

## GOVERNMENT DEFENCE ANTI-CORRUPTION INDEX 2013

The Government Defence Anti-Corruption Index 2013 from Transparency International (TI) is the first index to assess corruption in the defence sector. It measures the degree of corruption risk and corruption vulnerability in government defence, for example, in the defence ministry, armed forces and other related institutions. The index surged from Transparency International's Defence and Security Programme, whose aim is to build integrity at all levels of the defence and security sector. The programme has been actively working together with governments, armed forces, the defence industry, and other civil society organisations to address corruption in this sector since 2004.

Corruption, in general, is known to lead to important losses in public trust, governmental accountability, and social and economic development, among others. Corruption in defence deserves attention since the funds of the national budget designated for defence are, for the majority of countries, not negligible. Thus, the resources that may be captured due to corruption can be very large relative to the national budget. Figure 1 shows that the average military expenditure for all OECD countries was 2.7 percent as a share of GDP in 2011, almost the same as the world's average expenditure of 2.5 percent.

Corruption in defence can lead to a situation where purchases of armoury are driven only by the amounts of

bribery paid for acquiring certain items and not by the actual requirements of the armed forces. Hence, defence corruption can reduce the operational effectiveness of the armed forces and sabotage security strategies. An increase in military expenditure due to bribery is possible and may have an effect on other countries in the region. If relationships between countries are tense, then corruption can stimulate international conflicts. Moreover, conflicts can be enforced or prolonged if the military elites profit from them. This may lead to a loss of trust in the armed forces and in the government in general, and affect the legitimacy of government actions. In addition, the waste of resources in corruption diminishes the country's investment in social and economic development, thus fostering social conflict. Therefore achieving and keeping peace is highly influenced by the level of corruption in defence.

In the majority of countries there is a high degree of confidentiality about national defence budgets and activities because this sensitive information could be misused endangering national security. One consequence of this little or lack of public scrutiny is that the sector becomes particularly prone to corruption.

Information about the level of corruption in defence is highly relevant, since the problems caused by defence corruption can only be addressed with knowledge on the strengths and weaknesses of the countries' institutions.

The Transparency International Government Defence Anti-Corruption Index is based on survey data from 82 countries selected according to the size of their arms trade, the absolute and per capita size of the military,

and a proxy of the size of their security sector. They accounted for 94 percent of global military spending in 2011. The research for the 2013 Index was carried out between July 2011 and November 2012. Henceforth, Transparency International will release the index every two years.

Governments were evaluated on five key areas of defence corruption risk: political risk, financial risk, personnel risk, operations risk and procurement risk. Questions were scored from 0 to 4, where 0 means low transparency; very weak or no activity to

Figure 1

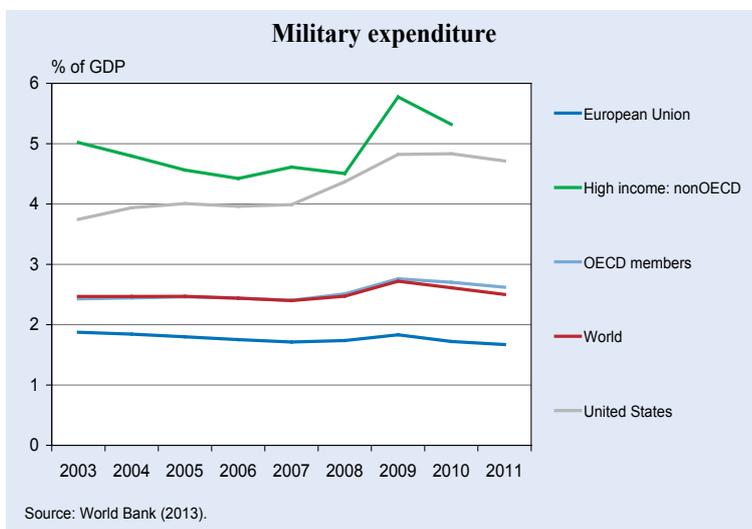


Table 1

Defence corruption risk			
Band	Lower score (%)	Higher score (%)	Corruption risk
A	83.3	100	Very low
B	66.7	83.2	Low
C	50	66.6	Moderate
D	33.3	49.9	High
E	16.7	33.2	Very high
F	0	16.6	Critical

Source: Transparency International (2013).

address corruption risk and 4 means high transparency; strong, institutionalised activity to address corruption risks. Finally, countries were classified into bands from A to F based on the overall percentage of marks obtained across the whole survey following the scheme presented in Table 1.

Of the 21 OECD countries assessed, only two score in Band A with a very low corruption risk: Australia and Germany (Table 2). Both have strong auditing mechanisms for defence expenditure and high levels of transparency regarding the sources of defence income. Nevertheless, transparency can be strengthened. These both countries perform worse, on average, than countries in Band C with respect to the control of secrecy in some defence expenditures.

29 percent of the assessed OECD countries score in Band B. These countries show frail regulation and low transparency levels within the procurement process. The main weaknesses of the ten countries in Band C

are a limited civil society engagement with defence and security institutions, and weak provisions to encourage whistle-blowing.

Only 15 percent of the countries indicate high corruption risk: Israel, Turkey and Mexico. No OECD country appears to have a very high or critical corruption risk (Bands E and F). This is not surprising since the majority of these countries are characterised by having strong institutions that keep corruption at low levels.

Amanda Tuset Cueva

## References

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Table 2

Number of OECD countries (21 of 34) in Band A–F		
Band	Country	% of countries
A	Australia, Germany	8
B	Austria, Norway, South Korea, Sweden, UK, USA	29
C	Chile, Czech Republic, Greece, France, Hungary, Italy, Japan, Poland, Slovak Republic, Spain	48
D	Israel, Mexico, Turkey	15
E + F	No country	0

Source: Transparency International (2013).