



# Transparency International: New Zealand's Perception is its Reality

By Maria Cole

Once again, New Zealand has been ranked first equal with Denmark as having the least corrupt public sector in the world. Transparency International has just released its 2020 Corruption Perceptions Index (CPI) and New Zealand ranked equal No.1 out of 180 countries and territories with an overall score of 88/100. The average score was 43/100 and two-thirds of the countries scored below 50/100.

In the Asia Pacific region, New Zealand was *the cleanest* followed by Singapore (85/100), Australia (77/100) and Hong Kong (77/100), with the region having an average score of 45/100.

The impact of corruption on the global health response to COVID-19 featured front and centre in the report and New Zealand's response to the pandemic was highly praised. A concern was expressed over the impact that the response had on transparency, noting the difficulties for both parliament and the media to perform their usual roles of holding the government to account and publicising its actions. However, the report says *with a score of 88, New Zealand scores top marks on the CPI and that the country's response was lauded for its effectiveness.*

The report states that the CPI *paints a grim picture of the state of corruption worldwide* and makes four recommendations which it says are essential for countries to implement to fight the impacts of COVID-19 and curb corruption. They are:

- 1. Strengthen oversight institutions:** The COVID-19 response exposed vulnerabilities of weak oversight and inadequate transparency. To ensure resources reach those most in need and are not subject to theft by the corrupt, anti-corruption authorities and oversight institutions must have sufficient funds, resources, and independence to perform their duties.
- 2. Ensure open and transparent contracting:** Many governments have drastically relaxed procurement processes. These rushed and opaque procedures provide ample opportunity for corruption and the diversion of public resources. Contracting processes must remain open and transparent to combat wrongdoing, identify conflicts of interest and ensure fair pricing.
- 3. Defend democracy, promote civic space:** The COVID-19 crisis exacerbated democratic decline, with some governments exploiting the pandemic to suspend parliaments, renounce public accountability mechanisms, and incite violence against

dissidents. To defend civic space, civil society groups and the media must have the enabling conditions to hold governments accountable.

4. Publish relevant data, guarantee access: The publication of disaggregated data on spending and distribution of resources is particularly relevant in emergency situations, to ensure fair and equitable policy responses. Governments should also ensure people receive easy, accessible, timely and meaningful information by guaranteeing their rights to access information.

The full CPI report is available [here](#).

COVID-19 has certainly provided the dispute resolution sphere with new challenges, with an unprecedented impact on individuals, businesses, and states. Courts have been placed under additional stress with many being unable to hold trials during lockdown. International arbitration has demonstrated itself to be both adaptable and resilient throughout the crisis and emerged more strongly positioned as a method of dispute resolution, with a surge in the number of arbitration cases due to the adaptability and flexibility of arbitration as an efficient means of dispute resolution.

The need to review and revise our approach to arbitration and mediation in light of this new world is highlighted by a recently published book *International Arbitration and the COVID-19 Revolution*<sup>1</sup>.

The New Zealand government's response to COVID-19 has provided stability for the business community and mitigated the disruption of the pandemic in a way that has been recognised throughout the world. The CPI notes that New Zealand is consistently one of the top performers on the index both in the South-Pacific Region and around the world.

In addition to the New Zealand CPI ranking of joint first place, the Bloomberg COVID-19 Resilience Ranking,<sup>2</sup> which provides a measure of the best places to be in the COVID-19 era, places New Zealand as the top scorer with a resilience rating of 76.8. The next ranked economy, Singapore, scored 71.3. By comparison, the United Kingdom was ranked at 32, with a score of 48.9 and the United States was ranked 35 with a score of 48.3. The New Zealand International Arbitration Centre has been ideally placed to take a lead role in this

revolution in the international dispute resolution space. We are fortunate that New Zealand has excellent technological expertise and resources. With its world-class facilities, NZIAC and its registry have continued to operate remotely throughout each New Zealand lockdown.

NZIAC remains committed to providing parties to international commercial disputes in the Trans-Pacific Region with the widest capacity to adopt dispute resolution processes and procedures that are fair, prompt, and cost effective, and which provide a proportionate response to the amounts in dispute and the complexity of the issues involved.

We have seen since the publication of NZIAC's 2018 Rules that they have been increasingly adopted by commercially astute parties doing business in the Trans-Pacific Region and also more widely throughout the world. The Rules are robust and certain, yet innovative in their commercial common-sense approach to the challenging issues involved in the settlement of international trade, commerce, investment, and cross-border disputes.

The impact of COVID-19 on the business world and dispute resolution has meant that the Rules have been especially welcomed during this time of disruption. They provide both a framework and detailed provisions to ensure the efficient and cost-effective resolution of disputes and reflect a modern and fresh approach to legal drafting. They are set out in a manner designed to facilitate ease of use and may be adopted by agreement in writing at any time before or after a dispute has arisen.

While the Rules have been developed in New Zealand, they are appropriate for use by parties from any country and may be applied in any jurisdiction through NZIAC. For more information, contact our registry team: [registrar@nziac.com](mailto:registrar@nziac.com).



---

### About the author

Maria works as a Knowledge Manager in NZDRC's Knowledge Management Team. She was previously a civil litigation barrister for over a decade, where she gained experience in arbitration and mediation.

<sup>1</sup> Published by Wolters Kluwer - a blog discussion on chapters of the book can be found at <http://arbitrationblog.kluwerarbitration.com/2020/10/08/international-arbitration-and-the-covid-19-revolution-part-1-of-2/> (accessed 10 February 2021).

<sup>2</sup> <https://www.bloomberg.com/graphics/covid-resilience-ranking/> (accessed 10 February 2021).