges as the ASEAN leader, with firm foundations in Malaysia, Philippines and Indonesia. Japanese defence institutions also demonstrate high levels of accountability, transparency and integrity, which is an important judgement in the context of recent changes to the role of self-defence forces. New Zealand tops the index as the only country awarded an A.

But there are notable gaps. In several ASEAN countries the behaviour of the military stand in stark contrast to the organisations professed values. In Myanmar, the abuse of power by the military is contributing to the loss of government legitimacy and fuelling civil unrest.

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In many countries across the region, such as India, South Korea and Indonesia, military budgets are growing faster than oversight capability, creating a huge risk that public funding can be diverted through poor procurement practices. This is undermining public confidence and national security.

In Pakistan there is no transparency or effective oversight of the military's huge business empire, estimated to be worth around \$10 billion.

**Results:**

Country	Risk banding
New Zealand	A
Australia	B
Taiwan	B
Japan	B
Singapore	B
South Korea	C
India	D
Malaysia	D
Philippines	D
Indonesia	D
Bangladesh	D
China	E
Thailand	E
Pakistan	E
Sri Lanka	E
Cambodia	F
Myanmar	F

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**Notes to editors:**

The Government Defence Anti-Corruption Index (GI) assesses the existence and effectiveness of institutional and informal controls to manage the risk of corruption in defence and security institutions and of their enforcement. Transparency International's team of experts draws together evidence from a wide variety of sources and interviewees across 77 indicators to provide the government with a detailed assessment of the integrity of their defence institutions.

The 2015 Asia-Pacific report publishes the country risk rankings derived from this data and examines the trends across the region.

The report follows the Middle East and North Africa report published on 29<sup>th</sup> October 2015.

Forthcoming reports based on the 2015 index will be released on Africa, NATO, the G20, and fragile states.