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**Press release**

**The persistent corruption from the poor countries leads to a “constant humanitarian disaster”**

On a background filled by persistent corporative scandals, the wealthy countries also regress

**Berlin, 23 September 2008** – Taking into account countries as Somalia and Iraq that present the highest corruption levels, The Corruption Perception Index, realized by Transparency International and launched today, underlines the fatal linkage between poverty, non functional institutions, and corruption. Other noticeable deteriorations in the CPI 2008 show that the performance of the surveillance mechanisms is also in danger even among the wealthy countries.

„In the poorest countries, the corruption level can make the difference between life and death, when the punt is the money meant for the hospitals or for the potable water”, shows Huguette Labelle, President of Transparency International. „The high and persistent corruption and poverty levels present in a great part of the world societies have as a final result a constant humanitarian disaster which cannot be tolerated. But even in the privileged countries that intrusively apply non-unitary the laws, a more consistent approach in combating corruption is needed.”

**The 2008 results**

CPI 2008 represents a composed index, based on polls and on expert opinions, which measures the perceived corruption level for the public sector from 180 states and territories on a 0 (very corrupt) to 10 (very clean) scales.

Denmark, New Zealand, and Sweeden share the best score, 9.3 points, being closely followed by Singapore with 9.2 points, whilst in the lower part of the classification is placed Somalia with 1.0 points, a lower score than Iraq's and Myanmar's (1.3 points) or than Haiti's (1.4 points).

Although in this year's index there are no abrupt changes in the states hierarchy, we can still notice a few noticeable modifications in the upper and lower parts of the classification. More precisely, by analyzing the polls included in CPIs from 2007 and 2008, we can observe significant decreases in Bulgaria, Burundi, Maldives Islands, Norway, and United Kingdom scores.

Similarly, significant statistical ameliorations can be noticed in Albania, Ciprus, Georgia, Mauritius, Nigeria, Oman, South Korea, Tonga and Turkey.

**Consolidating the control and accountability mechanisms**

Either regarding a poor country or not, the challenge of controlling corruption necessities functional governmental and social institutions. In the poor countries, the corruption is obvious in the justice, and the institutional control inefficient. On the other side, the wealthier states deal with an insufficient regulation of the private sector, mainly in norms concerning the foreign bribery, as well as with an inefficient control of the financial institutions and transactions.

„For being able to diminish corruption strong institutions, the rule of law, an independent press, and an active civil society are needed”, says Labelle. „If these institutions are weak, corruption gets out of control, and the consequences for the simple people, as well as for the justice and for the social equality in general, are severe.”

**The global fight against poverty background**

In the poor countries, the endemic corruption puts in danger the global fight against poverty, threatening to jeopardize the UN Millennium Development Goals. According to Transparency International's Global Corruption Report 2008, the corruption costs consist in 50 billion dollars (35 billion Euros) – almost half of the annual aid fund – from the costs for reaching the development objective for the water and the drainage.

This implies not only a double effort in the poor countries, in which the wellbeing of a significant part of the population is in danger, but also obligates to a more concentrated and a better coordinated approach of the international community of the donors in order to assure the development of the administrative and the control institutions in the helped countries, and that also the aid flux is not being vulnerable to abuses and corruption.

This is the message TI transmits to the member states of The UN General Assembly which is currently preparing the evaluation of the progress registered in attaining the Millennium Development Goals on the 25<sup>th</sup> September, before the UN Conference regarding The Development financing for Doha, Qatar, where a commitment towards financing aids will be taken.

The professor Johann Graf Lambsdorff, from the Passau University, which develops the CPI for TI underlined the disastrous effects of corruption as well as the benefits in combating it. "There are proves indicating that a CPI augmentation with one point (on a 1 to 10 scale) has as an effect the flow of the capital increase with 0.5% from the Gross Domestic Income and the wages with 4 %.

### **The Corporative bribe and the double standards**

The low performance of one of the wealthy exporting countries, the regress of some noticeable states in the CPI 2008, highlights in an unfavorable manner the commitment some governments take in controlling the doubtful ways some national companies understand to acquire and administrate businesses abroad, besides the internal problems as the financing in politics. The constant external corruption scandals show a bigger failure of the wealthy states in respecting the commitment to a mutual accountability regarding corruption.

"These types of double standards are unacceptable and ignore the international norms" says Labelle. "Besides its fatal effects over the state and over the public trust, the lack of determination undermines the credibility of the wealthier states in their fight against the corruption from the less developed countries". The OCDE Convention regarding the bribe combat, which incriminates the bribe paid abroad by companies from countries member of the OCDE was adopted in 1999, but its application is still inconsistent.

Adopting the anticorruption legislation means winning a part of the battle. A true change in these practices can only come through a common commitment of all the companies, both from the developed and the in course of development countries.

### **The fight against corruption: social consistency**

All around the world, the existence of strong control institutions, as well as a corresponding stable legislation, can assure the corruption degree diminishing, allowing a consistent citizens' participation, a profound development and life quality increasing in the communities left aside.

Transparency International is the global coalition for the fight against corruption.