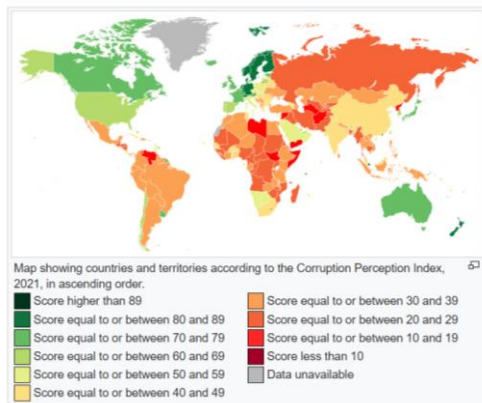


Corruption Perception Index (CPI) 2021

Corruption is a widespread phenomenon. It raises serious social, moral, economic and political concerns, undermines good governance, hinders development and distorts competition. It erodes justice, undermines human rights and is an obstacle to the relief of poverty. It also increases the cost of doing business, introduces uncertainties into commercial transactions, increases the cost of goods and services, diminishes the quality of products and services, which can lead to loss of life and property, destroys trust in institutions and interferes with the fair and efficient operation of markets.

Ever since the start of the Covid-19 pandemic, the 2021 Corruption Perception Index (CPI) revealed that that corruption levels remain at a standstill worldwide. For some of us who does not know what the CPI is, it is an index which ranks countries by their perceived levels of public sector corruption, as determined by expert assessments and opinion surveys.

The CPI ranks 180 countries and territories around the world by their perceived levels of public sector corruption.



The results are given on a scale of 0 (highly corrupt) to 100 (very clean). The recent results of the survey indicated that 131 countries have made no significant progress against corruption over the last decade,

although a lot of commitments were given by a lot of countries on the fight against corruption. This year 27 countries are at a historic low in their CPI score and the global average remains unchanged for the tenth year in a row, at just 43 out of a possible 100 points.

This year's analysis of CPI results shows that upholding human rights is crucial in the fight against corruption, with countries who violate civil liberties generally scoring lower on the CPI. It has been noted that corruption undermines the ability of governments to guarantee the human rights of their citizens. This affects the delivery of public services, the dispensation of justice and the provision of safety for all. In particular, grand corruption committed by high-level officials usually combines the large-scale, transnational theft of public funds with gross human rights violations.

Zimbabwe is on number 157 out of 180 with a score of 23 down from a score of 24 in 2020. This means that Zimbabwe has regressed in its fight against corruption. Countries like Senegal, Gambia, Ivory coast faired even better that Zimbabwe on the CPI. Despite the concerted efforts in country to fight this scourge, the perception is that Zimbabwe as a country has worsened. Past research has found a correlation between a higher CPI and higher long-term economic growth, as well as an increase in Gross Domestic Product (GDP) growth of 1.7% for every unit increase in a country's CPI score. Past research has also shown a power-law dependence linking higher CPI score to higher rates of foreign investment in a country.

Corruption is also amongst the key factors that are considered before targeted sanctions are applied by competent authorities. This is evidenced by Department of the Treasury's Office of Foreign Assets Control (OFAC) actions pursuant to the Executive Order (E.O.) 13469. Even correspondent bankers look at key indicators like the CPI, US OFAC, UK Her Majesty's Treasury and European Union designated sanctions list when deciding to do business in a particular jurisdiction. The higher the perception of corruption and sanctions risk, the high risk a particular jurisdiction is perceived to be. This explains why Zimbabwe has seen a massive de-risking by most correspondent banks in the past decade. This has negatively impacted the country's ability to effect cross border payments, resulting in financial exclusion. Donor payments, lines of credits, money transfer payments (remittances) and developmental finance have also not been spared by this development

Governments have made progress in addressing corruption through international agreements such as the United Nations Convention against Corruption and through their national laws. However, in Zimbabwe, the anti-corruption watchdog the Zimbabwe Anti-Corruption Commission has acknowledged that lack of prosecution of reported cases is affecting the public's confidence in the government's resolve to fight corruption. In 2020 for 180 investigated cases only four out of the ten dockets reached the final judgement.

However, the law alone is not sufficient to solve this problem. Organizations have a responsibility to proactively contribute to combating corruption. This can be achieved by instituting anti-corruption management systems through leadership commitment to establishing a culture of integrity, transparency, openness, and compliance. The nature of an organization's culture is critical to the success or failure of an anti-corruption management system.

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