

Global Integrity Report: 2009 – Key Findings

Locally reported. Transparently sourced. 100% original data. A bottom-up scorecard of anti-corruption worldwide.

Accountability and Anti-Corruption Unchanged in U.S. Despite New Administration

Despite a change of administration in the United States in 2009, significant progress has not been achieved in curbing corruption at the national level in the U.S. The overall score for the United States in 2009 — 85 — is virtually the same as when Global Integrity last assessed the United States in 2007. Despite the new White House's rhetorical commitment to reform and laudable efforts to increase the transparency of government information, there is little evidence to suggest that concrete changes have taken root that will curb corruption at the national level in the years to come. The recent U.S. Supreme Court decision to allow greater levels of corporate and union spending on election advertising will likely drive down future scores for the U.S., Global Integrity predicts.

Global Integrity's new data for the United States suggest several reasons why little progress was achieved in 2009. The Obama administration's early anti-corruption efforts focused significantly on tighter restrictions around lobbying. While certainly not harmful, there are few data to suggest that increasing the transparency around lobbying activities at the federal level is the solution to corruption challenges in the United States. Rather than lobbying, Global Integrity data point to the corrupting influence of massive amounts of money in the federal elections process as one of the core drivers of corruption in the American system. A failure to adequately control the influence of money in politics has blunted other reforms and continues to undermine the potential for lasting change.

The data gathered in 2009 also suggest that the U.S. Supreme Court's recent decision to allow greater corporate and union spending on political advertising (*Citizens United v. Federal Election*

United States results mostly unchanged Global Integrity Index results in 2007 & 2009



COLORLED ARROWS INDICATE THIS COUNTRY'S RATING ON EACH TOPIC. THE GRAY BARS BEHIND INDICATE THE RATING OF 85 OTHER COUNTRIES MEASURED IN 2008 & 2009. RESULTS ARE BASED ON 15,000+ LOCAL, PEER REVIEWED ASSESSMENTS. FOR DETAILS SEE METHODOLOGY:

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Commission) will likely pour fuel on the fire of political corruption in the U.S. While free speech concerns loomed large in the court's decision to overturn longstanding campaign finance controls, the practical reality is that by allowing significant new inflows of private money into the U.S. political process, the court's decision may simply overwhelm an already dysfunctional Federal Elections Commission and undermine prospects for more accountable governance.

For Global Integrity data in the U.S. to improve in future years, innovative methods to control the influence of money in politics will need to be explored in the post-Citizens United era while important accountability agencies such as the Federal Elections Commission and the Inspectors General will need to be greatly strengthened, both politically and with larger budgets.

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

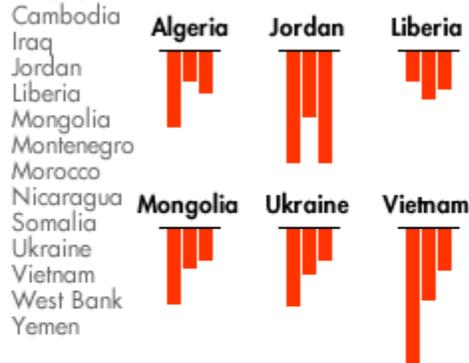
Beginning in 2008, Global Integrity began looking for possible triggers of “grand corruption” in the countries assessed in the annual Global Integrity Report — countries where certain key anti-corruption safeguards were so weak that the risk of large-scale theft of public resources was greater than in 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 Accountability, State-Owned Enterprises, and Political Financing 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 2009, countries newly added to the Grand Corruption Watch List include: **Algeria, Jordan, Liberia, Mongolia, Ukraine, and Vietnam.** Those countries join **Angola, Belarus, Cambodia, Iraq, Montenegro, Morocco, Nicaragua, Somalia, the West Bank, and Yemen,** all of which were added in 2008 when the Watch List was first launched.

The Grand Corruption Watchlist Global Integrity Report: 2009

Watchlist: Six countries were added to the Watchlist due to very low scores in three key anti-corruption metrics:



Three countries were dropped from the Watchlist due to improvement:



THE TOP LINE IS THE MINIMUM SCORE FOR A MODERATE RATING. RED BARS SHOW HOW FAR THIS COUNTRY SCORES BELOW THE MODERATE RATING IN THREE KEY METRICS.

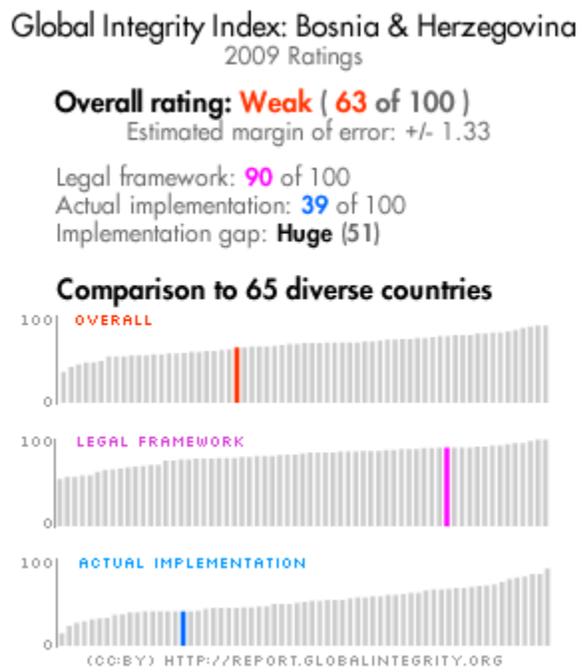
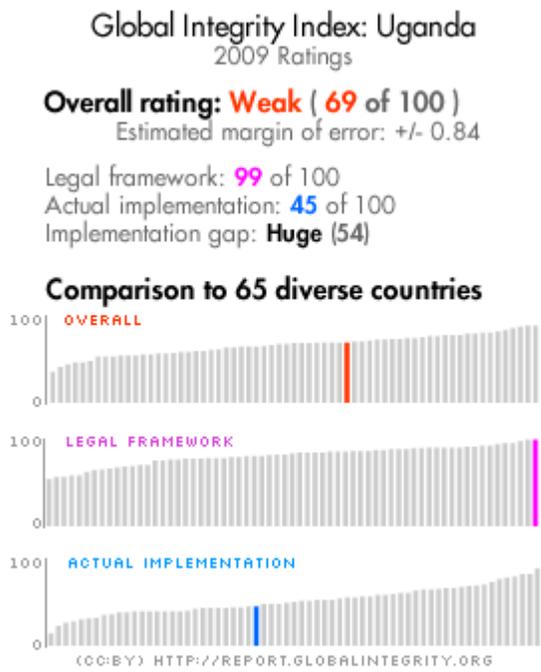
Three countries — **China, Georgia, and Serbia** — have been dropped from the Watch List based on new data gathered in 2009. While their removal from the Watch List does not preclude large-scale corruption from occurring, it does signal that important (though incomplete) progress has been made in establishing a minimum of key anti-corruption safeguards.

Promoting governance and anti-corruption reforms in some Watch List countries will be extremely challenging until fundamental changes take place. In Ukraine, the continuing political deadlock will continue to stymie progress on the good governance agenda until some degree of political stability emerges. In other countries such as Vietnam, effective one-party rule stands in the way of moving forward with setting up the basic checks and balances that are crucial to decreasing discretion and increasing transparency in the way government functions.

Foreign Aid May Not Help Anti-Corruption Enforcement in Aid-dependent Countries

Uganda and Bosnia and Herzegovina have the dubious distinction of boasting the biggest “implementation gaps” of all countries covered in the Global Integrity Report: 2009 — that is, the gap between their anti-corruption laws “on the books” and the actual enforcement of those same laws. These two countries are also among the largest recipients of international donor assistance, lending credence to some who argue that political leaders in aid-dependent countries are skillful at establishing laws and institutions to meet foreign donor requirements despite those same laws and institutions failing to deliver for ordinary citizens.

The “implementation gap,” a score that Global Integrity publishes for each country covered, manifests itself differently in countries as distinct as Uganda and Bosnia and Herzegovina. In the former, the auditing and monitoring of the declared assets of elected officials have proven ineffective despite a strong asset disclosure legal regime. In the latter, a national-level ombudsman agency exists but is considered to be impotent in practice, rarely acting on citizen complaints. In both cases, despite massive amounts of foreign aid, including a significant amount of aid for good governance and anti-corruption efforts, there is little evidence to suggest that ordinary citizens are benefiting from the proliferation of legal and regulatory reforms on paper.

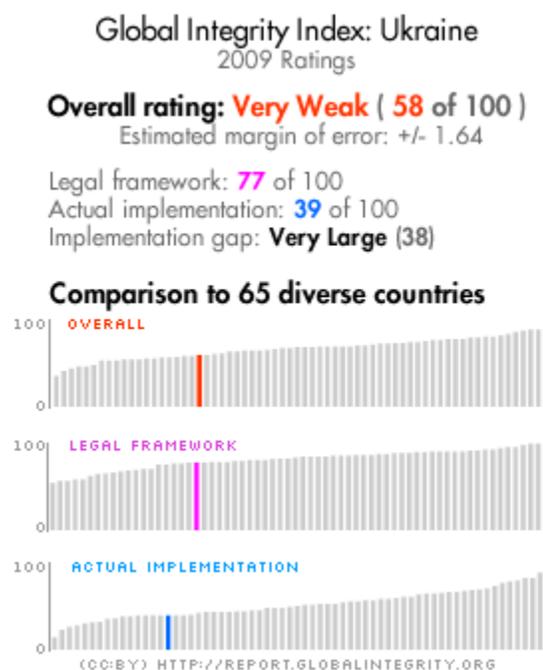


Despite Robust Elections, Ukraine Faces Significant Overall Governance Challenges

The February 2010 presidential run-off election between Yulia Tymoshenko and Viktor Yanukovich in the **Ukraine** has again attracted the attention of the international media, election monitoring observers, and development professionals. But should clean and fair elections continue to be the touchstone of a country's commitment to good governance?

The most recent data on the Ukraine gathered by Global Integrity in 2009 demonstrate that while the country is able to hold relatively free and fair elections, it has suffered significant setbacks in the implementation of other key transparency and accountability safeguards since Global Integrity's last assessment in 2007. We report how the Ukraine has experienced a significant drop in the performance of its anti-corruption agency, providing public access to government information, managing a professional and accountable law enforcement agency, and upholding the rule of law. Of particular ongoing concern is the near-absence of conflicts of interest regulations for senior officials within the executive, legislative, and judicial branches, opening the door to the influence of special interests and foreign governments. Ukraine also struggles with an "overall lack of transparency and accountability in the justice system [which] provides [for] a fertile breeding ground for corruption, leaving citizens vulnerable to violations of their rights."

The Ukraine is not alone in struggling to bridge the gap between fair elections and broader accountability mechanisms. What has become clear during the past four years of our national fieldwork in more than 100 countries is that while many governments excel in ensuring transparency and citizen participation in elections, they are not able to effectively implement adequate accountability safeguards around conflicts of interest, gifts and hospitality granted to government officials, or the enforcement of asset disclosure requirements. While clean and fair elections are often used as a highly visible signal of a country's commitment to good governance, the reality is that many countries struggle to fully implement a holistic and systematic approach to anti-corruption despite holding competitive and participatory elections.



2009 Gainers & Backsliders

Countries that demonstrated a noticeable improvement in anti-corruption performance in 2009 included: **Mexico** (up 9 points from 2007), **Sierra Leone** (up 11 points from 2007), **Georgia** (up 14 points from 2008), **Algeria** (up 9 points from 2007), and **Lebanon** (up 9 points from 2007).

Mexico saw a modest improvement in its overall performance, particularly in the areas of public access to information, voting, election integrity, and the ombudsman, government auditing, and anti-corruption agencies. Mexico's landmark right to access to information act continues to be refined and strengthened, including a new amendment that requires all government agencies to standardize their computer systems to allow citizens to gain access to government records from anywhere in the country. In **Sierra Leone**, there have been gains in several sub-categories, such as election integrity, executive accountability,

whistle-blowing, rule of law, and the anti-corruption agency. New legislation passed and enacted in 2008 has provided greater protection to whistle-blowers in both the public and private sectors as well as strengthened the power of the Anti-Corruption Commission to carry out its mandate more effectively.

In **Georgia**, the government has undertaken new initiatives to increase its level of engagement with civil society organizations through the inclusion of CSO representatives in an anti-corruption alliance created under the Ministry of Justice. In addition, the parliament's approval of a new "semi-autonomous" anti-crime unit within the Ministry of Finance this year has the potential to strengthen the network of anti-corruption agencies decentralized across the Georgian government. In **Algeria**, improvements were seen in the greater role civil society organizations and media outlets are playing as corruption watchdogs despite the challenging environment in which they operate. Transparency into Algeria's election monitoring agency and procurement processes have also increased, as citizens can more readily access results of both elections and tender decisions.

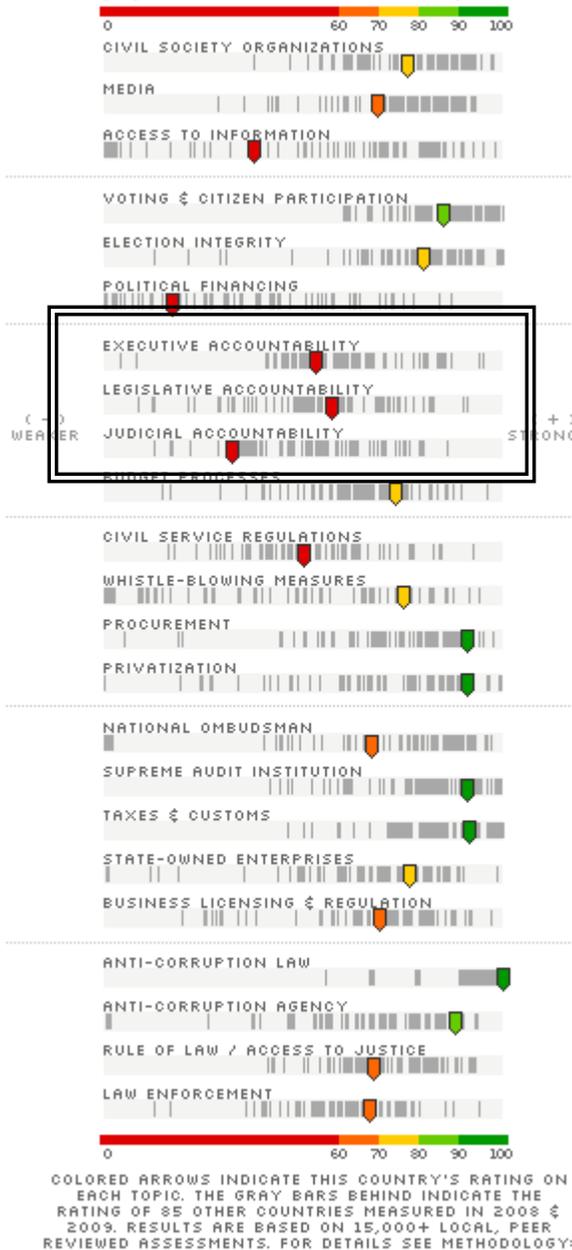
Lebanon's signing of the United Nations Convention against Corruption in October 2008 has pushed the government to begin to create a network of anti-corruption oversight bodies. Draft legislation for a freedom of information act, an anti-corruption agency, and an ombudsman's office are all currently awaiting legislative debate and approval. The newly established Lebanese election monitoring agency has received positive reviews from the European Union, with a recommendation to expand the agency's powers to prosecute election violators.

Countries that demonstrated significant backsliding in 2009 include only **Ukraine** (-10 points from 2007). For details on the challenges facing Ukraine, see the separate Key Findings.

Power Sharing Agreements Ignore Need for Conflicts of Interest Reforms in Kenya and Zimbabwe

Lack of ballot transparency and claims of vote rigging in **Kenya's** 2007 and **Zimbabwe's** 2008 elections resulted in alarming levels of violence. Despite the urgent need to rebuild trust between the public and their governments in both countries, results from the Global Integrity Report: 2009 show that key conflicts of interest safeguards continue to be ignored in both Kenya and Zimbabwe and were glazed over in the passage of both countries' power sharing agreements. We report in Kenya how, "in that haste, nothing was stated [in the revised constitution] concerning immunity of the head of government [or] the prime minister." Two years after Kenya's elections, it is still unclear whether the prime minister is immune from prosecution, and executive branch officials continue to operate under a largely unenforced code of ethics that pre-dates the power-sharing agreement. Zimbabwe's Global Political Agreement and its Presidential Powers (Temporary Measures) Act do nothing to address the complete absence of conflicts of interest safeguards governing executive branch officials. President Mugabe continues to act without judicial oversight and as we report, "the president has been accused of failing to implement some of the key provisions of the agreement, such as the re-appointment of provincial governors, the Reserve Bank governor, and the attorney general."

Global Integrity Report: Kenya Integrity Indicators Scorecard Summary, 2009



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Global Integrity Report: Zimbabwe Integrity Indicators Scorecard Summary, 2009



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In both Kenya and Zimbabwe, failure to adopt and implement adequate conflicts of interest safeguards will undermine the potential for lasting reform and will encourage mistrust, cynicism, and political apathy.

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