OPENING STATEMENT

BY

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Corruption Perceptions Index Press Conference
18 October 2005

We are excited to present to you today the Corruption Perceptions Index 2005. This year’s index ranks 159 countries – a new record. And the picture it paints remains a disquieting one. The index shows that 113 countries, or over 70 percent of those surveyed, score less than five out a clean score of ten, indicating that corruption pervades all aspects of public life. Of those, 70 countries, or approximately 45 percent of those surveyed, scored less than 3, indicating rampant corruption that poses a grave threat to institutions as well as to social and political stability.

We are pleased to have been able to add an array of new African nations to this year’s index. Although many of these countries score poorly, the index serves as a powerful tool for the people to hammer home the reality of endemic corruption, removing the possibility for governments to deny the problem.

And although there is only one new addition in Latin America this year, the power of corruption to ruin lives is still overwhelming in many countries in the region. Weak or nonexistent laws guaranteeing the people access to information is an overarching theme there. Strengthening these is the key to wider and more effective success in the anti-corruption movement. This includes greater transparency in elections and political party finance, which is especially relevant as many countries will be holding elections in the coming year.

The index provides a snapshot of perceived levels of corruption around the globe. It continues to drive greater awareness of this scourge and in many countries, opens the door to dialogue on an otherwise taboo subject. Change will not occur without this fundamental right to know what government is doing.

It is noteworthy that many of the lowest scoring countries on the index are also among the poorest. Corruption is a major cause of poverty as well as a barrier to overcoming it. The two form a vicious circle that can be arrested through targeted anti-corruption reforms. These are not just paper-tigers. Properly implemented they mean better lives for hundreds of millions of people.

Corruption presents a common challenge for rich and poor countries. They created this cycle of corruption together. Before the OECD anti-bribery convention came into force, corruption abroad was essentially allowed with a nod and wink. Companies from most of the wealthiest nations, when doing business overseas, were tacitly or explicitly allowed to feed the demand for corruption with a steady flow of bribe money. Both low and high-income countries must now work hand-in-hand to break the cycle.

This does not mean that the wealthy countries should or can simply impose their conditions on the poor. It means a respectful and determined cooperation among equals who carry a joint responsibility.

But while poor countries are the greatest victims of corruption, the CPI also shows that wealth does not buy integrity. Corporate scandals in wealthy countries - Germany this year has been a prime example - prove that. The scandals have a silver lining, though. They demonstrate that the public, media and government authorities are becoming increasingly sensitised to the issue of corruption. And they don’t like it. There is simply less tolerance.

What is needed, in countries wealthy and poor, are strong coalitions between government, private sector, and civil society. This is the magic recipe for governance reforms, ensuring a balance of power and representation of interests.

The world’s people continue to suffer under the double yoke of extreme poverty and corrupt, unjust systems. But there will be no poverty alleviation, no political stability without the fight against corruption.