

<<<EMBARGOED UNTIL 00.01 (GMT)
4th NOVEMBER 2015>>>



Corruption risks rife despite Xi Jinping's anti-corruption crackdown

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

China has a "very 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. China's 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:

"China accounts for around 30% of the world's most secretive spending. But who is in charge of all this new power?"

"The intention underlying the rapid growth of Chinese military capability is not always clear to their own people, never mind their neighbours and the outside world."

"Regional stability depends on establishing clear standards for the way military force is governed, based on accountability to citizens and basic transparency. This is what being a responsible power in the 21st Century should mean."

Asia 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.

Xi Jinping's anti-corruption crackdown has had a limited impact on building institutional integrity.

Dixon added:

"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."

The government has taken steps to increase competition through a new e-procurement platform, and the PLA audit unit is now reporting directly to the Central Military Commission. But there is no evidence that a comprehensive and systematic risk assessment has taken place, and the absence of any independent judicial and legislative supervision raises questions over the long term impact of these changes.

The lack of transparency around investigations has also increased the perception that the campaign is politically motivated.

Across the region, New Zealand, Australia, Taiwan, Japan and Singapore top 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 score ahead of the regional average.

<<<EMBARGOED UNTIL 00.01 (GMT)

4th NOVEMBER 2015>>>

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

And in many countries across the region, including India, military budgets are growing faster than oversight capability, creating a huge risk that public funding can be diverted through poor procurement practices.

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

Contact:

Dominic Kavakeb
Communications Manager
E: dominic.kavakeb@transparency.org.uk
T: + 44 (0)20 3096 7695
M: +44 (0)79 6456 0340 (out of hours enquiries)

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.