

The Some Issues of Corruption in Mongolian and Other Asian Countries Cases

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Abstract

The goal of our study is to investigate the multifaceted impacts of corruption on society, focusing on how it erodes trust, weakens democratic processes, hampers economic development, and exacerbates social issues. Specifically, we aim to understand the mechanisms through which corruption deteriorates institutional and social trust, undermines governance and electoral fairness, distorts economic markets and public resource allocation, and intensifies social inequalities and environmental degradation.

Corruption profoundly undermines society by eroding trust, weakening democracy, hampering economic development, and exacerbating social issues. When corruption is rampant, trust in institutions and social relationships deteriorates, fostering a cynical and suspicious society. Democratic processes suffer as corruption undermines fairness and discredits governance, leading to voter disillusionment. Economically, corruption distorts markets, increases costs, and siphons public resources, hindering growth and development. Socially, corruption exacerbates inequality, entrenches poverty, fuels social divisions, and contributes to environmental degradation by promoting lax regulatory enforcement and policy manipulation.

Keywords: Corruption, Trust, Democratic Processes, Economic Development, Social Issues

1. Introduction

Corruption erodes trust, weakens democracy, hampers economic development, and further exacerbates inequality, poverty, social division and the environmental crisis. The dishonest or fraudulent conduct by those in power, typically involving bribery. The process by which a word or expression is changed from its original state to one regarded as erroneous or debased. The process by which a computer database or program becomes debased by alteration or the introduction of errors. Corruption stifles economic growth and perpetuates poverty and inequality. It increases the cost of doing business and creates an uneven playing field.

Political corruption is the misuse of public power, office, or resources by government officials for personal gain. High levels of corruption can lead to social unrest and political turmoil, as seen in various countries where corruption scandals have sparked mass protests and regime changes. Economic corruption involves the manipulation of policies, institutions, and rules of procedure in the allocation of resources and financing by officials in both the public and private sectors for personal enrichment. Corporate corruption includes illegal activities undertaken by employees or executives within a corporation, often for personal gain, including fraud, bribery, and insider trading.

Corruption's far-reaching and deeply damaging effects on various aspects of society can be broadly categorized into political, economic, and social impacts. Each of these areas suffers uniquely, leading to a complex interplay of negative outcomes that hinder overall development and well-being. Also, corruption exacerbates social inequalities and undermines social cohesion. It disproportionately affects the most vulnerable populations.

Corruption often benefits the wealthy and powerful at the expense of the poor, exacerbating income inequality and reducing social mobility. Corruption diverts resources away from public services, leading to inadequate healthcare, poor educational outcomes, and insufficient infrastructure. This directly affects the quality of life of ordinary citizens. When people see that corruption goes unpunished, it fosters a sense of injustice and can lead to social fragmentation. Communities may become divided along lines of those who benefit from corruption and those who suffer from it.

2. The Corruption Issues and Its Types

Corruption has far-reaching and deeply damaging effects on various aspects of society. Corruption undermines democratic institutions and the rule of law. It erodes public trust in government, leading to political instability and weakened governance structures. Corruption can distort market mechanisms by allowing businesses

that engage in bribery and other corrupt practices to gain an unfair advantage over those that do not. This can stifle competition and innovation.

We collected and expanded explanation of how it affects trust, democracy, economic development, and social issues as below in our study:

Erodes Trust

In Institutions: When corruption is prevalent, people lose faith in the fairness and integrity of institutions like the government, judiciary, and police. This distrust can spread, leading citizens to believe that all public officials and institutions are self-serving and dishonest. The citizens perceive that their leaders are corrupt, they lose faith in political processes and institutions. This distrust can lead to voter apathy and reduced civic engagement. Companies often pass the cost of bribes onto consumers, leading to higher prices for goods and services. Public projects are often overpriced due to kickbacks and fraud.

In Relationships: Corruption can undermine social trust among individuals, as people may suspect others of engaging in or benefiting from corrupt practices, leading to a more cynical and suspicious society. Corruption deters both domestic and foreign investment. Investors are wary of unpredictable and opaque business environments where corruption is rampant.

Weakens Democracy

Undermines Fairness: Democratic systems rely on the principle of fair representation and equal treatment. Corruption distorts this by allowing those with money or influence to gain undue advantage, thereby skewing policy and decisions in their favor. Corruption diverts resources from essential public services, such as healthcare, education, and infrastructure, undermining the effectiveness of these institutions.

Discredits Governance: When leaders and politicians engage in corrupt activities, it discredits the entire democratic process, leading to disillusionment and apathy among the electorate. People might feel their votes do not matter if the system is rigged.

Hampers Economic Development

Distorts Markets: Corruption can lead to inefficient allocation of resources, as contracts and opportunities are awarded based on favoritism or bribery rather than merit. This discourages competition and innovation.

Increases Costs: Businesses may have to pay bribes to get permits, secure contracts, or avoid regulations, increasing operational costs. This can deter investment and economic growth.

Reduces Public Resources: Funds that could be used for public services and infrastructure are siphoned off by corrupt officials, leading to poorer quality services and infrastructure, which in turn hinders economic development.

Exacerbates Inequality, Poverty, and Social Division

Increases Inequality: Corruption often benefits the wealthy and powerful, who can afford to pay bribes, while the poor and marginalized are left out, exacerbating income and opportunity gaps.

Entrenches Poverty: Public funds meant for poverty alleviation and social programs are often diverted through corrupt practices, leaving the intended beneficiaries without support.

Fuels Social Division: When certain groups perceive that others are unfairly benefiting from corruption, it can lead to social tensions and conflict, undermining social cohesion.

Environmental Crisis

Environmental Degradation: Corruption can lead to the lax enforcement of environmental regulations, allowing businesses to exploit natural resources unsustainably, resulting in deforestation, pollution, and loss of biodiversity.

Policy Manipulation: Corrupt practices can influence environmental policies, leading to decisions that favor short-term gains over long-term sustainability, further exacerbating environmental problems.

Dishonest or Fraudulent Conduct by Those in Power

Corruption often involves those in power engaging in bribery, embezzlement, and other forms of dishonest or fraudulent conduct to gain personal benefits. This abuse of power undermines the rule of law and ethical standards within society, perpetuating a cycle of corruption and inefficiency.

Corruption can take many forms, and can include behaviors like:

- public servants demanding or taking money or favors in exchange for services,
- politicians misusing public money or granting public jobs or contracts to their sponsors, friends and families,
- corporations bribing officials to get lucrative deals.

Corruption can happen anywhere: in business, government, the courts, the media, and in civil society, as well as across all sectors from health and education to infrastructure and sports.

Corruption can involve anyone: politicians, government officials, public servants, businesspeople or members of the public.

Corruption happens in the shadows, often with the help of professional enablers such as bankers, lawyers, accountants and real estate agents, opaque financial systems and anonymous shell companies that allow corruption schemes to flourish and the corrupt to launder and hide their illicit wealth.

Corruption adapts to different contexts and changing circumstances. It can evolve in response to changes in rules, legislation and even technology. Exposing corruption and holding the corrupt to account can only happen if we understand the way corruption works and the systems that enable it.

The Corruption Perceptions Index (CPI) is an annual report published by Transparency International that ranks countries based on the perceived levels of public sector corruption. The rankings are based on a composite index that draws on various sources of data, including expert assessments and opinion surveys.

3. The Current Situation Corruption in Mongolia

Mongolia is ranked 121st out of 180 countries in the 2023 CPI. This means that, according to perceptions, it is the 121st least corrupt country among those assessed, placing it towards the lower end of the ranking.

From 1999 to 2023, Mongolia's average rank is 97.38. This suggests that over this period, Mongolia has generally been perceived as moderately corrupt relative to other countries.

Best Performance: In 1999, Mongolia achieved its best rank of 43rd, indicating a relatively positive perception of its public sector's integrity at that time.

In 2023, Mongolia reached its worst rank of 121st, showing a significant decline in its perceived integrity over the years. The ranking of 121st reflects an increase in the perception of corruption within Mongolia. This can be due to various factors such as political instability, lack of effective anti-corruption measures, or

increased visibility of corrupt practices.

Being ranked 121st places Mongolia in a less favorable position compared to many other countries. This indicates that there are considerable challenges in governance and transparency that need to be addressed.

Governance and Political Stability: Political instability and weak governance structures can exacerbate corruption. Mongolia's political environment may have influenced its downward trend in the rankings.

Legal and Institutional Framework: The effectiveness of anti-corruption laws and institutions plays a critical role. If these frameworks are weak or poorly enforced, corruption is likely to be more pervasive.

Public Sector Integrity: The behavior of public officials and the extent of regulatory oversight can impact perceptions of corruption. High-profile corruption scandals or widespread petty corruption can lead to a worse CPI score.

Economic Factors: Economic downturns or sectors prone to corruption, such as mining in Mongolia, can also affect perceptions of corruption.

Year	Country	Key Issues	Scholar/Source
2023	South Korea	Issues with large chaebols, political scandals, public sector corruption. Government measures include the Act on the Protection of Public Interest Whistle-Blowers.	Transparency International
2015		Notable incidents include the 2016 political scandal and nuclear scandal.	Claire Lee (Korea Herald)
2023		Comprehensive penalties for corruption, specific regulations for high-risk sectors like public, financial, and construction sectors.	Global Regulatory Insights
2021	Japan	Issues include political corruption, bribery in business sectors, and collusion between government and companies.	David T. Johnson (Journal of Japanese Studies)
2023		Japan ranks relatively well but faces criticism for inadequate anti-corruption enforcement and transparency issues.	Transparency International
2016	China	Pervasive corruption within the Communist Party, anti-corruption campaigns under Xi Jinping targeting high-level officials (tigers) and lower-level (flies).	Melanie Manion (The China Quarterly)
2023		Persistent issues despite anti-corruption campaigns, with significant impact on business and governance.	Transparency International
2023	Mongolia	Corruption in mining sector, political corruption, weak enforcement of anti-corruption laws.	Transparency International
2020		Issues include judicial corruption, corruption in public procurement, and political interference in business.	Battulga Sainjargal (Asian Journal of Comparative Politics)

Table. 01. The comparisons of corruption issues in Asian countries cases

4. Conclusions

To improve its ranking, Mongolia could focus on several key areas: **Strengthening Anti-Corruption Laws:** Ensuring that laws are not only robust but also effectively enforced. **Enhancing Transparency:** Increasing transparency in government operations and public procurement.

Promoting Accountability: Holding public officials accountable for corrupt practices. **Engaging Civil Society:** Encouraging the involvement of civil society in anti-corruption efforts to monitor and report on corrupt activities.

Overall, Mongolia's position in the CPI reflects significant challenges in tackling corruption. Addressing these issues will be crucial for improving its rank and enhancing public trust in its institutions.

Otherwise we would like to conclude that to improve its ranking in the Corruption Perceptions Index (CPI), Mongolia can focus on several critical areas:

1. **Strengthening Anti-Corruption Laws** that ensure anti-corruption laws are not only robust but also effectively enforced.

Mongolia has anti-corruption laws, but their enforcement is often weak and inconsistent. Regularly review and update anti-corruption laws to close loopholes and address emerging corruption methods. Strengthen the capabilities and independence of enforcement agencies like the Independent Authority Against Corruption (IAAC).

Judicial Independence: Ensure the judiciary is free from political influence to fairly and effectively adjudicate corruption cases.

2. **Enhancing Transparency:** Increase transparency in government operations and public procurement. Transparency in Mongolia's government and public procurement processes is limited, leading to opportunities for corruption. **Open Data Initiatives:** Implement open data policies that mandate the publication of government contracts, budgets, and expenditures. Ensure that citizens have easy access to information about government activities. Adopt and expand e-procurement systems to make the bidding and procurement process more transparent and less susceptible to manipulation.

3. **Promoting Accountability:** Hold public officials accountable for corrupt practices. There is often a lack of accountability among public officials, which fosters a culture of impunity. Provide regular ethics and anti-corruption training for public officials. Strengthen protections for whistleblowers to encourage the reporting of corrupt activities without fear of retaliation. Conduct regular audits and reviews of public officials' performance and financial activities.

4. **Engaging Civil Society:** Encourage the involvement of civil society in anti-corruption efforts to monitor and report on corrupt activities.

Civil society organizations in Mongolia play a role in anti-corruption efforts, but their impact can be limited by lack of support and resources. Provide financial and logistical support to non-governmental organizations (NGOs) and other civil society groups involved in anti-corruption. Run public awareness campaigns to educate citizens about their role in combating corruption and how to report it. Establish platforms for dialogue and collaboration between the government and civil society on anti-corruption strategies.

Mongolia's position in the CPI reflects significant challenges in tackling corruption, including entrenched practices, lack of enforcement, and limited public involvement. Addressing these issues is crucial for improving its rank and enhancing public trust in its institutions. By focusing on strengthening laws, enhancing transparency, promoting accountability, and engaging civil society, Mongolia can create a more effective and comprehensive anti-corruption framework.

Improving in these areas will not only enhance Mongolia's CPI ranking but also lead to broader benefits such as increased foreign investment, improved public services, and a stronger democratic process. Reducing corruption can help build a more fair and just society where resources are used effectively for the public good, rather than being siphoned off through corrupt practices.

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