

# **New Poll Shows Many Leading Exporters Using Bribes**

## **Transparency International releases new indexes - brand new Bribe Payers Index, largest ever Corruption Perceptions Index**

*Berlin, 26 October, 1999*

**Transparency International (TI) today released a brand new Bribe Payers Perceptions Index (BPI). This ranks 19 leading exporting countries in terms of the degree to which their corporations are perceived to be paying bribes abroad. The BPI, undertaken for TI by Gallup International (GIA) in 14 leading emerging market economies, shows that companies from many leading exporting nations are widely seen as using bribes to win business.**

"The data provides a disturbing picture of the degree to which leading exporting countries are perceived to be using corrupt practices. The governments of these countries must take determined actions to stop businesses headquartered in their countries from bribing foreign officials. We also call on corporations to adopt effective anti-corruption programmes," said Peter Eigen, Chairman of Transparency International, the global anti-corruption organisation.

TI also published today the fifth annual Corruption Perceptions Index (CPI), which this year ranks a record 99 countries, compared to 85 in 1998. The CPI is a poll of polls based this year on a larger number of surveys (17) from a larger number of independent organisations (10) than ever before.

### **The Bribe Payers Index (BPI)**

"We are in a new era where 34 countries, including all leading exporting countries, have agreed to an OECD convention to make the bribery of foreign officials a criminal offence. We want to keep track of enforcement and change in global bribery as a result of these new laws. The 1999 BPI is a new TI instrument whose data will be used as a benchmark against which we can seek to measure progress in coming years," said Peter Eigen.

"The data shows how urgent it is that all major exporting nations ratify the OECD Convention on Combating Bribery of Foreign Public Officials in International Business. This new international agreement came into force in February and so far 18 countries have ratified," said Peter Eigen.

He added that, "the BPI results highlight considerable differences in the willingness of companies to pay bribes, which challenges the private assertions by many businessmen that they need to pay bribes just because their competitors do."

The BPI reveals that on a scale of 0 - 10, where 10 represents a corrupt-free exporting country, the best score among 19 leading exporting countries was 8.3, while the worst score, representing a great propensity to use bribes, was 3.1. China (including Hong Kong) was seen as having the greatest willingness to pay bribes abroad, followed by South Korea, Taiwan, Italy and Malaysia. Sweden, Australia and Canada achieved the most favourable results.

**[Media Contacts for the 1999 BPI & CPI](#)** are listed in a [separate document](#).

<b>1999 Transparency International Bribe Payers Index (BPI) Ranking 19 Leading Exporters</b>		
<b>Rank</b>	<b>Country</b>	<b>Score</b>
1	Sweden	8.3
2	Australia	8.1
	Canada	8.1
4	Austria	7.8
5	Switzerland	7.7
6	Netherlands	7.4
7	United Kingdom	7.2
8	Belgium	6.8
9	Germany	6.2
	United States	6.2
11	Singapore	5.7
12	Spain	5.3
13	France	5.2
14	Japan	5.1
15	Malaysia	3.9
16	Italy	3.7
17	Taiwan	3.5
18	South Korea	3.4
19	China (including Hong Kong)	3.1

**Notes:**

*The questions related to leading exporters paying bribes to senior public officials. The standard error in the results was 0.2 or less. In the scoring: 10 represents a perceived level of negligible bribery, while 0 represents responses indicating very high levels of bribery.*

This index is also accompanied by an extensive [framework document](#), by Fredrik Galtung

The new survey, conducted in 14 emerging market countries, involved detailed questions to more than 770 senior executives at major companies, chartered accountancies, chambers of commerce, major commercial banks and law firms. These respondents did include foreign nationals and executives at international firms. The questions concerned the propensity to bribe senior public officials by corporations.

**The Corruption Perceptions Index (CPI)**

While the BPI is a distinct survey commissioned by TI and conducted by Gallup International (GIA), the CPI is a "poll of polls" and the two indices are, therefore, created with quite different methodologies and are not directly comparable. However, the BPI and CPI are two sides of the same coin: the former ranks the home countries of the payers of international bribes, the latter ranks countries in terms of the degree to which they are perceived to be the homes of bribe-takers - public officials who abuse their office for personal gain.

Again this year, as in 1998, Denmark heads the CPI ranking with an essentially corrupt-free score of 10.0.

"Again this year we are seeing many very poor countries in the lowest positions on the CPI. We

would caution that it would be wrong to call these countries the most corrupt in the world. Our Index covers more countries than ever before, but we just do not have sufficient credible data to include over 80 other countries," said Peter Eigen.

He added: "Governments of countries with low CPI scores need to do far more to publicly acknowledge the problems, to confront the issues, to subject the corrupt companies and the corrupt officials to prosecution and to earn public confidence by their anti-bribery policies. Some countries have begun to take such action, but have initiated reforms so recently that these are not reflected in the polls on which the CPI is based."

"TI has just held its fifth annual meeting in Durban, South Africa in conjunction with the Ninth International Anti-Corruption Conference that attracted more than 1,400 delegates from around the world. Many leaders are now more willing to commit to actions to curb corruption than ever before and to endorse policies to combat corruption. TI today has 77 national chapters. The number of courageous and dedicated individuals is growing who are joining civil society movements to fight corruption in business and government."

## **The methodology of the BPI**

The attached [Questions & Answers](#) section of this press release provides the details of how the BPI poll was conducted. The BPI table reflects the answers by the respondents to the Gallup International (GAI) poll of the following exact question:

*"In the business sectors with which you are familiar, please indicate whether companies from the following countries [list of 19 leading exporting countries] are very likely, quite likely or unlikely to pay bribes to win or retain business in this country."*

The respondents included senior executives at major companies, chartered accountancies, bi-national chambers of commerce, major commercial banks and law firms. Politicians and civil servants, for example, were not included in this first poll. The 14 countries selected represent a good cross-section of leading emerging markets' importing countries and it is possible that in future years the BPI poll will embrace a larger number of countries. The data is robust, with a very high level of consensus, in most cases, in the views shared between the main five categories of respondents. Furthermore, the rate of non-response for the exporting countries (the "don't know/not relevant" category in the questionnaire) is low. In the BPI, the 0.2 standard error, referred to above, was calculated treating the observation as a simple random sample.

The BPI data published today is part of a larger set of information now being fully reviewed by Transparency International. The respondents were interviewed personally by trained interviewers and responded to a questionnaire inquiring about trends over the past years, reasons for the use of bribery, the response to the new OECD Convention and other aspects of transnational corruption. TI expects to release a full report based on a comprehensive analysis of the data collected by Gallup International (GIA) in coming weeks.

## **The methodology of the CPI**

TI has recently been reviewing the impact of the CPI and ways to improve the application of surveys to raise public understanding of corruption. One result has been the inclusion of 99 countries this year, compared to 85 last year and 52 in 1997.

The author of the index, Dr. Johann Graf Lambsdorff of Göttingen University, noted that the methods used to compile the CPI ensured that no misleading perceptions of individual countries

entered the system. "The data in the 1999 CPI may disappoint some governments, especially in countries where distinct efforts to curb corruption have been initiated. To be sure, the CPI may not capture very recent anti-corruption actions in countries. We encourage policy-makers, the media and researchers to seek additional information to complement the CPI rankings, before drawing final conclusions about the economic environment in individual countries. This especially applies to countries ranked on the CPI where the standard deviation is large and where the number of surveys used is small."