

Bribery: investment and country



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Bribery is the act of giving money, favor or promise that serves to persuade or influence the conduct or judgment of an individual in a position of trust (Meriam Webster Dictionary). In Arabic terminology language, the word of “Rashwah” (رشوة) means corruption that synonym or in relation to bribery activities. This word was also seconded to the Malay language which is “rasuah”. The word bribe also has a negative meaning in medieval French, where the word bribe meant “ a piece of bread” that once used to describe the act of stealing something from others (Quinion, 1997). According to Annan, the former Secretary General of United State , the act of bribery is the undermines democracy and the imperative of laws, that often direct to violations of humans privileges and rights, affect the economy as well as inducing the crime, terrorisms, and threatened the humans security to thrive.

The corruption started long time ago and it is reported by the Dutch archaeologists who found an administrative center of Assyrian Empire aged over 3400 years old, listed the names of “ employees receiving bribes” (Quinion, 1997). In addition, corruption can also cause the collapse of the civilization of a country. If we look at the history of world civilization, we will find that corruption has been practiced by Christian priests in Europe before the revolution age. Effects of corruption, the country suffered a setback in terms of their economic, political and even lead to disintegration. This led to the era known as the Dark Ages.. Civilization has been built by our nation will collapse and destroyed so only if corruption is still plaguing society. Similarly, many governments in Africa nation collapsed or turbulence ousted leaders of corruption that cause people to lose faith in them.

The Ceausescu dictatorship in Romania was also collapsed due to the corruption and the great (Md Zyadi, Hafiz Abd Wahab and Sanep Ahmad, 2008). In Malay history also proves that the fall of Malacca glory is due to widespread corruption among the king at the palace. The great and glorious kingdom at that time became weak and easily conquered by foreign elements only due to corruption. Finally, Malay land was colonized over 400 years. Malacca Sultanate disappeared from this earth. This clearly proving that the fall a government is not necessarily due to the lost in battlefield but it can results from the despicable attitude of society within it (Md Zyadi, Hafiz Abd Wahab and Sanep Ahmad, 2008).

One yearly survey that conducted by the Berlin-based Transparency International, the world's most corrupt nation for year 2012 are recorded to be Somalia, North Korea, and Afghanistan. Meanwhile, the least corrupt nation is ranked are Finland, Denmark, and New Zealand. Malaysia is ranked at 54th which behind of Singapore (5th) and Brunei (46th) among ASEAN country. Throughout the world experienced the problem of corruption, and every day carry of variety ways and measures to curb the growing problem of spreading. This is because corruption adverse impact on society, economy, and national development.

Economic analysis Corruption can be seen as an obstacle to the development of a country and it is often associated with corporate governance practices or incompetent management. This thing has spread not only in the public sector but in the private sector as well. This is supported by Fahim A. Al-Marhubi (2000), which states that corruption is the cause of lack of microeconomic weaknesses in investment and lead to slower economic

growth and sluggish. He added that the negative effects of corruption contributed to the high inflation rate. High inflation rates will increase the cost of living and will reduce their standard of living. Inflation will have an impact on investment in the country. With the increase in the price level, the production of goods and services exported can lose competitiveness. With the loss of competitiveness, export earnings will decline and this will reduce investment in something. According to Annan, 2004, corruption will only hurt the poor by diverting funds intended for development, feeding inequality and injustice and encourage foreign investment.

Corruption resulted in a reduction in domestic investment and foreign direct investment (FDI). There are many factors that affect investment, especially FDI. Apart from investment incentives offered, other factors including the cost of labour, natural resources, the size of the domestic market as well as the efficiency of corporate governance, the economy and the government also covering the level of corruption. In the event of an economy that faces the problems of governance, chronic corruption, generally increases the cost of investment. As a result of investment will decline unless the investors are given incentives such as generous tax relief. In this regard, the country will incur two types of losses. First, bribes payment paid by investors and second, the amount of tax that is released by the government. If improved in corporate governance and corruption eradicated, these two losses can be overcome. Based on a study, if the Philippines can reduce corruption to the level of activity which achieved by Singapore, it will be able to increase the investment to GDP ratio of 6.6%.

In the same study, for a country that is corrupt, the effect of reducing corruption is similar to the effect of corporate taxes exceed 20% in order to attract foreign investment. In other words, the control of corruption, the country able to attract foreign investment the same amount without the generous tax relief only to control corruption. Corruption is also often resulting in distortion in spending and public investment, and declining quality of physical infrastructure such as roads, bridges, investment and so on based on several considerations. First, corruption is more likely to increase public spending more than necessary. The great public expenses of a public project, there are more spacious room for high-ranking government officials who are not honest will manipulate the situation. Second, gigantic projects which involving infrastructure construction is preferred over projects for rural development, agriculture and poverty alleviation. This is due to the scope for corruption is wide and luxurious.

This certainly has an impact on earnings or income, welfare and quality of life of the rural population and the poor. This effect can be seen in countries such as Indonesia, where people continue squeezed poverty because of corruption played by government officials. Third, operating expenses and maintenance of machinery, and government assets less get attention on expense at the acquisition of machinery and equipment. Fourth, corruption is likely to reduce government revenue as a result of the tax relief granted as investment incentives and avoidance of paying taxes by bribing the officials concerned. Corruption also acts that are prohibited in Islam because it leaves a huge impact on society, especially in economic growth as stated in the Qur'an (2: 188), " And do not eat up the property of another is not fair or

send (in corruption) the kings of that (they might help) you (to) take part of the wealth of the people in sin, while you know (it is illegal).”.

According to Hisham Mohammad in 2012, the most of studies conducted related to effects of corruption show that it leads to a decline in economic growth. He said this was due to the corrupt elements that would prevent participation of local investments and restrict the entry of foreign investment into the country. The retardation in economic growth as a result of corruption it is estimated that more than U. S. \$ 1 trillion was used to pay bribes each year. (Axel Drehet et al., 2007). He said the World Bank considers if corrupt activities can be eliminated, then the increase in per capita income will increase by 400%.

To get a clearer picture of the effects of corruption on economic growth, a number of studies relating to corruption have been made. From research done by Mauro (1995) refers to the total number of 58 countries in which this study has the relationship between investment and corruption. In the nutshell his study shows a negative resistance between corruption and development. Obviously, there is evidence that similar effects bureaucratic interest in investment and growth as a determinant of political stability. Meanwhile, research by Finnie et al, 2006, adopted social studies and economic analysis explanation on the present and the past to the development of the phenomenon of corruption. He found that all economic activity depends on the political and social control. His analysis shows that this control can often be more especially to countries that practice autocracy. Legal analysis

Undang-undang Suruhanjaya Pencegahan Rasuah was approved in Parliament relieve all parties as the country is now on track to achieve the highest level of integrity in parallel with the development of the country by 2020. It began with the establishment of the Institut Intergriti Malaysia is aimed to get attention of public trust in the administration and governance capabilities of the country, followed by the Suruhanjaya Pelantikan Kehakiman, and the Program Pelindungan Saksi. All this is the innovation of Tun Abdullah Ahmad Badawi as the fifth Prime Minister of Malaysia to demonstrate openness in government. As expected, changes occur gradually in the government's Vision 2020 (Wawasan 2020) to make the country a developed nation in the cluster.

SPRM have the structure and scope of the implementation of comprehensive and capable of great impact to the eradication of corruption and mismanagement. From the corner of the hearts of Malaysians, the formation of this commission will provide relief and delight after seeing the corruption and abuse that spread in society at the expense of the government's image and hampering the development of the country. Confidence given to the SPRM to take the approach implemented in the Administration of the Hong Kong anti-corruption for 30 years will perform following the corruption in this country is still at a manageable level. With over 5, 000 employees SPRM given well training in prevention and anti-corruption, the government's desire to eliminate the symptoms is certainly achievable, especially with the support of the people. In fact, a special court to hear cases of corruption in this country show high-level government commitment to fight corruption and irregularities up to the grassroots.

Besides that, the Undang-undang Suruhanjaya Pelantikan Kehakiman which was debated in parliament would further strengthen the institution after a hard hit by the judicial crisis before. All parties must continue to support the government's efforts to strengthen the administration to run transparent governance and benefit the people. Transparent and credible administration is very important to bring out the country the storm and economic crisis did not meet ending line. This effort was continued by Datuk Seri Najib Razak when he became Prime Minister with the six approaches should be practiced civil servants to meet the challenges of the global economic crisis, including high-level officers asked to reduce the power of decision discretion to prevent corrupt practices.

High-level officer should always hold on to the integrity of the system of government, making the public sector has high integrity. Obviously, the SPRM is monitored by five bodies that are Jawatankuasa Khas Mengenai Rasuah (JKMR), Lembaga Penasihat Pencegah Rasuah (LPPR), Jawatankuasa Aduan, Panel Penilaian Operasi (PPO) and Panel Perundingan dan Pencegahan Rasuah (LPPR). All reports, conducted by the SPRM operation, it will be answered directly to Parliament through the Minister of Prime Minister Department.

Section 17 (b) of the SPRM Act 2009 specifies that the act of giving or offering a bribe is an offense of the same weight with the offense of corruption: " A person commits an offense if he gives or agrees to give or offers any gratification to any agent as an inducement or reward for doing or forbearing to do any act in connection with the affairs of the principal." If convicted of this offense, a person will face jailed not exceeding 20 years

and a fine not less than five times the bribe amount or ten thousand dollars, whichever is higher. The act of giving is also offenses of corruption are taken seriously by Islamic religion. This can be explained through the hadith of the Prophet: " Allah has cursed those who give bribes and graft recipients".

Conclusion Corruption is a social disease that can tarnish the image of a country and its people, prostitution as the oldest career characterized as the emergence of human civilization, corruption also has been around for a long time, but increasingly common practice. Bad practice should not be a practice that continued until the hard curbed and eliminated. Corruption if accepted as common practice will bring ruin to the entire community, the nation and as happened in the history of the world's great civilizations. We have to admit that Malaysia is no exception in this phenomenon. Although these symptoms are not so prevalent, much needed awareness of the whole society, especially in an environment of rapid economic growth.

Corruption, if not controlled and eliminated from the outset will adversely affect the country's administrative system. This disease will also threaten social stability of the country. What more when the government is trumpeting the industrial development program aimed at making Malaysia a developed nation. These symptoms will affect the confidence of the public, especially foreign investors on the efficiency and effectiveness of the legal system and the country's bureaucracy. Corruption cannot be started due to last and addiction. Once mixed together, and this deadly epidemic spread to infect other people.

Corruption causes someone selling principles, dignity and self-esteem. A corrupt society will act outside the limits and regulations. Indeed, the loss of

community trust value will suffer a crisis of confidence. Therefore, all parties should avoid greed that can cause corruption and avoid spending more than income. Following the growing seriousness in tackling this menace, people sincerely hope no one will be immune from legal action - legal. Prestige or political party is not an umbrella that protects anyone from the judgment and sentence. We are confident that the appropriate penalties can publish good behaviour. Accordingly, in this combat, all parties must act comprehensively and continuously. If we agree to do it, there's no reason we will fail.