MONGOLIA: TRENDS IN CORRUPTION ATTITUDES

Background and Rationale

The Asia Foundation and Sant Maral/TI collected data for the second of six semi-annual benchmarking surveys in September 2006. This survey was conducted in an effort to better understand the scope and incidence of corruption at the household level in Mongolia. The first survey was conducted in March and established the baseline against which this and future surveys will evaluate the changes in public attitudes toward corruption, the incidence of corruption at the household level, and government progress in implementing reforms that will combat corruption in Mongolia.

The government ratified the United Nations Convention Against Corruption (UNCAC) in late 2005, and it adopted the Anti-corruption Law in July 2006, which came into force on November 1st. The Law contains elements that address the major provisions in the UNCAC, notably investigation and intelligence gathering, public education and awareness, and asset and income disclosure, and thus contributes to increased compliance with the Convention. Companion legislation, such as the Criminal Code and the Criminal Procedures Code must now be amended and strengthened in order to give the Anti-Corruption Law "teeth." Other areas for drafting include Conflict of Interest and Corporate Corruption legislation, both of which are absent from the Anti-Corruption Law.

Despite these strides that have been taken in the legislative arena, perceptions and the incidence of corruption are little changed from the earlier survey, which is generally discouraging. On November 6th, Transparency International (TI) released its annual Corruption Perceptions Index (CPI). Mongolia ranked 99th out of 163 countries, down 14 places from the prior year. In 2006 Mongolia received a total score of 2.8 out of 5, which compares with 3.0 in 2005. Another TI index, the Bribe Payers Index (BPI), was released on October 4th. The BPI is a comprehensive survey that examines the propensity of companies from 30 leading exporting countries to pay a bribe. Though Mongolia was not rated, its two neighbors were. China and Russia were among the top three bribe-paying countries, and this has rather dire implications for Mongolia because of the increasing concentration of Russian and Chinese firms in a host of sectors, notably mining.

Survey Methodology

The study is a longitudinal survey designed to measure both changes in public attitudes and country-specific indicators that are comparable across countries. The survey was modeled on the Transparency International Global Corruption Barometer (GCB), and measures personal experience with corruption, in addition to perceptions.

A multilevel randomization method was used. The survey comprised 601 respondents in Ulaanbaatar and four provinces: Arkhangai, Selenge, Uvs and Khentii.
The first survey was larger; comprising 1030 randomly selected respondents from Ulaanbaatar, Dornod, Umnugobi, Khovd and Khovsgul.

Findings

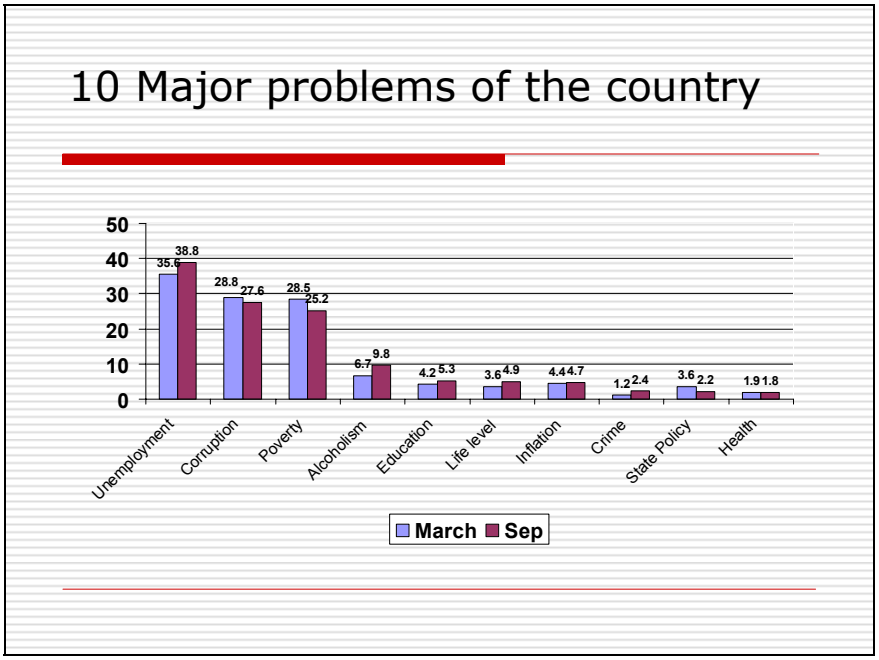
Awareness and Understanding

The second survey results confirmed patterns of awareness and understanding that were identified in the spring. 90% of the public reports that corruption is common, and that it can differentiate easily between the various forms of corruption. Not surprisingly, the higher the income and the better the education, the greater the awareness. And as unsurprisingly, the higher the income the greater the reported inclination and incidence of bribe paying.

Attitudes towards corruption are slightly more moderate in the autumn sample, which could be due to seasonal effects, which tend to show decreasing intensity of public activism over the summer and into the fall.

Corruption remains the second most often-cited problem affecting Mongolia, after unemployment, and ahead of poverty. This pattern is unchanged from the March Survey, and is consistent across a growing list of surveys. Mongolians want the government to create jobs, fight corruption, and take action to reduce the grinding poverty, which afflicts a significant proportion of the population.

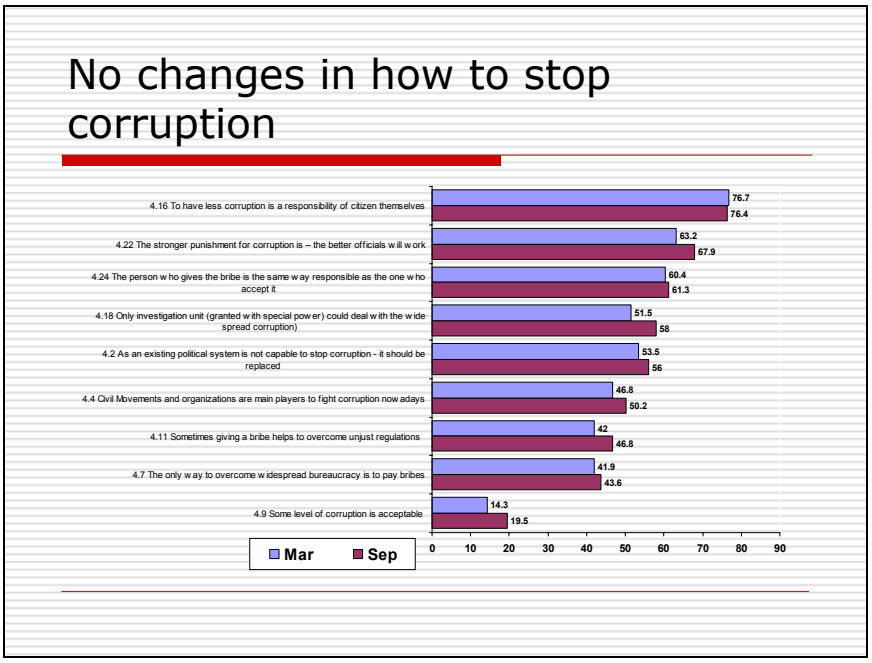
CHART 1



As in the prior study, a majority of citizens recognize the role of civil society and their individual responsibility in combating corruption. Respondents were more inclined to believe that an investigative unit endowed with special authorities would be necessary, and that stronger punitive measures would be necessary.

Over the six-month period there was a modest, yet troubling, increase in the numbers of individuals reporting that bribes are necessary to overcome unjust regulation and bureaucracy, and that some level of corruption was acceptable. The percent of respondents reporting that some degree of corruption is acceptable increased from 14.3% to 19.5%, which is a statistically significant change for the worse. The majority of this increase, however, is associated with upper-income brackets. As in March, the higher the income the greater the inclination to pay a bribe to overcome regulation and bureaucracy, and to accept corruption. Older age cohorts continue to be the least accepting of corruption.

CHART 2



Corruption Perceptions: Past and Future

Perceptions of corruption over the prior three years and for the next three years were modestly more temperate in September than in March. Larger numbers reported that corruption had stayed the same or had increased a little, with a significantly lesser percent believing that it had increased a lot over the prior three years. Looking forward, many more respondents were on a fence (30.2%), and reported that they did not know how corruption would change over the next three years. However fewer said that it would decrease or stay the same, and a greater number said that it would increase, either a little or a lot.

CHART 3

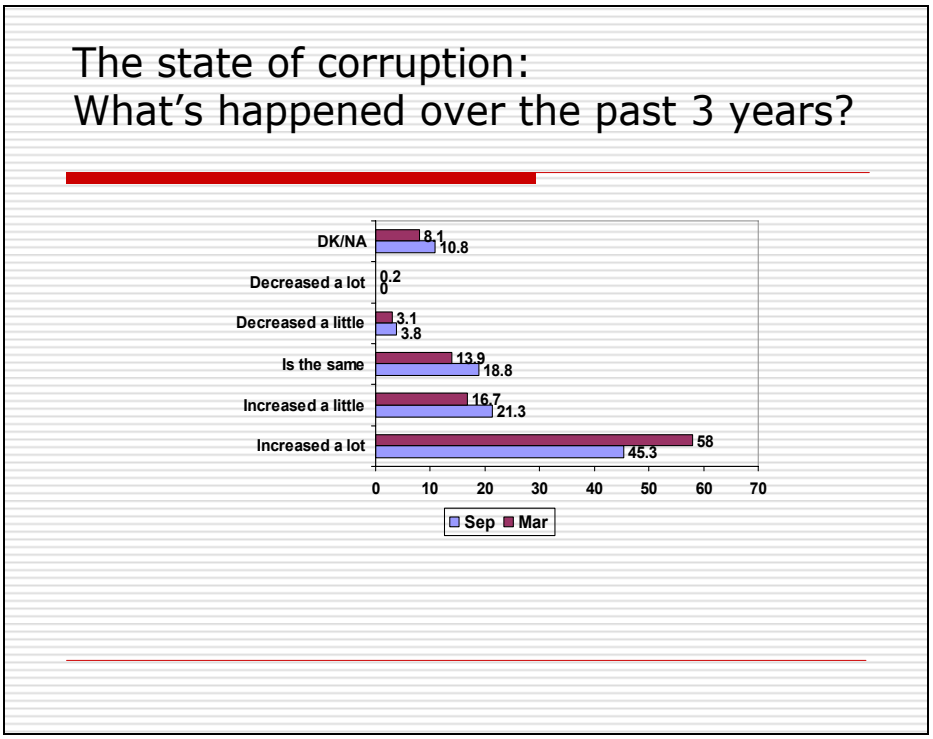
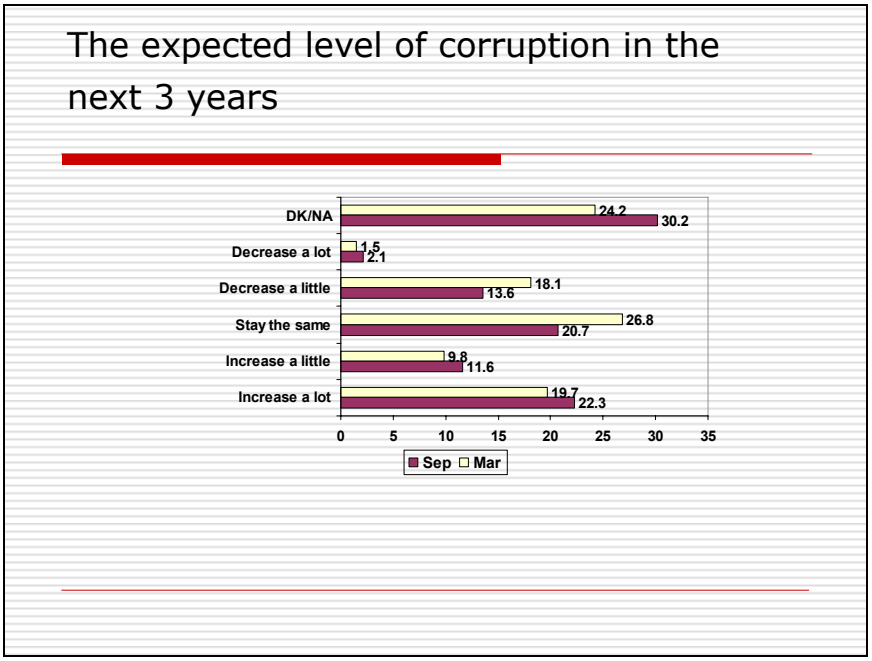


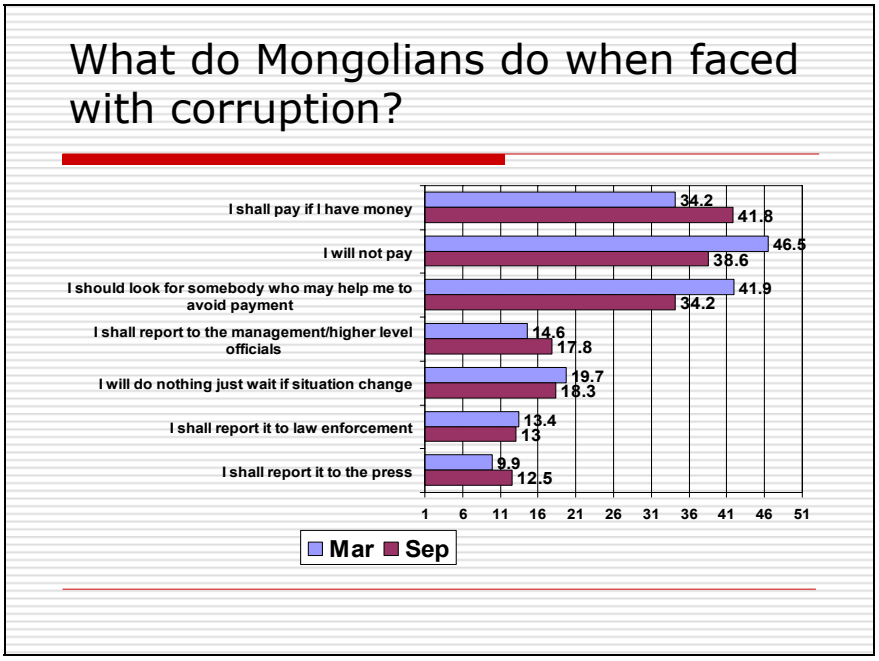
CHART 4



What do households do when confronted with corruption?

Consistent with the pattern of cynicism exhibited in Chart 2, a significantly larger percentage of respondents said that they would pay a bribe if they had the money, and a lesser fraction said that they would not pay. These two questions are among the most-changed from the earlier survey, which is indicative of diminished resolve to combat corruption, despite the high levels of individual responsibility that citizens continue to report.

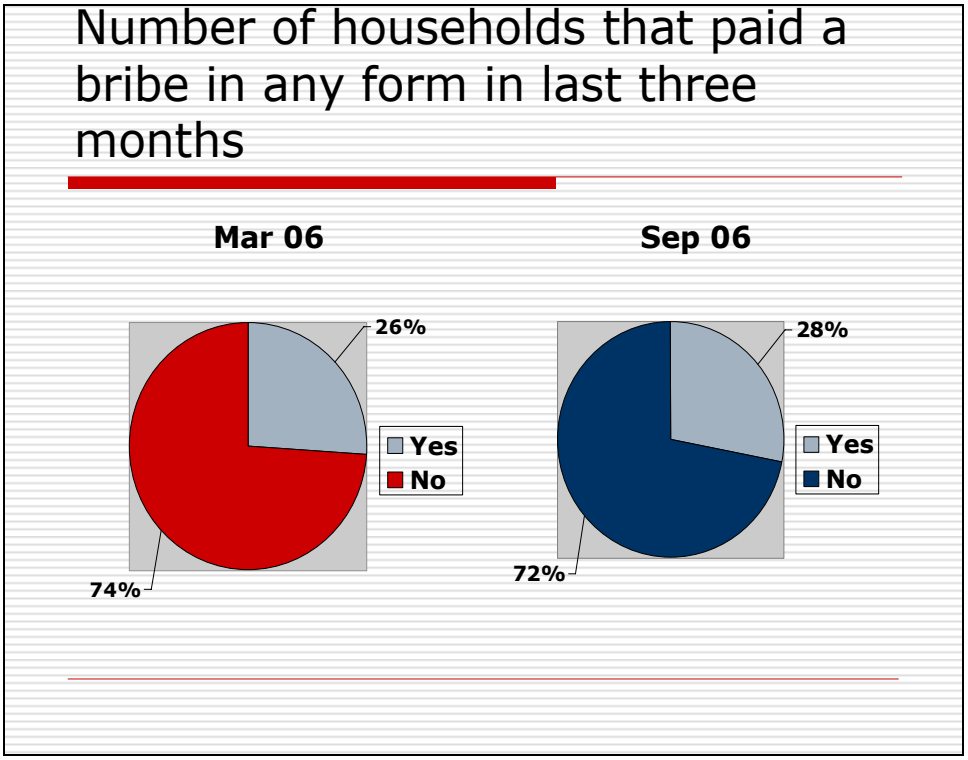
CHART 5



Despite the relatively larger number of respondents who reported the inevitability, if not a willingness to pay a bribe, the fraction of citizens who actually did so, was statistically

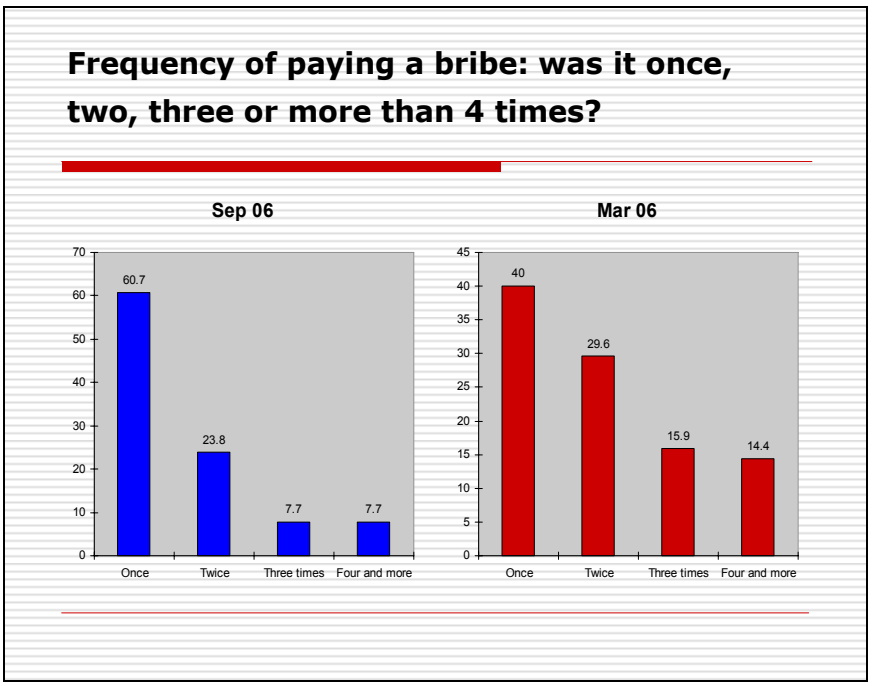
unchanged from the prior period: Approximately one quarter of the respondents had paid a bribe over the prior three months. The survey also polled over a longer recall period of one year based upon questions and concerns raised following the first survey. The results from this longer recall were not robust or internally consistent, and therefore they were discarded.

CHART 6



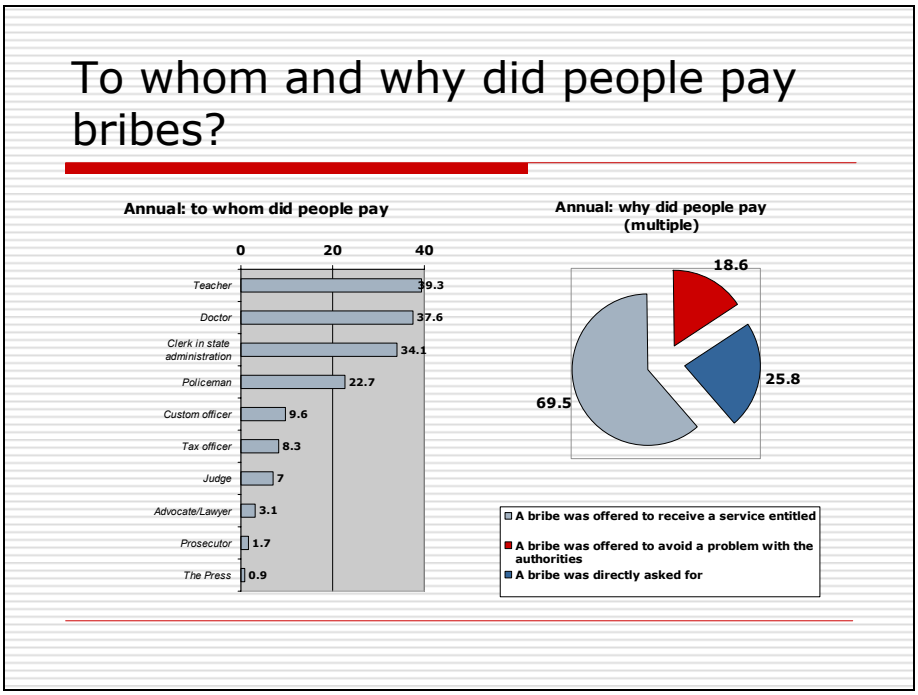
Interestingly, the frequency of bribe-paying was significantly diminished in the latter period, with a solid majority reporting to have paid a bribe only once. The average bribe also fell substantially from 181,000MNT in March to 136,000MNT in September. This generally corresponds with the large proportion of households (58.3%) that said that corruption affects them not at all, or to a small extent.

CHART 7



Teachers, doctors and civil administrators remain the top three recipients of bribes as in the prior study. However, the ranking is markedly changed. Similar fractions of respondents paid bribes to doctors and civil administrators, but teachers moved from third to first place which is undoubtedly due to the timing of the survey which was conducted just as students returned to school. As before, bribes were paid to receive a service that citizens were entitled to. Interestingly, more than 69% of the respondents recognize that paying gratuities to teachers and doctors is a form of corruption. Yet, they continue to pay because they have no choice, and no recourse.

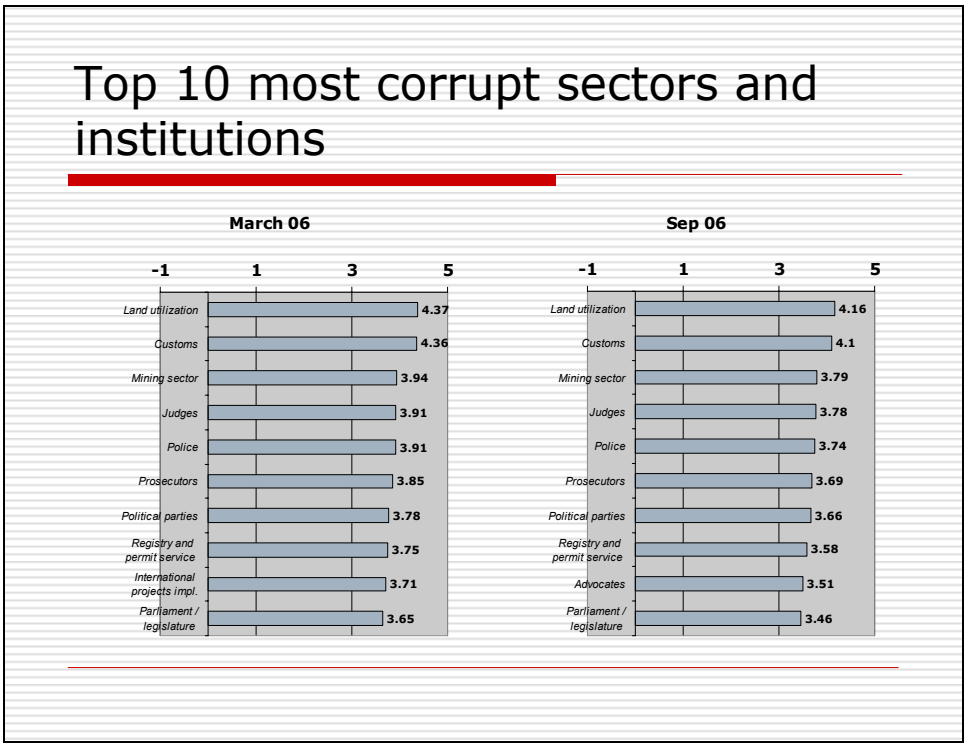
CHART 8



Solutions and Remedies

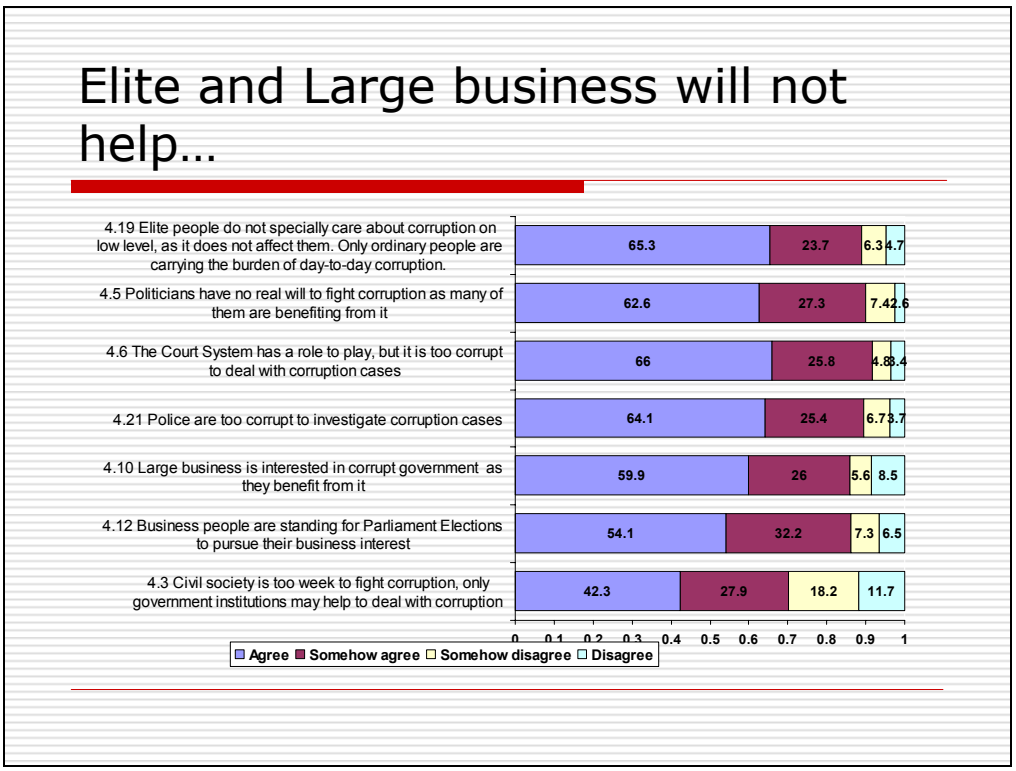
The top-10 list of corrupt institutions and sectors remained remarkably stable over the six-month timeframe. There was no change in respondents' views of the institutions most plagued by corruption, with land, customs and mining topping the list, in that order. More than two thirds (67%) of the respondents said that corruption affected political life to a moderate or large extent, and this view was consistent across age cohorts.

CHART 9



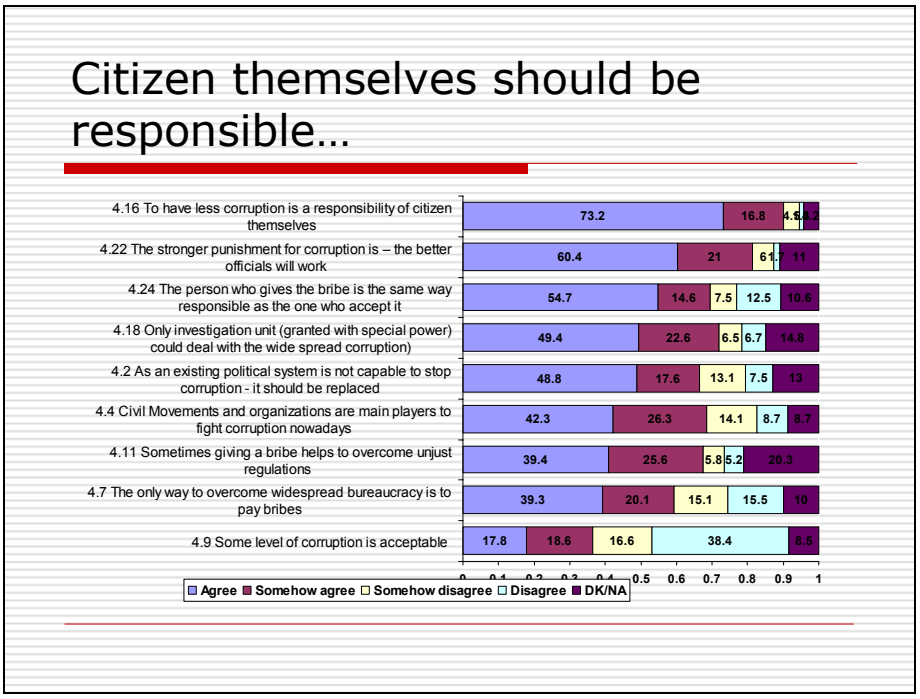
Mongolian cynicism regarding public and private institutions' willingness to combat corruption is discouragingly profound. An extraordinary majority, exceeding 80%, believes that government, politicians, the courts, police and business have no interest or will to combat corruption. These sentiments are consistent across age, education and income cohorts.

CHART 10



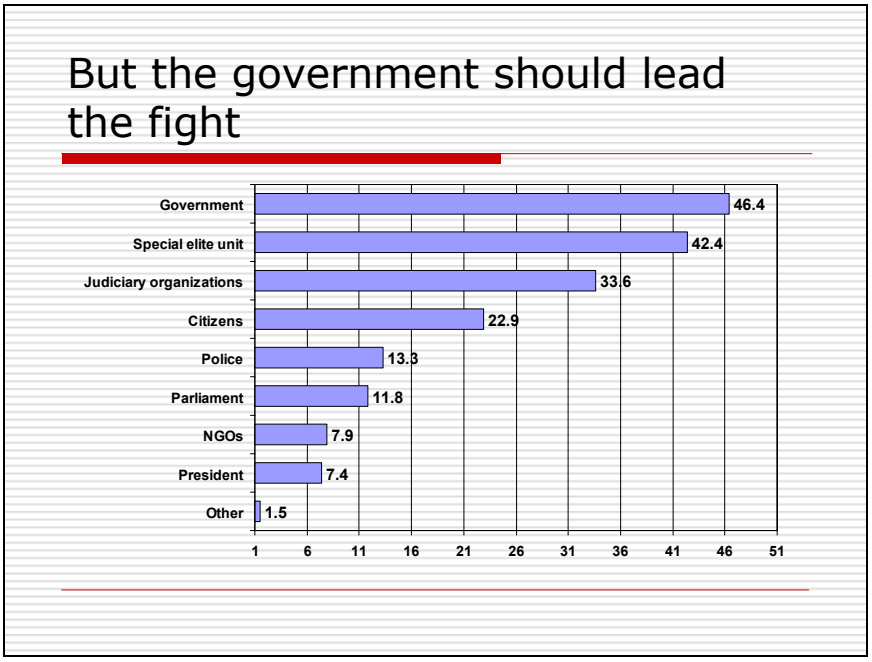
Despite cynicism, citizens continue to recognize their individual responsibility in fighting corruption, and they strongly endorse punitive actions to combat corruption.

CHART 11



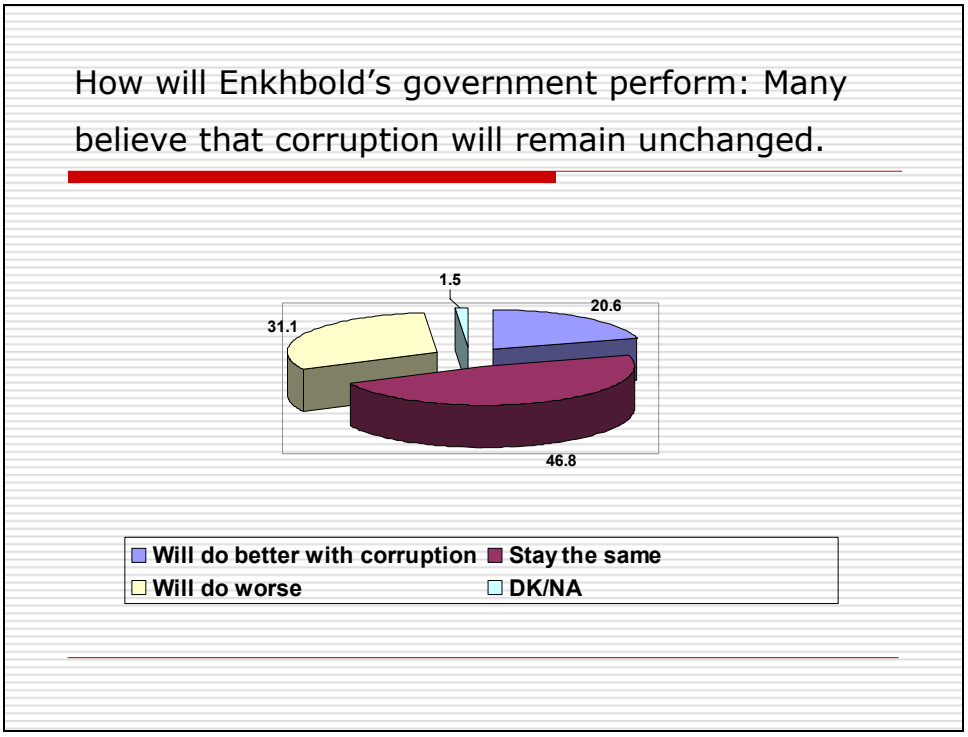
Yet, citizens continue to express powerlessness, and look principally to governmental institutions to lead the fight against corruption.

CHART 12



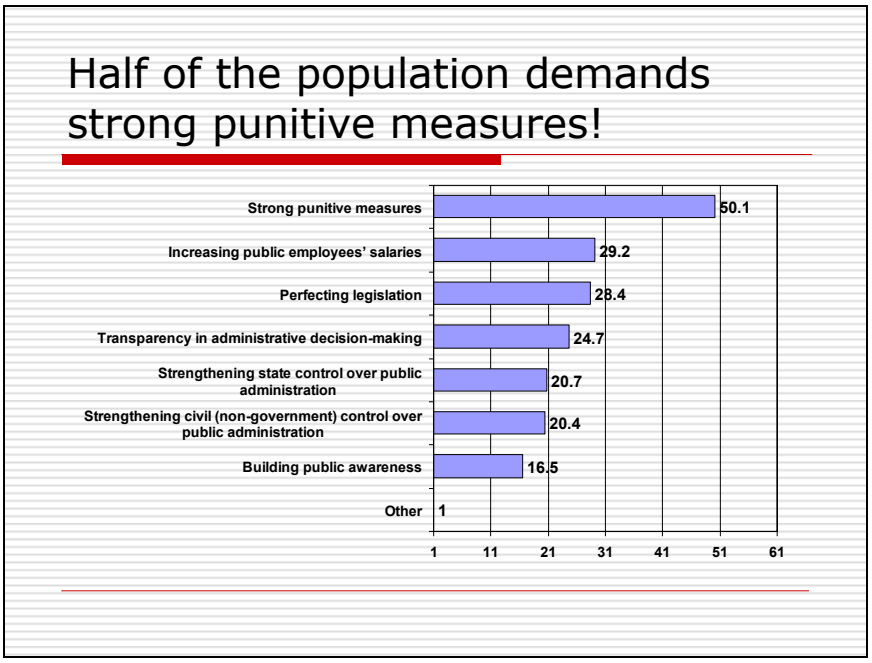
Public sentiment regarding the Enkhbold government's ability to combat corruption is modestly improved. The number reporting that the current government would do worse decreased from 41% to 31%, with fractionally more professing that it would do better. Nearly half of the population, however, says that corruption will remain unchanged under the current government.

CHART 13



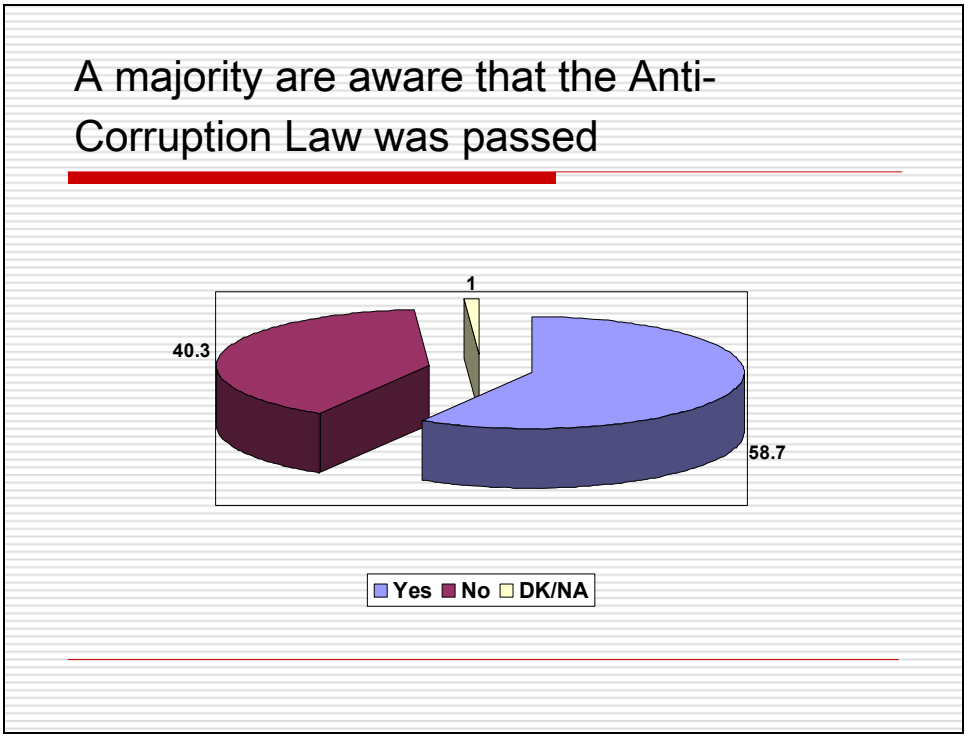
Public sentiment regarding measures to combat corruption changed substantively over the six-month period. With passage of the Anti-Corruption Law, the number arguing for legal remedies dropped substantially from 39% to 28%, with the difference reflected largely in increasing calls for stronger punitive action.

CHART 14



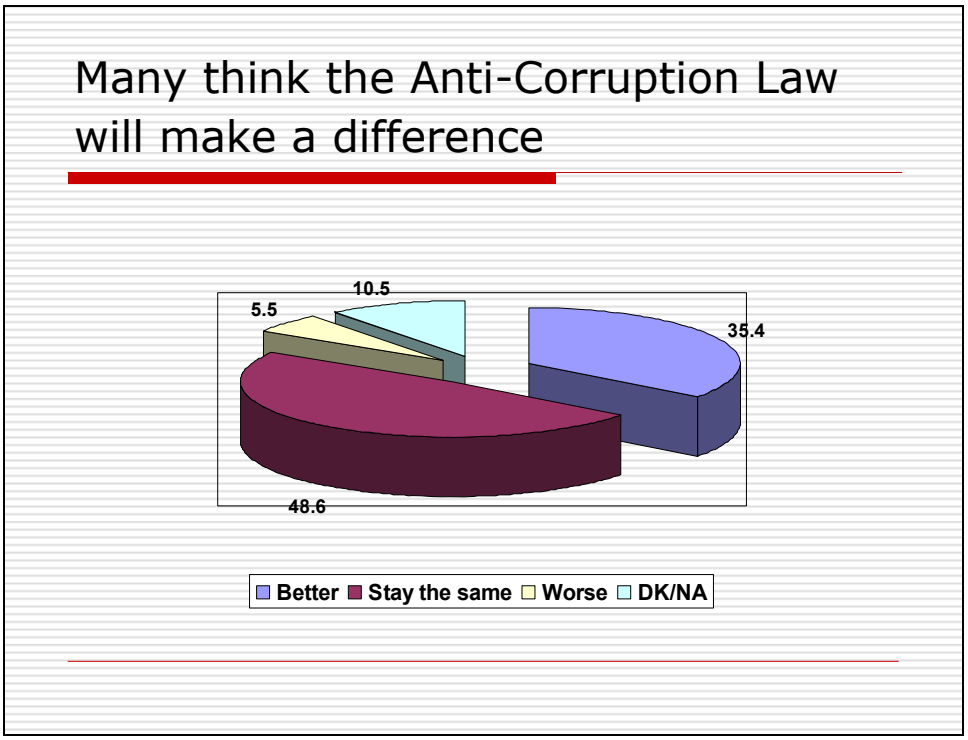
The relative decline in calls for legal remedies is reflected in high awareness of the legislative reforms that were ratified over the summer. More than half of the population reported knowledge that Anti-corruption legislation had been adopted by the government, which corroborates assertions of generally high awareness of corruption-related issues.

CHART 15



Though many are dubious that corruption will abate as a result of the Anti-Corruption Law, 35% believe that the circumstance will improve. The law calls for creation of a special government unit, the Anti-Corruption Agency, which many respondents said was one solution necessary to combat corruption.

CHART 16



Conclusions

- Over a six-month period public attitude changed from environment- shaping expectations (perfecting legislation) to action expectation (strong punitive measures).
- The incidence of corruption at the household level was materially unchanged: 25% of the population paid a bribe over the three-month recall period.
- When faced with corruption, discouragingly, the resolve to resist diminished and more people bowed, saying they would pay a bribe if they had the money.
- Elite and government are still perceived to lack the will and commitment to combat corruption

Recommendations

- Support action-oriented efforts to combat corruption,
- Introduce and enforce stronger punitive measures,
- Target the most corrupt institutions for investigation,
- Provide citizens access to report local-level corruption and introduce remedies that will reduce bribe-seeking that most affects households.