

CORRUPTION IN SRI LANKA

EXECUTIVE SUMMARY



TRANSPARENCY
INTERNATIONAL
SRI LANKA
2001 - 2002

Transparency International Sri Lanka is the National Chapter of Transparency International (TI), the leading global movement against corruption. TI is the only international organisation exclusively devoted to curbing corruption. It has become a major force in the fight for transparency and good governance.

TI Sri Lanka, is one of over 90 National Chapters established to implement the TI mission globally. TI Sri Lanka is now poised to commence its activities as an active chapter and is determined to make a difference.

Corruption is one of the greatest challenges facing the contemporary world. It undermines good governance, distorts public policy, leads to the misallocation of resources and harms the private and public sector and their development.

It is our aim to educate and raise awareness of the evils of corruption and the need for transparency amongst the Sri Lankan people. We will approach our task of combating corruption by building coalitions with the concerned stakeholders and parties.



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Social Indicator (SI) is an independent social research organisation, which conducts polls on socio-economic and political issues.

Operating under the Board of Directors of the Centre for Policy Alternatives (CPA), SI was established in September 1999, and filled a longstanding vacuum for a permanent, professional and independent polling facility in Sri Lanka on social and political issues.

Polling is an instrument of empowerment, a means by which the silent majority of the public can express their opinions on issues affecting them. Our mission is to conduct surveys on key social issues, thereby providing a means through which public opinion can influence the public policy debate.



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INTRODUCTION

BACKGROUND

While a number of studies have been conducted on corruption within the South Asian region none have attempted to bridge the gap of a South Asian regional portrayal of corruption reflecting cross-national perspectives. The dearth of information on corruption blinds civil society in their struggle towards good governance.

In order to strengthen and empower the civic society curb corruption, Transparency International commissioned a survey within the South Asian region. This survey was to help ascertain the extent to which corruption prevails in the countries of South Asia - India, Pakistan, Nepal, Bangladesh and Sri Lanka.

Social Indicator (SI) was commissioned to conduct the study in Sri Lanka by Transparency International - Sri Lankan Chapter.

METHODOLOGY

The study was carried out using a semi-structured questionnaire administered through face-to-face interviews amongst 2278 households. The questionnaire was developed using the regional questionnaire, which was developed by the steering committee comprising of members from all five countries, and making alternations and formulating new questions in order to capture the Sri Lankan context. The questionnaire covers several aspects, individual's perceptions towards corrupt sectors, their social attitudes towards corruption in society and mainly their household experiences with regard to corruption in public service delivery within the last year.

Fieldwork was conducted from 14th to the 31st of December 2001 in seventeen administrative districts of seven provinces excluding the North and the East. The questionnaire was administered to the head of household and in order to minimise the number of "no responses", interviewers were instructed to start fieldwork in the afternoon.

The results of this study are subject to a 3% margin of error.

Limitation of the Study

In order to understand the findings of this study it is important to be aware of its limitations.

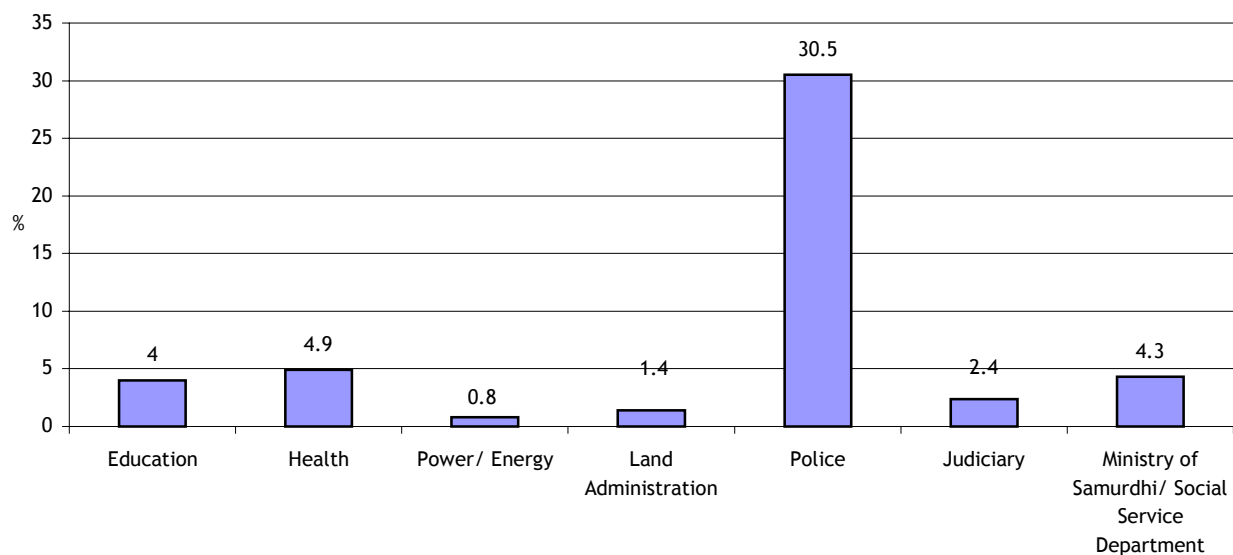
At a meeting with the steering committee, a consensus was reached to carry out the fieldwork simultaneously, in all five South Asian countries. This time period clashed with the aftermath of unexpected elections and conditions of post election violence. One cannot ignore the negative impact of this on the outcome of the survey.

Due to the complexity of the issue of corruption, this survey was based on a definition of corruption and limited to a framework of inquiry, based upon it. Corruption has been defined as involving: *the behaviour on the part of officials in the public sector, whether politicians or civil servants, in which they improperly and unlawfully enrich themselves, or those close to them, by the misuse of public power entrusted to them.*” In addition, only incidents of corruption that have been experienced within the last year have been taken into account.

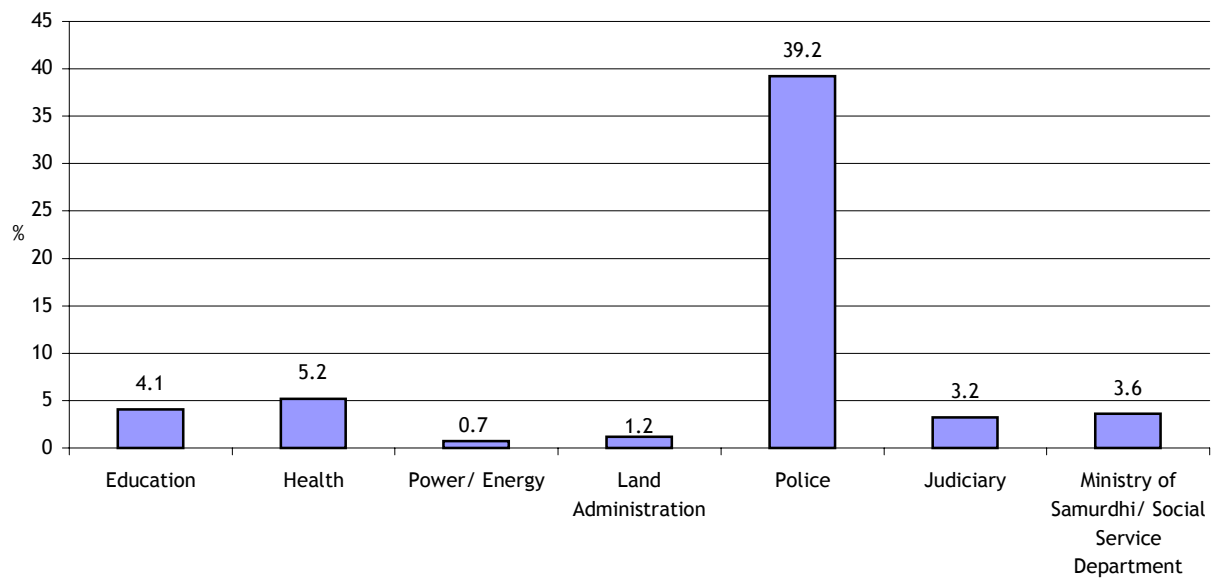
The framework restricted the survey to service delivery.

PERCEPTION OF CORRUPT SECTORS

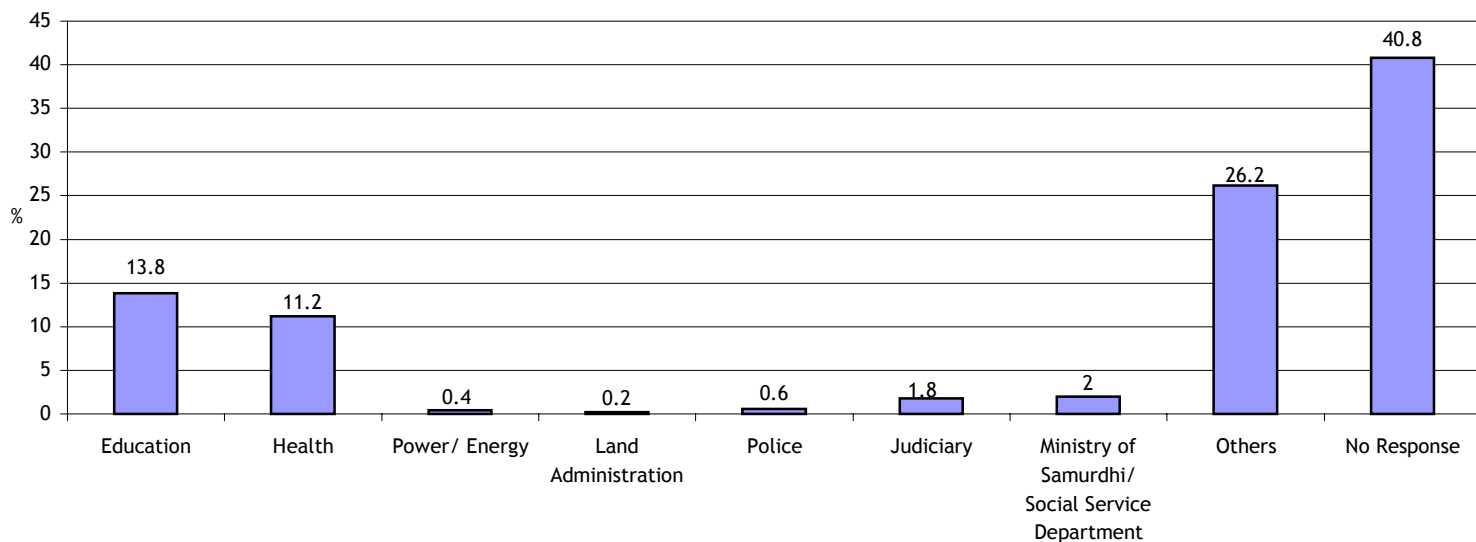
Top of Mind



Most Corrupt



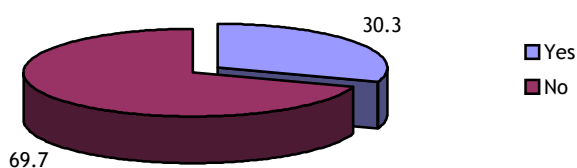
Least Corrupt



As indicated in the “Top of Mind” graph, it is the “Police” sector that comes to mind for a majority (30.5%) when they hear the word “Corruption”. When people are asked to state the “Most corrupt” sector, again a majority state the “Police” (39.2%) sector. It should not however go unnoticed that 5.2% and 4.1% of the population respectively state “Health” and “Education” as being “Most Corrupt”. A majority (40.8%) of the population is unable to name a sector as the “Least Corrupt”, while 13.8% and 11.2% list the “Education” sector and “Health” sector as the “Least Corrupt” sectors respectively.

EXPERIENCE OF CORRUPTION DURING THE PAST YEAR

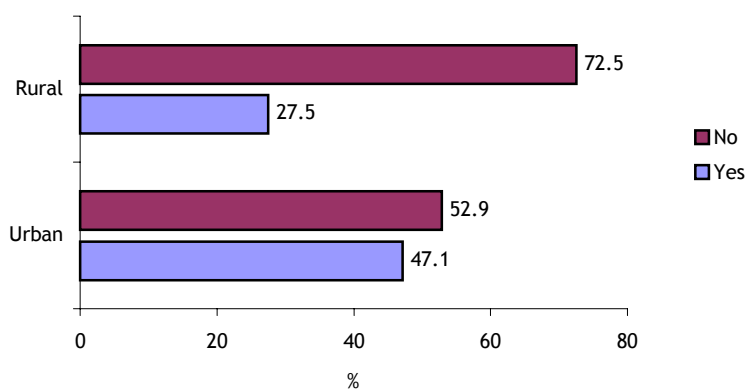
Have you had any experience of bribery or corruption within the last year?



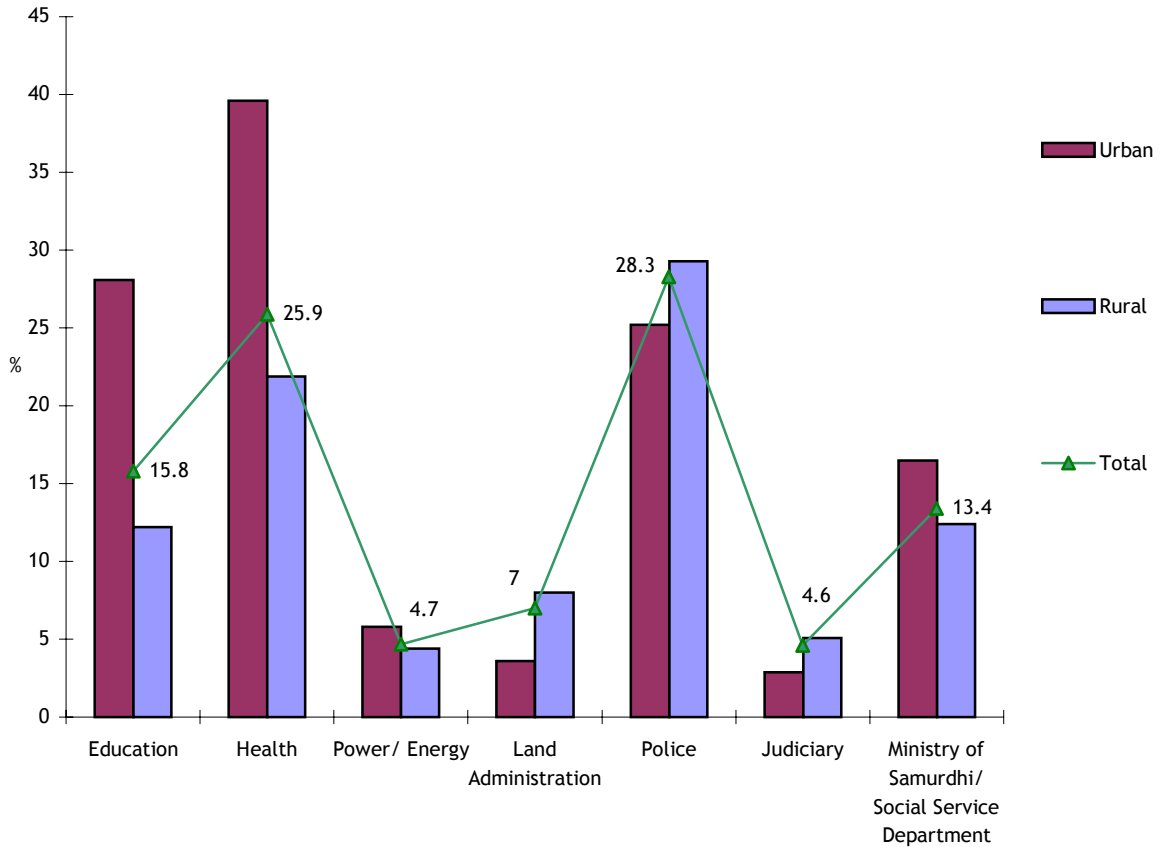
As the graph depicts, over 30% say that they have had some experience of bribery or corruption in receiving a public service during the last year. Furthermore, the survey also reveals that people living in the Colombo, Kandy and Galle districts are more vulnerable to experiencing corruption when compared to those living in other districts. (Colombo- 43.3%, Kandy - 41.1% and Galle - 49.4%)

Have you had any experience of bribery or corruption within the last year?

Though corruption is not an exclusively urban phenomenon, there seems to be twice as many corruption experiences within the urban areas than within the rural areas (47.1% urban and 27.5% rural).



SECTORS IN WHICH CORRUPTION INCIDENTS HAVE BEEN EXPERIENCED IN THE LAST YEAR



Despite a high association of the “Police” sector with corruption, only 28.3% have had corruption related experiences within this sector during the last year. It is interesting to note that the “Health” (25.9%) sector is not far behind the “Police” with regard to the number of experiences within the last year. From the graph it can be seen that corruption experiences in the Health and Education sectors are encountered more within the urban areas than within the rural areas, while corruption experiences are encountered within the “Police” sector irrespective of locality.

SOME USEFUL DEFINITIONS

Transactional Corruption - a corruption practice that involves two parties, the Public actor (Service Provider) and the Private actor (Service Recipient)

Non-Transactional Corruption - a corruption practice that involves only the Public actor

Types of Transactional corruption:

Demand Driven - Public actor initiates

Supply Driven - Private actor initiates

Cronyism Driven - Both parties involved through mutual agreement

Bribery - A sum of money or another reward offered or demanded in order to procure an (often illegal or dishonest) action or decision in favour of the giver

Extortion - Obtaining money by violence or threats

Influence - Using someone's power/status or using his own power/status

Fraud - Deception; Action or instance of deceiving somebody in order to make money or obtain goods illegally

Types of Non-Transactional corruption:

Embezzlement - Fraud involving money

Nepotism - Special favour for relative or friend

TYPES OF CORRUPTION EXPERIENCES AND CAUSES OF CORRUPTION IN THE SECTORS

Types of Corruption Experiences	Education	Health	Power	Land Administration	Police	Judicial	Samurdhi / Social Service Dept.
	%						
Transactional - Demand Driven - Bribery	54.6	20.8	51.7	51.2	24.6	60.7	6.0
Transactional - Demand Driven - Extortion	-	-	-	-	1.1	-	1.2
Transactional - Demand Driven - Influence	1.0	-	-	-	1.7	-	-
Transactional - Demand Driven - Fraud	5.2	1.3	-	-	-	-	3.6
Transactional - Supply Driven - Bribery	8.3	25.8	13.8	16.3	21.1	17.9	6.0
Transactional - Supply Driven - Influence	-	1.3	-	-	-	-	-
Transactional - Cronyism Driven - Bribery	1.0	-	-	-	1.1	-	-
Transactional - Cronyism Driven - Influence	5.2	22.6	3.4	16.3	9.7	-	1.2
Non-Transactional - Nepotism	24.7	27.7	31.0	16.3	39.4	21.4	80.7
Non-Transactional - Fraud	-	0.6	-	-	1.1	-	1.2
Base	97	159	29*	43	175	28*	83

* Insufficient base

In the "Education" sector it is the "Transactional - Demand Driven - Bribery" experience that mainly prevails, while over 24% of the corruption experience falls under "Non-Transactional - Nepotism". Apart from the demand and supply driven bribery, cronyism driven influence and nepotism are prevalent in the "Health" sector. A majority of the corruption experience in the "Police" sector is of the nepotism type. 24.6% say that the police demanded bribes, while 21.1% state that they volunteered to give something to obtain a service from the "Police" sector. Sri Lanka's main relief scheme for the poor, "Samurdhi", is also marred by nepotism.

CAUSES OF CORRUPTION IN THE SECTORS

On the basis of the number of corruption related experiences that Sri Lankans have faced within each sector, they believe that corruption exists not only due to flawed procedures within the institutions, but also due to the encouragement of corruption by service recipients.

In the "Education" sector over half the experiences are related to demand driven bribery. The reasons given for this type of corruption are thought to be mainly due to the "Lack of Accountability" (14.9%) and a "Faulty Social System" (14.9%). 13.9% state that "Discretionary Power" also plays a major part when it comes to corruption. Other noteworthy causes that people state are "Monopoly Power" (9.9%) and "Fault of the Leaders" (7.9%).

The "Health" sector, on the other hand has experiences that are mainly related to favouritism, influence, supply and demand driven bribery. The main cause of corruption in this sector is "Our need is greater", i.e. the needs of the service recipients' is greater (22%). The other causes that are of great significance are "Monopoly Power" (12%), "Shortages - demand & supply" (10.5%), "Lack of accountability" (10%), "Discretionary Power" (10%) and "Power of influential people" (8.9%).

In the "Power" sector, as in the "Education" sector, over half the experiences are related to demand driven bribery. Another form of corruption that is popular in this sector is favouritism. Here people believe that the main cause of corruption is the "Lack of accountability" (22.6%). Other causes that do not fall too far behind are "Discretionary Power" (19.4%), "Monopoly Power" (19.4%) and "Power of influential people" (9.7%).

Lack of accountability- nobody to answer to

Discretionary power - free to take any decision

Shortages - demand and supply

Lack of transparency - inadequate information

Monopoly power - lack of choice/option

Red-Tape - Bureaucracy/ too much documentation

As in the above cases the "Land Administration" sector also receives over half the experiences relating to demand driven bribery. Here "Monopoly Power" (20.6%) is what people consider to be the main cause of corruption. There are other causes, which are of significant importance such as the "Power of influential people" (12.7%), "Red-tape" (12.7%), "Lack of accountability" (11.1%) and "Discretionary Power" (9.5%).

The most significant type of corruption experience in the "Police" sector is favouritism. Demand and supply driven bribery are also substantially high within this sector. With regard to this, people believe that the main cause of corruption in this sector is the "Power of influential people" (22.4%). Other significant causes are "Discretionary Power" (18%) and "Monopoly Power" (12.5%).

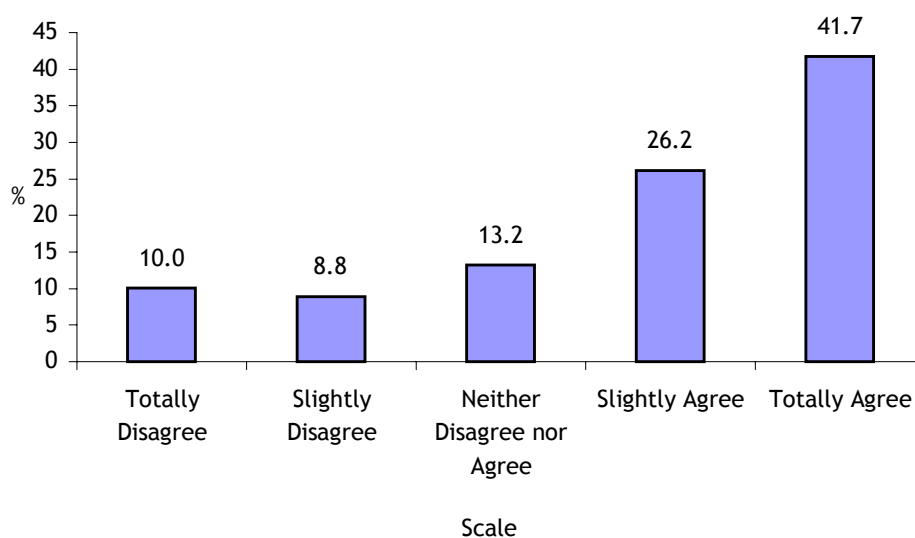
In the "Judicial" sector, demand driven bribery is the most significant type of corruption experience, while types such as favouritism and supply driven bribery are also notably high. For these types of corruption experiences, the causes that are revealed are "Monopoly Power" (16.7%), "Lack of accountability" (14.8%) and "Our need is greater" (14.8%). Causes that are noteworthy are "Lack of transparency" (9.3%) and "Red Tape" (9.3%).

The type of corruption that seems to be most prevalent in the sector of "Ministry of Samurdhi/Social Services Department" is favouritism. The causes of corruption for this sector are thought to be "Power of influential people" (40.3%), "Monopoly Power" (17.9%) and "Lack of accountability" (10.5%).

ATTITUDE OF THE SRI LANKAN SOCIETY TOWARDS CORRUPTION

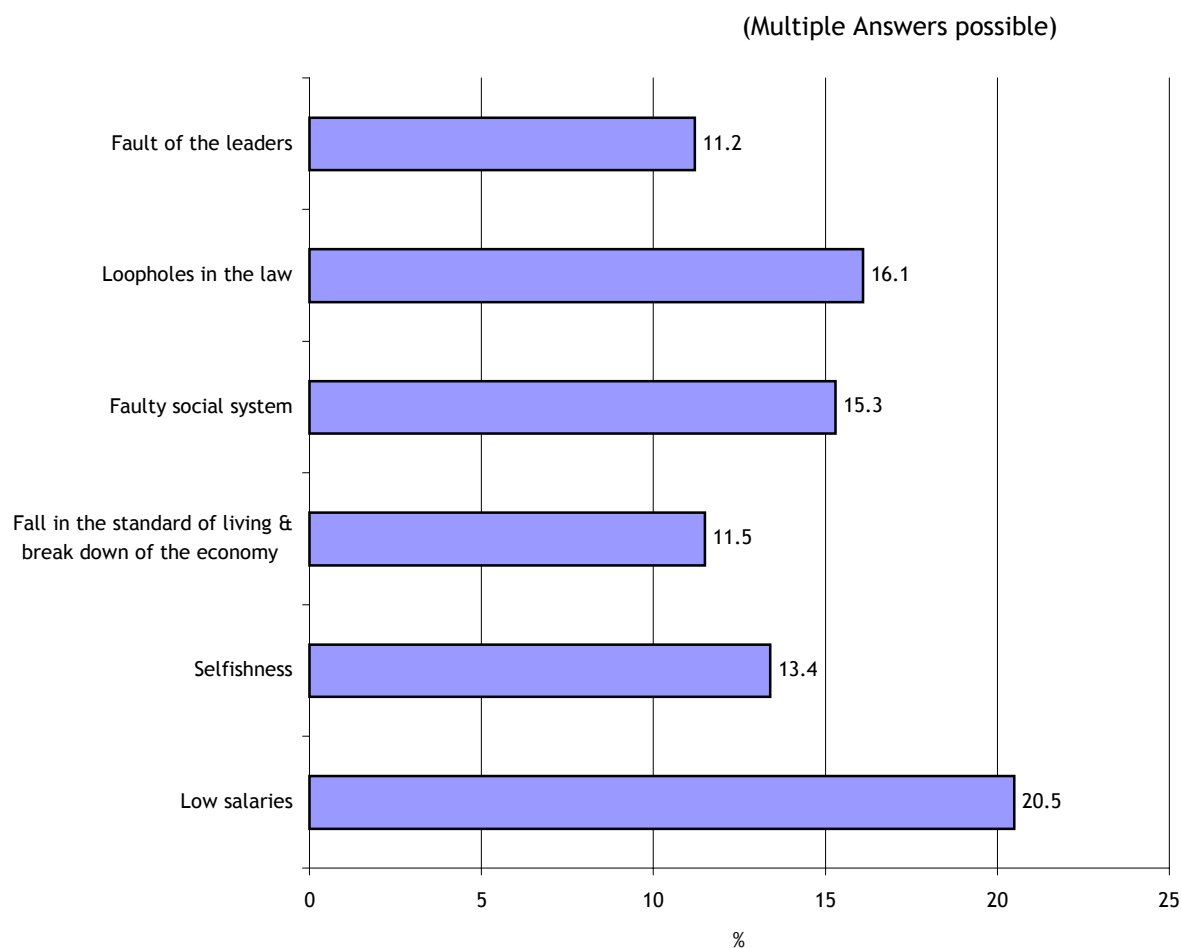
Since the existence of corruption also depends on the attitudes of society, this study was extended to examine the attitudes of the people on issues that relate to corruption.

Bribery is a normal way of doing things in Sri Lanka



- ▶▶ 67.9% believe that bribery is a normal way of doing things in Sri Lanka
- ▶▶ 66.7% disapprove that accepting a Rs. 100,000 bribe is more corrupt than accepting a Rs. 100 bribe
- ▶▶ An overwhelming majority (82.3%) agree that more corruption takes place in cities than in rural areas
- ▶▶ 68.5% totally agree and 13.1% slightly agree that more rich people practice corruption than poor people
- ▶▶ 82.9% agree that the public sector is more corrupt than the private sector
- ▶▶ Over 85% of the public believe that ending corruption at high levels is more important than at low levels
- ▶▶ While 16.5% state that they neither agree nor disagree, 77.3 % agree that more men practice corruption than women
- ▶▶ The public opinion on corruption making things run smoothly is one of agreement by 58.1% while 24.6% believe the contrary

CAUSES OF CORRUPTION IN SOCIETY



When asked reasons for the existence of corruption in society, responses varied depending on the experiences and/or the general perceptions of corruption. 20.5% of Sri Lankans seem to believe that “Low Salaries” is the major cause of corruption in society. The causes “Loopholes in the law” (16.1%) and “Faulty social system” (15.3%) follow close behind. In addition to this “Selfishness” (13.4%) too seems to be a factor that concerns people.

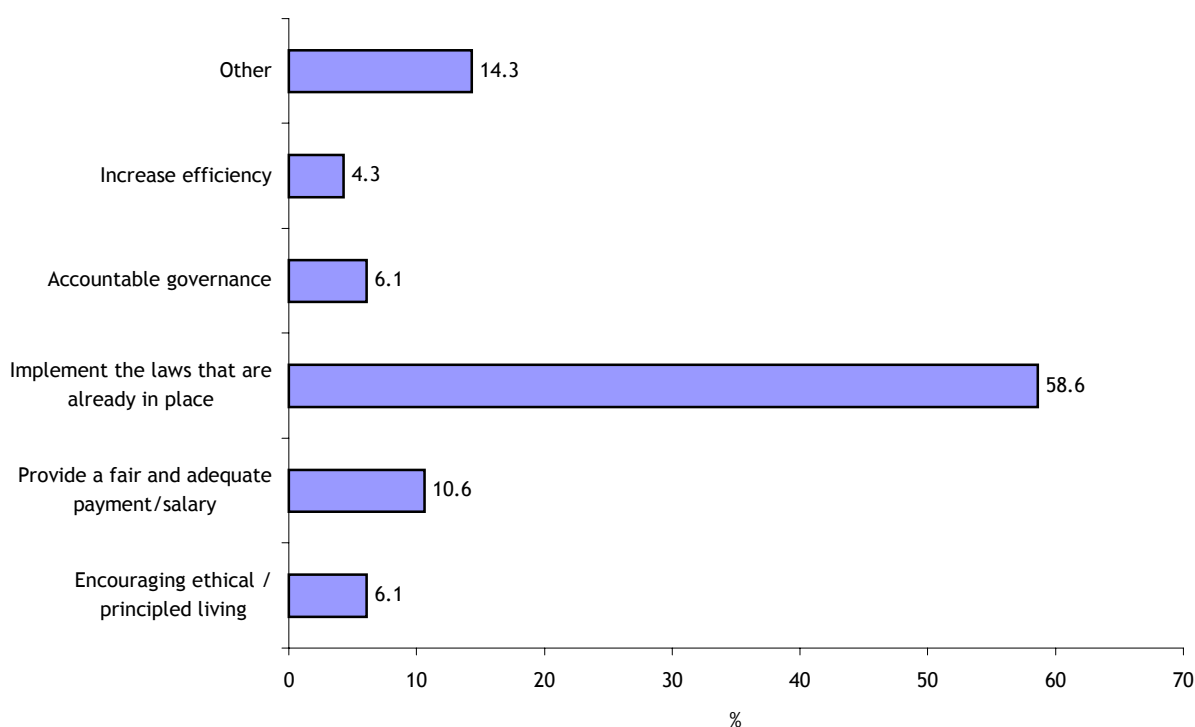
In the urban areas, 23.4% of the people believe that “Low salaries” is the main cause of corruption in society. A large proportion, 19.1%, seem to think that the “Fall in the standard of living & breakdown of the economy”

also add to the problem of corruption. With regard to the rural areas, here too “Low salaries” (19.8%) seems to top the list. However the other major causes of corruption are “Loopholes in the law” (16.3%) and “Faulty social system” (15.3%).

The higher the income, the more the people believe “Low salaries” to be the cause of corruption. As income rises the percentage for “Faulty social system” also increases. The higher the income the less they believe that corruption is the “Fault of the leaders”.

CURE FOR CORRUPTION IN SRI LANKA

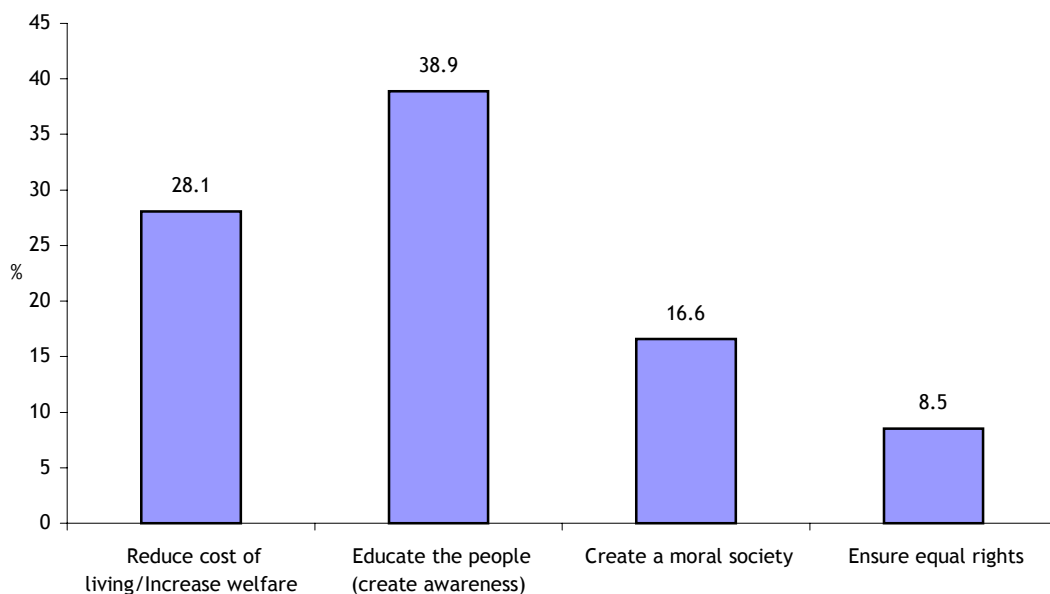
Institutional Reform



It is interesting to see that although a majority believe “Low salaries” to be a major cause of corruption in society, only 10.6% seem to have chosen the remedy “Provide a fair and adequate payment/salary”. In fact, the cure that has over half the responses is to “Implement the laws that are already

in place” (58.6%). Other cures that are of a notable percentage are that of “Encouraging ethical/principled living” (6.1%), “An accountable governance” (6.1%), and “Train people to work efficiently” (4.3%).

Societal Reform



It is intriguing to see that 38.9% of the responses are pro educating people/making them aware. Another interesting response, which receives 28.1%, is that of reducing the cost of living/increasing welfare. This somewhat corresponds to the cause of corruption being “Low salaries”. Creating a moral society (16.6%) and ensuring equal rights (8.5%) are two responses the people believe might play a role in reducing corruption



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