

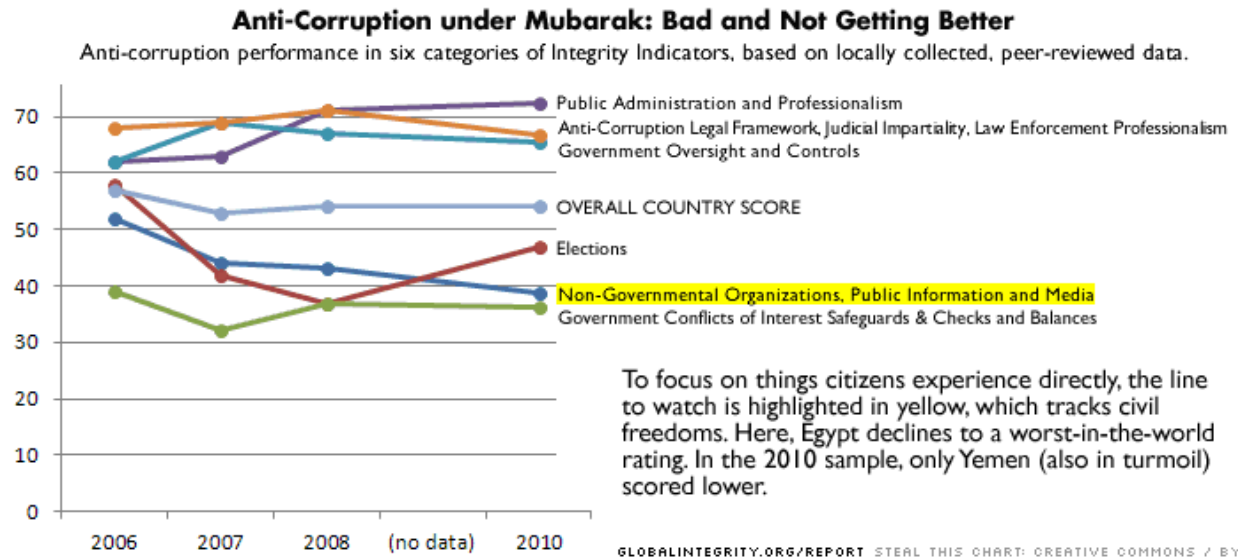


Global Integrity Report: 2010 – Key Findings
Locally reported. Transparently sourced. 100% original data. A bottom-up scorecard of anti-corruption worldwide.

EMBARGO – Hold until May 4 2011

Anti-Corruption Safeguards Deteriorated in Egypt in the Months Before the January Revolution

Global Integrity has been covering **Egypt** since 2006, with a team of local researchers and journalists tracking the previous government’s start-and-stop attempts at governance reforms for many years. Our 2010 data for the country was gathered just months before the January revolution, arriving for analysis in mid-December 2010. What we found in the data was a deterioration of the country’s already weak transparency and anti-corruption framework from mid-2009 to mid-2010 (the period of time covered by our 2010 data). Although the deterioration was not massive, Global Integrity data track a slow and steady decline in the country’s anti-corruption framework going back to 2006. While there were many factors that contributed to the revolution, these data suggest that a lack of government transparency and accountability helped to exacerbate many of the country’s long-standing governance deficiencies.



In Global Integrity’s 2010 assessment of Egypt, the country scored lower in all but 2 of 23 categories of indicators evaluated by Global Integrity researchers since the last assessment in 2008. Transparency and governance challenges in the country are massive and will constitute a major obstacle for any new government seeking to establish its legitimacy.

Legal mechanisms to provide for public access to government information are non-existent in Egypt. In fact, there are several laws that deprive citizens of the right to access government information and basic government records. The media in Egypt have often been of little help for citizens seeking an unbiased view of government performance. Global Integrity data for 2010 tracked a significant decline in the Egyptian media's ability to freely report on corruption since 2008. Effective conflicts of interest safeguards covering senior officials remained elusive, as did transparency in the budget process.

Egypt Is Not the Only Country in the Middle East and North Africa with Anti-Corruption Challenges

Global Integrity's new data for **Yemen, Morocco, and the West Bank** show similar challenges as those experienced in Egypt prior to that country's revolution. All four countries struggle on a range of issues assessed by Global Integrity's Integrity Indicators, including encouraging a climate in which independent media and civil society organizations can investigate and work freely on anti-corruption issues; enforcing effective conflicts of interest safeguards and asset disclosure requirements for political leaders and senior government officials; and effectively auditing government agencies and programs to ensure that funds are not siphoned off by corrupt officials or private companies.

In slightly more encouraging news, Global Integrity data suggest that civil society organizations in Morocco have become increasingly active in engaging with their government; however, the role of these organizations in the policy making process is regarded as largely cosmetic. Legal avenues that help guarantee the civil rights of Moroccans continue to be curtailed through the extra-constitutional powers of the King and rules exempting certain officials from ordinary courts' jurisdiction.

In Yemen, media freedoms are severely restricted and the prospects for a truly independent media continue to dim with the frequent shutdowns of news outlets and intimidation of journalists. The independence of the judiciary continues to be a cause for concern as legislative oversight over the selection of judges is non-existent; appointments are made solely by executive decree.

In the West Bank, a mechanism through which citizens can formally demand information from their government remains out of reach. In the absence of such formal mechanisms, government records can be accessed only informally through personal contacts and on an *ad hoc* basis.

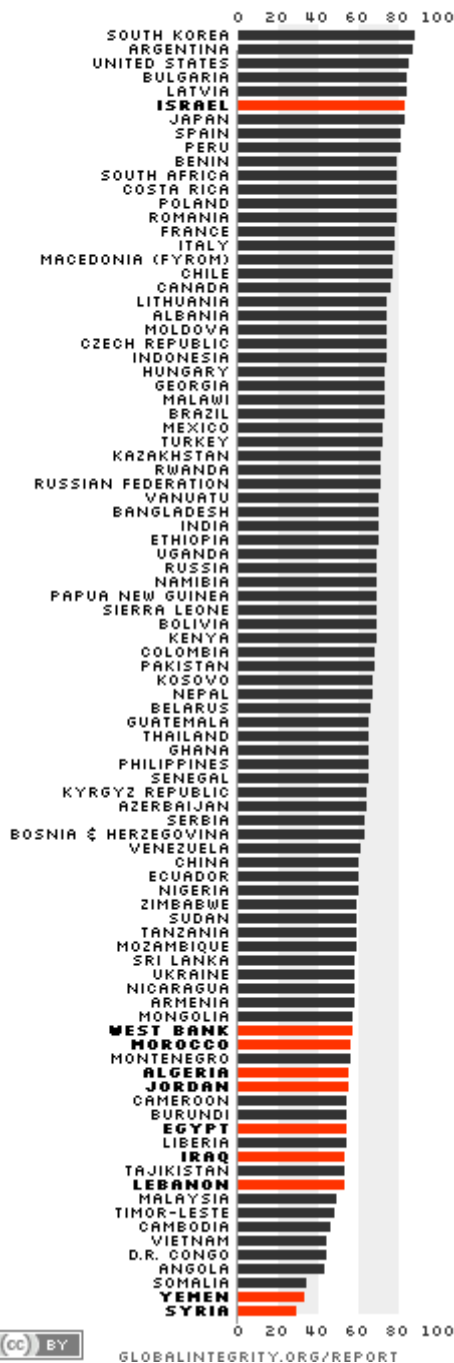
Middle-East & North Africa
Global Integrity Report: 2010, selected data



Middle-East & North Africa

Overall score, latest data (2006-2010)

In a global ranking of anti-corruption, countries in the Middle East & North Africa cluster at the bottom of the list.



Global Integrity data covering the Middle East for the past several years paint a similarly depressing picture. Of the 207 national assessments generated by Global Integrity since 2006, only two countries assessed in the Middle East and North Africa – Israel and the United Arab Emirates – have ever posted an overall country score better than 60 out of 100, Global Integrity’s low threshold for avoiding a Very Weak performance label on anti-corruption safeguards. Beneath that threshold, Middle East and North African countries comprise a disproportionately large percentage of the cohort (of the 65 country assessments that are Very Weak, a striking 35% are countries from the region). From 2006 to 2010, the average score on a Global Integrity national assessment for countries in the Middle East and North Africa was 51 out of 100; for the rest of the world (including low-income developing countries in Africa, Asia, Latin America, and the Pacific) it was 66 out of 100. The disparity between North Africa and the Middle East and the rest of the world on governance and transparency issues should be cause for deep concern.

Citizens in Egypt, Morocco, the West Bank, and Yemen – and in many more countries in the Middle East and North Africa covered by Global Integrity during the past several years -- often lack the basic information and mechanisms needed to hold their leaders accountable, including accurate details of government finances, the sources of personal wealth of senior bureaucrats and politicians, and reliable electoral mechanisms. The streets have thus become the default avenue for attempts to hold leaders to account. International actors appear to be waking up to this reality in the wake of the recent political turmoil in the region; World Bank President Robert Zoellick said in a landmark speech on April 6 2011, “Our message to our [Middle East and North Africa] clients, whatever their political system, is that you cannot have successful development without good governance and without the participation of your citizens. We will encourage governments to publish information, enact Freedom of Information Acts, open up their budget and procurement processes, build independent audit

functions, and sponsor reforms of justice systems.”

New Countries Added (and Dropped) from the Grand Corruption Watch List

Beginning in 2008, Global Integrity began looking for possible triggers of “grand corruption” in the countries assessed in the annual Global Integrity Report — countries where certain key anti-corruption safeguards were so weak that the risk of large-scale theft of public resources was greater than in most countries. We look in our data for three red flags: extremely poor conflicts of interest safeguards in government, weak oversight over large state-owned enterprises, and poor or non-existent controls over the flow of money into the political process. Our rationale is simple: “follow the money” from commercial and special interests to politicians (through political contributions), and then assess whether those officials are sufficiently constrained by conflicts of interest regulations to effectively regulate the large state-owned enterprises whose revenue plays such a large role in many economies. If those data (our Government Conflicts of Interest Safeguards & Checks and Balances, Oversight of State-Owned Enterprises, and Political Financing Transparency categories) are all “Very Weak” (below 60) for a country, that country is placed on the Watch List.

Being placed on the Watch List does not necessarily mean that grand corruption and looting of public resources will always take place in the country, but rather that the risks may be significantly higher than in most countries. The exact drivers of corruption always vary from country to country and may also depend on income level and political systems.

Based on data gathered in 2010, countries newly added to the Grand Corruption Watch List include: **Malaysia, Nigeria, and Tanzania**. Those countries join **Algeria, Angola (reconfirmed in 2010), Belarus, Cambodia, Iraq, Jordan, Liberia, Mongolia, Montenegro, Morocco (reconfirmed in 2010), Nicaragua, Somalia (reconfirmed in 2010), Ukraine, Vietnam, West Bank (reconfirmed in 2010), and Yemen (reconfirmed in 2010)**, all of which have been added since 2008 when the Watch List was first launched.

Unfortunately, no countries covered by Global Integrity were dropped from the Watch List based on new data gathered in 2010.

2010 Gainers & Backsliders

Although Global Integrity no longer publishes a country-by-country ranking of overall performance on the Integrity Indicators (previously known as the Global Integrity Index), we do look for countries that have significantly improved or declined in their overall performance from one assessment to the next. We saw a number of countries’ data change significantly in 2010.

Countries that demonstrated a noticeable improvement in anti-corruption performance in 2010 included: **Argentina** (up 17 points from 2008), **Ethiopia** (up 15 points from 2008), and **Peru** (up 12 points from 2007).

Argentina saw the largest improvement in overall performance. Gains were made in all Integrity Indicators categories and across most sub-categories. Areas registering significant improvements were the media’s ability to report on corruption, election integrity, political financing transparency, and the openness and transparency of the budget process, amongst others. Transparency and accountability safeguards in government procurement and the privatization of

civil service functions are particularly robust (scoring higher than 90 out of 100). Moreover, Argentina's implementation gap – the difference between the country's legal framework for good governance and anti-corruption and its actual implementation and enforcement – narrowed because of improved implementation between 2008 and 2010.

In Ethiopia, there have been gains in the areas of public access to information, conflicts of interest safeguards across all three branches of government, civil service professionalism, and the existence and effectiveness of political financing transparency safeguards.

Since Global Integrity's last assessment there in 2007, Peru has put into place a legal framework for accessing government information, which has helped to improve the country's scores in that category of indicators. Improvements were also seen in the media's ability to report on corruption, improved public access to asset disclosure records of national legislators, improved effectiveness of internal mechanisms for reporting corruption within the civil service, and the effectiveness of the General Accountability Office (Contraloria General de la Republica) through public dissemination of its reports.

For all countries covered, Global Integrity also calculates an "implementation gap" – that gap represents the fall-off between anti-corruption laws and institutions theoretically on the books and their actual enforcement and implementation. Countries covered in 2010 whose implementation gaps narrowed or grew noticeably included:

Argentina (implementation gap narrowed from 39 to 20)

Moldova (implementation gap narrowed from 40 to 29)

Peru (implementation gap narrowed from 36 to 22)

Eastern and Central Europe Continue to Slip

Global Integrity has been predicting a continued slide in anti-corruption and transparency performance in Eastern Europe for several years. Our theory has been that once countries had acceded to "clubs" such as NATO and the European Union, institutional reform processes would stagnate with the pressure of accession having been eased.

Data from the Global Integrity Report: 2010 seem to confirm that prediction, unfortunately. Poland's overall score on the 2010 Report is down significantly, from 88 in 2008 to 78 in 2010. Romania's data have continued a slow and steady decline, beginning at 84 in 2006, sliding to 81 in 2007, 80 in 2008, and now 78 in 2010. Bulgaria's data have declined slightly from 87 in 2007 and 2008 to 84 in 2010 (Global Integrity has concerns about Moody's recent announcement that Bulgaria is being considered for a possible bond rating upgrade in part because of its progress in combating corruption). Global Integrity also covered the Czech Republic for the first time ever in 2010; its overall score of 74 suggests the continued prevalence of anti-corruption and transparency challenges across much of Central and Eastern Europe.

The specific challenges (and signs of progress) differ depending on the country in question, however. Data for Hungary, Poland, Romania and Moldova all show a widening implementation gap with respect to the enforcement of political financing transparency requirements. In

Hungary, while robust laws exist to safeguard the privatization process, enforcement of conflicts of interest rules and requirements for competitive bidding has diminished. In Albania, an independent public complaints mechanism to report abuses by the police force is noticeably absent, and police officers still benefit from immunity from criminal investigations. In the Czech Republic, weak “revolving door” restrictions in the legislative and judicial branches (to discourage potential conflicts of interest once officials leave office) drag down the scores for Global Integrity’s first-ever assessment of the country.

2010 Best / Worst Lists

Global Integrity’s data help to unpack specific successes and challenges in a country’s anti-corruption framework. Below are some of the highlights and lowlights from our 2010 data set across key areas of interest.

Can Citizens Freely Use the Internet?

Global Integrity data help to identify countries in which online censorship is more or less prevalent. We found that Internet freedom was severely curtailed – both by blocking citizen access to the internet and through censorship of existing online content – in Yemen, Egypt, Ethiopia, Pakistan, Russia, Kazakhstan, and Malaysia in 2010.

Of our 2010 sample of countries, internet freedom was poorest in Yemen, where the government regularly blocks access to websites that it deems hostile to its policies without legal due process (even Global Integrity’s online fieldwork platform, Indaba, is often blocked by the government-run internet service provider for allegedly being “pornography”). In Egypt, laws make it obligatory for Internet service providers, including Internet cafes, to document data about citizens' Internet use. Ethiopia’s state-owned telecommunications monopoly uses centralized Internet filtering to block content, especially relating to the political opposition.

Internet Censorship (100 being no censorship; 0 being total censorship)

Countries	Score
Argentina, Albania, Bolivia, Canada, Czech, Republic, Italy, Nigeria, Philippines, Poland, Romania, Somalia, South Africa, Tanzania	100
Bulgaria, Guatemala, Hungary, Moldova, Peru, Timor-Leste, West Bank	87.5
Angola, Bangladesh, Morocco	75
Cameroon, Turkey	62.5
Kazakhstan, Pakistan, Russian Federation, Malaysia	50
Egypt, Ethiopia	25
Yemen	0

Can the Public Request Government Information?

Public access to government information remains a key ingredient of an effective anti-corruption framework in any country, regardless of income level. In Global Integrity's 2010 sample, Peru topped the list on our access to information indicators, with the principle of freedom of information now enshrined in its national constitution. On the other end of the spectrum stand most of the African nations covered in Global Integrity's 2010 sample; mechanisms for requesting government information are virtually non-existent in Egypt, Tanzania, Somalia, Cameroon, and Nigeria.

Access to Government Information

Countries	Score
TOP PERFORMERS (out of 100)	
Peru	93
Bulgaria	90
Argentina, Czech Republic, Poland, Russian Federation	85
Italy	83
BOTTOM PERFORMERS (out of 100)	
Somalia	17
Cameroon	8
Tanzania	6
Nigeria, West Bank	2
Egypt, Malaysia	0

Can Citizens Expect Fair Treatment from Bureaucrats?

Professionalism of a country's civil service is an underappreciated but important component of promoting a culture of transparency and accountability. Citizens' ability to expect fair treatment at the hands of bureaucrats without having to pay bribes is an essential step towards curbing corruption and abuse of power.

Of the countries covered in 2010, Argentina, Bulgaria, Peru, and Romania have the most robust safeguards in place to deter conflicts of interest and political interference in the civil service. While Argentina, Peru, and Bulgaria have the strongest laws on the books to promote a professional and impartial civil service with minimal political interference, the effectiveness of implementing those laws varies. In Argentina, a top scorer in this category for 2010, the reduction of political influence on administrative decisions at the federal level is credited with improving the professionalism of the bureaucracy.

Other countries are not as fortunate. Weak or poorly enforced civil service regulations have exposed the civil service to persistent conflicts of interest and political interference in Yemen, the West Bank, Angola, Somalia, and Nigeria.

Professionalism of the civil service

Countries	Score
TOP PERFORMERS (out of 100)	
Argentina	90

Bulgaria	80
Peru	80
Romania	73
BOTTOM PERFORMERS (out of 100)	
Somalia	33
Angola	30
West Bank	27
Yemen	18

For full results, analysis, and methodology, visit <http://www.globalintegrity.org/report>

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