

Frequently Asked Questions

Transparency International 2008 Bribe Payers Index

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1. What is the 2008 Bribe Payers Index (BPI)?

The BPI is a ranking of 22 of the world's wealthiest and most economically influential countries according to the likelihood of their firms to bribe abroad. It is based on two questions asked of 2,742 senior business executives from companies in 26 countries. To assess the international supply side of bribery, senior business executives were asked about the likelihood of foreign firms, from countries they have business dealings with, to engage in bribery when doing business in their country. In short, senior business executives provide their perception of the sources of foreign bribery, and these views form the basis of the 2008 BPI.

2. Which countries are included in the 2008 BPI?

The 22 countries and territories ranked in the BPI are: Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, Italy, India, Japan, Mexico, Netherlands, Russian Federation, Singapore, South Africa, Spain, South Korea, Switzerland, Taiwan, United Kingdom and United States.

The countries and territories included in the index are leading international or regional exporting nations, whose combined global exports of goods and services and outflows of foreign direct investment represented 75 percent of the world total in 2006¹. Australia, Brazil, India and South Africa were included due to their position as major regional trading powers. Sixty three percent of the 22 countries are OECD members.

¹ United Nations Conference on Trade and Development (UNCTAD) "Handbook of Statistics 2008". <http://www.unctad.org/Templates/Page.asp?intlItemID=1890&lang=1>

2. How is the BPI 2008 calculated?

Data for the 2008 BPI is drawn from the *Bribe Payers Survey* (see Question 8 below). Survey respondents, who are senior business executives, are first asked a filter question:

“In your principal lines of business in this country, do you have business relationships (for example as a supplier, client, partner or competitor) with companies whose headquarters are located in these countries listed above.” Respondents are presented a list of 22 countries.

For each country selected, respondents then had to score the country on a 5-point scale system (from 1=never, to 5=almost always), by answering the question:

“How often do firms headquartered in (country name) engage in bribery in this country?”

The results of these questions provide an assessment of the views held by senior business executives on the prevalence of bribery exported from many of the world’s strongest economies.

To facilitate the creation of the index, the 5-point scale is then converted into a 10-point scale system. Since the BPI is meant to reflect views on foreign bribery, assessments of a respondent’s own country (11 countries total²) have not been included. The countries are then ranked based on the mean scores obtained for each country.

The standard deviation is provided to give an indication of the degree of agreement among respondents in relation to each country: the smaller the standard deviation, the broader the consensus. The confidence intervals at 95 percent confidence are also provided: these show the range of minimum and maximum values where with 95 percent of confidence the true value of the index lies.

A more detailed analysis of the BPI and the Survey, can be found in *Transparency International 2008 Bribe Payers Index: Overview Report*:

http://www.transparency.org/policy_research/surveys_indices/bpi

3. Whose views are reflected in TI’s 2008 BPI?

The 2008 BPI is derived from a survey of senior business executives in 26 countries: Argentina, Brazil, Chile, Czech Republic, Egypt, France, Germany, Ghana, Hungary, India, Indonesia, Japan, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Philippines, Poland, Russian Federation, Senegal, Singapore, South Africa, South Korea, United Kingdom and the United States.

These countries were selected on the basis of their trade and Foreign Direct Investment (FDI) flows, using data from United Nations Conference on Trade and Development (UNCTAD). The combined global imports of goods and services and inflows of foreign direct investment of the 26 countries represented 54 percent of the world total in 2006.³

² Brazil, France, Germany, India, Japan, Korea (Republic of), Mexico, Russia, Singapore, South Africa, United Kingdom and United States.

³ United Nations Conference on Trade and Development (UNCTAD) “Handbook of Statistics 2008”. <http://www.unctad.org/Templates/Page.asp?intItemID=1890&lang=1>

In each country a minimum of 100 senior business executives were interviewed, for a total of 2,742 interviewees. The enterprises they represent were selected through a stratification process that took into consideration the size of firms, their sector and location. Additionally, due to the nature of the phenomenon under analysis, namely the flow of bribery entering the country from foreign-based companies, TI requested an oversampling of large and foreign-owned firms.

5 . **Why does the BPI rank countries rather than companies?**

The supply side of corruption in international business transactions implies a shared responsibility between companies operating abroad and their home governments. This index reflects the success and failure of governments to control corruption abroad by companies headquartered within their borders. It also indicates the success and failure of companies to ensure their employees comply with the highest standards of business

Can the 2008 BPI be compared to earlier editions of the index?

There are important distinctions between the 2008 BPI and previous iterations of the index. The questions asked, the sample and the method of calculation have changed over time, making it difficult to compare the 2008 BPI directly with earlier editions of the index.

The 2006 BPI was a ranking of 30 of the leading exporting countries⁴ according to the tendency of firms with headquarters within their borders to bribe when operating abroad. It was based on the responses of about 8000⁵ business managers using two questions designed by TI but which were included as part of the in *World Economic Forum's Executive Opinion Survey (EOS) 2006*. The specific questions asked in 2006 were slightly different from those asked in 2008. The first asked respondents to identify the country of origin of foreign-owned companies *doing the most business* in their country. In 2008, this was refined to focus on the countries with whose firms the respondent had business relationships. In 2006, respondents were then asked: *'In your experience, to what extent do firms from the countries you have selected make undocumented extra payments or bribes?'* In 2008, the focus of the question was on bribery alone.

The 2002 BPI and 1999 BPI followed a different methodology. They ranked 21 and 19 leading exporting countries, respectively, in terms of the degree to which international companies with their headquarters in those countries were likely to pay bribes to senior public officials in key emerging market economies only. The 2002 BPI and 1999 BPI were conducted by Gallup International Association, with findings comprised of 835 and 779 interviews, respectively, of senior business executives, lawyers, accountants and chambers of commerce.

For more information and results for the BPI in 1999, 2002 and 2006, see:

www.transparency.org/policy_research/surveys_indices/bpi

What is the link between the 2008 BPI and the *Bribe Payers Survey*?

The 2008 *Bribe Payers Index* is based on responses to a survey of senior business executives, the 2008 *Bribe Payers Survey*, designed and commissioned by Transparency International. The *Bribe Payers Survey* covered a wide range of questions about the nature, scope and impact of bribery and corruption. Highlights from the survey can be found in an accompanying report to the release of the 2008 BPI: *Transparency International Bribe Payers Index 2008: Overview Report*.
http://www.transparency.org/policy_research/surveys_indices/bpi

Who conducted the Bribe Payers Survey? How was it implemented?

The *Bribe Payers Survey* was carried out on Transparency International's behalf by Gallup International⁶ between 5 August and 29 October 2008. Gallup International was responsible for the overall implementation of the survey and the data quality control process. It relied on a network of partner institutes to carry out the survey locally.

⁴ For countries ranked by the BPI 2006 please visit
http://transparency.org/policy_research/surveys_indices/bpi/bpi_2006

⁵ For countries interviewed for the BPI 2006 please visit
http://transparency.org/policy_research/surveys_indices/bpi/bpi_2006

⁶ This survey company was selected by TI through a competitive public tendering process.



1 . Who works on the BPI at Transparency International?

The *Bribe Payers Index* is produced by the Policy and Research Department at Transparency International's Secretariat in Berlin. The BPI methodology development and data analysis have been carried out in consultation with Transparency International's Index Advisory Committee, consisting of leading international experts in the fields of corruption, econometrics and statistics. The BPI was reviewed by a special working group of both TI and non-TI stakeholders in 2007. On this basis, Transparency International's [Board of Directors](#) approved the design and implementation of the *Bribe Payers Survey* and BPI in 2008.

1 . How is the Bribe Payers Survey funded?

Transparency International is funded by various governmental agencies, international foundations and corporations. Ernst & Young, the Federal Ministry of Economic Cooperation and Development in Germany and the Norwegian Agency for Development Cooperation (NORAD) provided financial support for the *Bribe Payers Survey* and the 2008 BPI. In addition, since 2006, Transparency International's corruption measurement instruments have been supported by Ernst & Young. TI does not endorse a company's policies by accepting its financial support, and does not involve any of its supporters in the management of its projects. For details on Transparency International's sources of funding, please see http://www.transparency.org/support_us.