

Corruption in Asia Slows Economic Growth



This money is a decoration. But business people in Thailand say they must pay bribes to do business.

From VOA Learning English, this is the Economics Report in Special English. Many Thais joined protests in Bangkok last year. They urged Prime Minister Yingluck Shinawatra to deal with growing corruption in Thailand. A 79-year old businessman noted the rising cost of doing business, including giving bribes to Thai officials.

How much economic activity is lost to corruption can be difficult to estimate. The University of the Thai Chamber of Commerce studied the issue. The university found that over two percent of national production, or about 11 billion dollars, will likely be lost to corruption this year. It found that many business people who were questioned said they are paying more to Thai officials and politicians to win government contracts. Political economist Pasuk Pongpaichit says there is evidence officials are making progress in controlling lower level corruption. But, she says, the slowing world economy means growing competition for profitable deals with the government.

"The globalization, [the] international pressure for Thailand to become more transparent, is being felt and various government departments are responding to it. It doesn't mean that things are going to happen very quickly."

Bandid Nijathaworn is a former central bank official and president of the Thai Institute of Directors. He says corruption in Thailand appears to be more of a problem now than 10 years ago.

“Corruption is a global problem. You know, you see corruption appearing as headlines in many, many countries. So it has become a global issue both in national organization and individual country’s governments trying to tackle it.”

The American-based Center for International Policy says more than 2.7 trillion dollars in illegal funds left China between 2001 and 2010. The money escaped as a result of criminal financial deals, corruption, tax evasion or other illegal activities. For Thailand, the amount was 64 billion dollars over the same period.

Shervin Majlessi is with the United Nations Office on Drugs and Crime. He says given Asia’s growing influence in the world economy there is a need for more supervision.

In 2003, the United Nations passed a Convention against Corruption. In South East Asia, Burma approved the agreement last December – the last to do so of the 10 member Association of South East Asian Nations. Observers say the fight against corruption needs to go beyond law enforcement, and include non-government and private industry groups.