

Corruption Perceptions Index 2009

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General

What is the CPI?

Transparency International's Corruption Perceptions Index (CPI) ranks countries/territories in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index, a poll of polls, drawing on corruption-related data from expert and business surveys carried out by a variety of independent and reputable institutions. The CPI reflects views from around the world, including those of experts who live in the countries/territories evaluated.

For the purpose of the CPI, how is corruption defined?

The CPI focuses on corruption in the public sector. The surveys used in compiling the CPI ask questions relating to the abuse of public power for private benefit. These include questions on: bribery of public officials, kickbacks in public procurement, embezzlement of public funds, and questions that probe the strength and effectiveness of public sector anti-corruption efforts, thereby covering both the administrative and political aspects of corruption.

Why is the CPI based only on perceptions?

It is difficult to assess the overall levels of corruption in different countries/territories based on hard empirical data, e.g. by comparing the amount of bribes or the number of prosecutions or court cases directly related to corruption. In the latter case, for example, such data does not reflect actual levels of corruption; rather it highlights the extent to which prosecutors, courts and/or the media are effectively investigating and exposing corruption. One reliable method of compiling cross-country data is, therefore, to draw on the experience and perceptions of those who see first hand the realities of corruption in a country.

How is the launch-date of the CPI set?

All decisions about the international launch of the CPI are made at the Transparency International Secretariat in Berlin. The specific launch date is chosen with a view to maximising global visibility and is generally pegged to related international events.

How is the CPI funded?

Transparency International is funded by various governmental agencies, international foundations and corporations, whose financial support makes the CPI possible (for a full list of donors, see http://www.transparency.org/support_us/support). Additional support for the CPI and TI's other global measurement tools comes from 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.

Method

How many countries/territories are included in the CPI?

The 2009 CPI ranks 180 countries/territories, the same number as in 2008.

How are countries/territories chosen for inclusion in the CPI?

A minimum of three reliable sources of corruption-related data is required for a country or territory to be included in the CPI. Inclusion in the index is not an indication of the existence of corruption but rather depends solely on the availability of the minimum data requirements.

Why are countries/territories no longer covered in the 2009 CPI, and why are new countries/territories added?

Countries/territories are only included in the index if at least three sources of data are available. In 2009 a change in the country coverage of individual sources resulted in Brunei Darussalam being included, but Belize had to be dropped from the Index, as there was only one source available.

Which countries/territories might be included in future CPIs?

Transparency International is continuously and actively seeking to increase the number of countries and territories included in the CPI.

Countries or territories with two sets of data (insufficient for inclusion) are: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bermuda, Cayman Islands, Grenada, Kosovo, Liechtenstein, Micronesia (Federated States of), Netherlands, Antilles, North Korea, St. Kitts & Nevis and Tuvalu. At least one additional set of data is necessary for inclusion in the CPI.

What are the sources of data for the CPI?

The 2009 CPI draws on 13 different polls and surveys from 10 independent institutions. Data sources must be published in the past two years to be eligible for inclusion. All data sources must provide a ranking of countries/territories and measure the overall extent of corruption. This condition excludes surveys which mix corruption with other issues, such as political instability, decentralisation or nationalism. TI strives to ensure that the sources used are of the highest quality and that the survey work is performed with complete integrity. To qualify, the data must be well documented and the methodology explained to permit a judgment on its reliability.

Some institutions that donate their data to TI free of charge, for use in the CPI, do not allow disclosure of the data they contribute because their evaluations are only available to subscribers. Other institutions make their data publicly available. For a full list of data sources, details on questions asked and number of respondents for the 2009 CPI, please see the CPI methodology at <http://www.transparency.org/cpi>.

Whose opinion is polled for the surveys used in the CPI?

The expertise reflected in the CPI scores draws on an understanding of corrupt practices held by those based in both the industrialised and developing world and includes surveys of business people and country analysts. Sources providing data for the CPI rely on non-resident and resident experts. It is important to note that residents' viewpoints correlate well with those of non-resident experts.

Does the CPI's prominence influence respondents?

The CPI has gained wide prominence in the international media since its first publication in 1995. This has raised concerns that respondents' judgements may be overshadowed by the data reported by TI, which would introduce a problem of circularity. This hypothesis was tested in 2006 using a survey question posed to business leaders around the world. Based on more than 9,000 responses, knowledge of the CPI does not appear to induce business experts to 'go with the herd'. Rather, knowledge of the CPI may motivate respondents to determine their own views, and there is therefore little indication of circularity in the present approach.

How is the 2009 CPI produced?

The 2009 CPI is produced by the Transparency International Secretariat in Berlin. TI gathered the data, liaised with experts on the method, and calculated the Index. In past years, this work was carried out by a consultant and senior adviser to TI.

TI has a rigorous process for cross-checking final results, in collaboration with a number of experts from leading universities and institutes. As in years past, advice on the CPI methodology was provided by TI's Index Advisory Committee (http://transparency.org/policy_research/surveys_indices/about). In addition, in 2009 a group of experts both advised TI during the calculation phase and reviewed the production of the Index: Andrew Gelman (Columbia University), Rajshri Jayaraman (European School of Management and Technology), Meghan O'Malley Berry (Columbia University), Piero Stanig (London School of Economics) and Andreas Stephan (JIBS, Jönköping University; CESIS, KTH Stockholm). Catherine Muller and Marc Vothknecht (DIW Berlin - German Institute for Economic Research) provided additional advice and independently checked the calculation of the 2009 CPI. For further information on the CPI's method, please consult the 2009 CPI methodology (www.transparency.org/cpi).

Have there been any changes in the CPI methodology in 2009?

By and large, the CPI 2009 follows the same method as in previous years. The one small change that was introduced is that the CPI 2009 uses the previous year's

scores, the CPI 2008, as its master list (for more on the overall method, see http://www.transparency.org/policy_research/surveys_indices/cpi/2008/methodology) . This was the approach taken to the CPI until 2006. In the 2007 and 2008 CPI editions, the previous year's scores were used but also adjusted. For more on this see http://transparency.org/policy_research/surveys_indices/cpi/2007.

Change in scores between 2008 and 2009

Can country/territory scores in the 2009 CPI be compared to those in past CPIs?

The index provides a snapshot of the views of business people and country analysts for the current or recent years. Given its methodology, the CPI is not a tool that is suitable for monitoring progress or lack of progress over time. The only reliable way to compare a country's score over time is to go back to individual survey sources, each of which can reflect a change in assessment.

Year-to-year changes in a country/territory's score could result from a changed perception of a country's performance, a change in the ranking provided by original sources or a change in the CPI's methodology. Wherever possible, TI has identified those changes in scores that can be identified in the sources themselves.

Which countries/territories' scores deteriorated most between 2008 and 2009?

As indicated above, the CPI method is not well-suited to making comparisons of scores from year to year. To the extent that changes can be traced back to individual sources, however, trends can be identified.

Noteworthy examples of deteriorations from scores in the 2008 CPI to 2009 CPI on which more than half of the sources agreed include: Bahrain, Greece, Iran, Malaysia, Malta and Slovakia. In these cases, we can conclude that changes in perceptions of analysts and businesspeople regarding levels of corruption occurred during the last two years.

Which countries/territories' scores improved most?

With the same caveats applied, and based on data from sources that have been consistently used for the Index, we can point to improvements from 2008 to 2009 for: Bangladesh, Belarus, Guatemala, Lithuania, Moldova, Montenegro, Poland, Syria and Tonga.

Interpreting the CPI

Which matters more, a country/territory's rank or its score?

A country/territory's score indicates the perceived level of corruption in a country and the country's rank indicates its position relative to the other countries/territories included in the index. The score is a much more important indication of the perceived level of corruption in a country. A country's rank can change simply because new countries enter the index or others drop out.

Is the country/territory with the lowest score the world's most corrupt nation?

No. The country/territory with the lowest score is the one where corruption is perceived to be greatest *among those included in the list*. There are more than 200 sovereign nations in the world, and the 2009 CPI ranks 180 of them. The CPI provides no information about countries/territories that are not included. Moreover, the CPI is an assessment of perception of administrative and political corruption – it is not a verdict on the corruption of nations or societies as a whole. The general public of those countries/territories who score at the lower end in the CPI have shown the same concern about and condemnation of corruption as publics from stronger performers. For more information, see TI's Global Corruption Barometer.

Example: What is implied by Somalia's bottom ranking and New Zealand's top ranking in the 2009 CPI?

Public sector corruption in Somalia is perceived to be the highest of all countries/territories included in the 2009 CPI. This does not, however, indicate that Somalia is the 'world's most corrupt country' or that Somalians are the 'most corrupt people'. While corruption is indeed one of the most formidable challenges to good governance, development and poverty reduction in Somalia, the vast majority of people are victims of corruption. Corruption by powerful individuals, and the failure of leaders and institutions to control or prevent corruption, does not imply that a country or its people are corrupt.

In the same light, New Zealand – whose perceived public sector corruption is the lowest of the 180 countries surveyed – is not necessarily the 'world's least corrupt country' – and New Zealanders are not in turn immune to corruption. Though its institutional and governance framework have translated into what is perceived to be a success, with limited corruption, New Zealand – like any other state – remains susceptible to corruption.

Why is the impact (or lack thereof) of anti-corruption reform or recent corruption scandals not always evident in a country/territory's CPI score?

It is difficult to improve a CPI score over a short time period. The 2009 CPI is based on data from the past two years, relating to perceptions that may have been formed even further in the past. This means that substantial changes in perceptions of corruption are only likely to emerge in the index over longer periods of time.

Is the CPI a reliable measure of a country/territory's perceived level of public sector corruption?

The CPI is a solid measurement tool of perceptions of public sector corruption. As such, the CPI has been tested and used widely by both scholars and analysts. The reliability of the CPI differs, however, across countries/territories. States with a high number of sources and small differences in the evaluations provided by the sources (indicated by a narrow confidence range) convey greater reliability in terms of their score and ranking; the reverse is also the case.

Is the CPI a reliable measure for decisions on aid allocation?

Some governments have sought to use corruption scores to determine which countries/territories receive aid, and which do not. TI does not encourage that the CPI is used in this way. Countries/territories that are perceived as very corrupt can not be written off. Rather they need help to emerge from the corruption-poverty spiral. If a country is believed to be corrupt, this should serve as a signal to donors that investment is needed in systemic approaches to fight corruption, based on mutual accountability. Additionally, if donors intend to support major development projects in countries/territories perceived to be corrupt, they should pay particular attention to 'red flags' and make sure appropriate control processes are established.

How does the CPI relate to other TI research products?

TI is an independent producer of empirical research on corruption. It has assembled a global research portfolio that combines qualitative approaches with quantitative ones, macro-level indicators with in-depth diagnostics, expert analysis with experience, as well as perceptions-based survey work. This body of research provides a comprehensive picture of the scale, spread and dynamics of corruption around the world. It also serves to mobilise and support evidence-based, effectively-tailored policy reform. TI's portfolio of global research products includes:

- **Global Corruption Barometer (GCB):** a representative survey of more than 70,000 households in more than 65 countries on people's perceptions and

experiences of corruption. The most recent Global Corruption Barometer was published on 3 June 2009 and can be found under:

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

- **Bribe Payers Index (BPI):** a ranking of leading, exporting countries according to the likelihood of their firms to bribe abroad. It is based on a survey of executives focusing on the business practices of foreign firms in their country. The most recent Bribe Payers Index was published on 9 December 2008 and can be found under:

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

- **Global Corruption Report (GCR):** a thematic report that explores corruption with regard to a specific sector or governance issue. The report provides views of dozens of experts and practitioners in the field, in addition to case studies and reports from TI national chapters around the world. The GCR also features latest corruption-related research findings relevant to the theme. The most recent Global Corruption Report was published on 23 September 2009 and can be found under:

<http://www.transparency.org/publications/gcr>

- **National Integrity System assessments (NIS):** a series of studies produced in-country that involves an extensive diagnostic assessment of the strengths and weaknesses of the key institutions that enable good governance and integrity in a country. NIS assessments are published on an ongoing basis. For a full list and more information, please see:

http://www.transparency.org/policy_research/nis

The **Corruption Perceptions Index (CPI)** is the fifth pillar in this portfolio, providing expert perceptions on corruption in an annual composite index covering 180 countries.