

Transparency International Bribe Payers Index 2002

Table 1:

In the business sectors with which you are most familiar, please indicate how likely companies from the following countries are to pay or offer bribes to win or retain business in this country [respondent's country of residence]?				
Rank	2002		1999	OECD Convention (as of 14 May 2002)
	Total sample	835	779	
1	Australia	8.5	8.1	Ratified
2	Sweden	8.4	8.3	Ratified
	Switzerland	8.4	7.7	Ratified
4	Austria	8.2	7.8	Ratified
5	Canada	8.1	8.1	Ratified
6	Netherlands	7.8	7.4	Ratified
	Belgium	7.8	6.8	Ratified
8	United Kingdom	6.9	7.2	Ratified
9	Singapore	6.3	5.7	not signed
	Germany	6.3	6.2	Ratified
11	Spain	5.8	5.3	Ratified
12	France	5.5	5.2	Ratified
13	USA	5.3	6.2	Ratified
	Japan	5.3	5.1	Ratified
15	Malaysia	4.3	3.9	not signed
	Hong Kong	4.3	-.*	not signed
17	Italy	4.1	3.7	Ratified
18	South Korea	3.9	3.4	Ratified
19	Taiwan	3.8	3.5	not signed
20	China (People's Republic)	3.5	3.1	not signed
21	Russia	3.2	- **	not signed
	Domestic companies	1.9	- **	

The question related to the propensity of companies from leading exporting countries to pay bribes to senior public officials in the surveyed emerging market countries.

A perfect score, indicating zero perceived propensity to pay bribes, is 10.0, and thus the ranking starts with companies from countries that are seen to have a low propensity for foreign bribe paying. In the 2002 survey, all the data indicated that domestically owned companies in the 15 countries surveyed have a very high propensity to pay bribes - higher than that of foreign firms.

* excluded as part of China in 1999

** not included in 1999

Bribery in business sectors

Table 2:

How likely is it that senior public officials in this country [respondent's country of residence] would demand or accept bribes, e.g. for public tenders, regulations, licensing in the following business sectors?		
2002		
Total sample	835	
Public works/construction	1.3	The scores are mean figures from all the responses on a 0 to 10 basis where 0 represents very high perceived levels of corruption, and 10 represents zero perceived corruption. Precise comparisons between the 1999 and 2002 figures are not possible as the categories have been modified significantly
Arms and defence	1.9	
Oil and gas	2.7	
Real estate/property	3.5	
Telecoms	3.7	
Power generation/transmission	3.7	
Mining	4.0	
Transportation/storage	4.3	
Pharmaceutical/medicare	4.3	
Heavy manufacturing	4.5	
Banking and finance	4.7	
Civilian aerospace	4.9	
Forestry	5.1	
IT	5.1	
Fishery	5.9	
Light manufacturing	5.9	
Agriculture	5.9	

Bribery in business sectors - by size of bribe

Table 3:

Among the business sectors mentioned previously, which are the two sectors where the biggest bribes are likely to be paid?		
2002		
Total sample	835	The results reflect the percentage of respondents who mentioned the
Public	46%	

Arms and defence	38%		
Oil and gas	21%		
Banking and finance	15%		
Real estate/property	11%		
Pharmaceutical/medicare	10%		
Power generation/transm.	10%		
Telecoms	9%		
IT	6%		
Forestry	5%		
Mining	5%		
Transportation/storage	5%		
Heavy manufacturing	4%		
Agriculture	3%		
Fishery	3%		
Civilian aerospace	2%		
Light manufacturing	1%		

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-Bribery Convention)

Table 4:

Which of the following best describes how much you know about the convention?								
2002 Survey								
	2002	1999	Foreign Companies	National Companies	Accountants	Chambers of Commerce	Banks	Legal
Total	835	779	261	261	84	71	80	78
			31%	31%	10%	9%	10%	9%
I am familiar with the Convention	7%	6%	7%	4%	8%	13%	8%	12%
I know something about it	12%	13%	12%	10%	18%	18%	9%	14%
I have only heard about it	32%	43%	30%	33%	26%	28%	36%	38%

I have not heard about it	42%	38%	44%	45%	40%	38%	41%	29%
Not stated	7%	-	7%	7%	7%	3%	6%	6%

Table 5:

Do you know how your organisation is responding to this OECD Convention?		
	2002	1999
Total sample	164	146
Review of practices being undertaken	13%	19%
Compliance programme already exists	35%	-
No action required, doesn't apply	30%	43%
No decision has been taken yet	13%	18%
Don't know how org. is responding	9%	12%
Not stated	-	8%

Table 6:

Solutions to Corruption

If you had a magic wand and you could eliminate corruption from one of the following institutions, what would your first choice be?	
	2002
Total sample	835
Courts	21%
Political parties	19%
Police	13%
Customs	9%
Education (schools, university)	7%
Tax revenue	6%
Private sector	4%
Building and zoning permits	4%
Medical services	3%
Employment & workplace regulation	2%

Table 7:

Sources of respondents' information

Please describe where your knowledge about this subject comes from?	
	2002
Total sample	835
Information from colleagues, friends, clients	58%
Press, media reports	55%
Personal experience	52%
Sources in other companies	38%
Direct experience of people in your company	34%
Government and diplomatic sources	13%
The Internet	12%
Don't know / other	12%
Transparency International	8%

Utilities (telephone, electricity, water etc.)	2%
Immigration & passports	1%
Other	3%

Level of corruption

Table 8:

Overall, has there been a change in the level of corruption by foreign companies of senior public officials in this country [respondent's country of residence] in the past 5 years?		
	2002	1999
Total sample	835	779
Increased significantly	10%	
Increased somewhat	13%	
Total increased	23%	33%
Stayed the same	37%	22%
Decreased somewhat	21%	
Decreased significantly	6%	
Total decreased	27%	25%
Don't know	13%	20%

Table 9:

Have changes and developments in any of the following factors contributed significantly to [an <u>increase</u> in the level of corruption by foreign companies of senior public officials in the past 5 years]?		
		2002
Public tolerance of corruption	67%	This question was posed to all those saying that the level of corruption by foreign companies of senior public officials had increased somewhat or increased significantly in the past five years.
Deterioration of the rule of law	59%	
Immunity of high public officials	53%	
Inadequate controls of money laundering	49%	
Low public sector salaries	44%	
Worsening public procurement practices	35%	
Increased secrecy in government	34%	
Privatisation of state assets	32%	
Increase in globalisation and competition	28%	
Changes in political party funding	23%	
Increased financial liberalisation	19%	

Restrictions on the media	6%	
Other	2%	

Table 10:

Have changes and developments in any of the following factors contributed significantly to [a decrease in the level of corruption by foreign companies of senior public officials in the past 5 years]?		
		2002
Greater freedom of the press	52%	This question was posed to all those saying that the level of corruption by foreign companies of senior public officials had decreased somewhat or decreased significantly in the past five years
Government anti-corruption investigations	48%	
Greater transparency in government	47%	
Greater transparency in government	47%	
Improvements in corporate governance	42%	
Stronger controls of money laundering	39%	
Increase in globalisation and competition	38%	
Improvements in public procurement practices	33%	
Privatisation of state assets	33%	
Greater accountability of public officials	33%	
Increased financial liberalisation	29%	
Changes in political part funding	10%	
Other	1%	

Other means of gaining unfair advantage

Table 11:

In the business sectors with which you are familiar, are there other means by which some Governments gain unfair business advantage for companies from their countries?		
	2002	1999
Total sample	835	779
Yes	68%	69%
No	26%	31%
Not stated	7%	-
"Other means" are means besides corruption used to unfairly influence international trade and investment.		

Other means governments use to gain unfair advantage

Table 12:

What means do these governments use?		
	2002	1999
Total sample	567	537
Diplomatic or political pressure	66%	53%
Financial pressure	66%	45%
Commercial, pricing issues etc.	66%	49%
Tied foreign aid	54%	35%
Threat of reduced foreign aid	46%	n.a.*
Tied defence/arms deals	41%	28%
Favours/gifts to officials	39%	36%
Tied scholarships/education/ healthcare	22%	16%
Other means	8%	11%
Not stated	5%	2%

* included under tied foreign aid in 1999

Countries using other unfair means to gain or retain business

Table 13:

Which three governments do you principally associate with practices such as those mentioned above [other means – besides bribery - used to gain unfair advantage in international trade and investment]?		
		2002
Total sample	567	The score reflects the percentage of responses where the country featured among the three countries cited as principally associated with other unfair practices
USA	58%	
France	26%	
United Kingdom	19%	
Japan	18%	
China (People's Rep.)	16%	
Russia	13%	
This country	12%	
Germany	11%	
Spain	9%	
Italy	5%	
Taiwan	5%	
South Korea	4%	

Switzerland	4%
Malaysia	3%
Canada	3%
Netherlands	3%
Singapore	1%
Belgium	1%
Australia	1%
Austria	1%
Hong Kong	1%
Sweden	<1%

Perceived level of corruption in the public sector

Table 14:

	How common are payments (e.g. bribes) to obtain or retain business or other improper advantages to senior public officials, like politicians, senior civil servants, and judges in the following countries?	How significant of an obstacle are the costs associated with such payments for doing business?	
			2002
Total sample	835	835	Respondents only answered on the countries of which they have experience
Australia	1.87	2.19	<p>Questions relate to the propensity of public officials, politicians and judges from exporting countries to receive bribes from companies in the 15 surveyed emerging market countries.</p> <p>A perfect score indicating zero propensity to receive bribes is 0.0. The higher scores indicate a higher level of corruption within public officials in those countries.</p>
Austria	2.48	1.86	
Belgium	1.84	1.68	
Canada	1.78	1.73	
China	2.96	2.35	
France	2.37	2.10	
Germany	2.01	1.89	
Hong Kong	2.28	1.96	
Italy	3.00	2.68	
Japan	2.45	2.17	
Malaysia	2.77	2.80	
Netherlands	1.88	1.72	
Russia	2.98	2.48	
Singapore	1.70	1.80	
South Korea	3.15	2.58	
Spain	2.64	2.20	
Sweden	1.50	1.40	
Switzerland	1.62	1.19	
Taiwan	2.74	2.13	
United Kingdom	1.81	1.72	
USA	2.07	1.96	

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