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Defence corruption risks threatening Asian stability

Transparency International urges ASEAN Defence Ministers to make a collective commitment to accountability and transparency in defence

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. Malaysia scored a D indicating a high vulnerability to defence corruption.

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

“Asia is home to some of the most rapidly expanding military capabilities in the world, but it’s not just the size of budgets that matters.

In a highly populated region, with overlapping territorial claims and rising defence spending, 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 21st 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.

TI is calling on ASEAN Defence Ministers, which are meeting in Malaysia for the 3rd Annual Defence Ministerial Plus, to take the lead in setting new ASEAN standards for defence institutions.

Dixon added:

“Malaysia has firm foundations for building accountability and transparency in defence institutions. The armed forces are professional and transparent in some critical areas.

But greater independent oversight over the defence budget is essential if the risk of public funding being wasted or stolen is to be reduced. And in light of the ongoing 1MDB case, there has never been a greater need for defence institutions to demonstrate their ethics and integrity.”

The report also highlighted the vital role of the Malaysian Anti-Corruption Commission (MACC) in investigating corruption in defence. But formal legislative scrutiny over defence policy was a key gap, as little detail about defence spending is submitted to parliament in the annual budget estimate.

Across the region, New Zealand, Australia, Taiwan, and Japan also topped the index with strong institutional controls over military spending and policy. South Korea, where the Government has taken a strong public stand against defence corruption, also scored ahead of the regional average.

In contrast, 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 in practice the US congress receives more information about Chinese military capability and defence budget.

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Singapore emerges as the ASEAN leader, with firm foundations in Philippines and Indonesia, which also scored D. But there were notable gaps in other ASEAN countries, where the behaviour of the military stands in stark contrast to the organisation's professed values. In Myanmar, the abuse of power by the military is contributing to the loss of government legitimacy and fuelling civil unrest.

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 29th October 2015.

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