IDEAS - Corruption in the Supply Chain.

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Corruption in the supply chain: forms and impact on consumers
Author: Adli Amirullah (former Senior Research Executive, IDEAS), Danya Frances, (former Research Assistant), Laurence Todd (former Research Director, IDEAS) and Sri Murniati (Senior Manager, Public Finance Unit, IDEAS)

Combatting corruption has been a persistent challenge for Malaysia. Corruption scandals involving the highest levels of public office in recent years have resulted in significant political backlash and public awareness on the cost of corruption in the country. Despite the considerable political attention paid to corruption, however, there is a lack of serious effort to investigate how corruption impact the cost of living. In the long term, an understanding of how corruption exert pressures on the prices of consumer goods and services will be of utmost importance to generate public awareness and to push for meaningful reforms to combat corruption.

This paper aims to fulfil that gap by documenting and exploring how "everyday corruption" can negatively impact prices of consumer goods and services and, therefore, the cost of living. It also explores the range of actions that can be taken by the government and relevant stakeholders to address various forms of corruption that will affect the prices. IDEAS utilized both qualitative and quantitative methodologies to analyze how corruption can impact prices. Existing literature on the impact of corruption on the economy and prices was studied to develop a conceptual framework for assessing qualitative data collected through semi-structured interviews with private sector operators in three critical sectors: construction, education and healthcare. To scrutinize the relationship between corruption and prices, we conducted an econometric analysis to test the correlation between corruption and price levels in Malaysia.

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The full paper can be accessed at link below..

https://www.ideas.org.my/wp-content/uploads/2021/06/P_72_Cost-of-Corruption_New_V3.pdf