

# Transparency International's corruption perception index 2011

## *Global & Regional Analysis*

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### 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 elements, some instinctively and some due to compulsion - socio-economic, consider corruption as their birth right and outsmart the existing anti-corruption system. Their moves are smarter and prompt. They achieve their objectives 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 increasing and announcements were made by the Government of Pakistan to provide cushion against it by increasing the salaries of government employees. 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 standard 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 toward developing a framework with stakeholders support for reduction in the level of corruption.

People in Pakistan are living under high social tensions. The dream to provide basic necessities of life to them, what to talk of targeting higher standard of living across the board, has not yet crystallized and appears to be an agenda of tomorrow, if not distant tomorrow. Under Article 38 of the 1973 Constitution of Pakistan, it is obligatory on the part of the Government of Pakistan to ensure well-being of the people. The concept of well-being has been visualized to mean that the basic criteria for Happiness Index

which was developed by Nobel Laurate, Joseph Stigler, who, on the invitation of Mr. Sarkozy, President of OECD, developed it in 2010. The present democratic government ought to accept it on self-accountability basis and deliver the goods in a befitting manner so that the basic needs of the people which is their Constitutional obligation are ensured and provided. Present democratic government deserves congratulations for restoring the above Constitution of Pakistan in its original shape. However, its implementation in all walks of life under various Articles of the 1973 Constitution of Pakistan is the crying need of today. In this respect, the Government is urged to carefully study and later develop strategic plan to fulfill their obligations under Articles 03, 16, 37 and 38. Accordingly, corruption caused through need will be watered down and considerably reduced. In this respect, the top leadership is urged to follow simple life and serve as model of austerity for the Nation as a whole. This will have positive domino impact.

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.

It is generally believed that, in Pakistan there are 26 Accountability Institutions. However, those who indulge in corruption have outsmarted these institutions through that intelligent and tricky by-pass approaches. They defeat the Rules and Regulations, resort to corrupt malpractices

and have believed in their understanding of PWD (Pakistan Works Department) to mean "plunder without danger". CPI 2011 continues to highlight these aspects. Enough material is available on the internet regarding the wealth of plunderers from several developing and developed countries. They have kept the untaxed and illegal wealth abroad. Some of the plunderers leave their countries. Some have been killed. Some are under trial. Some are enjoying scot free life. Most of the people who resorted to high corruption are enjoying luxurious life in Switzerland across the lake in Geneva. It is surprising that Switzerland claims to be a neutral country but is a safe heaven to plunderers, looters and financial dacoits. Their financial malpractices are primarily responsible for the poverty in several countries of the world. It is high time that wealth plundered and looted money out of the countries is brought back to original country so that social stability can be ensured and high standard of living can follow through alleviation of poverty and narrowing the gap between rich and the poor.

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 2011, corruption has been increasing in several countries.

### Divine guidance against corruption

Allah has provided magnificent guidance for not resorting to corruption. This aspect has been covered in various Quranic Verses. The perception of those who take graft and think that it is their right to do so is also being exposed. In this respect, some references from Al-Quran are quoted below:

*"Do not cause corruption on this earth. They say we are but*

*reformers". [Al - Quran: 2-10]*

Based on above Quranic verse, those who cause corruption and accept it think that they are reformers. They are sadly mistaken in this respect.

Similarly, another Quranic verse strengthens and reinforces the above message as per another Quranic Verse: *"Unquestionably, it is they who are corruptors, but they Perceive it not". (Al-Quran: 2-11)*

In Al - Quran, Allah has categorically expressed that He dislikes corruption and human beings on this earth must fulfill their obligations in the right manner. Two Quranic Verses in this respect are quoted below:

*"And Allah does not like corruption". [ Al - Quran: 2 - 205 ]*

*"And fulfill the measure and weights and do not deprive people of their due and cause not corruption upon the earth after its reformation". [Al - Quran: 2 - 11]*

Allah has admonished those who are corrupt that they will be destined to hell. In this respect, relevant Quranic Verse is quoted below:

*"Those who ..... spread corruption on earth - for them is the curse and they will have the worst home". [ Al - Quran: 13 - 25 ]*

### Constituents

This piece presents introduction to Transparency International (TI) and CPI 2011. Topics included are vital facts relating to CPI 2011. Statistical Analysis of CPI 2011, 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 December 2011, TI released Corruption Perception Index (CPI) 2011 relating to 182 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 2011 covers 182 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 2011

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, New Zealand (9.5) Denmark and Singapore (9.4) and the highest was observed in Somalia and North Korea (1.0), Myanmar (1.5), and Afghanistan (1.3). Pakistan earned 2.5 which fortunately is higher than Kenya (2.2), Russia (2.4) and Venezuela (1.9).

CPI 2011 results have been drawn from 17 surveys. This is based on perceived levels of corruption by Transparency International. One may or may not agree with the results.

Some of the following countries showed improvement in CPI 2011 as compared to 2010:

Japan, United Kingdom, Belgium, France, UAE, Bostwana,

Taiwan, Rwanda, Cuba, Bangladesh, Iran, Pakistan, Russia etc.

The deterioration from 2010 Slovenia, Oman, Saudi Arabia, Czech Republic,

South Africa and many others.

## Statistical Analysis

Our calculated average of 182 countries relating to CPI 2011 is 4.4 against a scale of 10. The range is very high i.e. 8.5, the highest being 9.5 and the lowest being 1.0. This represents 1.91 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 2011. The calculated average for 2011 is 4.4 and Pakistan's CPI is 2.5 out of 10.0

### Frequency Table

Table 1: CPI 2001 TO CPI 2011

Group	CPI 2011*	CPI 2010	CPI 2009	CPI 2008	CPI 2006	CPI 2003	CPI 2002	CPI 2001
9.7 - 8.0	14	14	14	12	16	15	14	13
7.9 - 6.0	18	18	20	21	17	13	13	13
5.9 - 4.0	34	34	32	32	25	25	22	20
3.9 - 2.0	102	98	92	86	92	68	46	41
1.9 - 1.1	14	14	22	29	13	12	07	04
Total	182	178	180	180	163	133	102	91
* The highest grade is 9.5 out of 10.0 Source: Computed from data downloaded from: <a href="http://www.transparency.org">www.transparency.org</a>								

## 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 (8.7) and the highest level of corruption was perceptively received in Russia (6.6). G-8 countries average is 6.51 against the calculated aggregated average of 182 countries of the world of 4.44. The range is namely, 6.3 which is 0.95 times the average - showing high variation in CPI 2011 for G-8 countries. Canada (8.7), Germany (8.0), Japan (7.8), United Kingdom (7.8), United States (7.1), France (7.0), Italy (3.9), and Russia (2.4).

The above released data by TI through CPI 2011 reveal that even amongst the richest countries of the world which are popularly known as G-8, corruption does exist, although, it is below the overall average. However, Italy got 3.9 which is less than the overall average of 182 countries of the world and Russia has lower rank (2.4) than the global average of CPI 2011 which is 4.44.

### SAARC

The least corrupt country in SAARC is Bhutan (5.7) and the highest corrupt country is Afghanistan (1.5). Its average is 2.93. Except for Bhutan, all other SAARC countries are below the global average 4.44. This speaks volumes of high rate of corruption to the detriment of the socio-economic systems obtaining in these countries. Their position is: India (3.1), Sri Lanka (3.3), Bangladesh (2.7), Pakistan (2.5), Maldives (2.5) 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 2011, is increasing. Rather than reacting to CPI announcement, a pro-active approach be followed to ensure the declining curve of corruption in future. Accordingly, CPI for 2012 may present a different outlook which hopefully should be better the one of 2011.

## 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 at the highest level.
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 2011, Pakistan had a score of 2.5 out of 182 and 10.0 against the average of 178 countries of the world which has been calculated by us as 4.44. 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 bracket.