



TRANSPARENCY  
INTERNATIONAL'S  
CORRUPTION  
PERCEPTION INDEX

2010

Global, & Regional Analysis

## PRELUDE

The general perception in the world is that corruption is rampant with varying degrees of its level. With the presence of state machinery, courts, anti-corruption laws, social activists, civil rights champions, on-watch organizations and other stakeholders corruption continues and the corrupt, some instinctively and some due to compulsion - socio-economic, consider corruption as their birth right and outsmart the anti-corruption system. Their moves are smarter and prompt. They achieve their objective in accumulating corrupt money through various techniques. Some are due to loopholes in the laws. Others create opportunities for plunder and loot innovatively, leaving no evidence to prove in a court of law. No wonder the normal techniques require radical changes by new thinking of tackling the corrupt and uprooting the corrupt systems. For this new fully trained breed of persons and bodies, bejeweled with Forensic approach are needed to crack at the corrupt elements. Their affluence bounces with few exceptions in which case the level of corruption is low. However, in the past the theory of corruption was based on two factors namely, Need and Greed. According to world renowned Psychologist namely, Maslow, there are five hierarchy of needs of an individual. The first level of needs consists of basic needs (normal food, shelter, clothing, water, health, education and related aspects). It is the call of the day that every state must meet these basic needs. In the 1973 Constitution of Pakistan, under Article 38,, these needs have been described as meeting: "Well-Being" of the social and economic conditions of the people. However, if these basic needs are not met, people resort to corruption and try to meet their basic needs to keep their soul and body together. The governments in the world have introduced several measures to help alleviate poverty so that people meet their basic needs and come out of the poverty trap. However, there is a need to start innovative income generating schemes and help develop a framework for self employment to alleviate poverty.

During the current democratic set up of Pakistan, inflation has been 44% and announcements were made by the Government of Pakistan to provide cushion against it by increasing the salaries of government employees by 80%. Several

political parties in Pakistan have fought their elections basically with one slogan, in original or modified shape, that basic needs of the people will be met. However, this dream appears to be the agenda of tomorrow. The earlier these issues are addressed, the better. Consequently, the dividends are going to be in the shape of social stabilization, higher standards of living, prosperity, visible signs of all around feeling of happiness and self-satisfaction.

The government in power should focus their attention in this respect as this will be the first step towards developing a framework with stakeholders support for reduction in the level of corruption. The second factor is greed which needs a different solution. A positive solution lies in inculcating the spirit of contentment and with a firm faith that every body is to stay temporarily in this world and every deed performed is being accounted for and recorded and on the day of Judgment one will be facing accountability for frauds, financial defalcations and all other actions which fall within the purview of corruption. The height of misfortune is that unlike the above two factors resulting in corruption, the world has seen a rising curve of corruption supported by a third factor namely, lust. The unending desire of getting extra rich overnight and with an electronic speed has been instrumental in adding fuel to the fire. No wonder, corruption continues to be upswinging. Even, based on CIP 2010, corruption has been increasing in USA and is also at the peak in Russia - both belonging to G-8 group which is known as the richest group in economic terms in today's world.

## CONSTITUENTS

This piece presents introduction to Transparency International (TI) and CPI 2010. Topics included are vital facts relating to CPI 2010. Statistical Analysis of CPI 2010, Regional Analysis of G-8 and SAARC and some recommendations. These aspects are briefly reviewed now:

## TRANSPARENCY INTERNATIONAL

Transparency International secretariat is located in Berlin, Germany. TI was founded in 1993. It is a civil organization leading the fight against corruption globally. It has several chapters located throughout the world. Lot of information about TI can be accessed from its website [www.transparency.org](http://www.transparency.org)

In October 2010, TI released Corruption Perception Index (CPI) 2010 relating to 178 countries. Every country in the world has anti-corruption laws, regulations, rules, and institutions. Despite these, corruption exists in every country with varying degree. Various governmental agencies, international foundations and corporations are funding TI.

## CORRUPTION PERCEPTIONS INDEX

CPI is a composite index that draws a multiple expert opinion surveys that consist of poll perception of corruption. CPI 2010 covers 178 countries. It scores countries on a scale from zero to ten. Zero indicates the highest level of perceived corruption and ten indicates the lowest level of perceived corruption.

## VITAL FACTS: CPI 2010

The higher the scale of CPI, the lesser is the corruption. The lower the scale, the higher is the level of corruption. The least corruption was seen in three countries namely, Denmark, New Zealand and Singapore (9.3) and the highest was observed in Somalia (1.1), Myanmar (1.4), and Afghanistan (1.4). Pakistan earned 2.3 which fortunately is higher than Kenya (2.1), Russia (2.1) and Venezuela (2.0).

CPI 2010 results have been drawn from 13 surveys and assessments published between January 2009 to September 2010. This is based on perceived levels of corruption by Transparency International. One may or may not agree with the results.

The following countries showed improvement in CPI 2010 as compared to CPI 2009: Bhutan, Chile, Ecuador, FYR Macedonia, Gambia, Haiti, Jamaica, Kuwait and Qatar. The following countries showed deterioration from 2009 to 2010. The Czech Republic, Greece, Hungary, Italy, Madagascar, Niger and the United States.

## STATISTICAL ANALYSIS

Our calculated average of 178 countries relating to CPI 2010 is 3.9 against a scale of 10. The range is very high i.e. 8.2, the highest being 9.3 and the lowest being 1.1. This represents 2.10 times the average and shows that some countries have least corruption and many have high corruption. This is a disturbing factor - resulting in social destabilization, high crimes, presence of social evils and steadily rising street justice.

The frequency table presents a comparison of CPI 2001 to CPI 2010. The calculated average for 2010 is 3.9 and Pakistan's CPI is 2.3 out of 10.0

## FREQUENCY TABLE

TABLE 1: CPI 2001 TO CPI 2010

Group	CPI 2010*	CPI 2009	CPI 2008	CPI 2006	CPI 2003	CPI 2002	CPI 2001
9.7 - 8.0	14	14	12	16	15	14	13
7.9 - 6.0	18	20	21	17	13	13	13
5.9 - 4.0	34	32	32	25	25	22	20
3.9 - 2.0	98	92	86	92	68	46	41
1.9 - 1.1	14	22	29	13	12	07	04
<b>Total</b>	<b>178</b>	<b>180</b>	<b>180</b>	<b>163</b>	<b>133</b>	<b>102</b>	<b>91</b>

\* The highest grade is 9.3 out of 10.0  
 Source: Computed from data downloaded from: [www.transparency.org](http://www.transparency.org)

## REGIONAL POSITION

In this respect, two regions have been selected by us namely, G-8 and SAARC.

### G - 8

G-8 constitutes the richest group in the world in terms of economic power. It originally consisted of all seven (7) countries and later Russia was also included. Therefore, the total number today is: eight. The least corruption was observed and perceptively perceived in Canada (8.9) and the highest level of corruption was perceptively received in Russia (2.1). G-8 countries average is 6.51 against the calculated aggregated average of 178 countries of the world (3.9). The range is namely, 6.8 which is 1.04 times the average - showing high variation in CPI 2010 for G-8 countries. Canada (8.9), Germany (7.9), Japan (7.8), United Kingdom (7.6), United States (7.1), France (6.8), Italy (3.9), and Russia (2.1).

The above released data by TI through CPI 2010 reveal that even amongst the richest countries of the world which are popularly know as G-8, corruption does exist, although, it is below the overall average. However, Italy got 3.9 which is equal to the overall average of 178 countries of the world and Russia has lower rank (2.1) than the global average of CPI 2010.

### SAARC

The least corrupt country in SAARC is Bhutan (5.7) and the highest corrupt country is Afghanistan (1.4). Except for Bhutan, all other SAARC countries are below the average (3.9). This speaks volumes of high rate of corruption to the detriment of the socio-economic systems obtaining in these countries. Their position is: India (3.3), Sri Lanka (3.3), Bangladesh (2.4), Pakistan (2.3), Maldives (2.3) and Nepal (2.2).

It is high time that these issues be given a focused attention in the next SAARC Summit and an action plan is initiated to ensure declining curve of corruption which based on CPI 2010, is increasing. Rather than reacting to CPI announcement, a proactive approach be followed to ensure the declining curve of corruption in future. Accordingly, CPI for 2011 may present a different outlook which hopefully should be better the one of 2010.

## RECOMMENDATIONS

Corruption is a complex problem. Some ascribe it equivalent to a spreading cancer. Consequently, the problem first needs to be tackled at three levels, such as:

1. The first level is moral reformation. For non-Muslim countries accredited value system need to be enforced for strict compliance by changing the mindset of the people regarding corruption. In Muslim world divine value system contained in Al-Quran (16: 90) needs to be communicated, indoctrinated and implemented. Consequently, the change of mindset will be the beginning of reducing, if not uprooting corruption from the society.
2. It is obligatory on the part of every state in the world that basic necessities of life are met so that their Constitutional obligations are complied with and people live with a sense of contentment. Austerity backed life style in all walks of life should be operationalized. The lead should be provided by our democratic government.
3. Logistical efforts by all stakeholders as mentioned above need to be undertaken for developing a disciplinary code governing corrupt malpractices. According to Global Integrity Index 2008, a positive tribute was paid to Pakistan, stating that it had strong anti-corruption legal framework. However, it was reported that implementation was lacking and therefore, corruption was rampant and growing. Based on CPI 2010, Pakistan had a score of 2.3 and 10.0 against the average of 178 countries of the world which has been calculated by us as 3.9. This shows that we are still below the average and there is a need for strong implementation of at least the existing anti-corruption framework to reduce the level of corruption so that we can achieve a higher score and thus may move to lesser corrupt countries.

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