

LAUNCHING TRANSPARENCY INTERNATIONAL'S 2003 CORRUPTION PERCEPTION INDEX

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By Daniel Batidam (Executive Secretary, Ghana Integrity Initiative)

1. INTRODUCTION

Good Morning Ladies and Gentlemen of the Media, our Development Partners (DPs), and Members of the Ghana Anti-Corruption Coalition (GACC).

We have invited you this morning to share with you the release of this year's worldwide survey on corruption conducted annually by Transparency International - the leading international non-governmental organisation (NGO) devoted solely to the fight against corruption. We are happy to share it with you at the same time that the global launch is taking place in London, and ahead of the Africa regional launch scheduled to take place in Cameroon in the next couple of days.

The Ghana Integrity Initiative – the local Chapter of Transparency International, has since its inception in December 1999, observed with keen interest the developmental setbacks facing our dear nation, and believes that the canker of corruption is a major obstacle to the attainment of our country's developmental goals. It is in this light that we find any attempt at assessing the levels and state of corruption in our country as a matter of great interest to us as an organisation, and to our country.

2. ABOUT THE CPI

The annual Corruption Perception Index (CPI) has been organised by Transparency International since 1995, and is considered the best authority on the level of corruption in any country included in the poll. The CPI is a combination of at least three credible corruption-related surveys in any country. In some countries as many as 17 surveys are used, in others, the minimum – three surveys – are used. They reflect the perceptions of business people, academics and risk analysts, both resident and non-resident in the countries that are included in the poll. The CPI is therefore a composite index, a snapshot, if you will, of perceptions of corruption on a given country from a number of sources.

The 2003 index on Ghana is based on data from six surveys conducted between 2001 and 2003. The institutions that conducted the surveys include:

- World Business Environment Survey (WBES) of the World Bank - 2001
- The Economist Intelligence Unit (EIU) – 2003
- World Market Research Centre (WMRC) - 2002
- The State Capacity Survey by Columbia University (CU) – 2003
- Multilateral Development Bank (MDB) – 2002
- The Global Corruption Report (GCR) – 2003

The data used for this year's CPI was compiled between 2001 and 2003. It is important to emphasise that the CPI relates to perceptions rather than real phenomena. It is a matter for discussion, to what extent such perceptions improve our understanding of what the real levels of

corruption may be. Since actual levels of corruption cannot be determined directly, however, perceptions may serve as a guide for now.

In all the surveys “levels of corruption” were defined in order to avoid any doubt. By and large, the definition of corruption applies to the misuse of public power for private benefit such as bribing of public officials, kickbacks in public procurement or embezzlement of public funds. All the sources of data for the CPI assessed the “extent” of corruption among public officials and politicians in the countries in question.

3. RELIABILITY AND PRECISION

Ranking of countries, which in the past has been a controversial issue, especially in countries ranked at the bottom, is perhaps not the best way to access the level of corruption in a given country. This is because from year to year new countries are included in the index, while others may drop out of it, and this may affect a country's position. For example, there is a significant increase in the number of countries captured in this year's index – 133 – compared with 102 countries in the 2002 CPI.

The real indicator of performance is the score. A higher score is an indication that respondents provided a better rating, while a lower score suggests that respondents changed their perceptions downwards.

4. GHANA'S RANKING AND SCORE

How did Ghana rank and score? Of the 133 countries included in this year's index, Ghana ranked 72nd with a score of 3.3. This score is significant for us because it represents a drop from last year's score of 3.9 and is the same as the score the country had in 1999.

The larger number of sources this year (ie. 6 surveys, as compared to four surveys used last year and three in the previous year 2001) in determining Ghana's score, lends credibility to the view that this year's results have a greater likelihood of precision and reliability. This is also evident in the fact that the standard deviation fell from 1.4 in 2002 to 0.9 in 2003. The fall in the standard deviation indicates that this year, the differences of perceptions among the different surveys used for Ghana were lower.

This year's score of 3.3 suggests that, not much has been achieved in terms of curbing corruption despite government's declared war on it. Infact, it shows that after a drop in corruption it seems to be on the rise again. Why do we say this? The year 1999 was Ghana's first time to be included in the CPI, and its score was 3.3. In 2000, we scored 3.5 and in 2001, 3.4. It is instructive to note that the year 2002 was our best year, as we scored almost 4 (to be precise, 3.9). That performance possibly reflected the gains accruing from the Kufuor government's declaration of intention to pursue a policy of zero tolerance for corruption, and some of the vigorous anti-corruption measures taken in that period. Ghana's placement on this year's index indicates that corruption may be on the rise again after the initial drop.

5. HIGHLIGHTS OF 2003 CPI

Now let's put this in a more global perspective.

- The 2003 chart shows that of the 133 countries polled, 7 out of 10 countries score less than 5 out of a clean score of 10, while 5 out of 10 developing countries score less than 3 out of 10. Nine out of 10 developing countries score less than 5 against a clean score of 10
- Corruption is perceived to be pervasive in countries like Bangladesh, **Nigeria** , Haiti, Paraguay, Myanmar, Tajikistan, Georgia, **Cameroon** , Azerbaijan, **Angola** , **Kenya** , and Indonesia – countries with a score of less than 2 in the index. Countries with a score of higher than 9, with very low levels of perceived corruption, are rich countries, namely – Finland, Iceland, Denmark, New Zealand, Singapore and Sweden.
- Some changes highlighted in the 2003 CPI showing improvements since last year's index, have been observed in countries like Austria, Belgium, Colombia, France, Germany, Ireland, Malaysia, Norway, and **Tunisia** . Noteworthy examples of a worsening index can be found in Argentina, Belarus, Chile, Canada, Israel, Luxemburg. Poland, USA, and **Zimbabwe** .
- Levels of corruption are also said to be worryingly high in European countries such as Greece and Italy, as well as in potentially oil-rich countries like **Nigeria** , **Angola** , Azerbaijan, Indonesia, Kazakhstan, **Libya** , Venezuela and Iraq.
- Political Parties, the Courts and the Police which were identified as the three most in need of reform in TI's Global Corruption Barometer, launched earlier this year, were cited by the report, which added, “This indicates a serious lack of confidence in those in authority worldwide”.

COMMENTS FROM TI

It is important to take seriously the comments of TI Chairman Peter Eigen. Dr. Eigen says governments in developing countries must implement results-oriented programmes to fight corruption, but adds that they also urgently require practical help, tailored to the needs of their national anti-corruption strategies.

He notes that there are many countries, where there is now a high-level political commitment to fight corruption. “In such countries,” says Dr. Eigen, “international support – especially for transparency in public contracting – is essential to build solid foundations for removing corruption from government and public services.” He also notes in particular, that the private sector must take full responsibility for its conduct at home and abroad, and take urgent steps to stop paying bribes.

To make this a reality, TI and private sector companies have worked together to develop a set of Business Principles for Countering Bribery, advocating anti-bribery training and codes of conduct within companies. TI has also implemented no-bribes Integrity Pacts in public contracting and is advocating for a multilateral framework agreement on Transparency in Government Procurement (TGP).

In countries such as Ghana, it is in our own interest to introduce transparency measures in public procurement because the waste of scarce resources is at stake, and poverty will surely grow if corruption in procurement is not contained.

CONCLUSIONS

It is crucial that the government and indeed, the country, takes this CPI seriously because we believe it will go a long way to inspire us to undertake the necessary institutional reforms, in order to sustain public trust in the new democratic dispensation, and to achieve the goal of economic renewal.

Indeed, the government's policy of zero tolerance for corruption will remain mere political slogan without any meaning to the citizenry, if no tangible steps are taken to ensure a reversal of the current trend of events.

We, as the Ghana Integrity Initiative, together with our partners such as the Ghana Anti-Corruption Coalition, commit ourselves to collaborating and cooperating with government, civil society, the private sector and indeed, all individuals and groups that are prepared to join hands to rid our dear nation of this canker of corruption.

Thank you.