

The World's Most Corrupt Countries 2007

The Forbes by David A. Andelman

04.03.07

Transparency International

- **Transparency International (TI)** is an international [non-governmental organization](#) addressing corruption. This includes, but is not limited to, [political corruption](#). It is widely known for producing its annual Corruptions Perceptions Index, a comparative listing of corruption worldwide. The international headquarters is located in [Berlin, Germany](#). The founder of the organisation is [Peter Eigen](#)

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- The higher the score, the less corrupt the country. Tied for No. 1 this year, with a CPI “score” of 9.6 are Finland, Iceland and New Zealand. At the bottom, with a score of 1.8 is Haiti
- TI has developed an index from 0 to 10 comprised of surveys of specialists, opinion leaders, business officials and human rights monitors who live, work or travel extensively in each of the countries ranked

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- **#1 Haiti**
- The police continue to be a central factor in corruption in Haiti, though there is corruption in virtually every governmental body. Since the police are also the officials closest to every individual on a daily basis, it is their corruption that changes the nature of daily life in Haiti, permeating all society and the way business is done.

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- **#2 Myanmar**
- Corruption is perceived as widespread in this vicious dictatorship run with an iron hand by a strong-willed clique of military leaders, who persist in repression of civil society at every level. Illicit facilitation payments and informal fees are required to access even the most basic government services

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- **#3 Iraq**
- Huge quantities of funds-- especially American military and reconstruction aid funds--swirling through this nation, where many civil structures have largely broken down, is a recipe for corruption at all levels. Beyond kidnappings and ransom payments, TI officials say their survey was conducted in the first half of 2006 when funds being handled by the Coalition Provisional Authority were largely exhausted and no longer being disbursed. So the Iraqi government, where corruption is said to be rampant, was in charge of its own funds. International businessmen from a range of countries converging on Baghdad found finance, export credits, contracts and a host of more mundane functions of government all subject to illicit payments.

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- **#4 Guinea (Conakry)**

- Guinea has been in a political crisis state for at least three years. Though the current, corrupt president has been in power for 20 years, strong pressure has been building from the public for a change of regime. A public strike that lasted one month finally ended a month ago. There was outright civil strife, obliging the president to appoint a new prime minister. The most controversial, and corrupt, deals surround the mining sector, particularly aluminum. Among foreign businessmen, the general view, according to the TI survey, was that to do business in Guinea you needed "to pay off the guy at the top."

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- **#5 Sudan**
- The key event was the switch from a Canadian company that dominated oil drilling in Sudan, the No. 3 oil producer in Africa, to a Chinese company that took over the contract after the Canadians found corruption and an outrageous human rights record was too rife to be able to continue functioning. China is now responsible for 90% of all oil production in Sudan, which also controls oil flow down a large pipeline through southern Sudan to the sea. Chinese officials have declined any comment on the human rights situation, and TI officials say they are "not too worried about having to pay off the Khartoum government."

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- **#6 Democratic Republic Congo/Kinshasa**

Copper in Katanga, and in the rest of the country, gold, uranium and especially coltan, a rare mineral that's in every cell phone chip, still drive the corruption that remains rampant in this African nation. A presidential election did little to stop the corruption or the resulting violence that erupted again last month in downtown Kinshasa, the nation's capital. The president is the principal recipient of routine payments by the mining companies who apparently are prepared to play the very lucrative payoff game that remains as endemic now as it was back during the regime of one of Africa's historically most corrupt leaders, Mobutu Sese-Seko.

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- **#7 Chad**

- Chad has dropped from No. 1 to No. 7 this year as international aid agencies, particularly the World Bank, have sought to come to grips with one of the world's most piggish uses of philanthropic funds. Proceeds of a Chad- Cameroon oil pipeline, funded in part by the World Bank and operated by an Exxon Mobil-led consortium, were supposed to have been used to help feed the desperately poor people of both nations. Instead, at least \$30 million was diverted to buy arms to keep the government of President Idriss Deby in power. The World Bank, whose president, Paul Wolfowitz, was deeply embarrassed by the fiasco, halted funding more than a year ago, but reached an accord with Chad last July. According to TI officials, the jury's still out on how effectively it will be implemented.

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#8 Bangladesh

There continues to be a general lack of engagement between the government and civil society as repression, corruption throughout government ranks and especially in the judiciary and political circles persists, often spilling over into the private sector. In March, the new military-backed government jailed at least 40 prominent business and government leaders from two of the leading political parties in what was described as an ongoing probe of corruption, but TI officials are little impressed. Still, after five straight years at the top of the list, Bangladesh has signed the United Nations convention against corruption and has now dropped to No. 8.

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• #9 Uzbekistan

• The most corrupt of the five former Soviet Republics on our list, Uzbekistan is sinking ever deeper into corruption and unrest--in constant turmoil and strife under what the U.S. State Department describes as the authoritarian rule of President Islam Karimov, a communist apparatchik holdover of the old regime, which, while violently suppressing opposition, encourages corruption that permeates society, including the executive branch. Bribery will win you everything from admission to leading educational institutions to a favorable outcome of traffic cases and civil lawsuits.

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#10 Equatorial Guinea

One of the world's smallest oil powers, it is also among the most corrupt. Still, possibly under pressure from the major oil companies that operate there, particularly Exxon Mobil, things have improved a trifle, though the corrupt President Teodoro Obiang Nguema remains in power. Now, though, it's becoming possible to operate a business on a reasonable basis, provided one accepts that 30% of all funds, including oil profits go straight into the pocket of Nguema. Still, the system of corruption now is more rational and orderly than the previous system that amounted to near-total anarchy.

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- **#11 Cote d'Ivoire**
- Another African nation bisected by a violent civil war, the two factions-- north and south--have theoretically agreed just a month ago to form a sort of coalition government, which in theory would end more than two years of hostilities. Still, there are many successful agribusinesses, particularly producing pineapples and palm oil, that operate effectively under the general understanding that a certain percentage of their profits go directly into the pockets of the nation's long-standing president, Houphouet Boigny, and others in the ruling elite.

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#12 Cambodia

Corruption is pervasive through all levels of society, TI officials report. No one has ever been prosecuted under a skeleton anti-corruption law. Last month, international groups charged that judges in the trial of top former Khmer Rouge leaders had bought their positions. International aid donors including USAID under the Donor Coordination Group of Cambodia have warned of diversion of large chunks of the \$500 million or more in international aid provided to this nation where two-thirds earn less than \$2 a month. The system of illicit "facilitation" payments by businesses and individuals may only intensify as oil found off the coast replaces donor aid, removing even today's rudimentary controls on use of public revenues.

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- **#13 Belarus**
- Ruled by one of the most autocratic of the post-Soviet communist dictators, Alexander Lukashenko, his pledge when he was elected to office in 1994 was to end the rampant corruption and nepotism that had characterized government and society. Instead, these trends only intensified. In early 2005, the U.S. State Department labeled Belarus as Europe's only remaining outpost of tyranny. Lukashenko has maintained power through a series of rigged elections, and many members of his government have remained in office through bribery and cronyism.

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#14 Turkmenistan

One of the "stans"--the Asian republics of the former Soviet Union--four of which are in the top 30 most-corrupt nations. The U.S. State Department reports that, "Turkmenistan has laws to combat corruption, but they are ineffective, and corruption is rampant." That's probably an understatement. President Saparmyrat Niyazov has run this central Asian nation--the most corrupt of the "stans"--with an iron fist since he first took over the Turkmen Communist Party in the Soviet era. He is personally believed to choose his country's investment partners with one eye on how generous they might be.

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#15 Tajikistan

The victim of a civil war, the nation now exists largely as a narco-economy. As the U.S. State Department reports: "Rampant illicit trafficking of Afghan opium and heroin through Tajikistan remains a serious long-term threat to Tajikistan's stability and development, fostering corruption, violent crime, HIV/AIDS and economic distortions." And that only scratches the surface here, international monitors report. War lords control the Ministry of Taxation and wide areas of the countryside--the same families and clans that were in control throughout much of the communist era. The only improvement lately? Nightly gun battles in the streets of the capital seem to have eased.

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#16 Sierra Leone

While the government has created an "anti-corruption commission" and a Web site declaring Dec. 9 "anti-corruption day," 95% of all residents said in a poll that, "Corruption is rampant in most government departments." One of the world's leading producers of gem-quality diamonds, the horrific toll of traffic in illicit stones won Leonardo di Caprio an Oscar nomination for the film *Blood Diamond*, set in the country and detailing the outrages of this corrupt and often deadly industry.

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- **#17 Pakistan**

- Transparency International believes that Pakistan has made some progress, particularly with respect to procurement issues (since the U.S. provides enormous aid to the country as a frontline power in the war against terrorism), the government seems to be taking active steps to combat corruption. But it's working in only a spotty fashion. On March 9, President Pervez Musharraf, suddenly suspended and detained the nation's chief justice, apparently because of his failure to sanction illegal detentions of terror suspects and overturning corrupt privatization of steel mills. Corruption remains rife in the judiciary, financial markets and civil service.

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- **#18 Nigeria**
- Nigeria has bounced off the bottom of the most corrupt nations list due to a determined effort by President Olusegun Obasanjo. The president named an Economic Crimes Bureau, which, under the leadership of a small group of top officials including the minister of trade and the MIT- educated minister of finance, has prosecuted two government ministers, forcing them from office, and begun monthly publication of budget figures on the national level and in 33 states and 700 local government authorities. Compared with five years ago, Transparency International reports, progress is being made.

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- **#19 Kyrgyzstan**

- A revolution here two years ago seems to have led to nothing but chaos. Following liberal revolts in Georgia and Ukraine, the hope was that this would be the third domino post-Soviet nation to adopt a less corrupt "people power" form of government. But, "This was incredibly different from other revolutions," remarks one Transparency official. "It didn't lead to anything. A new group and new clan just seized power, with some suspicion of Russian complicity. The reform process has gone nowhere." Its substantial oil wealth also make it qualitatively different from the other "stans," particularly in its strategic position between Russia and China.

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- **#20 Kenya**

- Since the resignation of anti-corruption czar John Githongo, two years ago, corruption has persisted in Kenya, but international monitors now suggest that, "People are much more careful about it, they have to obey due process." The World Bank has embarked on a \$120 million East African Trade and Transport Facilitation Project aimed to improve efficiency of supply chains and curb corruption using detailed audits and reviews. It remains to be seen how effective such projects can be, though recently the government refused delivery of a Spanish-built frigate since it was believed any official who approved its delivery would be accused to taking kickbacks for its construction.

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- **#21 Republic of Congo Brazzaville**
- Still in the hands of one of Africa's many corrupt dictators, in this case Denis Sassou Nguesso, with more opposition at home he has begun paying lip-service to creation of an anti-corruption campaign while he and a number of his lieutenants continue to skim funds, particularly from oil shipments through the port of Pointe-Noire. Last November, the government arrested anti-corruption advocate Christian Mounzeo when he returned home to Brazzaville after criticizing publicly in Europe the government's misuse of oil revenue.

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• **#22 Angola**

• Africa's newest OPEC member continues to siphon large quantities of cash from its oil production into the pockets of senior government officials and for use in sweetheart arms deals, used to attack rebel elements that continue their campaigns of violence and to help the dictator Robert Mugabe remain in power in neighboring Zimbabwe. Last week, Sarah Wykes, a British investigator for Global Witness, was released after being seized and imprisoned for a month while probing corruption at the oil depot

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#23 Venezuela

Hugo Chavez, elected president in 1998 on a platform of aiding the poor, is doing more to aid close political confidants and skim funds used to maintain himself in power. Transparency International officials believe that large percentages of the nation's enormous oil revenues go "directly into the [chief] executive's pocket." Congress, completely in thrall to the executive, provides no checks and balances while cronies of Chavez have been placed in all key positions where they have proceeded to enrich themselves. Accountability and internal controls are weak, often non-existent. The police are perceived as the single most corrupt institution, followed by the political parties who routinely use the police for political

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- **#24 Niger**
- Mamadou Tandja is in his second five-year term as president, but has done little to erase the legacy of the military coup that brought him to power or the violent repression of subsequent attempts to change rulers. Last September, Amnesty International protested the arrest of two leading Niger journalists who'd published details of the skimming of international donor funds.

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#25 Ecuador

The biggest troubles in Ecuador, for Transparency International, is in the judiciary and public procurement processes. Basically you "pay for any contract you get it," one official said. When it comes to enforcement, the attorney general, judiciary and procurement processes are recognized as profoundly corrupt, though it's the political parties and parliament that get the worst ratings. A key problem is the fact that since the turn of the century, the nation has been ruled by a succession of six juntas or presidents who have failed to complete their terms.

