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Corruption Perceptions Index 2002 and East Asia

Corrupt political elites and unscrupulous investors kill sustainable growth in its tracks. That is the conclusion Peter Eigen, chair of *Transparency International*, made in August 2002 when the latest *Corruption Perceptions Index* was released. Eigen noted that economic and social crisis would occur globally if no further action against corruption were taken by governments.

Transparency International is the only international non-governmental organisation devoted to combating corruption. It has national chapters in more than ninety countries. The organisation was founded in 1993, and released the first corruption perceptions index in 1995. The index is based on a large variety of credible sources. In total, fifteen sources originating from nine independent organisations have been used in the recent index. This time, *Transparency International* covered 198 countries and territories, 96 of which, however, had fewer than three sources and were thus excluded from the index.

According to *Transparency International*, Finland, Denmark, and New Zealand are the world's least corrupt countries. All these countries received a score close to 10, which means that corruption is almost not existing. Among the most corrupt countries in the world are Indonesia (1.9), Paraguay (1.7), Nigeria (1.6), and Bangladesh (1.2).

As to East Asia, Japan (7.1) is the least corrupt country followed by Taiwan with a score of 5.6 (see <u>Table 1</u>). South Korea received 4.5. China scored 3.5 and thus is the region's most corrupt country included in the survey. (Mongolia and North Korea were excluded from the index since only one survey was available.) In the case of China (Hong Kong), eleven surveys from six institutions were used as reference (see <u>Table</u> <u>2</u>), and one (Opacity Index) more to analyse corruption in Japan, South Korea, and Taiwan.

Compared with EU member states, Hong Kong (8.2) is less corrupt than Austria (7.8) and Germany (7.3). Belgium and Spain are as corrupt as Japan (7.1) and the latter is less corrupt than Ireland (6.9), France (6.3), and Portugal (6.3). Taiwan has less perceived corruption than Italy (5.2), and South Korea less than Greece (4,2) which is the most corrupt country within the European Union. It is interesting to note that several EU applicants have even worse scores: Bulgaria (4.0), Poland (4.0), Czech Republic (3.7), Latvia (3.7), Slovak Republic (3.7), and Romania (2.6).

See also <u>Global Corruption Report 2003 –</u> <u>East Asia</u> by Lu Xiao-bo and the <u>Media's</u> <u>role: Covering or Covering Up Corruption</u> by Bettina Peters

	Score	Number Surveys used	Number institutions
China	3.5	11	6
Hong Kong	8.2	11	6
Japan	7.1	12	7
South Korea	4.5	12	7
North Korea	2.6	1	1
Mongolia	3.4	1	1
Taiwan	5.6	12	7

Table1: Corruption Perceptions Index 2002 - East Asia

Source: Transparency International; compiled by Christian Schafferer

Institution	Survey	Internet
Institute for Management		
Development, Lausanne	World Competitiveness Report	<u>www.imd.ch/wcy</u>
Political and Economic Risk		
Consultancy, Hong Kong	Asian Intelligence Issue	<u>www.asiarisk.com</u>
World Economic Forum	Global Competitiveness Report	<u>www.weforum.org</u>
	Country Risk Service and	
Economist Intelligence Unit	Country Forecast	<u>www.eiu.com</u>
Gallup International on behalf of		www.transparency.org/surveys
Transparency International	Bribe Payers Index	<u>/index.html#bpi</u>
Columbia University	State Capacity Survey	-
PriceWaterhouseCoopers	Opacity Index	www.opacityindex.com

Table 2: Corruption Perceptions Index 2002 - Sources

Source: Transparency International; compiled by Christian Schafferer