

Abstract

" Corruption as an International Phenomenon"

Corruption affects everyone. It intensifies poverty. It hinders social and economic development, it undercuts the quality of public administration and weakens democracy. Instead of fair competition, corruption leads to a competition to see who can offer the largest bribes. This is detrimental to national economies and discourages new investment.

The primary concern of Transparency International is for the weakest members of our society, who suffer directly from the consequences of corruption. That was also the reason why Transparency International was founded in 1993 on the initiative of a German, Peter Eigen.

Corruption is the abuse of public power for private gain. Corruption means

- that decisions are made not in order to promote the public good, but to further private interests;
- that expensive and highly complex prestigious projects take precedence over cost-efficient development projects;
- that the added costs of bribery, which may make up as much as 30% of project costs, are charged to investments by the public sector.

Transparency International publicizes worldwide the results of three investigations that deal with the problem of corruption:

The Corruption Perception Index (CPI).

The Corruption Perception Index (CPI) is a list of countries according to the degree to which the people of that country are **aware of** corruption among their public officials and politicians. This index is compiled on the basis of various surveys and investigations carried out by new independent institutions.

The Bribe Payers Index.

This is based on a survey carried out by the Gallup International Association in 15 emerging market countries: Argentina, Brazil, India, Indonesia, Colombia, Morocco, Mexico, Nigeria, the Philippines, Poland, Russia, South Africa, South Korea, Thailand and Hungary. These emerging market countries are among the most important trade partners of multinational companies. The questions in the survey have to do with companies from the 21 leading export nations and their readiness to pay bribes to high-ranking public officials in the emerging market countries under investigation.

Global Corruption Report.

A Global Corruption Report is published annually. In 2005 this report focused on corruption in the construction industry and in connection with rebuilding projects following conflicts. The Report for 2006, which has just been published in an English version, focuses on corruption in the healthcare sector.

Furthermore,

TI is trying to take a holistic approach that does not simply reveal and investigate individual cases of corruption but endeavors to change entire systems. Laws and institutions must be improved, because we have realized that a system of integrity includes a large number of different elements that can protect society against corruption. That's why we are taking a holistic approach. And this approach means dealing with every area of our daily lives.

In any case, in the Federal Republic of Germany it's difficult to imagine today that only five years ago the political and economic elites of the wealthy countries were of the opinion that bribery by their citizens and companies outside their own national borders was not only necessary but even permitted by the relevant laws (and in some cases even promoted by the tax-deductibility of the bribes!). These principles were accepted in almost all countries, with the exception of the USA, where the Foreign Corrupt Practices Act was already passed in 1977. One of the greatest successes of TI International is therefore the OECD Anti-corruption Convention of 1999.

The convention came into force in February 1999, when the critical mass of the 34 signatory states had ratified it and put into place the legal amendments that were necessary for its implementation. Germany acted promptly: on September 10, 1998, the Bundestag approved the ratification and the necessary implementation measures. As of today, 30 of the 34 signatory states have ratified the Convention, and the members of TI, as well as the large anti-corruption community that exists in the world today, have good reason to celebrate a truly dramatic improvement in the international legal structures with regard to cross-border corruption.

To be sure, not everything has been achieved that TI had wanted to achieve, but the elements of the Convention define important obligations under international law for the states that produce more than 80% of world exports.

Finally, a last glance at Germany: the BKA's report on the level of corruption in Germany in 2004.