

PRESS RELEASE

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Public outrage is calling governments to account and forcing corrupt leaders out of office, says the *Global Corruption Report 2001*

From money laundering and corruption in conflict zones to the overthrow of Fujimori in Peru, the *Global Corruption Report* charts the progress made and challenges ahead

London, 15 October 2001 --- "The secretive web that once shrouded corruption is fast unravelling," states the *Global Corruption Report 2001*, released today by Transparency International (TI), the leading non-governmental organisation fighting corruption. In the Philippines, "public outrage at corruption forced a leader out of office", while in Mexico and elsewhere "numerous and prominent elections have centred on the fight against graft".

The *Global Corruption Report 2001* is the first comprehensive report on the state of corruption around the world. "We are publishing the *Global Corruption Report 2001* to strengthen public understanding of the pervasiveness of corruption and the damage this scourge does to building democracy, securing human rights, fighting poverty, and building a level playing field in international business transactions," says Peter Eigen, Chairman of Transparency International. "Sadly, even terrorism thrives on the wings of corruption."

TI plans to publish the *Global Corruption Report* on an annual basis. The *Global Corruption Report 2001*'s detailed regional reports on the latest trends and developments in the world "paint an alarming picture," says Peter Eigen. "Corruption deepens poverty around the globe by distorting political, economic and social life," he says, but continues: "This new report contains rays of hope. The authors, who are journalists and scholars from many nations, find that increasing numbers of governments and business organisations are starting, albeit modestly, to take positive steps to curb bribery. In particular, citizens' action is beginning to call politicians to account in all corners of the world."

"Corruption is now on the agenda at the highest level of politics. While his campaign against 'soft money' campaign finance gave John McCain a national following in the US, politicians in Mexico and Nigeria have put the fight against corruption at the centre of their agenda," states Peter Eigen at the launch of the *Global Corruption Report 2001*. But civil society organisations are calling politicians to account more than ever, he continued: "From the *Visible Candidates* campaigns by chapters of Transparency International in Ecuador, Argentina, Latvia and now Germany, which call on politicians to disclose their sources of funding, to the waves of protest against corrupt political elites in the Philippines and Peru, there has been a sea change in public attitudes towards corruption."

“The message of the Global Corruption Report 2001 is crystal clear,” says Peter Eigen. “While cronyism persists, an international coalition is emerging around the need to cut off the avenues available to corrupt elites for diverting their ill-gotten gains into foreign bank accounts. The report highlights the vital need for greater efforts at the national and international levels to curb corruption. Since the attacks on the World Trade Centre, the world is finally waking up to the urgency to accelerate the pace of anti-money laundering measures, but it is also essential that we promote a clearer understanding around the world of the crucial importance of an independent judiciary and a free press to make governments accountable to the public.”

“The *Global Corruption Report 2001* tackles uncomfortable issues, from the Elf Aquitaine affair and corruption in conflict zones to the fall of corrupt leaders,” adds the editor of the new report, Robin Hodess. “We have brought together a large number of exceptional writers with a mandate to write honestly about corruption trends in the parts of the world they know best and about a series of special issues, notably money laundering, bribery in political party financing, transparency in the diamond trade, and implementing new international anti-bribery laws,” she continued.

“We are telling today’s global bribery story, with 12 regional reports, while at the same time creating a unique reference work, which provides summaries of the most exciting research and survey studies on the subject of corruption. We think this section of the book will be widely seen in universities and editorial rooms as an indispensable reference tool,” says Robin Hodess.

The *Global Corruption Report 2001* charts the positive reforms – such as legislative breakthroughs and the establishment of independent anti-corruption agencies - as well as the setbacks. It highlights civil society campaigns to combat corruption all over the world, noting that, “when aided by the news media and the power of the vote, civic action has played a key control function in the struggle to stop corrupt practices”. A media spotlight has resulted in widespread awareness that corruption is strangling societies around the globe. Despite the dangers journalists have faced, the news media reported vigorously during the year, whether tracking bribery in the Argentinian senate or exposing electoral malpractice in Ghana. In relative terms, the news media also managed to become more active in places not known for press freedom, such as the Middle East and North Africa.”

“The increasing prominence of corruption in public debate has pushed leaders, both new and not so new, to address corruption,” writes Peter Eigen. “Russia’s President Vladimir Putin, in his quest to enforce the rule of law, has had to face the reality that corruption is rampant throughout the Russian establishment: a single decade of privatisation of state assets resulted in the outflow of tens of billions of dollars into the personal overseas bank accounts of former state officials. In Japan, the new leadership seems to recognise that economic recovery requires a loosening of the stranglehold that has kept corruption a taboo in political debate. Accused of foot-dragging until recently, the Japanese government, along with the re-elected Labour government in Britain, have started bringing national legislation into line with the OECD Anti-Bribery Convention.”

For further information or to request a review copy, contact Robin Hodess on +49 30 3438 2036 or, to view the *Global Corruption Report* electronically, visit www.globalcorruptionreport.org

From the *Global Corruption Report 2001*:

“Corruption casts a long shadow, but it is the poor of the world...who pay the highest price ... Developed countries have a responsibility to root out sources of corruption...and to be ready partners in assisting the tracking and reclaiming of funds looted from developing countries.”

Clare Short, UK Secretary of State for International Development

“I maintain that the main source of corruption is the abusive exercise of power, be it economic, political or military. In countries such as mine, gaining office (whether by popular election or by appointment) is akin to political plunder: the position offers a blank cheque, and the guarantee of great personal enrichment. This is a rule tacitly accepted by all those who call themselves ‘politicians’.”

Rigoberta Menchú Tum, Nobel Peace Prize Laureate and UNESCO Goodwill Ambassador