



TRANSPARENCY INTERNATIONAL BANGLADESH

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Press Release

Corruption Perceptions Index 2007 **Bangladesh ranked 7th from below**

Dhaka/London/Berlin, 26 September 2007 On September 26, 2007 the Berlin-based international anti-corruption organization, Transparency International (TI) has released its annual Corruption Perception Index (CPI) for 2007. In a scale of 0-10, the index provides international ranking of countries in terms of perceived degree of prevalence of political and administrative corruption. The results show that Bangladesh has scored 2.0 points and has been ranked 7th from below, which is 162nd among 180 countries included in the index this year. In the same position with the same score as Bangladesh are five other countries - Cambodia, Central African Republic, Papua New Guinea, Turkmenistan and Venezuela.

It may be recalled that Bangladesh was earlier placed at the bottom of the list for the fifth successive year from 2001-2005. Last year Bangladesh was ranked in no 3. Notably, while most low scoring countries continued downward trend, and even many high-ranking countries also received lower scores in 2007, Bangladesh was successful in resisting this and has remained steady in score at 2.0. In this sense, Bangladesh has shown improved performance compared to 10 countries that formerly scored better.

This year Somalia and Myanmar have been ranked at the bottom of the list implying that in these two countries corruption is perceived to be highest, followed by Iraq and Haiti in the 2nd and 3rd positions respectively. In the 4th position jointly ranked are Uzbekistan and Tonga, followed by Sudan, Chad and Afghanistan in the joint 5th position while Democratic Republic of Congo, Equatorial Guinea, Laos and Guinea have been ranked in the 6th position.

At the other end, among countries where corruption is perceived to be lowest are Denmark, Finland and New Zealand sharing the top position with each scoring 9.4. Immediately following them is the highest ranking Asian country, Singapore, scoring of 9.3 jointly with Sweden.

Bangladesh's ranking has improved from last year's 3rd to the 7th this year, but the score achieved has remained steady at 2.0. This may be because of the following reasons.

Firstly, in terms of score, the index gives a 2-years rolling average. Included in this year's index were data collected until end July 2007, which means that CPI 2007 was relatively more influenced by data from 2006.

Secondly, the index draws on corruption related data from expert and business surveys. Hence it is quite likely that a perceived sense of insecurity and uncertainty that is widely believed to have prevailed among the business community in the wake of the post 1/11 anti-corruption drive in Bangladesh may have prevented the possibility of a better score.

Finally, it has also apparently been too early for institutional reform measures initiated by the present government to influence CPI. Initiatives such as separation of the Judiciary, reform of the Election Commission, Anti-corruption Commission and Public Service Commission as well as making corruption punishable and ratification of the UN Convention against Corruption are likely to impact CPI only in the years to come when positive impact of such reforms would be more clearly discernible.

In any case, it should be emphasized that while other poorly scoring countries continued downward spiral, Bangladesh was successful in remaining steady. As a result, Bangladesh showed improved performance than 10 countries that formerly scored better.

Corruption, Poverty and Institutions

The CPI presents a measure of perceptions of public sector corruption. It is a composite index that draws on 14 expert opinion surveys. Countries are scored on a scale from zero to ten, with zero indicating high levels of perceived corruption and ten indicating low levels of perceived corruption.

A strong correlation between corruption and poverty continues to be evident. Most of the countries belonging to the low-income category have scored below 3, indicating that rampant corruption in such countries continues to increase poverty and prevent development.

On the other hand a number of relatively poor countries have managed to contain corruption to a degree, scoring well on the CPI, including Botswana, Cape Verde, Chile, Dominica, Estonia, Ghana, Samoa, Senegal, St. Lucia, and Uruguay. They prove that it is possible to break out of the vicious cycle of poverty and corruption.

At the same time, troubled states such as Afghanistan, Iraq, Myanmar, Somalia, and Sudan remain at the very bottom of the index.

Low scores in the CPI indicate that public institutions are heavily compromised. The first order of business is to improve effectiveness of the institutions, especially transparency in financial management, from revenue collection to expenditure. Equally important is to put an end to the impunity of the corrupt.

Corruption is a problem with global roots

According to the index the divide in perceived levels of corruption in rich and poor countries remains as sharp as ever. The top scores of wealthy countries and territories, largely in Europe, East Asia and North America, reflect their relatively clean public sectors, enabled by political will, well-established conflict of interest and freedom of information regulations and a civil society free to exercise oversight.

However, CPI's top scorers are also implicated in widespread corruption in developing countries. Bribe money often stems from multinationals based in the world's richest countries. In addition, global financial centres continue to play a pivotal role in allowing corrupt officials to move, hide and invest their illicitly gained wealth. The CPI 2007 once again reiterates that the developed and developing countries must share responsibility for reducing corruption, in tackling both the supply and demand sides.