# A SECOND PERSPECTIVE ON THE SUSTAINED ANTI-CORRUPTION STRATEGY OF HONG KONG: A HISTORICAL REVIEW

Raymond Cheng

## ABSTRACT

According to the Corruption Perception Index (CPI) published by the Berlin-based Transparency International (TI), Hong Kong has always been among one of the top 20 least corrupt places since the index was first published in 1995. In fact, the city has built up a clean culture and is recognized as one of the role models for countries wanting to fighting corruption. Syndicated and petty corruption in the public sector has become a thing of the past<sup>1</sup> and irregularities in the private sector have been reduced substantially (Li, 2001). There has been a radical change in the culture too, 'from tolerance of corruption to clear rejection' (Chui, 2000). In fact, according to Speville (1999), some of the main reasons for Hong Kong's success include (a) the creation of the unimpeachable anti-corruption agency in 1974, the Independent Commission Against Corruption (ICAC) which was established with a well-planned long-term strategy that uses a three-pronged attack on corruption via investigation, prevention and education; (b) the attention to all corruption reports; and (c) the ability to maintain confidentiality. In addition, though compelled by public criticism, the recognition of corruption as a 'real, pressing problem' by the then British colonial government in Hong Kong and its subsequent commitment to solving it also constituted a major factor of success (Quah, 2004). This 'commitment', however, is not just one single policy or legislation, but is a whole range of various complicated administrative policies, legal initiatives, and financial tactics applied consistently and strategically over a long period of time hence effectively creating an environment 'suitable for fighting corruption.' In this paper, we shall review such a perception of the 'passive commitments' of the Hong Kong colonial government from a new strategic viewpoint in terms of (a) the local economic and social statistics for a 25-year period spanning 1967 thru 1992 and (b) the behavioral patterns and theories of people. In addition, we shall also relate the above to see how these had possibly and indirectly contributed to make corruption a low-gain and high-risk crime and how these had fostered the effectiveness of the corresponding legislations and helped the work of the local anti-corruption agency. Last but not the least; we will make recommendations for the future enhancement for the current Hong Kong Special Administrative Region Government (HKSARG) in its ever-on-going combat against corruption by means of using the findings.

Keywords: Hong Kong, anti-corruption, Independent Commission Against Corruption

#### Introduction: From fighting corruption to understanding perception and attitude

It is said that perception can be explained as a mix of illusion and reality and is often a subjective belief based on one's own personal experience (Center for Internet Marketing Research & Education [CIMRE], n.d.). So, when perception is used as the sole base in a model that measures corruption, the results can be scientifically unreliable, if not totally inaccurate. Yet, the Corruption Perceptions Index (CPI) model as devised by Transparency International (TI) is one such model that is based on peoples' perceptions with minimal comparable, hard empirical data<sup>2</sup>. Hence, it is therefore not surprising to find that the results obtained from applying the CPI may lead to findings that are not immediately replicable from country to country. In fact, despite the various reasons as suggested by Galtung (2006) as to how unreliable this CPI is and how such an index has been improperly used by the press 'on a daily basis' (ibid.), there are still a number of more basic questions yet to be answered, and these include, 'Why would there be such kind of perception?' Or, 'Would a change of attitude and/or perception alter the situation and hence prevent or help fight corruption in a particular country?' To answer the first question, we need to understand that perception can be a result of the attitude of the people (Prinz & Hommel, 2002), and so to understand what form this attitude, we need to make use of the definition of 'attitude' from Krathwohl, Bloom and Masia (1964): 'Attitude is a complex of personal characteristics, norms, values, feelings, ideas and meanings that determines how one behaves in a specific situation.' So, what is this 'complex?' A further elaboration of this definition by Zonneveld (2002) gives a composition of the following three aspects:

- (a) Knowledge: knowing and understanding what behavior fits in a specific
- situation, and why;
- (b) Behavior: being able to exhibit the desired, appropriate behavior;
- (c) Emotions: being aware of the feelings and emotions that underlie the behavior.

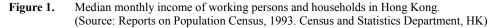
<sup>&</sup>lt;sup>1</sup> Public hospitals were known to be places where petty corruption was prevalent in the days of the colonial Hong Kong in the 1960s and 1970s. Patients were asked to provide small amounts of bribe even when they asked for a simply glass of water. See http://www.icac.org.hk/mobile/en/about\_icac/bh/index.html

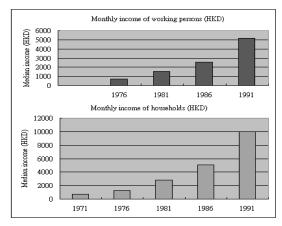
<sup>&</sup>lt;sup>2</sup> According to Transparency International, 'it is difficult to base comparative statements on the levels of corruption in different countries on hard empirical data, e.g. by comparing the number of prosecutions or court cases. Such cross-country data does not reflect actual levels of corruption; rather it highlights the quality of prosecutors, courts and/or the media in exposing corruption. The only method of compiling comparative data is therefore to build on the experience and perceptions of those who are most directly confronted with the realities of corruption in a country.' See http://www.transparency.org/cpi/2004/cpi2004\_faq.en.html

With the three 'components of attitude' in hand, we will now move on to some other relevant economic and social statistics and theories that could have related to these components and hence created the 'state of reality by changing their perceptions' from a cognitive perspective (Rosenblatt, 1962). The idea of the following analysis is to see if such a 'state of reality', which is a direct result of the people's perspective, has anything to do with the change of attitude (in terms of knowledge and behavior) and hence help fight corruption and the making it a low-gain and high-risk crime.

## Knowledge of the environment: The subconscious propaganda

A general rule of thumb in curbing organized crime is to make it a low-gain and high-risk crime (Graycar, 2000). So, in the case of corruption, the idea is to make people believe that they are becoming relatively richer and will no longer need to be corrupt. This is more or less equivalent to answering the question, 'What will make people think they have been removed from poverty<sup>3</sup>?' In fact, like Durst (1995) pointed out, 'the removal of poverty is not an emergency action, but an ongoing process.' In order for the process be ongoing and successful, it has to be smooth and steady. So, what is smooth and steady? Figure 1 below shows the change of the median monthly income of working persons and that of the households in Hong Kong from 1971 thru 1991<sup>4</sup>. The household income was HK\$708 in 1971 and rose in a stepwise manner to HK\$9,964 in 1991, which apparently represented a 13-time increase over a period of 20 years from 1971-1991.





Yet if we look further into the nominal and real wage indices in Hong Kong from 1982 thru 1992 (see Figure 2 below), we will notice that the general purchasing power of the people had remain relatively the same and had never substantially risen. Interesting enough, with a per capital GDP that is almost constantly growing<sup>5</sup>, people in Hong Kong have never actually enjoyed a real increase in their purchasing power. The economy, in fact, has always been in constant growth only 'on the surface'.

Figure 2. Nominal and real wage indices<sup>6</sup> in Hong Kong.

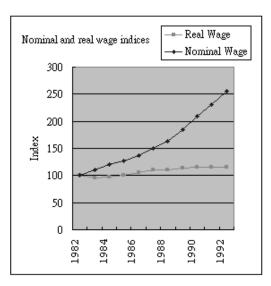
(Source: Report on Half-yearly Survey of Wages, Salaries and Employee Benefits, Census and Statistics Department, HKSAR Government.)
(Note: Nominal index = Real Index = 100 in 1982, March)

<sup>&</sup>lt;sup>3</sup> For relationship between poverty and corruption, see 'Wealth, culture, and corruption' (Husted, 1999) and 'The link between corruption and poverty: Lessons from Kenya case studies' (African Centre for Economic Growth [ACEG], 2000)

<sup>&</sup>lt;sup>4</sup> We take the period from 1971 to 1991 because ICAC was established in 1974 and this period would show the actual impact of the wage increase with respect to relieving of the corruption problem.

<sup>&</sup>lt;sup>5</sup> The per capita gross domestic product (GDP) at current prices of Hong Kong in 1967 was HK\$12,000 (HK\$4,000 at constant prices), whereas that in 1992 was HK\$127,700 (HK\$49,400 at constant prices). Source: "National Income Branch," Census and Statistics Department, HKSARG.

<sup>&</sup>lt;sup>6</sup> Real wage is derived from nominal wage index by discounting changes in consumer prices. This can reflect changes in the purchasing power of wages.



So, what does this imply? It implies that to make a crime 'low-gain and high-risk', it would be favorable for the government to be able to control the relative 'quality of living' in terms of the current dollars and or otherwise increase the 'cost for committing the crime' through inflation. And, in the case of Hong Kong, a carefully maintained relationship between the nominal and real wage (via inflation) has caused the society to gradually pick up the attitude of 'living better and better lives' and hence effectively lowering the gain of the crime and increasing the risk of changing the status quo and therefore losing on the quality of living – which in turn created an environment that helped prevent people from taking bribes. In other words, it was the change in the perception toward the economy that possibly helped relieved the problem of petty corruption on a country-wide scale. Had people not believed that the economy had improved, they could still have believed that corruption was still a quick exit for poverty.

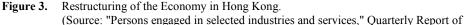
To further examine the logic of this rationale, let us take Nigeria as an example. In Nigeria, 'real wages fell significantly in the 1980s following a statutory wage freeze (1982-88), salary cuts in the public sector in 1985, and a constant nominal minimum wage that started in 1981. From 1986 to 1989, real wages fell almost 60 percent' (US Library of Congress Federal Research Division [USLCFRD], 1998). The failure of maintaining the relationship between nominal wage and real wage (i.e. inflation) by allowing the various wage freezes and cuts has caused social and economic instability which in turn created the perception of a 'corruption-friendly and unstable living environment.' Knowing the phenomena that public perception toward inflation differ depending on people's political affiliation, and that those who support the government are more likely to expect lower future inflation and are more likely to have perceived lower past inflation (Carlson & Valev, 2003), the inability of the government to contain inflation within a reasonable range will cause the attitude of the people to drift and hence help form the perception that corruption is becoming a 'higher gain crime' (relative to their current living standards). And in time, people's views will drift and accept taking bribes as one of the viable means to 'fit in' to the rising inflation and, possibly, a deteriorating economic outlook.

After all, attitudes and perceptions toward corruption are dependent upon the perceptions toward social and economic expectations to which are, in some cases, government-controllable to a certain extent. For instance, during the Second World War, the U.S. government launched a series of political propaganda to help with the failing economy. Advertisements were made to target its female population and helped boosted economic outlook by raising the female status in the American society (Cheng & Macapagal, 2016). Similar propaganda exercises had also been done through Hollywood movies trying to help boost the morale of the country, especially during economic downtimes (Cheng, 2015). Even for Hong Kong in the 1960s, bills expanding police rights to help stabilize the society as well as the economy were also strategically passed together with other bills related to widows and orphan pension, children education and welfare to help deliver a perceived harmonious society (Cheng, Yau & Ho, 2016). It is how smart a government uses its tactics to help control (or contain) elements of public perceive a 'corruption-unfriendly environment' – and hence help fight corruption.

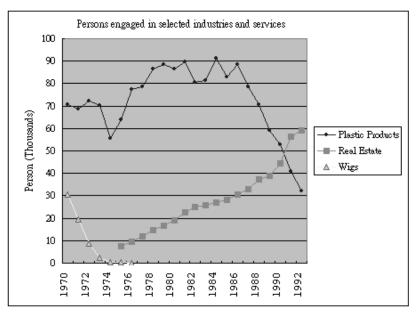
#### Knowledge of realizing alternatives: The catalyst of attitude change

Now that we have set up a partial relationship between the perception of performance of the economy (or inflation, to be specific<sup>7</sup>) and the people's attitude toward the extent of corruption they perceive. This is not enough, however, because making the crime 'low-gain' will not prevent people from doing it, especially for those who do not have any other means of alternatives. The most crucial point in changing the attitude of the people is by giving them an easily accessible alternative to corruption. Consider the following figure (see Figure 3).

<sup>&</sup>lt;sup>7</sup> In fact, in the course of analysis, we have not used the actual inflation figure but rather the change of the implicit deflators as a key to reveal the fluctuation of inflation.



Employment, Vacancies and Payroll Statistics, Census and Statistics Department, HKSAR Government.)



The above figure (Figure 3) shows the number of persons engaged in three selected<sup>8</sup> industries, namely, (a) the wig industry, representing the traditional Chinese social business networks built around family and ethnic ties (Redding, 1995) which prospered in the early 1940s and subsequently faded in the late 1970s, (b) the plastic industry, one of the many industries<sup>9</sup> that boomed during the industrialization of Hong Kong in the 1960s, and (c) the real estate services industry that took off in the early 1980s. Of the three industries, the figure revealed how the economy in Hong Kong has transformed from 'pure laboring' to 'commission-based servicing' – a natural yet subconscious way of providing an alternative to improving the income of the people (by changing the income structure). Such a change in the economy secured the attitude change that corruption is 'a low-gain crime' for there is now a perfectly legal and viable alternative to corruption. A sad justification of this observation is, however, the findings from a previous study (United Nations Conference on Trade and Development [UNCTD], 1996) which compared Hong Kong with three neighboring cities on their (physical) export patterns over the three decades from 1963 to 1990, only to find Hong Kong, while constantly making progress with its per capita GDP, to be losing its market share in almost half of the highly dynamic (manufactured) products in which it had earlier built a strong market presence (Chiu & Wong, 2000).

We now have the 'people's attitude toward corruption' re-defined as a mixed of the knowledge of (a) 'how people manage to perceive their surrounding economy' (and which is not necessarily genuine) and (b) 'how people manage to find their own benefits secured (e.g. future).' Next, we shall continue to look at this 'attitude' from the 'collective behavior' perspective.

# Behavior: Minting the reality

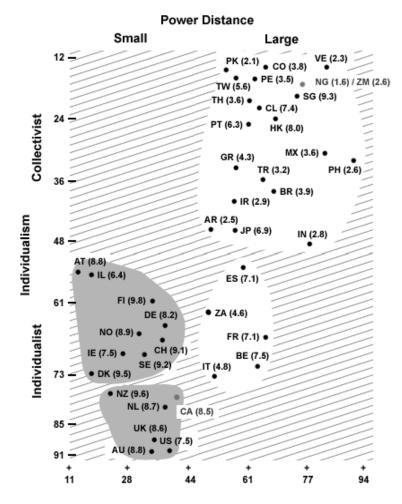
While steady improvement of the economy can be a catalyst in changing people's attitude, the behavior of the people can also be a decisive factor. Consider the following figure (Figure 4):

Figure 4. Relating Power Distance, Individualism and CPI of 40 Countries<sup>10</sup> (Source: (1) Hofstede, G., 1991, *Cultures and Organizations: Software of the Mind: Intercultural Cooperation and its Importance for Survival*, McGraw Hill, New York. (2) CPI Report, Transparency International, 2004.)

<sup>&</sup>lt;sup>8</sup> There is part of a wider debate on the role of business networks in East Asian development. Some scholars argue that networks rather than firms or business fields should be the focus for analysis: for details see Hamilton (1996), Orru, Biggart, & Hamilton (1997), Fruin (1998), and Whitley (1998).

<sup>&</sup>lt;sup>9</sup> Also see Lui & Chiu (1994).

<sup>&</sup>lt;sup>10</sup> Countries are labeled according to the ISO 3166-1 Alpha-2 country codes. For details, please see http://en.wikipedia.org/wiki/ISO\_country\_code



In Figure 4 above, the values from Hofstede's (1986; 1997) cultural dimensions<sup>11</sup> (namely, power distance and individualism) of 40 selected countries were mapped<sup>12</sup> with their corresponding CPI values (Transparency International [TI], 2004<sup>13</sup>) marked against the names of the countries. The figure shows how countries with relatively higher CPI values (i.e. 'perception' that a place is less corrupt or even corrupt-free) teem in the lower left-hand corner of the plot whereas those with lower CPI values concentrate in the upper right-hand corner. And if we consider the general behavior of the people in these countries we can tell the relative government-society interaction and the effectiveness (and presuming that corrupt-free means effective) of the anti-corruption strategies as a function of the perceived strength of legislation, political will, and the degree of obedience toward the law. We hence come up<sup>14</sup> with the following (see Table 1 below):

Table 1. Power Distance and Anti-Corruption ('AC') - The Two Extremes

SMALL POWER DISTANCE SOCIETIES	LARGE POWER DISTANCE SOCIETIES
Government respects the independence of the people. AC agencies use reactive measures.	The society generally respects their leader(s). AC agencies uses proactive measures.
Society's initiative is considered very important (society- centered). AC is geared toward prevention and education, not operations.	Order of the society is very important (public order- centered). AC is geared toward strong and proactive operations.
Government expect people to behave in order to stop corruption.	People generally expect the government to pass stringent laws for them to follow.

<sup>&</sup>lt;sup>11</sup> According to Hofstede (1986), power distance describe to what extent members of a society are willing to accept the inequality, and so: small power distance means that the extent to which less powerful people accept the social inequality is small, that is members of a society are treated as equal as possible in an unequal society; large power distance means that a big inequality in power is considered by the less powerful members of a society as normal.

<sup>&</sup>lt;sup>12</sup> Idea adapted from an analogy of the teacher-student and student-teacher model (Hofstede, 1986).

<sup>&</sup>lt;sup>13</sup> We did not use a newer CPI value because we our discussion for this section revolves around the post-1997 period and the 2004 CPI listing included most of the countries we are interested.

<sup>&</sup>lt;sup>14</sup> For details, see Polak's (2001) path of analysis in 'Power distance dimension and methodology.'

2017

People are encouraged to report spontaneously.	People speak up only when asked by the AC agency or being ordered to do so.
People generally think individually as to whether they will or will not take or give bribes. Education fails for those who believe corruption is acceptable (or that it is a low-risk crime).	People tend to always accept what the government says and will refrain from taking or giving bribes altogether, if they happen to accept the law (as a high-risk crime).
Effective AC strategies depend on two-way communication in society.	Effective AC strategies are results of excellence of the AC agencies.
In conflicts between the government and the people, the decision goes to the people's side.	In conflicts between the government and the people, the decision goes to the government.
Lenient policies are more liked than the stringent ones, meaning self-governance is crucial.	Stringent policies are more respected than the lenient ones, making operations effective.

It is important to remember that the above table (Table 1) only gives a general description of two extreme environments and their characteristics and that in reality the majority of the countries would lie somewhere in the middle. While some of the societies may find either small or large power distance description fits their country, some other may identify themselves with features described in both categories. For example, Austria ('AT') and Israel ('IL') would be closest to the extreme model of the small power distance society while Philippines ('PH') and Venezuela ('VE') would represent the opposite category. However, other countries like Italy ('IT') or Spain ('ES') fall somewhere in between the two groups (Polak, 2001). And, according to our rationale, in any one of these cases, it would take the right set of anti-corruption policy for the right society to work only when the elements of perceived economic environment are in place.

Now, let us take a look at the vertical axis of Figure 4. According to Hofstede (2001), as national cultures become more of an individualist (i.e. going from top to bottom) we will find societies in which the 'ties between individuals are loose and everyone is expected to look after him/herself and his/her immediate family.' When the national tends to exhibit a collectivist<sup>15</sup> culture (i.e. going from bottom to up), we find societies in which 'people from birth onwards are integrated into strong, cohesive ingroups, often extended families with uncles, aunts and grandparents which continue protecting them in exchange for unquestioning loyalty.' So, what does this has to do with how Hong Kong fought corruption? The power distance theory and the individualism analysis provided an explanation as to why the three-pronged approach as adopted by the Hong Kong ICAC (i.e. investigation, prevention and education) only worked very successfully in Hong Kong and had never really worked much when other places tried to do a copycat. For example, in Zambia (labeled 'ZM' in Figure 4), a country that also lies in the large power distance region like Hong Kong, did not benefit much when they attempted to copy directly the Hong Kong legislation while they were trying to fight their own corruption problem (Bakare, Banda, Cheng, Ekwekwuo, & Villanueva, 2004). The reason behind, which is also very much applicable to Nigeria ('NG'), is because the two countries are both highly diversified into a large number of clans or ethnic groups (over two hundred and fifty<sup>16</sup> in Nigeria) and that these ethnic groups neither speak nor communicate through a common dialect (US Central Intelligence Agency [USCIA], 2003) - the only language that they use to communicate across ethnic groups is English - and, sadly, which is the left behinds of the former British occupants. This has led to the wrongful formation and implementation of the preventive policies against corruption in both Zambia and Nigeria because the authorities were targeting individuals in the nation as a whole – yet they should have targeted the corruption problem among different clans or ethnic groups. Technically speaking, both the Zambian and the Nigerian societies are 'compounds' (not mixtures) of individual small power distance ethic domains and should not therefore be treated as one single large power distance society. It was only because the power distance values were derived from surveys of individuals that resulted in both Zambia and Nigeria being listed as large power distance societies - the large power distance societies only exist within ethnic groups, not across - and hence, what worked in Hong Kong, did not work in Zambia or Nigeria.

Consequently, the result of such a miscalculation at the policy level is that the anti-corruption work in some countries had been regarded as policies that interfere with the nationals' traditional culture, norms and values and (in the case of Nigeria) had 'damned Nigeria and its nationals as matchless in greed and corruption' (Mangalwadi, 1998; Udofia, 2003) – the last kind of response any policy maker would like to see.

Back to our analysis of Hong Kong, the number of households and the average size of a household in Hong Kong had been recorded to go in opposite directions through the 20 years from 1971 to 1992. The number of households increased from 857,000 in 1971 to over 1,640,000 in 1992 whereas the average size of a household dropped from around 4.5 persons in 1971 to 3.4 persons in 1992<sup>17</sup>. And most importantly, no matter how many Chinese dialects there are, almost everyone speaks Cantonese in Hong Kong – these statistics now happen to explain why proactive anti-corruption measures, stringent laws plus an effective

<sup>&</sup>lt;sup>15</sup> According to Hofstede (2001), the word "collectivism" in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

<sup>&</sup>lt;sup>16</sup> According to USCIA (2003), Nigeria, which is Africa's most populous country, is composed of more than 250 ethnic groups; the following are the most populous and politically influential: Hausa and Fulani 29%, Yoruba 21%, Igbo (Ibo) 18%, Ijaw 10%, Kanuri 4%, Ibibio 3.5%, Tiv 2.5%.

<sup>&</sup>lt;sup>17</sup> Source: (1) General Household Survey and (2) Reports on Population Censuses, Census and Statistics Department, HKSAR Government.

judiciary system, and high profile anti-corruption propaganda exercises are necessary keys to successful anti-corruption work in this truly large power distance, collectivist<sup>18</sup> Hong Kong.

## Conclusion

The paper started out with looking at the failings of the CPI and how scientifically unreliable it is to have it based solely on the 'perceptions' of people. Knowing the failings of such we explored the underlying factors that control the 'mirrors of perception'. namely 'attitude', and then broke it down into its components, 'cognition' and 'behavior'. With these two in mind, we then looked into the reasons why and how people learn about this knowledge and how an environment can be created to smoothly and gradually grow them into a society where 'corruption is a low-gain crime'. We further on demonstrated, with the help of Hofstede's cultural dimension theories, how people can be led to react as according to the different types of policies, hence finalizing the tactics that as long as the anti-corruption policies are well tailored to suit the response of the society under a controlled socio-economic atmosphere, it should and will work well. This means, from the perspective of the goodwill of the society, good and effective anti-corruption strategies are those that are meant to create atmospheres where people will perceive themselves as living in 'an equal, stable, and prospering environment' - no matter how unequal it genuinely is. Indeed, Husted (1999) asserted that 'inequality in a society contributes to high levels of corruption' but if one looks at the Gini coefficient<sup>19</sup> for Hong Kong from 1971 to 1996, he will realize that despite the 'general perception' that Hong Kong has become 'less corrupt', the Gini coefficient actually reached its recorded high of 0.518 in 1996 as compared to 0.476 in 1991, 0.451 in 1981, and only 0.43 in  $1971^{20}$ . If what Husted (1999) said was correct for Hong Kong, then the city would never really become a 'fairer place to live and work<sup>21</sup>, and the problem must have covered itself up beautifully over the last 30 years (Wong, 2000). Interesting though, the continuous increase of the Gini coefficient could also be a result of the continuous spread of corruption, as Gupta, Davoodi, and Alonso-Terme (1998) put, 'corruption increases income inequality, as measured by the Gini coefficient.' So, with two ideas running in the same direction but different orders, does it mean corruption simply learned to hide itself up or disguised as the 'contributor' in the course of the economic growth?

To conclude, knowing that the three-pronged strategy, 'investigation, prevention and education,' is the practical and practicable 'Golden Rule' for anti-corruption from the institutional viewpoint (at least that is true for agencies like the Hong Kong ICAC), then according to the analysis above, 'measures that manipulate public knowledge, policies that creates anticipated public behavior, and tactics that arouse necessary crowd emotions and reflections,' could be the three-pronged 'Golden Rule' for the political reformer trying to really exterminate corruption.

# **Final Recommendations**

The Hong Kong experience in fighting corruption, as we have seen from the above, is obviously not an institutional work for ICAC alone and the tactics have to change with time (Cheng, 2015; Cheng & Tang, 2017). It is therefore not entirely correct to say that it is ICAC's job or their sole duties to look for a solution. On the contrary, the government, especially the Chief Executive of Hong Kong, should be the prime person (and the only qualified person) to put forward well-coordinated directions for the different government departments, or else without a 'coherent conceptual framework linking different practices for the achievement of a goal or mission' (Chan & Phillips, 2003), any anti-corruption policies are doomed to fail in the course of fighting corruption, especially when these policies might all be contradicting to its own national culture or lack the socio-economic atmosphere required. This idea was proven correct when the Philippine Government attempted to copy Hong Kong's anti-bribery legislation in 2004 and started its own anti-corruption agency, the Presidential Ant-Graft Commission (PAGC), only to have it abolished in 2010<sup>22</sup> when it was more focused<sup>23</sup> and better funded<sup>24</sup> then the ICAC.

<sup>&</sup>lt;sup>18</sup> Notes: Hong Kong was a collectivist society in the 1960s to 70s but has gradually changed to an individualist society – meaning that corruption will become more of a problem in the years to come.

<sup>&</sup>lt;sup>19</sup> Gini coefficient is a measure of the gap between the rich and the poor by Corrado Gini. For details, please see http://william-king.www.drexel.edu/top/prin/txt/factors/dist4.html and http://en.wikipedia.org/wiki/Gini\_coefficient

<sup>&</sup>lt;sup>20</sup> Source: Hong Kong Census and Statistics Department 1997

<sup>&</sup>lt;sup>21</sup> Also see 'The Effect of Trade on Wage Inequality: The Hong Kong Case' by Hoa, Wei, & Wong (2002).

<sup>&</sup>lt;sup>22</sup> See Executive Order no. 13, s 2010 at http://www.gov.ph/2010/11/15/executive-order-no-13-s-2010/ of the Malacañang Palace, Republic of the Philippines.

<sup>&</sup>lt;sup>23</sup> The PAGC was set up to focus merely on fighting corruption among the civil servants.

<sup>&</sup>lt;sup>24</sup> The ICAC was born in 1974 with a budget of \$10 million (when Hong Kong's GDP was \$16.9 billion) while PAGC was \$23.2 billion, reflecting a per capita spending of US\$15 (P825) to curb officials from cheating compared to merely US\$3 per capita in Hong Kong (Bondoc, 2004).

#### References

- African Centre for Economic Growth. (2000). *The Link between Corruption and Poverty: Lessons from Kenya Case Studies*. Nairobi, Kenya: The African Centre for Economic Growth.
- Bakare, A., Banda, N., Cheng, R., Ekwekwuo, C., & Villanueva, F. (2004). *Canada, Nigeria, Zambia A Comparative Study*. The University of Hong Kong, .
- Brunetti, A., & Weder, B. (1998). "A Free Press is Bad News for Corruption." Wirtshaftswissenschaftliches Zentrum der Univeritat Basel Discussion Paper
- Carlson, J. A., & Valev, N. T. (2003). Sources of Dispersion in Inflation Forecasts. Applied Economics Letters
- Center for Internet Marketing Research & Education. (n.d.). *The Seven Universal Principles of Lifeskills*. Retrieved December 3, 2004, from http://freeonlineschool.manila.ph/universal-principles/lifeskills2.htm
- Chan, A., & Phillips, D. R. (2003, November 3). *Policies on Ageing and Long-term Care in Hong Kong*. Retrieved November 30, 2004, from http://web.idrc.ca/en/ev-28474-201-1-DO\_TOPIC.html
- Cheng, R. (2015). Business pragmatics: Why are we being polite? *International Journal of Business, Economics and Law, 6*(2), 27-32.
- Cheng, R. (2015). Voters versus the corpus of fictional POTUS. *Pertanika Journal of Social Sciences and Humanities*, 23(Special), 85-112.
- Cheng, R., Yau, A.H. & Ho, S. (2016). What does the Inglehart-Welzel cultural map tell us about the freedom of Hong Kong? Southeast Asia Journal of Contemporary Business, Economics and Law, 11(3), 8-15.
- Cheng, R. & Macapagal, I. (2016). A historical review of administrative thoughts from a cultural perspective. *International Journal of Business, Economics and Law, 11*(3), 19-26.
- Cheng, R. & Tang, W. (2017). Social networks and the evolution of leadership theories in the technical environment. *Southeast Asia Journal of Contemporary Business, Economics and Law, 12*(3), 9-17.
- Chiu, W. K., & Wong, K. C. (2000, October 12). Growth without Catching Up: Organizational Dynamics and the Restructuring of Electronics Industry in Hong Kong. *Social Science Research Council Workshop on Industrial Upgrading*.
- Chui, C. (2000, December 11). *Tackling Corruption: School Education and Public Awareness*. Retrieved December 1, 2004, from http://www.OECD.org/daf/ASIAcom/pdf/Chui paper.pdf
- de Speville, Bertrand. E. D.. (1999). The Experience of Hong Kong, China, in Combating Corruption. In R. Stapenhurst & S. J. Kpundeh (Eds.), *Curbing Corruption: Toward a Model for Building National Integrity*. Washington, D.C.: World Bank.
- Durst, M. (1995). A Principled Economics Approach To Poverty. In *Essays Toward A Principled Economics: The Development* of a Healthy, Productive and Mature Economic System. Berkeley CA: Principled Economics Institute.
- Fruin, W. M. (Ed.). (1998). Networks, Markets, and the Pacific Studies in Strategy. New York and Oxford.
- Galtung, F. (2006). Measuring the Immeasurable: Boundaries and Functions of (Macro) Corruption Indices. In F. Galtung and C. Sampford (Ed.), *Measuring Corruption*. London: Ashgate.
- Graycar, A. (2000, Feburary 19). Human Smuggling Speech to: Symposium on Human Smuggling, Centre for Criminology, The University of Hong Kong. Retrieved December 1, 2004, from http://www.aic.gov.au/conferences/other/graycar\_adam/2000-02-humansmuggling.html
- Gupta, S., Davoodi, H., & Alonso-Terme, R. (1998). "Does Corruption Affect Income Inequality and Poverty?" *IMF Working Paper*
- Hamilton, G. (Ed.). (1996). Asian Business Networks. Berlin.
- Ho, L. S., Wei, X., & Wong, W. C. (2002). The Effect of Trade on Wage Inequality: The Hong Kong Case. Hong Kong: Lingnan University.
- Hofstede, G. (1986). Cultural Differences in Teaching and Learning. *International Journal of Intercultural Relations*, 10, 301 320.
- Hofstede, G. (1997). Cultures and Organizations: Software of the Mind: Intercultural Cooperation and its Importance for Survival. New York: McGraw-Hill.
- Hofstede, G. (2001). Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Husted, B. (1999). "Wealth, Culture, and Corruption." Journal of International Business Studies, (2), 339-60.
- Krathwohl, D. R., Bloom, B. S., & Masia, B. B. (1964). *Taxonomy of Educational Objectives*. *The Classification of Educational Goals, Handbook II: Affective Domain*. New York: David McKay.
- Li, D. (2001). The Road to Probity. *Journal of Public Inquiry* Retrieved December 1, 2004, from http://www.ignet.gov/randp/f01c04.pdf
- Lui, T. L., & Chiu, W. K. (1994). A tale of two industries: the restructuring of Hong Kong's garment-making and electronics industries. *Environment and Planning A, vol. 26*, pp. 53-70.
- Mangalwadi, V. (1998). Corruption and the Culture of the Cross. In Introduction to Francis Schaeffer's True Spirituality.
- Orru, M., Biggart, N. W., & Hamilton, G. (1997). *The Economic Organisation of East Asian Capitalism*. London. Polak, M. (2001, March 21). *Power Distance Dimension and Methodology*. Retrieved November 30, 2004, from

http://www.cels.bham.ac.uk/resources/essays/magda1.pdf

- Prinz, W., & Hommel, B. (Eds.). (2002). *Common mechanisms in perception and action: Attention and performance XIV.* Oxford: Oxford Press.
- Quah, Jon. S. T.. (2004, November). "Best Practices for Curbing Corruption in Asia". *The Governance Brief, Asian Development Bank*
- Redding, S. G. (1995). Competitive advantage in the context of Hong Kong. In R. Fitzgerald (Ed.), Competitive Advantage of

Far Eastern Business. London.

- Rosenblatt, F. (1962). *Principles of Neurodynamics: Perceptrons and the Theory of Brain Mechanisms*. Buffalo, N.Y.: Cornell Aeronautical Laboratory.
- Transparency International. (2004, October 22). *TI Corruption Perceptions Index 2004*. Retrieved November 30, 2004, from http://www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004

Udofia, A. (2003, May 7). Rejecting the Collective Guilt of Corruption. *Governance World Watch*, United Nations. United Nations Conference on Trade and Development. (1996). Exports, Capital Formation and Growth. In *Trade and Development Report 1996* (pp. 107-38).

US Central Intelligence Agency. (2003). *The World Factbook 2003*. Retrieved November 30, 2004, from http://www.capitals.com/geos/ni.html

US Library of Congress Federal Research Division. (1998). Nigeria – Income Distribution. In *Country Studies/Area Handbook Series*. Washington D.C.: US Library of Congress.

Whitley, R. (1998). Business Systems in East Asia: Firms, Markets and Societies. London.

- Wong, H. (2000). Poverty and Social Security in Hong Kong. In *The Third Applied Research Excellence Awards Competition Paper*. Hong Kong: City University of Hong Kong.
- Zonneveld, A. (2002). Can training change attitude? In *Paperpresentatie tijdens 5e IARTEM-conferentie (Intern. Association for Research on textbooks and Educational Media.)*. Leiden: PLATO, Universiteit Leiden.

Raymond Cheng Reader, Industrial Doctorate (IndD) Programme, Asia e University, Kuala Lumpur, MALAYSIA Email: raymond.cheng@kellogg.oxon.org