

CORRUPTION VS ECONOMIC GROWTH

#Theory-wise



ECONOMIC SPHERE

- Shadowization
- Increased budget expenditures
- Decreased budget revenues
- Ineffective public spending
- Reduced investment
- Difficulties with doing business
- Shrinking GDP
- Increased sovereign debt

POLITICAL SPHERE

- Poor quality of governance
- · Loss of confidence
- Distrust of courts
- Low-quality legislative process
- Tainted international image

SOCIAL SPHERE

- Deteriorating living standards
- Worsening quality of education
- Poor quality of health care
- Growth in organized crime
- Increased social tensions
- Greater social inequality



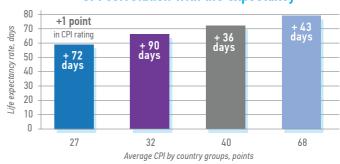
Top-3 theoreticians: Vito Tanzi, Hamid R. Davoodi, Prasada Rao

#Statistics-wise

Increase in Corruption Perceptions Index (CPI) means **lower** lower level of corruption in a country. 0 points of CPI means strong corruption, 100 points — no corruption.



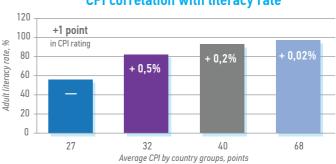
CPI correlation with life expectancy



CPI correlation with GDP per capita



CPI correlation with literacy rate



#Ukraine-wise

How far should Ukraine advance in the Corruption perceptions Index rating to hit the sustainable development targets of the "Ukraine — 2020" Strategy?

Ukraine — 2015				
срі 27	GDP per capita	Life expectancy at birth	Adult literacy rate	
points	\$2,824	71 years	99,7%	

"Ukraine — 2020" Plan	CPI points
\$16,000 GDP per capita	+18 points
Top 50 in Corruption Perceptions Index	+ 24 points
Life expectancy at birth – 74 years	+12 points