REVIEWING GLOBAL CORRUPTION

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Abstract: The present paper is intended to focus on various issues related to global corruption. It is observed that countries differ in domestic corruption levels. Differences in corruption level may be attributed to various factors. These may include population pressure, income level, nature of governance, competitive environment and many more. The study is based on data published by some reputed International Agencies. Using some simple statistical tools reality and common perception is examined here.

- **Statement of the problem**

Now-a-days a term is heard everywhere. It is corruption. Not only heard, sometimes we read or see incidences of corruption in media, sometimes we directly become victims of corruption. Not only us, it is a global problem. Citizens of a good number of countries are suffering from this disease in their day to day living. Everybody understand informally, what corruption is. In general terms, bribing, false reporting, not fulfilling official commitments, and denying deserved rights discretionary and so and so could be regarded as incidences of corruption.

Here, in this paper it is intended to focus on various issues related to global corruption.

- **Background**

During pre-historic ages human civilization started with the formation of isolated small groups. Initially these people took shelter in caves. Later they learned to build shelters using whatever nature locally permitted, usually woods and leaves. At that time human race had to compete with wild animals to snatch foods. Gradually with the discovery of fire and invention of several tools they succeeded, at least to some extent, to avoid regular confrontation with wild beasts. The time was such that very few people were there to roam over earth. Though collection of food was tough but it was abundant. Whatever might have been collected, everyone within the group used to get their share. Human race at that time was nomadic. As soon as availability of food was reduced, they abandoned the place and another uncertain journey started to settle elsewhere.

Individualism was unknown to these ancient people. Jointly they struggled, jointly they moved and jointly they lived. Every choice was originated in common interest. Group members were not denied his or her usual claims over food. They had some crude notion of natural laws and they were supposed to follow those without questioning. The situation may be associated with a state having no biasness. In modern terminology we may describe the situation as absence of class and absence of corruption as well. Things however changed gradually. With increase in population small isolated ancient groups started to expand. Knowledge to cultivate land acquired. Caves were abandoned. Dependency on forest reduced. Nomads permanently settled in suitable places. Nation states started to take shapes. Numerous scientific developments took place to ease life. All these gradually resulted in what we see today. The historical process of

development of human race has been transforming the character of human societies as well. Simple life has become complex. More hands are waiting to grab limited opportunities. As part of change innocent societies are becoming corrupt.

- **Objective of the study**

Presently, most of the countries suffer from corruption. Though, its degree or acuteness varies across different countries. Our common perception is that developed countries might have been facing less corruption compared to its developing or undeveloped counter parts. This common perception is also supported by the corruption index of TI. Differences in corruption level of different countries may be attributed to various factors. These may include population pressure, income level, nature of governance, competitive environment and many more. In this limited sphere all the factors cannot be tested. Objectives of this paper is to study

Association between volume of population and corruption

- **Methodology**

(i)   Data

The study is based on secondary sourced data. These data are retrieved from websites of various well known international and national organizations. Statistics related to corruption level of countries of the world are collected from website of Transparency International (http://transparency.org). Transparency International (TI) is a global organization established with the sole aim to fight against corruption. It was established in 1993 in Berlin, Germany. Till now it is regarded as the most accountable organization in the question of stating anything about corruption. Every year it publishes data showing ranking of different countries according to their level of corruption.

For population, data is taken from website of World Bank (https://worldbank.org). World Bank publishes data on various macroeconomic parameters on a regular basis and it can be accessed freely from their website.

(ii)   Coverage

As transparency international and World Bank publishes data for all the countries of the World, here exhaustive study has been conducted both region wise and country wise.

(iii)   Statistical tools applied

For the study rigorous statistical exercises are avoided to keep the thing simple. Few pictorial presentations of data are there. For the purpose, some percentage distributions and simple averages are computed. In one occasion, to show degree of association between population size and corruption level, correlation coefficient has been computed.

- **The Study**

Today, across the globe, we find corruption as an integral part of living. All the countries are however not equally corrupt. Its degree and pattern varies in different countries. It is seen that few people or few organizations are denying others what they deserved or accumulating personal gains due to corruption.

Let us see its formal definition following Transparency International,

> *"Corruption is the abuse of entrusted power for private gain. It can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs."*
> *(https://www.transparency.org/what-is-corruption)*

According to TI corruption may broadly be classified as follows

   (i)   Grand corruption

   (ii)   Petty corruption

   (iii)   Political corruption

(https://www.transparency.org/what-is-corruption#define)

Apart from this there may have administrative corruption, judicial corruption, corporate corruption, religious corruption and many more.

Let us now see what the pictures of global corruption are. For the purpose here Corruption Perception Index for the year 2018 is primarily followed. The Corruption Perceptions Index (CPI) is an index published annually by Transparency International since 1995 which ranks countries by their perceived levels of public sector corruption, as determined by expert assessments and opinion surveys. Since 2012 CPI takes into account 16 different surveys and assessments from 11 different institutions. The surveys/assessments are either business people opinion surveys or performance assessments from a group of analysts. The institutions are:

(i)   African Development Bank (based in Ivory Coast)
(ii) Bertelsmann Foundation (based in Germany)
(iii) Economist Intelligence Unit (based in UK)
(iv) Freedom House (based in US)
(v)   Global Insight (based in US)
(vi) International Institute for Management Development (based in Switzerland)
(vii) Political and Economic Risk Consultancy (based in Hong Kong)
(viii) The PRS Group, Inc., (based in US)
(ix) World Economic Forum
(x)   World Bank
(xi) World Justice Project (based in US)

The index ranges from 0 to 100. Countries nearing zero indicates high corruption level. Generally data is published for 180 countries. According to 2018 CPI, Denmark ranked 1st having highest value of CPI (88), that is, Denmark is found to be as the least corrupt country. On the other hand Somalia ranked 180th having CPI only 10.

Here some further calculation has been done to reveal few pictures.

Considering range of CPI, it may be said that countries having score less than 50 as more corrupt. Accordingly out of 180 countries around 70% has been found as more corrupt and 30% as less corrupt.
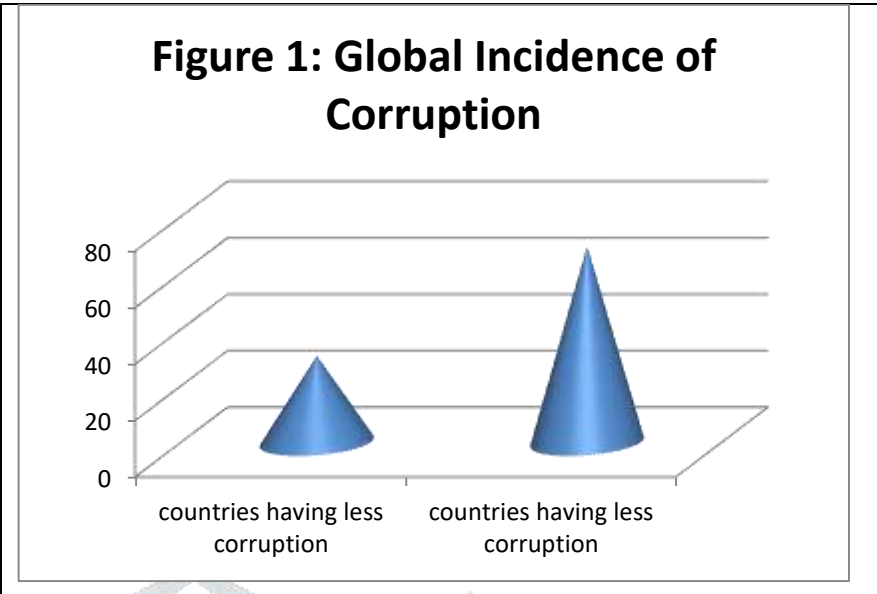
We may segregate further to identify concentration of countries with respect to continents.

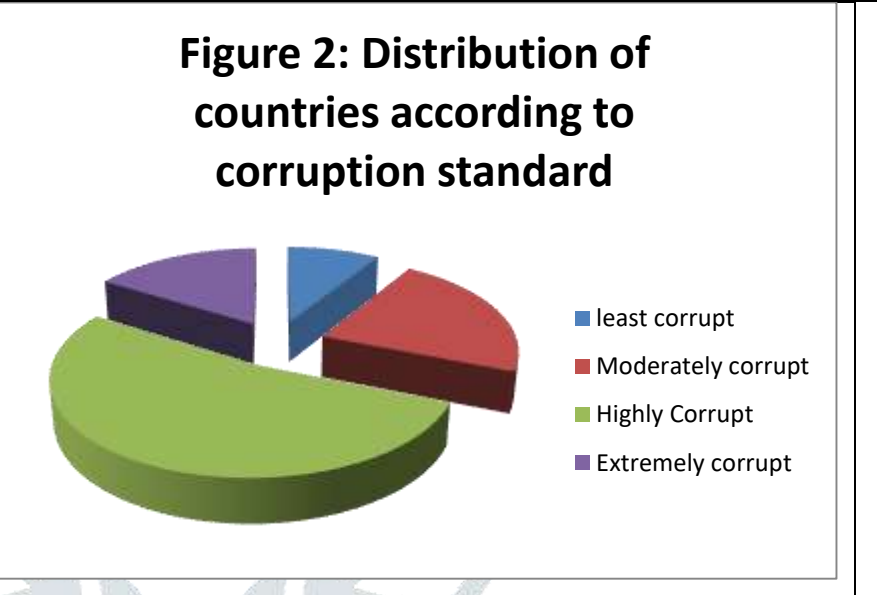Countries may be classified into four categories, namely

(i) Least corrupt (score: 100 to 76),
(ii) Moderately Corrupt (Score: 75 to 51), (iii) Highly Corrupt (Score: 50 to 26) and (iv) Extremely Corrupt (Score: 25 to 0). From figure 2 it can be seen that most of the countries out of 180 countries are highly corrupt. In the least corrupt category except Singapore and Hong kong from Asia and Canada from North America and Australia, countries are from western Europe. At the other extreme 14 countries out of 24 extremely corrupt countries are from Africa. Few are

Figure 1: Global Incidence of Corruption

Data source: https://www.transparency.org/cpi2018

Figure 2: Distribution of countries according to corruption standard

Data source: https://www.transparency.org/cpi2018

from Eastern Europe and Asia and one (Venezuela) is from South America. A good number of Asian, African and South American countries are shown high corruption level.
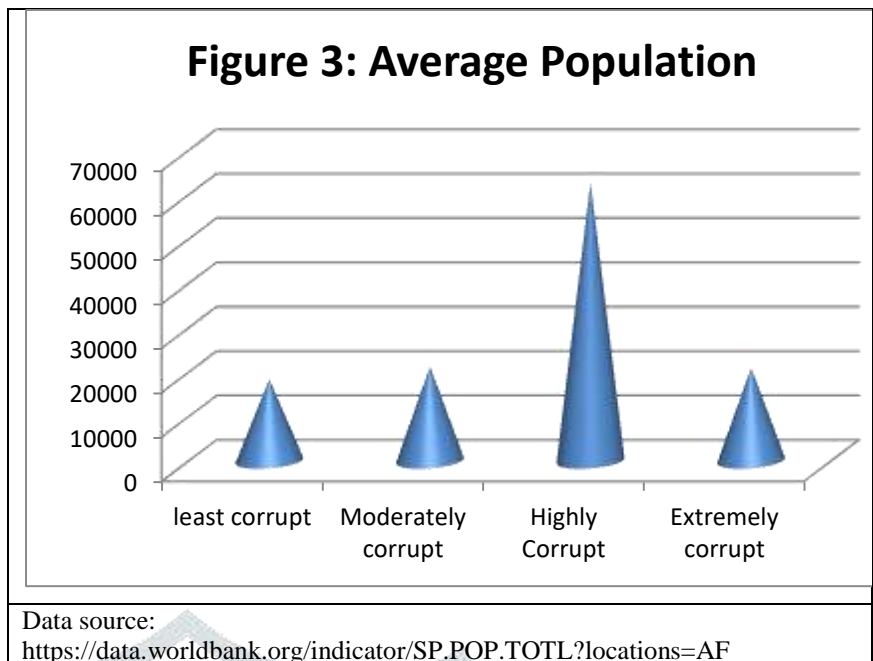
Theoretically it is perceived that relative unavailability of basic facilities may give rise to corruption in any country. If there remains high population pressure then resources may become scarce. On this perception here another calculation has been made. Average population of countries has been calculated for the above mentioned four categories. From the adjacent diagram (Figure 3) it can be seen that average number of population is sufficiently high for highly corrupt countries. Average population of other categories however is not showing any significant differences.

Figure 3: Average Population

Data source:
https://data.worldbank.org/indicator/SP.POP.TOTL?locations=AF

- **Primary inferences**

It has been seen that

    (i)   There is high concentration of Asian, African and South American countries in highly corrupt category.

    (ii)   These countries are known to have larger population.

Above two features are focusing towards the inference that there might have some close relation between population pressure and corruption.

To check the above inference here a simple statistical tool has been applied. Across all 180 countries correlation coefficient has been calculated taking score of CPI and size of Population as two variables.

Interestingly, value of correlation coefficient is found to be as **-0.0389.**

The value is certainly insignificant. That means, according to the study in aggregate population size of any country cannot be considered as instrumental in explaining corruption level. The cause might have been resting elsewhere.

- **Alternative approach**

If population size does not matter then there must have other reasons to explain corruption. In this context we may think of governance type of any particular nation. Nature of Governance may be another area for understanding incidence of corruption. Central Intelligence Agency of USA regularly publishes data on governance type of any particular country. It is seen that at present in the world there are several types of governance that are ruling different countries. These are

    (i)   Absolute Monarchy
    (ii)   Communist State
    (iii)   Constitutional Federal Republic
    (iv)   Constitutional Monarchy
    (v)   federal parliamentary democracy under a constitutional monarchy
    (vi)   Federal Parliamentary Republic

(vii)   Parliamentary Monarchy
(viii)   Parliamentary Democracy
(ix)   Presidential Republic
(x)   Semi Presidential Republic
(xi)   Dictatorship

This list is not exhaustive. There are other varieties also. (https://www.cia.gov/index.html)

Interestingly, out of 17 least corrupt countries 10 are running with Parliamentary Constitutional Monarchy. Countries which are highly corrupt are running with either authoritarian regime or Presidential republic or Semi Presidential republic. Of this category 18 out of 24 have government as Presidential Republic. 6 countries have been found under dictatorship. And all of them are either extremely or highly corrupt as far as CPI is concerned. Highly corrupt countries are however having shown different types of government.

- **Conclusion**

The study conducted here has tried to focus on incidence of global corruption in a limited scale. Curbing corruption is the need of the day. Only two possible sources of global corruption is highlighted here. Further studies are welcomed to focus on the issue.

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