

Corruption: Case Studies of Vietnam and Italy - 1

Corruption occurs when one uses power and authority to unethically influence the action of others. Corruption is morally and legally wrong. However, despite many governmental policies and strategies designed to combat corruption, it still persists in most parts of the world (UNPAN, 2002). While limited corruption data is available, only a few studies recognize how the systematic biases of a cultural context can contribute to corruption practices. Comparing case studies of land and real estate disputes in Vietnam and housing projects for the Romani immigrants in Italy, this paper attempts to understand how cultural biases influence the perceptions of the winners and the losers of corruption. Acquiescence to dishonest and fraudulent behavior can foster political corruption in many countries.

To understand why corruption is so persistent and pervasive, it is necessary to recognize the perceptions of the beneficiaries and victims of the issue and to comprehend the extent to which cultural biases influence individuals' decisions to give in to corruption. Vietnam and Italy were selected as case studies for this paper because I grew up in Vietnam and had an opportunity to visit Italy recently. Using the case studies of two different countries, I will provide an explanation of how different cultural and social contexts can influence the prevalence of corruption.

Corruption: Causes and Consequences

Several key factors related to corruption have been studied and discussed. Corruption encompasses many forms, such as manipulation, fraud, embezzlement and kickbacks. So far the literature has focused mainly on two issues: causes and consequences of corruption.

1. The Causes of Corruption

While there is a considerable amount of literature on corruption, its causes are rather difficult to identify. Shleifer and Vishny (1993) indicate that corruption increases due to competition over the level of bribery between government officials. Because corruption is usually illegal and must therefore be kept secret, efforts to cover up the crime and avoid punishment make corruption more distortionary than taxes. Part of this distortion is due to the competition among agencies for control over business and investment. According to Tanzi (1998, p. 4), the lack of transparency gives way to corruption. For instance, Tanzi demonstrates that in order to reduce the amount of time managers spend dealing with bureaucracy cases, payment for bribery is necessary (p. 4). When governments do not have good policies in place for license or permit acquisitions, opportunities for corruption increase (Tanzi, 1998). Likewise, when the time and the resources used for public service are inefficiently managed, corruption occurs.

The monopoly power of the government officials gives rise to corrupt activities. According to Tanzi (1998), the officials in many developing countries must authorize or inspect numerous public activities. Due to the existence of these regulations and authorizations, the agents are given too much monopoly power to administer public services. Monopoly power provides opportunities for fraudulent behavior. The officials may abuse their bestowed power to refuse services to the citizens until bribes are offered (Tanzi, 1998). Giving bribes to expedite particular services is common in many public sectors. The author noted that corruption also occurs when the same officials unethically exploit victims for personal benefits in return for authorization of contracts or permits. When favoritism is exercised due to bribery, corruption occurs.

Corruption: Case Studies of Vietnam and Italy - 3

The level of public sector wages has also been identified as a cause of corruption. Tanzi (1998) noted that the wages paid to civil servants are important in determining the degree of corruption. When government officials feel that they are underpaid, they may rationalize corrupt behavior as a means to obtain what they consider to be their just compensation. An empirical study by Rijckeghem and Weder (1997) documented a statistically significant inverse relationship between wage levels and corruption. They argued that an increase in wage level would reduce corruption. For example, high-level administrators in Sweden earned 12-15 times the salary of an average industrial worker in the country; this yields to low levels of corruption in Sweden (Lindbeck, 1998). Higher wages raise the opportunity cost of losing a job and help eliminate greed. On the other hand, Tanzi claims that lack of job advancement and promotions forces some individuals to commit corruption. In many developing countries, low salaries for public servants often result in corruption.

2. The Consequences of Corruption

While corruption produces an inexhaustible list of consequences, below are the two most significant: the negative impacts on economic growth and the reduction in the quality of public welfare.

Corruption takes place when government has significant power in determining the economic performance and resource allocation of a nation. A study by Brasoveanu (2012) shows a strong correlation between the quality of a government and its economic growth. Acemoglu and Robinson (2012) in their book *Why Nations Fail* argue that the wealth and the poverty of nations are not due solely to geography. They explain that corruption serves as one of the biggest factors dividing wealthy developed countries from those that remain in poverty and war. Generally the higher the level of corruption, the poorer the country is. The authors added

Corruption: Case Studies of Vietnam and Italy - 4

“Extractive political institutions concentrate power in the hands of a narrow elite and place few constraints on the exercise of this power” (Acemoglu & Robinson, 2012, p. 84). The government controls distribution of resources in a society; therefore uneven resource allocation due to concentrated political power results in weak economic performance including inefficiency and economic inequality (Acemoglu & Robinson, 2012). Ineffective governmental policies and unproductive public expenditures are indicators of a weak government. Therefore, the quality of a government is a fundamental factor that can influence the economic prosperity of a nation.

Due to increased globalization, the economic growth of each country depends greatly on cooperation and integration of international trade. Nevertheless, in conducting international trade, corruption can be a double-edged sword to an economy. Corruption develops when companies are willing to pay bribes across borders to acquire certain overseas permits and licenses to enter into a trade. The ability to transfer this transaction cost to end-users has rendered corruption as a cost of doing business. Thanos and Petrou (2014) attest that corruption acts as a “helping hand” to commerce. Evidence from bank records show that bribing mechanisms had helped facilitate transactions and enable private agents to pursue economic activities they could not pursue otherwise (Petrou & Thanos, 2014). The authors also suggest that corruption creates uncertainty about the use of resources in the host country and an obstacle to Foreign Direct Investment (FDI). On the other hand, foreign investors are more likely to place their money in a predictable economic environment. Because unpredictable economic environments provide inconsistent regulations, corporations and entrepreneurs often have to increase their transactional costs, mostly to pay bribes (UNPAN, 2002). Thus countries with higher levels of corruption have difficulty attracting foreign investments. Corruption limits and discourages investments in a country and distorts competition and reduces trade. Consequently,

corruption has significant effect on FDI and that can negatively affect investment flows into a country. Thus, it is safe to assume that corruption is economically inefficient.

Corruption undermines human rights and development through the reduction of funding for public welfare, such as food security, healthcare and education. A study of Ugandan primary schools shows that only 30% of money intended for the students actually reached the schools between 1991 and 1995. A large percentage of the money was likely captured by corrupt agents (Shleifer & Vishny, 1993, p. 600). The same grim facts apply to healthcare and foreign aid in many developing countries. Czinkota (2011) wrote that corruption consequences are “shoddily built roads, structures that collapse, clinics with equipment purchased at high prices or inappropriate specifications” (p. 1). The main purpose of government tax revenue is to assist the welfare of the public. When a big portion of that public revenue is used to fund corruption, then the well-being of the people is reduced; the standard of living of the people is also reduced (Lambsdorff, 2001). Hence, the higher the level of corruption in a country, the higher the number of poor people in that country. Corruption raises the cost of expenditures and reduces the quantity of intended output to the citizens of a country.

Methodology

The case studies were conducted using archived data, telephone interviews, and web-based research. On-going land and real estate disputes in Vietnam were identified by following the Facebook status of a Vietnamese anti-corruption activist. I recently visited Italy and learned first-hand about corruption in that country. Analysis of news articles about housing projects for Italy's Romani immigrants, coupled with the author's first-hand knowledge and experiences with Italy, were used to identify some of that country's corruption issues.

1. Vietnam Case Studies

As Vietnam continues to develop forty years after the American War ended, it has had its own challenges. The people in the country struggle to adjust and accommodate to socialism and authoritarianism. History shows that encouraging economic growth is difficult within a Communist framework. Many land dispute stories cited from the local magazines clearly describe part of the struggle. According to the 2014 Transparency International's Corruption Perception Index, Vietnam ranks 119 out of 175 countries (Appendix 1). Due to corruption, the standard of living of the people is still very low. The economic growth of Vietnam is still hampered by corruption. One of the many forms of corruption in Vietnam is unfair land appropriation. A report by the World Bank in 2013 stated that land administration is the second most corrupt sector in Vietnam (Anderson & Tran, 2013).

In late 2013, the Vietnam National Assembly passed the 2013 Land Law (No.45/2013/QH13). The law enables private investors to either negotiate directly with local land owners or go through the national assembly to acquire permission to appropriate land. This new law creates opportunities for many unfair compensations. Private investors from other countries use bribes to exploit the poor locals and get them to sign their land and their livelihood away. Once the local families figure out the unfair compensation, they cannot buy back their land even for the higher amount of money they received from the original sales (NCVA; BPSOS, 2012). Deceitful compensation and misappropriation of land from original landowners and farmers are the setting of corruption at many places in Vietnam.

Land requisition for big construction projects is one of the biggest issues which has caused many disputes in Vietnam. Ms. Le Hien Duc, an anti-corruption activist and the winner of the Integrity Award by Transparency International, has maintained her Facebook page to address

this matter. In her daily Facebook posts, she displays many unfair land-appropriation cases between the Vietnamese officials and the local citizens. On April 8, 2015, she posted a story about a bloody incident related to Ha Tinh' land dispute. The residents of Hoa Loc had raised their voice against the 500 Kw electrical outlet being wired through their neighborhood. They argued that the wire poses fatal danger to their lives as well as to their rice fields. To respond to the residents' concern, the governmental authority sent more than 500 policemen and dogs to attack the protesters. At least two critically-injured residents had to be admitted to the emergency room at the local hospital. Ms. Le Hien Duc expressed her disappointment with the Hoa Loc's officials, whose jobs were supposed to protect its citizens. She said because of the possible illegal contracts and kick-backs, the authorities had turned their back on their local people (Le, Facebook, 2015).

Ms. Le Hien Duc has also made many other posts supporting the on-going protest in Vietnam's capital, Hanoi, since November 2014. Ignoring public objection, hundreds of trees, including a number of century-old trees, were being chopped down to make rooms for a railroad project. Tran Trong Hieu, an official from the Hanoi Department of Construction, said they have been authorized by the local government to cut down the trees for the railroad project. However, the original contract dated back to 2008 had never been mentioned the tree-removal addendum and authorization. Cutting down trees without getting prior approval from the community had generated some concerns about unethical bidding and illegal embezzlements for contract permits among the officials (Le, *Vì một Hà Nội xanh*, 2014). The Japan International Cooperation Agency (JICA) mission was to work together with other cities for urban development. On February 4, 2015, JICA had requested the Vietnamese Transportation Department to return \$782,640 (80 million Yen) due to bribes and corruption related to the Hanoi's \$41 million

railroad project. Six railroad officials involved are temporarily imprisoned (Đoàn, 2015). A representative of the JICA Advisory board, Yamamoto Kenichi stated, “This is the second time since 2008, corruption is caught within many of Japan ODA project in Vietnam. I hope this is the last time, because if the third incident happens, the Japanese investors will be completely removing all supports to Vietnam” (Cassin, 2015).

To support this Vietnam case study, I have also gathered evidence from multiple past case studies to articulate my own unique contribution. In the first of these case studies, Dr. Spencer (2007) studied land conflicts in the Mekong Delta of Vietnam to demonstrate how global integration is causing land conflict with the indigenous people. When market integration acquires resources for developing projects, it is in conflict with the culture and ethnicity of the indigenous communities. Second, a research report by Kaitlin Hansen (2013) has identified some significant changes in land rights from the 2013 Land Reform in Vietnam. The 2013 Land Law enacted by the Vietnamese National Assembly proposed to remove the government’s powers to compulsorily acquire land for private economic developments. However, many people and organizations such as the World Bank and ActionAid showed disappointment with the new land law. They argued that without government intervention, lands that were used for agriculture and supported the livelihood of the citizens would become privatized (Hansen, 2013). The subsequent land privatization was often accompanied by large-scale corruption during the sale. Private investors used their negotiating power to undercompensate the locals for their land, and thus the rich are becoming richer at the expense of the honest and poor.

When there are perceived benefits, some people would commit to dishonest practices. One of the many optimal career choices in Vietnam is to get a foot in the real estate business. According to a report from VnExpress (2015), the labor market has shifted personnel from other

sectors to real estates. A real estate broker's bonus and commission alone can guarantee up to a year's worth of salary. For example, Ms. Vy, who graduated from the University of Architecture, left her job at a construction company to become a real estate broker. In 2014, she received a commission of 3% (110 million Vietnamese đồng), equivalent to an average construction worker's annual income. Similarly, Mr. Hao, who graduated with a law degree, also left his work in insurance and banking to join the real estate business. Hao 2014's commissions amounted to 300 million Vietnamese đồng, which was double his previous annual income (VnExpress, 2015). Acquisition of hundreds of millions in real estate commissions while the industry is stagnated sparks many questions. Disregarding career professionalism and ethical practices, people in Vietnam are changing jobs for their own economic benefit.

Some other studies also researched about land and real estate conflicts in Vietnam. T&C Management Consulting Co. and Gillespie (2014) had conducted a multi-actor analysis of five case studies. Their study described how unresolved or poorly-resolved public land taking disputes presented a serious challenge to governmental and community legitimacy in Vietnam. The problem contributes to social instability and insecurity in the country. These case studies were selected for geographic and economic diversity and involve rural and urban communities. The report recognizes that in rapidly developing countries, land appropriation from big investors and the residents' disputes are inevitable. However, it is ethically wrong when state government ignores the practice of traditional and cultural lifestyles of the citizens. To support some land acquisition plans, the locals were forced to abandon their homes, their lands and/or change their livelihoods (Gillespie & T & C Consulting, 2014). Research and analysis of these land dispute cases in Vietnam have deepen my understanding of the country's corruption issues.

2. Italy Case Studies

Italy, as a member of the Organization for Economic Co-operation and Development (OECD), ranked 69 out of 175 countries surveyed for corruption perception by Transparency International (Appendix 1). OECD is an international organization of more than 34 countries designed to promote policies to improve the economic and social well-being of people around the world. In an Integrity Review of its members in 2013, OECD expressed concerns over Italy's corruption issues (OECD, 2013, p. 124). According to the FocusEconomics (2015), Italy suffers economic stagnation and lack of structural reforms because of political instability. The poor quality of Italian government serves as an important element to the country's ongoing economic crisis.

In a recent presentation in Rome, Frederica Bianchi (2015) addressed political and ethical concerns surrounding immigration in the Italian capital. Italy had changed from an emigrant to an immigrant country. This phenomenon has been relevant since the end of 1970. Italy's long coastline and numerous islands make it an easy target for immigrants to enter Europe. The majority of these immigrants are from Africa and the Middle East, who came from war-torn or poorer countries. They pay a lot of money, sometimes with their lives, to escape to Italy and eventually to other European countries. They hope to escape the disarray of their countries to come find employment and new life in Europe. However, the refugees' flights to Italy have always faced difficulties and perils (Bianchi, 2015). The infamous Lampedusan boat overload in 2013 killed 368 out of 500 immigrants from Libya, Bianchi noted. The most recent incident just happened in the Mediterranean Sea in April 2015, when a capsized boat killed many hundreds of migrants (Bilefsky, 2015). Bianchi noted that, there are currently more than 4 million foreign immigrants in Italy, making up about 7.4% of the country's population.

With the frequent big waves of immigration to Italian shores, Italy struggles to find spaces for everyone. Italian government had spent much of its limited resources to save the immigrants from the sea (Bianchi, 2015). The Italian indigenous population voiced concern over the immigration issues through many protests in Rome. They said that the Italian government had too much tolerance towards clandestine immigration. The Italian Ambassador to Poland, Alessandro de Pedys, also expressed that undocumented immigrants in Italy pose a security threat to the entirety of Europe (Zbytniewska & Kokoszynski, 2015). Besides the economic concerns, the unidentified immigrants could pose health risks and threats of terrorism and criminal infiltration to Italy and other European countries. In July 2002, the Italian government passed the Bossi-Fini law (No. 177), which posts criminal sanctions against people who are caught without a residence permit in Italy. The process of getting a residence permit in Italy is difficult and complex (Guiffre & Cingolani, 2013, p. 730). Undocumented immigrants are subjected to arrest and detention, followed by deportation (ERRC , 2002). Such ambiguous law and policies allow many types of exploitative economies to operate at the expense of the vulnerable immigrants.

Manipulation of the limited resources provided to the immigrants and extortion of bribes for promises of new homes are common practices in Italy. National Catholic Reporter (2015, p. 7) document details that undocumented migrants and families with nowhere to go, often seek church buildings for temporary shelters. They eventually will be asked for fingerprints by the Italian police and transferred to refugee camps throughout Italy (Into Dorm, 2015, p. 7). The report states “the refugee reception system is overcrowded, underfunded and corrupt” (p. 8). There has been an on-going investigation regarding the corruption of the Italian authorities and various housing projects for the Romani immigrants. Many Italian authorities have been accused

of colluding in this corruption practice (Squires, 2014). The housing market exploits the migrants' weaknesses and susceptibility to blackmail, forcing them to pay inflated rents for very poor condition housing (Guiffre & Cingolani, 2013). An arrested-Mafia leader confessed that exploiting immigrants is much more profitable than drug trafficking (Into Dorm, 2015, p. 8). As immigrants continue to endure bribery and abuse for housing in Italy, it is much harder to detect and control corruption.

Exploiting employment from the vulnerable immigrated workers with the threat of repatriation is another form of corruption. The migration policies according to the Bossi-Fini law play an important role in the exploitation of the illegal immigrants. It is a legal necessity to have a residence permit in order to have a regular job in Italy. Without documents, foreigners have no bargaining power at many workplaces (Guiffre & Cingolani, 2013, p. 735). Because of the fear of deportation and imprisonment, many immigrant and undocumented workers suffer from underpaid jobs, and physical and emotional abuse. Guiffre and Cingolnai (2013) describe the immigrants who agonize from extreme racism in society as "silent pain." Many undocumented working migrants have to be submissive and "behave" because they are induced by the fear of being discovered (Guiffre & Cingolani, 2013, p. 739). Those workers endure long hours under below-standard working conditions. Exploiting the vulnerability of the illegal workers is a form of corruption that persists in Italy.

Findings: Cultural Context and Perception Bias

It is a universal truism that the rich and the powerful have the upper hand over the poor and the disadvantaged. However, cultural context has great influence on the people's actions. It is the people's ideas and beliefs, the norms and the customs that shape their justifications in relation to corruption. Despite the worldwide efforts to combat corruption, the considerable

benefits accruing to people engaging in corrupt actions at certain places makes it hard to resist. My findings from the case studies provides various evidences of how certain perceptions perpetuate corrupt actions.

In the real estate business case in Vietnam, both the beneficiaries and victims do not view corruption as a crime. Many young professionals see changing jobs to the real estate business as an opportunity to advance and get rich quickly. As documented, bribery occurs in many real estate transactions. Big bonuses and commissions from real estate deals come from bribes for a speedy application process and favored contracts. Acting as third party agencies, the realtors work with the government officials in bidding government contracts. Deputy Pham Thi Hai from Dong Nai city reported that when an official deliberately prolongs the processing time for a contract or permit, he encourages the offering of a bribe to speed up the “administrative procedure” (VnExpress, 2015). The ones who pay bribes also see benefits from the transactions. When a business contract is a necessity, companies will go as far as to commit bribery in order to acquire the contract. And yet, the parties involved are mostly silent on the subject because companies want to seriously contend for contracts in developing countries, where the rule of law is not as well enforced (Blanding, 2014). Interestingly, the beneficiaries do not normally view themselves as criminals just because they take bribes and kickbacks. Blanding noted that people approach business bribes as a necessity because they want to keep the business unit alive and not jeopardize thousands of jobs overnight. There are no written agreements of how much to bribe or who to give bribes to. Corruption is accepted as a norm in the real estate business in Vietnam.

Some cultural contexts provide a higher tolerance for corruption. When one finds it is easy to exploit the access to peoples’ basic needs as to housing and employment, corruption becomes prevalent. Not surprisingly, the immigrants in Italy feel that the officials are “helping”

them by not reporting their undocumented status. To return the “favor,” they are willing to pay bribes in the form of personal gifts. The Association of Certified Fraud Examiners (ACFE) came up with a model explaining the factors that cause people to commit fraud – The Fraud Triangle. One of the three factors motivating fraud is rationalization (Albrecht, Albrecht, Albrecht, & Zimbelman, 2012, p. 34) with the other two factors being pressure and opportunity. Both the beneficiaries and victims rationalize that the action of gifts-and-service exchanges are mutually accepted. However, working for extremely low wages in the below-standard conditions hurts the workers and their families. Therefore, complying with abusive and unfair treatments is acquiescence to power and corruption. As compared to outright stealing and bank robbery, corruption is less explicit and more indirect. In this case, corruption can cause more physical, emotional, and financial damage than stealing or even homicide. People do what they have to do to have jobs and to survive; even at the cost of perpetrating fraud and corruption.

Under the Vietnamese Communist Party rule, Vietnam is an authoritarian regime. For many years, rent-seekers have become a dominant force in the Vietnamese body politic (Vuving, 2013, p. 325). Because the Vietnamese State owns all the land and controls all the press, government officials’ power and dominance dictates how people live their daily lives (p. 325). For fear of retribution, people consent to or keep silent on numerous fraudulent practices engaged by government officials. Here is some direct evidence of this. Part of the plan for this research was to interview two key participants from Vietnam (Appendix 3). Calls were placed and appointments attempt in order to arrange a telephone interview with an Executive Director from the office of Toward Transparency in Hanoi. Additional efforts were made to contact a director from the World Bank’s land office operating in Vietnam. Recipients of these inquiries were reassured that the information collected would only be used for a research thesis purpose,

and no real names would be used in the final product. However, no one at the senior level in these organizations ever responded to these requests, and their silence is indicative of the fear surrounding corruption and retribution all over Vietnam.

Recommended Strategies

Many laws and orders are put in place to ensure accountability and transparency around the world. However, corruption often goes unpunished when people do not speak out about it. It is much more difficult to even detect it if the victims give consent to corrupt practices. It is understood that the cultural context has great influence on how the people act, regardless of whether the action is legal or illegal. The most logical strategy is to change peoples' perceptual bias. This strategy is possible but not without challenges. This paper endeavors to give some practical recommendations to policy makers and to activists to ponder upon.

The outcome of this study shows that the best approach to resolution is the establishment of empowerment mechanisms. If people set aside their fear and personal interests, this resolution strategy may allow the victims as a group to stand up for themselves. Educators and professionals may work to enable social responsibility and accountability within a society. Keeping in mind the cultural context, the recommended approach is to inform the citizens of the long-term consequences of corruption. If the citizens are culturally biased in their perception of corruption then changing their rationalization is necessary; the rationalization of unethical acts that can obstruct economic development. To inspire people to resist corruption, we must first raise awareness about the ethical, social, and economic dimensions of corruption.

In all societies, mass education is one of the key factors in moving toward transparency. Lack of knowledge enables corruption to grow. The schooling system can provide appropriate awareness of corruption to their young cadres. Along with the general requirements, teaching

students of how some unethical practices can destroy the development of a country can be helpful. Students of all ages should be taught to assess actions in terms of long-term consequences for their country. They should learn to set aside personal and short-term benefits, and not to give in to corruption that may lead to the greatest amount of poverty in the society later on. To shape the attitude and awareness of corruption teachers, parents, and students need to seriously take the responsibility. The knowledge acquired during school and then carried into adulthood, is an essential factor in increasing the awareness of an individual in the development of an ethical and moral lifestyle.

Good incentive mechanisms can also help reduce the level of corruption. As indicated by VnEconomy (2014), 79% of civil servants blame low salaries for fraudulent behavior. Paying government officials well may reduce corruption. Accompanied by better-pay wages, there should be strict penalties for those who commit corruption. Increased accountability among the officials and all citizens is beneficial for the long term health of their country. The overall well-being of the society should be the motivation for transparency. Ethical behavior need to be modeled from the top of every organization including the family and the government. Condemnation of corruption should not only be in policies and law, but it should also work its way into people's practices every day.

Many governmental policies and strategies have been recommended to combat the significant problem of corruption. UNPAN's (2002) working paper recommends action and cooperation of public officials and citizens to increase transparency and accountability at both the national and international levels. It calls for new regional tools and more mobilized institutions for countries to prevent and contain corruption. Other researchers also made recommendations to help alleviate corruption in developing countries. Saminim and Abedini

(2012) studied corruption in a sample of 40 developing countries and made several policy recommendations to combat corruption in those countries. Despite rigorous anti-corruption policies and laws, the problem persists as fighting corruption is easier said than done. This is especially true when policies are recommended without regard to the social and cultural context of the affected society. The people's lack of knowledge of anti-corruption laws enables corruption to grow.

Because of this cultural attachment, many Vietnamese living abroad may have more interest and motivation in helping their homeland than anyone else in the world. After the American War ended in 1975, the Communists took control over Vietnam. The political changes caused millions of Vietnamese to flee the country to migrate somewhere else in the world. Like me, between the years of 1975 and 2000, more than two million Vietnamese had left their homeland to migrate to foreign lands, including the United States, France, Australia, and Canada (Berman & Newman, 2015). After years of living abroad, many of these first generation Vietnamese long to go back to their homeland and rebuild the country they left behind. Encouraging the Vietnamese diaspora to invest and make a difference to this country is a strategy. This strategy involves combating the negative perceptions, providing positive role models, gaining the trust of the Vietnamese people, and making a change in the society.

International trade is a good opportunity for the Vietnamese to integrate with global economy. In 1995, Vietnam joined and became a member of The Association of Southeast Asian Nations (ASEAN). Vietnam's membership in ASEAN helped open its integration into the world economy through regionalization and globalization (ASEAN Secretariat, 2014). Because of this global competition and exposure, international investors began to conduct business in Vietnam. However, unlike most of foreign investors, the overseas Vietnamese are more than rent-seekers.

Vietnam is their homeland. They have the cultural connection and the compassion to invest in a country where many of their relatives still live. Setting aside the stereotypes against the current communist government, these Vietnamese can go back and invest in their own country. Their resources and expertise gained from living abroad are valuable capital assets to be used to help Vietnam.

Inspirational role models such as one of Aung Suu Kyi has inspired me to consider another strategy for my homeland - Vietnam. A Burmese native, Aung Suu Kyi was the winner of the Nobel Prize for Peace in 1991. Pletcher (2014) reported Aung Suu Kyi came from living abroad to come back and lead the people to defend democracy and human rights for her homeland, Burma, in 1988. The author notes that not without sacrifice and suffering, Aung Suu Kyi was placed under house arrest for 15 years. Yet, she remained in Burma to speak out against the Burmese dictator. Under her leadership, movements toward achieving democracy and human rights in Burma became successful in 2012 (Pletcher, 2014). For the love of home country and its people, the mission to go back and help homeland is truly inspirational. It would take a strong will, encouragement and motivation to achieve it.

Professionals in many different disciplines can provide human resources to help their ancestral land. As a business accounting student, I too want to find ways to help Vietnam, the country I grew up in and lived for 16 years. Even without being involved in politics, small projects like building schools can help make a change. Stay true to ethical standards as to strive to achieve the greatest good for the greatest number while creating the minimum harm and suffering (Velasquez, et al., 2009). Investing and operating an ethical business in my homeland can be a way to fight corruption in that country. The business investment and community involvement can help facilitate economic growth and social accountability in a town. It can also

reduce the level of public tolerance of corruption through awareness and abiding to anti-bribery laws.

Conclusion

Economic and political changes in a country can create many opportunities for corruption. Fighting corruption is a difficult and complex task. It is common knowledge that corruption is a white-collar crime. It occurs when one is using power to exploit public or private goods and services for personal gain. In some cases, it encourages other unethical behavior as well. Through literature reviews and case studies of Vietnam and Italy, this paper has confirmed the fact that corruption has a negative impact on an economy and undermines people's welfare. Recognizing the perception of the beneficiaries and victims of corruption provides an understanding of why corruption is so persistent and pervasive. Based on the evidence cited in the case studies, it is clear that cultural context has great influence on the people's action. It is the norms and the customs of a society that shape the people's perception of corruption. Before corruption can be rooted out of any society, social norms and customs, followed by institutions, must evolve to embrace the idea that corrupt practices are wrong and costly to society. This process begins with educating the people about corruption and its detrimental effects on their wellbeing.

To combat corruption, changing the perception of certain unethical behavior is necessary. It would takes education and social accountability to raise awareness about corruption. The people should be educated to set aside personal and short-term benefit to achieve something bigger for their country – a long-term economic growth. Also, encouraging the natives living abroad to go back and make a difference in their homeland is a strategy to fight corruption. Because of this cultural attachment, many Vietnamese living abroad may have more

interest and motivation in helping their homeland than anyone else. Professionals in many different disciplines can invest their human capital in their homeland. Any positive involvement can count toward helping the country to reduce the level of corruption. It would take knowledge, commitment, and encouragement to do something about corruption in Vietnam.

This research project has had some limitations. The sensitivity and complexity of the topic have prevented me from collecting detailed information on corruption. Multiple failed attempts for the interview on the topic made it difficult to get the true perception of both beneficiaries and victims of corruption in Vietnam. Also, due to my language barriers, I was not able to read or translate any of the local news from Italy. Most of my resources are in English, and for that, the Italian case studies are totally dependent on the translation of the sources. Corruption is such a substantial and unending issue, perpetuated by cultural context and perception bias, therefore further research is definitely recommended. Direct personal observation, or first-hand experience, of corrupt action can be helpful for the new research. For anti-corruption policies to be effective, individual-level motivation must be recognized.

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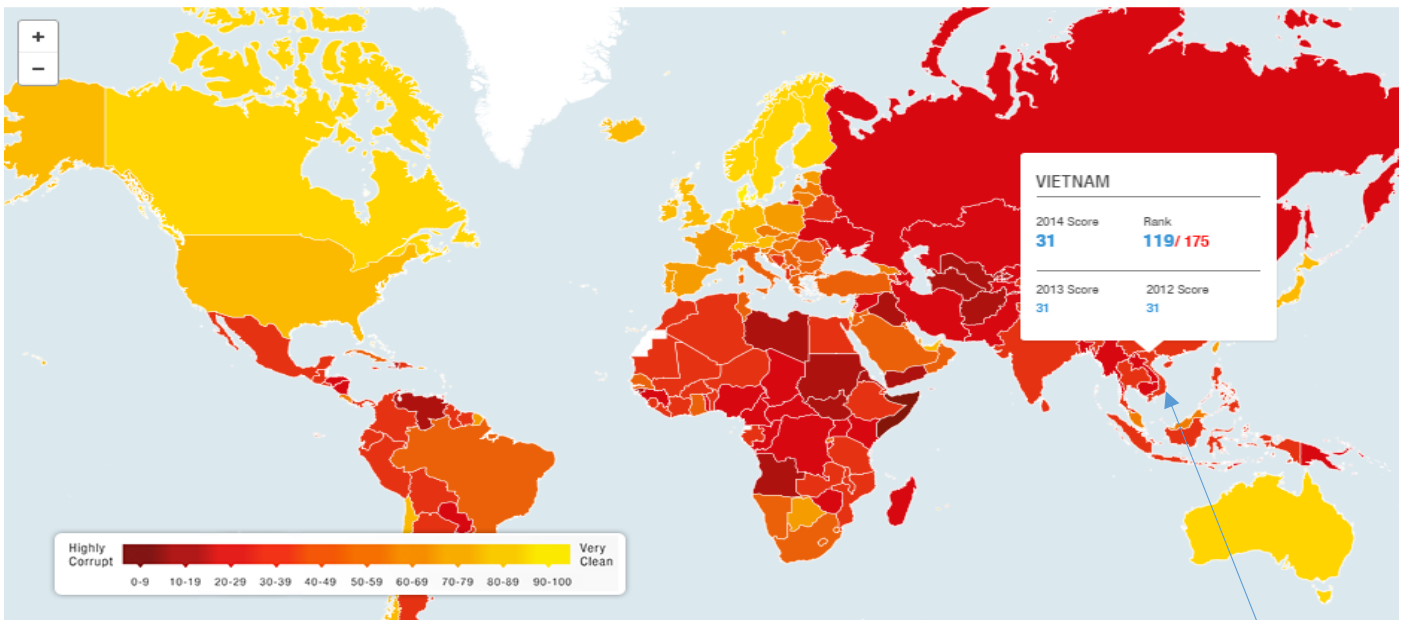
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Appendix 1

CORRUPTION PERCEPTIONS INDEX 2014: RESULTS

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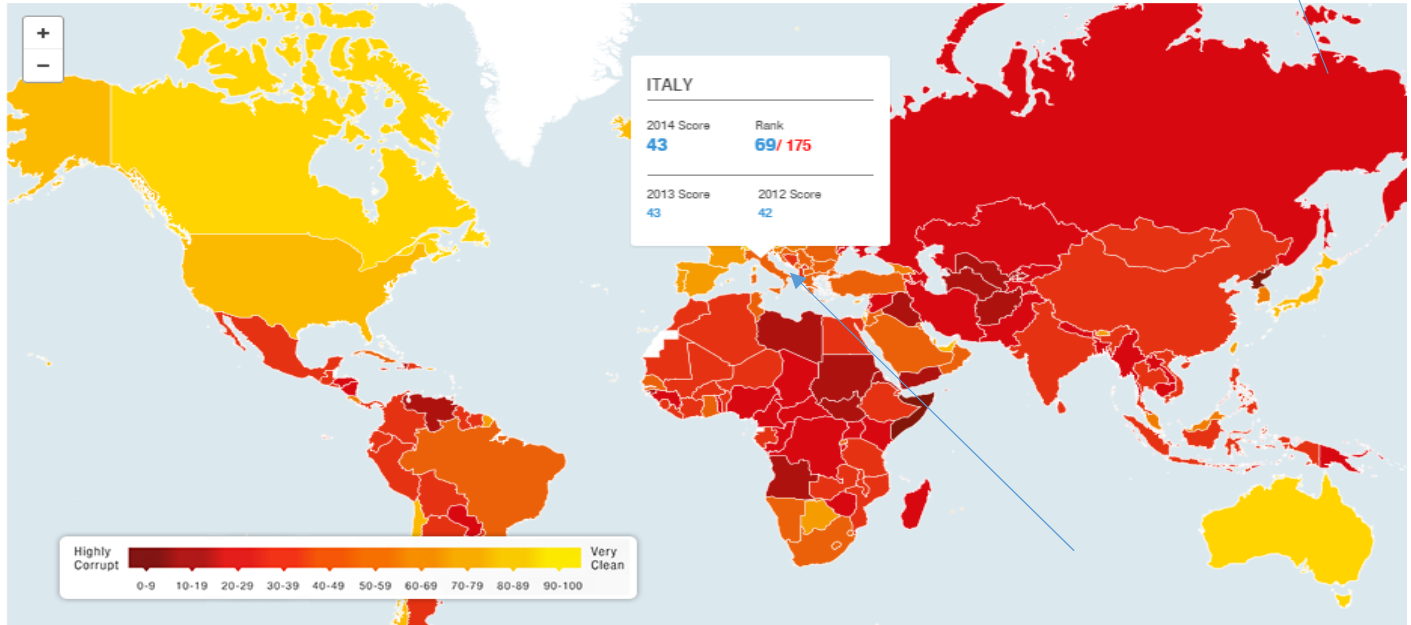
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CORRUPTION PERCEPTIONS INDEX 2014: RESULTS

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Source: Transparency International, <http://www.transparency.org/cpi2014/results>

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