

HOW CAN THE REDUCTION OF CORRUPTION CONTRIBUTE TO ACHIEVING THE GOALS OF SDGS?

Matsuo seminar

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I INTRODUCTION

- Target→People that related to national governance
- Country→Japan, China, Vietnam

Goal 16

「Promote Peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels」

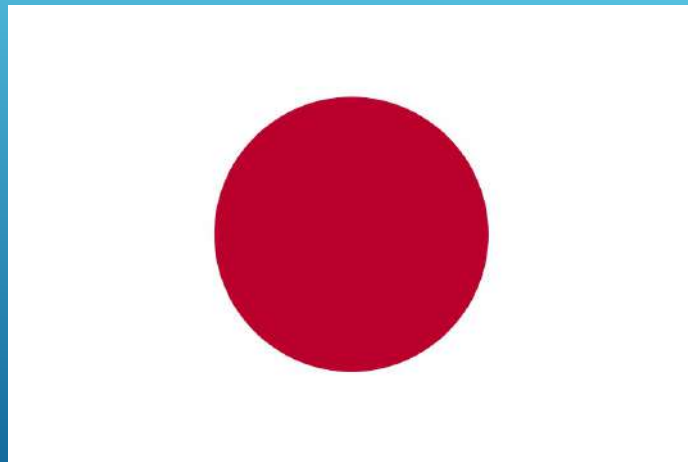


Target

16.5 「Substantially reduce corruption and bribery in all their forms」

16.3 「Promote the rule of law at the national and international levels and ensure equal access to justice for all」

II CORRUPTION IN JAPAN



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HIGH ECONOMIC GROWTH PERIOD (1954~1973)

- Japan had experienced high economic growth since 1954.
- There were a lot of corruption in this period.

CASE ①
23, JUNE, 1948
SHOWA DENKO
AFFAIR

- ▶ Showa Denko, a fertilizer manufacturer got a loan of 2.5 billions from such as Reconstruction Finance Cash Office.
- ▶ At that time, Showa Denko gave a bribe of 100 million yen to government, bureaucracy and GHQ.
- ▶ The Ashida Cabinet resigned in a body.

CASE ②
15, JANUARY, 1954
SHIPBUILDING
SCANDAL

- ▶ "Planned Shipbuilding"
The allotment of a loan and the bill that were related to "Planned Shipbuilding"
- ▶ Major shipbuilders gave a bribe of 3 billion yen to government and bureaucracy.

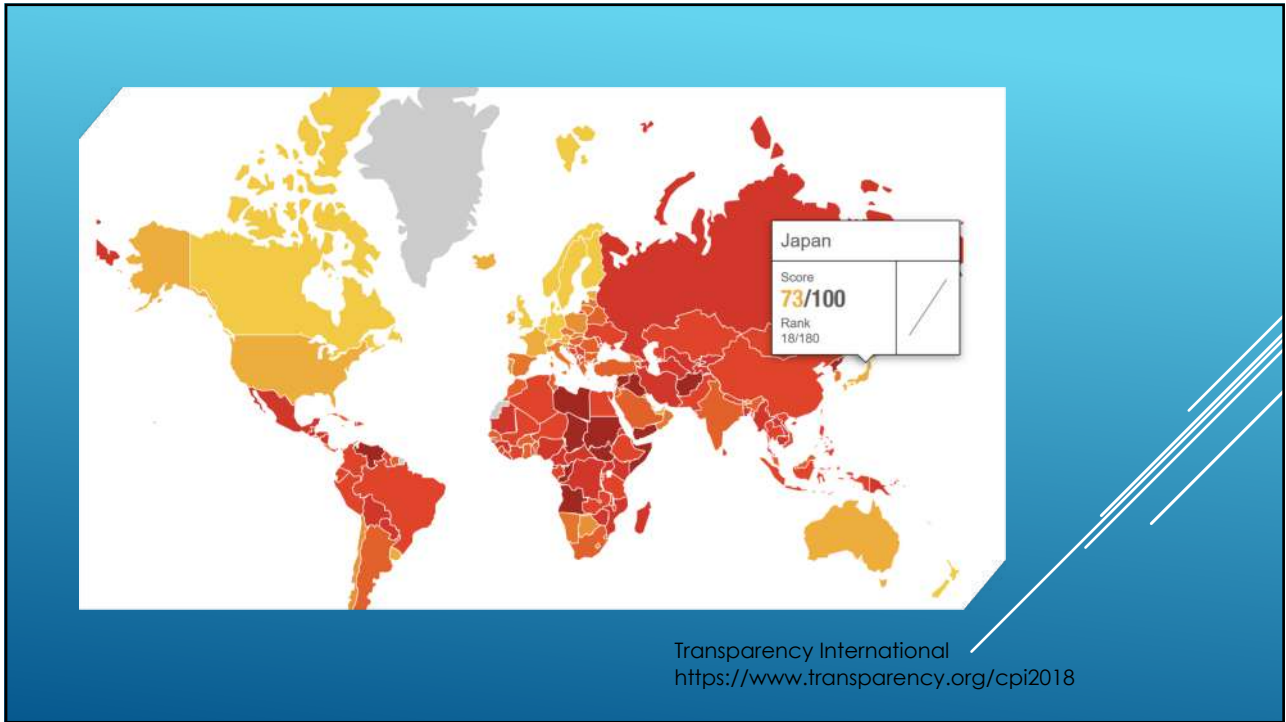
CASE ③
1964
CONSTRUCTION
OF
THE TOKYO
OLYMPIC
GAMES

- ▶ Tokyo 1964 Olympics, the order reception amount of Construction industry arrived in 5 trillion yen over the past five years.
- ▶ There were about 2000 corruption in the construction that officials of Metropolitan Government Office ,the Ministry of Construction and Highway Public Corporation conspired with politicians or manufacturers.

ANALYSIS

- ▶ Financing Specific company, Receiving payoff in return for favor.
- ▶ Special law contributed to corruption.
- ▶ In public enterprise of immense size, corruption occur frequently.

In development process by the government, There are a lot of factors that cause the corruption.



IMPROVEMENT

- ▶ 2018, The 18th out of 180 countries
- ▶ National Public Service Ethics Act
- ▶ Compliance Boom

III CORRUPTION IN CHINA



Made in The Central People's Government of the
People's Republic of China

Legal corruption in China

Civil servants use public funds as their own property

November 2015 「Criminal law correction case (9)」

- The general benchmark of "large amount" has been adjusted from 5000 yuan stipulated in the Criminal Law in 1995 to 30,000 yuan.
- The general benchmark of "huge amount" is more than 200,000 yuan and less than 3 million yuan.
- The general benchmark of "super-large amount" is more than 3 million yuan.

The second session of the 18th National people's Congress of the Communist Party of China

General Secretary Xi Jinping put forward the construction of combating corruption and promoting honesty, pointing out that "it is necessary to strengthen supervision over senior leaders, implement the principle of democratic centralism, and establish sound and effective policies."

CASE ① : Absolute power leads to absolute corruption ——Liu Tienan incident

- Serve as a member and deputy director of the National Development and Reform Commission and director of the National Energy Administration.
- He took advantage of his position and embezzled 35.58 million yuan between 2002 and 2012.
- On December 10, 2014, at the end of the first trial, Liu Tienan was sentenced to life imprisonment and deprived of political rights for life.
- The main objective factor of the defendant committing a crime is that the supervision system is not perfect.

CASE ② : The most controversial secretary of the municipal committee ——Chou He incident

- From 2008 to 2015, the defendant served as a member of the standing Committee of the Yunnan Provincial Committee of the Communist Party of China, secretary of the Kunming Municipal Committee and deputy secretary of the Yunnan Provincial Committee. The defendant took advantage of his position to help others advance the project, adjust the work and accept property from 13 people, totaling 24.33 million yuan.
- Criticism of one-man dictatorship

CASE ③ : Familial corruption ——Zhou Yongkang incident

- By the end of March 2014, Zhou's relatives and subordinates were investigated and embezzled 90 billion yuan.
- In June 2015, Zhou Yongkang was sentenced to life imprisonment for accepting bribes, misusing his power and revealing state secrets.
- The lack of supervision of civil servants and the high concentration of power make it possible for the defendant to accept bribes.

Conclusion

The cause of corruption

- Power centralization
- Abuse of power
- No supervisor
- Take advantage of one's position

Improvement

First, strengthen and improve the construction of the system to prevent the abuse of power. Second, build effective supervision inside and outside the system to form a dual supervision system.

Third, in order to reduce the occurrence of corruption, it is necessary to enhance the openness of information.

IV CORRUPTION IN VIETNAM



Historical background of the anti-corruption in Vietnam

While the Doi Moi, Vietnamese economic renovation program, has achieved rapid economic growth, corruption has become apparent. As a result, the laws that regulate corruption started to be developed.

- 1985 : Added some articles related to corruption offenses in the Penal Code
- 2003 : Signed United Nations Convention against Corruption
- 2005 : Inacted Anti-Corruption Law, a basic law for regulating corruption
- 2009 : Ratified United Nations Convention against Corruption
- 2016 : Enforced the revised Penal Code
- 2019 : Enforced the revised Anti-Corruption Law

Summary of the revised Anti-Corruption Law

According to the revised Anti-Corruption Law in Vietnam which was enforced in July 2019, Private companies and some of their employees are also subject to regulation.

public institutions	private companies and their employees
1. embezzlement	1. Same as left
2. Bribery	2. Same as left
3. Bribery or bribery brokerage for private purposes	3. Same as left
4. Abuse of authority for misappropriation of assets	
5. Abuse of authority in performing duties	
6. Authority deviation	
7. Abuse of authority to influence others	
8. Forgery	
9. Unauthorized use of public assets	
10. harassment for private purpose	
11. Non-compliance or inappropriate performance	
12. Abuse of authority or obstruction of investigation for concealing violation of law	

Case1. Petro Vietnam construction corruption case

Public asset embezzlement incident in February 2018

The fraudulent transaction in Petro Vietnam Electric Power Real Estate (PVP Land), which handles the real estate business under the umbrella of Petro Vietnam Construction, a subsidiary of Petro Vietnam Group (PVN), has become a problem.

In this case, related parties set the transaction price of the equity interest through rigging under the guidance of Jin Suan Tyne, the former chairman of PVC, and transferred equity interest in real estate projects owned by PVP Land under PVC.

As a result, PVP Land suffered a loss of 87 billion Vietnamese dong (about 4.2 million USD). Tyne and related parties shared the difference due to this fraudulent transaction, and Tyne received 14 billion Vietnamese dong (about 0.7million USD).



Case2. Mobiphone's huge inflated company acquisition corruption case

Corruption incident in July 2018

Mobile phone giant Mobiphone, under the Ministry of Information and Communications, purchased 95% of the shares in local Audio Visual Global, a provider of digital TV broadcasting services. At that time, Mobiphone purchased VND8,888.9 billion (approximately 0.43 billion yen), which greatly increased AVG's corporate value calculation and greatly exceeded the actual value of AVG shares.

As a result, it caused a large amount of public asset loss to Mobiphone.



Case3. Danang City official property illegal sale case

illegal sale of public assets revealed in April 2018

Danang City, located in the South Central Coastal Region of Vietnam, did not hold auctions when selling public assets such as its public land, and sold the public assets to private companies at prices well below market prices owned by a number of real estate giants Van Bang Ain Bu.



Analysis of corruption in Vietnam

Despite repeated revisions of the Anti-Corruption Law and the promotion of anti-corruption movements, large-scale corruption cases are still frequently occurred in Vietnam.

The enactment of the new anti-corruption law and the revision of the related criminal law are intended to expand the scope that can be regulated as corruption rather than stricter penalties for corruption.

However, if not the scope of enforcement is expanded and strict penalties are promoted, it may not be possible to dramatically reduce the number of corruption in Vietnam.

The assessment of anti-corruption measures taken by Vietnam should take a long-term perspective, and further measures such as strict punishment should wait for the effects of the new anti-corruption law and the revised criminal law to appear.

V. CAUSES OF CORRUPTION

① The adhesion between companies and governments accompanying economic growth
⇒ Japan

② Centralized power concentration
⇒ China, Vietnam

① THE ADHESION BETWEEN COMPANIES AND GOVERNMENTS ACCOMPANYING ECONOMIC GROWTH

Economic growth = government is actively involved in companies
⇒ Adhesive relationship is likely to be born

Ex.) Tokyo Olympics related construction cases in Japan

Nominated competitive bidding in public works

① THE ADHESION BETWEEN COMPANIES AND GOVERNMENTS ACCOMPANYING ECONOMIC GROWTH

What is the Nominated competitive bidding ?

A method in which the orderer nominates multiple qualified contractors who are deemed to meet the nomination criteria in advance, and performs competitive bidding by the designated contractor.

Advantages: Eliminate defective / unqualified suppliers at the qualification review stage.

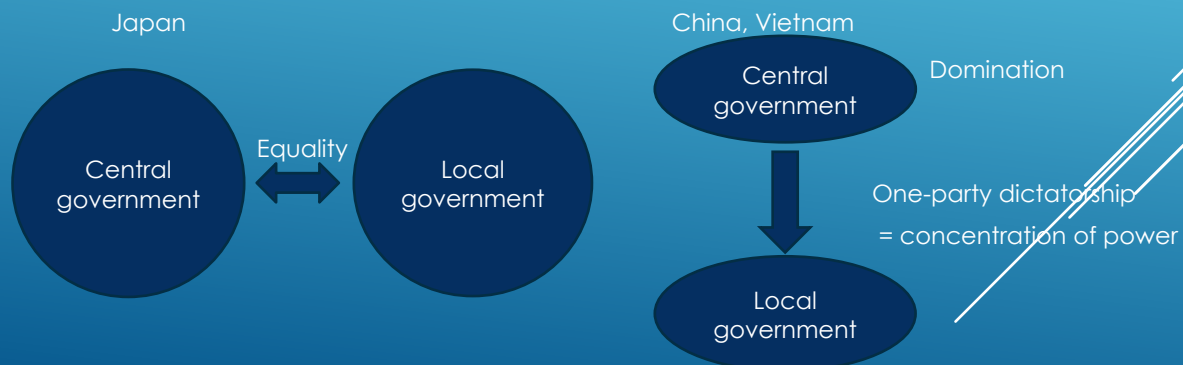
Disadvantages: easy to create corruption and adhesions such as bribery to seek nomination or nomination

⇒ Companies are in an environment where it is easy to give a bribe because they want to be nominated

→Corruption is expected to increase during the economic growth period when there are more public works to bid

② CENTRALIZED POWER CONCENTRATION

When power is concentrated in part, it is so huge that it creates an environment where you can freely use property and resources for yourself. Under such circumstances, there is little monitoring and the use of financial resources becomes unclear.



VI MEASURE

16.5 「Substantially reduce corruption and bribery in all their forms」



16.3 「Promote the rule of law at the national and international levels and ensure equal access to justice for all」

- Tighten Enforcement
- Construction of System
- Legislation
- Compliance