

Preface

Corruption has long been a major concern of international organisations and governments around the world. Yet progress in devising effective measures of prevention has, at best, been slow and, at worst, has seen a proliferation of different forms of corruption, increases in the systemic abuse of public resources for private purposes and few signs of change in the entrenched tolerance of corruption in many societies. In Asian countries, for example, a Transparency International report (2017: 4) found that only one in five people thought that the level of corruption was decreasing; that 900 million people had paid a bribe in the previous year although only 7 per cent reported it; and that in most countries, more than 50 per cent of those surveyed thought that their governments were doing badly in fighting against corruption.

Although successful corruption prevention has been a commodity in short supply, there has been continuing interest in whether the experiences of places where corruption has been controlled are transferable to other jurisdictions. Hong Kong's Independent Commission Against Corruption (ICAC) is widely regarded as a model of a successful anti-corruption agency (ACA). It has been the principal means by which a once highly corrupt government and society was transformed into one in which corruption was not tolerated either by the government or by most members of society. The ICAC's success, however, has been hard-won and serves as a reminder that there is no magic formula to transform rampantly corrupt governments and societies into clean ones. Even when specific anti-corruption policies and procedures seem to work in one jurisdiction, there is no guarantee that they will be equally successful in different political and cultural contexts. Nonetheless, there is value in identifying significant factors in successful corruption prevention and in studying the processes by which the ICAC brought about a dramatic change in probity in government and in societal attitudes and behaviour. If we can increase our understanding of the pre-conditions and processes for achieving effective prevention, then we are on the path to finding solutions for the increasingly complex and pervasive corruption issues which the world appears to be facing.

In this book, we address three broad questions: What factors need to be in place for an ACA to reduce levels of corruption? What does effective corruption

prevention contribute to governance? Is the successful experience in corruption control, or some part of it, transferable to other jurisdictions?

For the first question, we acknowledge that there are other approaches to preventing corruption than setting up an ACA. Although we are principally concerned with the work of ACAs, good governance approaches endorsed by international organisations, such as the World Bank and the International Monetary Fund, also have something to say about corruption prevention. These approaches depend, however, on changes in values conducive to clean government and more transparent societies which may sometimes take generations to realise, if indeed they can be realised at all. Many governments and their citizens perceive the need for more immediate action and, as an antidote to corruption, have created ACAs with specific powers.

In Part I, we discuss the effects of introducing a new ACA into a political and bureaucratic environment which may be hostile to its very existence. We contend that ACAs are very likely to experience initial challenges to their powers and that the ability to overcome these challenges will be critical for their future success. As an example, we examine the challenges which faced the ICAC shortly after it was created in 1974.

In Part II, we consider the key factors which enabled the ICAC to operate successfully, paying particular attention to its ability to organise for effective action, enforce the law, win public support, and institutionalise its structures and processes. We argue that the institutionalisation of an ACA, so that its work becomes valued in the community, is an important means of generating trust in government and of increasing social capital.

In Part III, we consider the contributions that successful corruption prevention has made to good governance in Hong Kong and other areas in which corruption still potentially remains a problem and where governance has not been improved. We examine the means by which the ICAC has changed bureaucratic practices to ensure strict controls over financial management, policy implementation and civil service behaviour, and its programmes to engage the community in active corruption prevention. Good governance, however, depends on much more than what even the most successful ACA can offer. Within the constitutional and political order, its remit is necessarily restricted to matters relating to corruption, even if some formally sanctioned practices are inimical to the values underlying good governance. There are also usually threats to the work of the ACA from those who would prefer to reduce its powers and maintain opacity in their dealings. In the case of Hong Kong, we look at examples of these problems insofar as they affect such matters as investigating electoral conduct, cross-border corruption and perceptions of government-business collusion.

In the final chapter, we analyse the lessons which the ICAC experience might have for other ACAs and anti-corruption systems, and the extent to which the elements of its success might be transferable.

We have been conducting research on corruption in Hong Kong and the role of the ICAC over the past decade. This book is based on material in the

public domain with the exception of our own survey research and some interviews with former ICAC officials and academics which were conducted in September and November 2017. In the course of the research, we have incurred numerous debts of gratitude. We are particularly appreciative of the support which we have received from both past and present Executive Directors of the Centre of Anti-Corruption Studies and International Training of the ICAC. They have been an invaluable sounding board on which we have tested our ideas over the years.

We have also benefited greatly from the help of serving senior ICAC officials. In 2013, we requested the then Director of Community Relations to release ICAC survey material from 1977 to 1990 into the public domain. She agreed to the request, and the material is now housed in the Special Collection of the University of Hong Kong. It tells a fascinating story of the ICAC's attempts to change public attitudes toward corruption and records their successes and difficulties in doing so. We are also grateful for permission to use the raw data from the ICAC annual surveys, which has enabled us to disaggregate information and to obtain a more precise sense of public perceptions of corruption, and for permission to publish the organisation chart in Chapter 5. Former ICAC officials whom we interviewed or who helped in other ways with the research made invaluable contributions. Tony Kwok, Alan N. Lai, Francis Lee, Yvonne Mui, Gerry Osborn, Vanessa and Spencer So, Ryan Wong and Helen C.P. Yu Lai were all generous with their time, ideas and recollections of the ICAC in times past. At an earlier stage of the research, Ian McWalters, then Director of Public Prosecutions, provided valuable assistance in understanding and compiling misconduct in public office cases.

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Any mistakes of fact or interpretation are, of course, our own responsibility.

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Reference

Transparency International (2017) *People and corruption: Asia Pacific*. Berlin: Transparency International.