Integrity as a tool to promote economic development focusing on the Lithuanian context

Coruption prevalance in Lithuania

Corruption Perceptions Index

Bars by year:
- 1999: 3,8
- 2000: 4,1
- 2001: 4,8
- 2002: 4,8
- 2003: 4,7
- 2004: 4,6
- 2005: 4,8
- 2006: 4,8
- 2007: 4,8
- 2008: 4,6
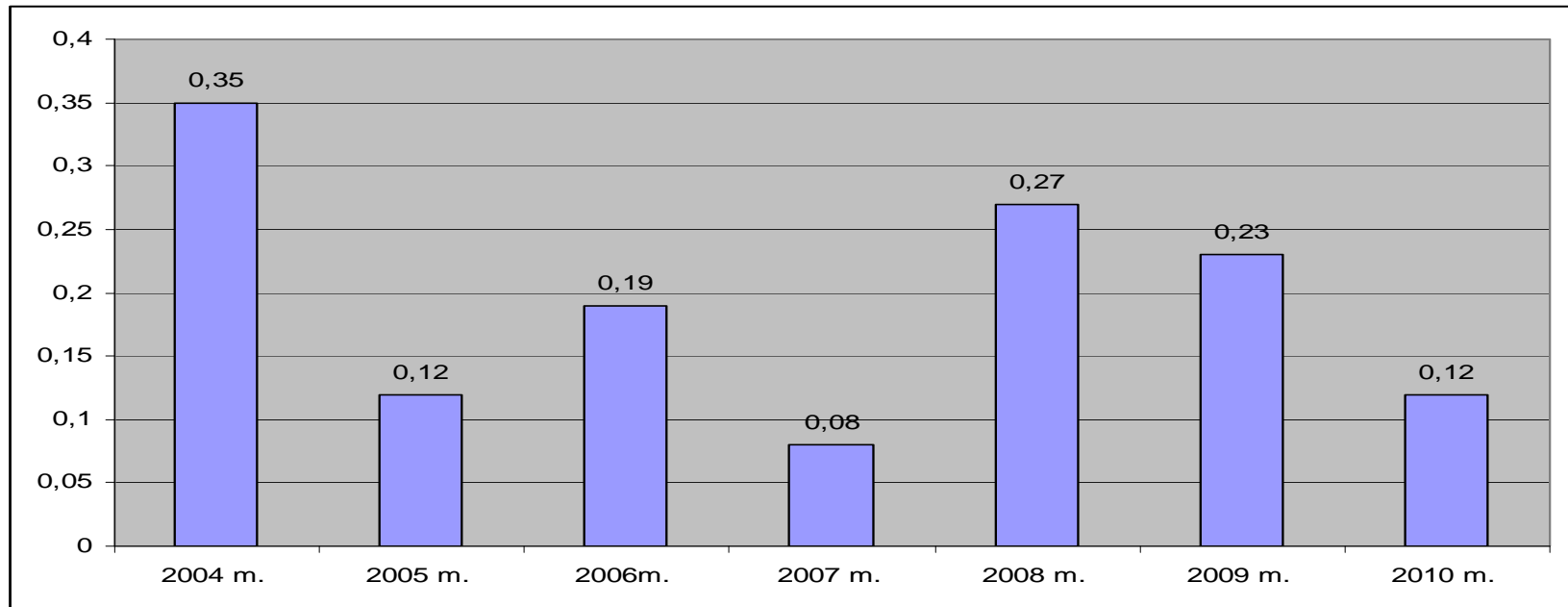- 2009: 4,9

Year
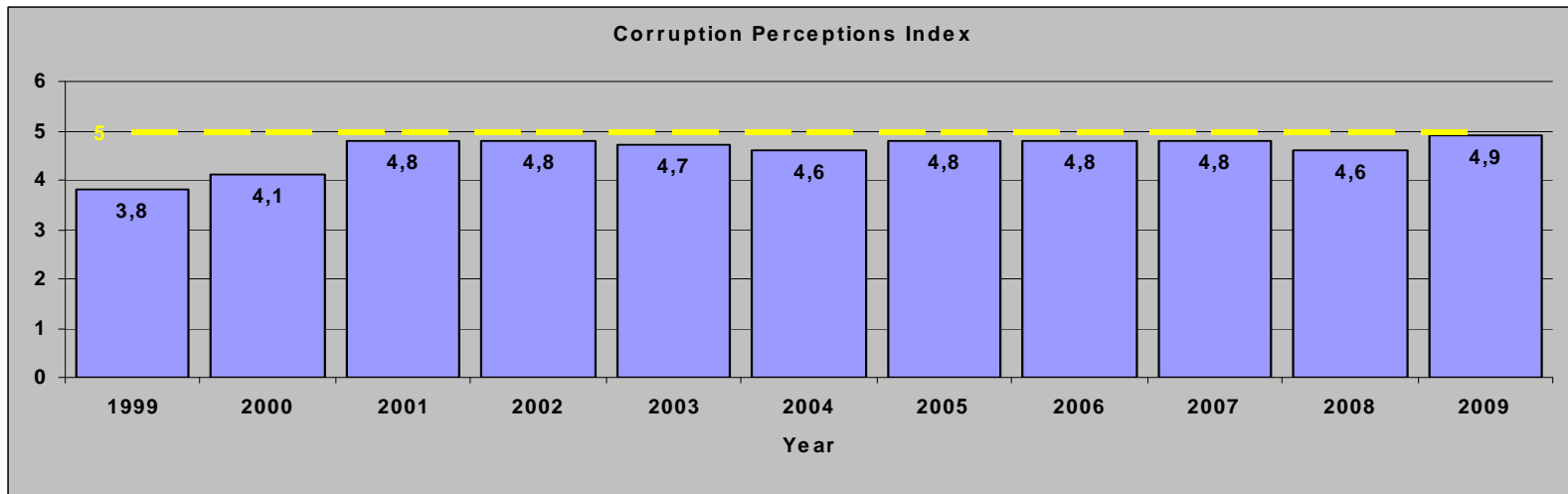
- **Crime statistics index:**
  - 23 percent growing of corruption related offenses
- **Corruption Perception Index (CPI) 2010:**
  - score – 4,9;
  - The highest rating since 1999;
  - 52nd place among 180 countries;
  - one of the 9 countries having made the greatest progress since 2008.

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Corruption prevalance in Customs (1)

- **Crime statistics index** - is determined by the average ratio between the number of disclosed corruption-related offenses and the number of customs civil servants working in the system at the beginning and end of the accounting period.

Corruption prevalance in Customs (2)

- **"Lithuanian map of coruption 2007", 2008":**
  - 14 th place among the most corrupted authorities in the country (2007);
  - 17 % of respondents have used they contacts;
  - 26 % of respondents were allowed to understand the desirability of "reward";
 - 17 % of respondents have given "consideration" or other benefits

Reform and modernisation

- **Identification of business needs:**
  - Customs and business cooperation;
  - Information on performance of customs procedures
  - E-customs systems assesment;
  - Evaluation of customs procedures simplifications;
  - Inovation assesment;
 - Overal rating of the customs

Survey: The impact of country Economical development on Corrupt Relations

- **Corelation of gross domestic product and (CPI):**

  - The level of corruption is determined by the degree of economical development;
  - High corelation occurs only between CPI and GPD <u>per capita</u>;
  - Corrupt activity is more determined by economical wellbeing of an individual an nor of the society.

- **Impact of the level of wages on corrupt relations:**

  - Low economical development determines low wages of state officers,
  - which automaticly stimulate corrupt activity;
  - Hiring of state institutions employees is practically implemented under conditions of monopsy
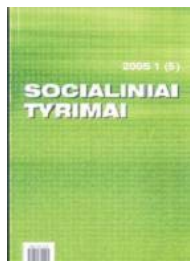
Correlation between CPI and GDP in LT

1995-2010 LT GDP per capita
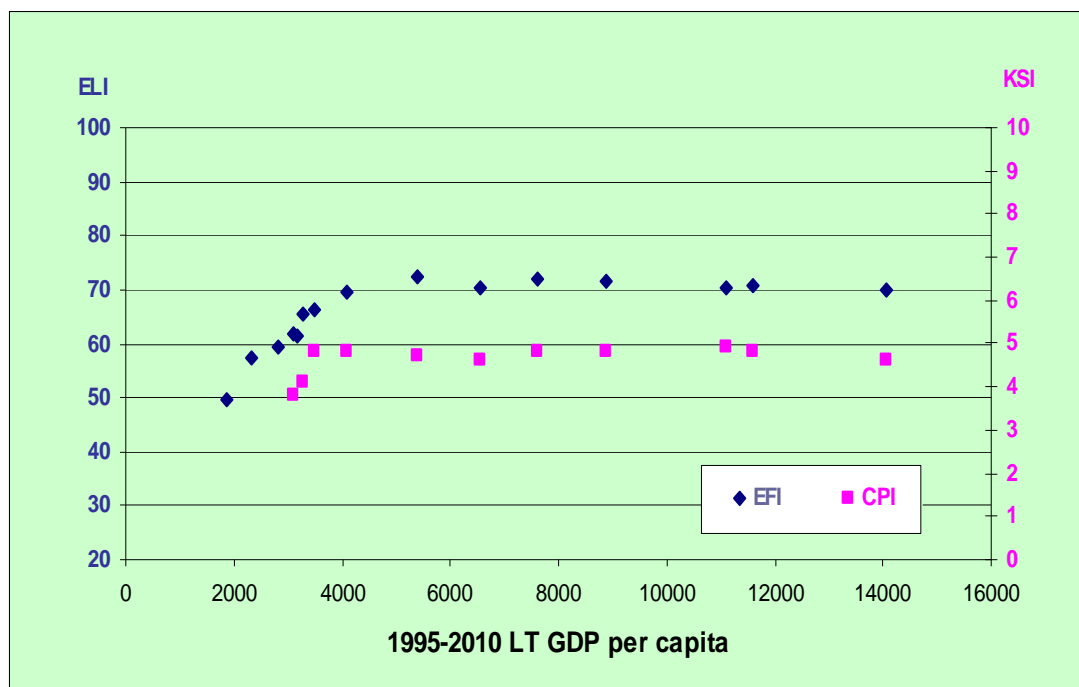
Year	GDP	EFI	CPI
1995	1855	49,7	
1996	2340	57,3	
1997	2833	59,4	
1998	3171	61,5	
1999	3113	61,9	3,8
2000	3267	65,5	4,1
2001	3493	66,1	4,8
2002	4086	69,7	4,8
2003	5389	72,4	4,7
2004	6563	70,5	4,6
2005	7607	71,8	4,8
2006	8866	71,5	4,8
2007	11585	70,9	4,8
2008	14049	70	4,6
2009	11098	70,3	4,9

Correlation coefficient interpretation	
Very strong	1
Strong	(0,7; 1)
Average	(0,5; 0,7]
Weak	(0,2; 0,5]
Very weak	(0; 0,2]
No relationships	0

Correlation	Index of Economic Freedom	Corruption Perceptions Index
GDP - per capita, USD	0,68	0,47

Conclusions

- Corruption impacts economical development through the governance, it means that not only corruption impacts on the economics, but econimcs make influence on the corruption relations as well.

- Corruption infringe the state governance – Ineficient and improper governance in influence country economics and foreign investments – Low economical situation determines the low wages of state officers – which additionally stimulates corruption activity.

- Level of corruption prevalance is higly determined by the degree of economical development. Thus statisticaly correlation between CPI ir GPD per capita in LT is weak.

Corrupted relations

Inneficient government

Low economic development

Low wages of public servants

THANK YOU