

**Press Release**

**Corruption Perceptions Index 2008**  
**Bangladesh ranked 10<sup>th</sup> from below**

**Dhaka/Berlin, 23 September 2008** – The Berlin-based international anti-corruption organization, Transparency International (TI) has today released its annual Corruption Perception Index (CPI) for 2008. 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 2.1 points in a scale of 0-10, and has continued to be ranked low - 10<sup>th</sup> from below, which is 147<sup>th</sup> among 180 countries included in the index this year. In the same position with the same score are 3 other countries – Kenya, Russia and Syria.

It may be recalled that Bangladesh was earlier placed at the very bottom of the list for the fifth successive year from 2001-2005. In 2006 Bangladesh was ranked in no 3, and last year 7<sup>th</sup>. With the score of 2.1, almost the same as that of last few years' 2.0, Bangladesh's apparent upward movement in ranking from 7<sup>th</sup> to 10<sup>th</sup> does not necessarily indicate any notable better performance over last year, except that other countries may have performed worse.

Like last year Somalia has remained at the bottom of the list implying that corruption in that country is perceived to be highest, followed by Myanmar and Iraq in the 2<sup>nd</sup> position while Haiti is in the 3<sup>rd</sup> position. Afghanistan is in the 4<sup>th</sup> position.

At the other end, Denmark, New Zealand and Sweden have been ranked at the top, each scoring 9.3, meaning that in these countries corruption is perceived to be lowest, closely followed by Singapore with 9.2, the only Asian country that has consistently been in the league of top 10. The only other Asian country to be among the top 20 countries is Hong Kong ranked at number 12 performing better than such highly developed countries as Germany, Norway UK, Japan and USA.

Countries that have this year shown notable improvement are Albania, Cyprus, Georgia, Mauritius, Nigeria, Oman, Qatar, South Korea, Tonga and Turkey. On the other hand, significant declines have been seen in the scores of Bulgaria, Burundi, Maldives, Norway and the United Kingdom.

The CPI has once again highlighted the crucial link of failed institutions and oversight mechanisms with corruption irrespective of the level of development of the country concerned. The example of UK is particularly remarkable. Having scored 8.6 and 8.4 in 2006 and 2007 respectively, UK has dropped this year to 7.7, marking a serious deterioration, hardly ever seen in the 14-year history of CPI. This has been attributed to the UK Government's intervention into the Serious Fraud Office's investigations into the BAE Systems' alleged bribing of the Saudi officials.

Although Bangladesh has moved 3 steps up from last year's 7<sup>th</sup> to the 10<sup>th</sup> position, its score has remained nearly same, with an insignificant increase of only 0.1. Included in this year's index were data collected until the end of July 2008, which means that CPI 2008 has been influenced by expectations for positive change under a Government that made high profile commitment to fight corruption.

While subsequent developments including the growing concern over the outcome and credibility of the anti-corruption drive, especially apparent failure to maintain the integrity of the legal process were already looming large, the institutional reform measures introduced by the present government may have contributed to the increase in score, insignificant though. Initiatives such as separation of the Judiciary, reform of the Election Commission, Anti-corruption Commission and Public Service Commission and ratification of the UN Convention against Corruption may have contributed to the perception that institutional potential of Bangladesh to combat corruption has enhanced, though the real impact of such reforms would be available in longer time frame depending on the extent to which these are sustained in the future.

Moreover, as the index draws on corruption related data from expert and business surveys, it is quite likely that a perceived sense of insecurity and uncertainty that has prevailed in business and investment during the period may have also prevented the possibility of a better score.

### **Corruption, Impunity and Institutions**

The CPI is a composite index that draws on 14 surveys conducted by internationally reputed institutions. Countries are scored on a scale from zero to ten, with zero indicating highest levels of perceived corruption and ten indicating lowest levels of perceived corruption.

A strong correlation between corruption and institutions continues to be evident. Low scores in the CPI indicate that public institutions are heavily compromised. Whether in high or low-income countries, the challenge of controlling corruption requires functioning societal and governmental institutions. Many developing countries are often plagued by inefficient, biased and corrupt judiciaries and ineffective parliamentary oversight. As a result, the government has low or no capacity to challenge impunity. Such countries continue to score below 3, indicating rampant corruption, growing poverty and underdevelopment.

Even developed countries that have shown tendency to compromise integrity of judicial, financial and oversight institutions have also scored low in CPI. Many wealthy countries have also failed to effectively regulate their private sector, in terms of addressing overseas bribery.

In low-income countries, rampant corruption jeopardises the fight against poverty, threatening to derail the UN Millennium Development Goals (MDGs). According to TI's 2008 Global Corruption Report, unchecked levels of corruption would add US \$50 billion or nearly half of annual global aid outlays – to the cost of achieving the MDG on water and sanitation alone.

Not only does this call for a redoubling of efforts in low-income countries, where the welfare of significant portions of the population hangs in the balance, it also calls for a more focused and coordinated approach by the global community to

comprehensively address the challenge, with particular stress on strengthening institutions of governance and oversight.

### **Corporate bribery and double standards**

The weakening performance of some wealthy exporting countries, with notable European decliners in the 2008 CPI, casts a further critical light on government commitment to control the questionable methods of their companies in acquiring and managing overseas business, in addition to domestic concerns about issues such as the role of money in politics. The continuing instances of foreign bribery scandals indicate a broader failure by the world's wealthiest countries to live up to the promise of accountability in the fight against corruption. In the face of the OECD Anti-Bribery Convention, in effect since 1999, which criminalises overseas bribery by OECD-based companies, such double standard undermines the credibility of developed countries to preach action against corruption in low-income countries.

### **Fighting corruption: a comprehensive approach**

Across the globe, a comprehensive approach ensuring high-level political and government commitment, stronger institutions of oversight, firm legal and regulatory framework, vigilant media and public voice can steadily and effectively control corruption, allowing more meaningful democratic participation of people, stronger development outcomes and better quality of life for all citizens.