

## Transparency International findings illustrate “vicious circle” of poverty and corruption

**“The new index illustrates once more the vicious circle of poverty and corruption.”**  
—Peter Eigen

**T**here is no end in sight to the misuse of power by those in public office—and corruption levels are perceived to be as high as ever in both the developed and developing worlds,” said Peter Eigen, Chair of Transparency International, speaking at a Paris press conference in June to launch the nonprofit organization’s *Corruption Perceptions Index 2001*. “There is a worldwide corruption crisis,” he continued, “and that is the clear message from the *Corruption Perceptions Index 2001*, which reflects the degree to which corruption is perceived to exist among public officials and politicians. Scores of less than 5 out of a clean score of 10 are registered by countries on every continent, including members of the Organization of American States and the European Union.”

This year’s index ranks 91 countries. Some of the richest countries in the world—Finland, Denmark, New Zealand, Iceland, Singapore, and Sweden—scored 9 or higher out of 10 in the new index, indicating very low levels of perceived corruption. But 55 countries—many of which are among the world’s poorest—scored less than 5, suggesting high levels of perceived corruption in government and public administration.

### Wide-ranging survey

The index, first launched in 1995, is a poll of polls—this year drawing on 14 surveys from 7 independent institutions. The surveys reflect the perceptions of businesspeople, academics, and country analysts. According to the Transparency International website, surveys are used because hard empirical data on corruption levels across countries do not exist. The surveys are recent (undertaken over the past three years), and a minimum of three surveys must be available before a country can be included in the index. This prudent approach, Eigen said, means that probably a number of countries with high corruption levels are not included. And because only three or four data sources are available for some countries and wide variations exist between individual survey results, he cautioned that small differences in ranking between countries should not be overstated. But he also warned that governments ignore the index at their peril. The index, he said, reflects how countries are viewed by businesspeople and country analysts across the globe.

Transparency International Vice-Chair Tunku Abdul Aziz also noted that perceived levels of corruption can be measured only by consistent shifts in behavior over time. He cautioned that, as a result, the index may not give new government leaders in, for instance, Nigeria,

Mexico, and the Philippines, credit for their determined efforts to counter years of rampant corruption.

### Corruption victimizes the poor

“The new index illustrates once more the vicious circle of poverty and corruption,” Eigen emphasized. He pointed to instances where parents have to bribe underpaid teachers to secure an education for their children and noted that inadequately resourced health services provide a breeding ground for corruption. “The world’s poorest are the greatest victims of corruption,” he argued. “Vast amounts of public funds are being wasted and stolen by corrupt officials. HIV/AIDS is killing millions of Africans,” he continued, “and in many of the countries where AIDS is at its deadliest, the problem is compounded by the fact that corruption levels are seen to be very high. While it is imperative that richer countries provide the fruits of medical research at an affordable price to address this human tragedy, it is also essential that corrupt governments do not steal from their own people. This is now an urgent priority if lives are to be saved.”

The index also registers very high levels of perceived corruption in countries in transition, notably the former Soviet Union. Eigen noted: “The leaders of the countries of the former Soviet Union must do far more to establish the rule of law and transparency in government.”

### Industrial countries not exempt

Scores of most leading industrial countries are quite high, according to Transparency International’s press release, because the index focuses only on corruption involving public officials; it does not reflect secret payments to finance political campaigns, the complicity of banks in money laundering, or bribery by multinational companies. Transparency International is increasing its efforts to stimulate greater transparency in politics, business, and banking. Vice-Chair Frank Vogl noted that the organization aims to publish a new Bribe Payers Index in early 2002 “to shine the spotlight on the propensity of Western firms to use bribes in emerging market economies.”

The index and supplementary material are available on the Transparency International website ([www.transparency.org](http://www.transparency.org)). ■

**Photo credits:** Evan Schneider for UN/DPI, page 229 (bottom); AFP, page 229 (top), 230, 232–34, and 236; ITAR-TASS POOL for AFP, page 235; Denio Zara, Padraic Hughes, Pedro Márquez, and Michael Spilotro for the IMF, page 239; KIEP, page 243 and 244.