

Contribution to Beyond GDP „Virtual Indicator Expo“

<http://www.beyond-gdp.eu>

Name of the indicator/method: **Corruption Perceptions Index**

Summary prepared by (name; institution): Transparency International

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Aims and Objectives

The Corruption Perceptions Index (CPI) is a composite index – a survey of surveys – that assesses and compares perceived levels of corruption among public officials and politicians in a wide range of countries around the world. The CPI is produced annually, reflecting the views of business people and country analysts from around the world.

The overall objective of the CPI is to provide a global assessment of corruption and enhance comparative understanding of levels of corruption worldwide. It is an influential advocacy tool that stimulates worldwide media coverage, promotes public debate and drives demand for change. The CPI was the first successful attempt to measure and compare corruption levels in a wide range of countries, and has continued to do so since 1995. It has proven that corruption can be measured with a sound methodological instrument and has opened the way for further corruption research of all kinds.

CPI Achievements

The CPI has greatly contributed toward putting corruption on national and international agendas. It is widely credited to be the main measure of corruption worldwide. It is one of the most quoted indices in the social science community and has provided an incentive to conduct complementary local diagnostics. It responds to a need among researchers, policy makers and others for global and comparative data reflecting the views of people who influence decisions. By generating public debate and creating incentive for reform, it has proved to be a powerful awareness raising tool both at national and global levels. Many countries have used the CPI as a starting point for launching reforms, and the worldwide anti-corruption movement has used it as a powerful tool to advocate for change.

The CPI Method

The CPI draws on corruption-related data from surveys of experts and business people carried out by a variety of independent institutions external to TI. The interviewed experts

and business people are both residents and non residents of the countries evaluated. A minimum of three surveys have been conducted for each country included in the CPI, which increases the reliability of each individual figure and lowers the probability of misrepresenting a country. In 2007, 180 countries were included in the CPI, achieving the greatest scope for the index to date.

The CPI gathers data from sources that span the last two years (for the CPI 2007, this includes surveys from 2007 and 2006). In 2007 it was calculated using data from 14 sources originated from 12 independent institutions. All sources measure the overall extent of corruption (frequency and/or size of bribes) in the public and political sectors and all sources provide a ranking of countries, i.e., include an assessment of multiple countries.

For CPI sources that are surveys, and where multiple years of the same survey are available, data for the last two years are included to provide a smoothing effect. While for sources that are scores provided by experts (risk agencies/country analysts), only the most recent iteration of the assessment is included, as these scores are generally peer reviewed and change very little from year to year.

Evaluation of the extent of corruption in countries is done by country experts, non resident and residents. In the CPI 2007, the non resident evaluations were performed by the following organizations: Asian Development Bank, African Development Bank, Bertelsmann Transformation Index, World Bank -CPIA, Economist Intelligence Unit, Freedom House, Merchant International Group, United Nations Economic Commission for Africa and Global Insights. In 2007, resident business leaders evaluating their own country were part of surveys carried out by Institute for Management Development, Political and Economic Risk Consultancy and the World Economic Forum.

By combining the sources available through robust statistical methods, the CPI provides a rank of countries according to their level of perceived corruption. For more detailed information on the methodology please visit

http://transparency.org/policy_research/surveys_indices/cpi/2007/methodology

The CPI scores countries on a scale from 0 to 10, with 0 indicating high levels of perceived corruption and 10 indicating low levels of perceived corruption. In order to avoid the distorting effect on scoring that could be caused by recent events such as exposure of corruption scandals, the score combines expert assessments from the last two years. To qualify for inclusion in the CPI, data must be well documented, provide a ranking of countries and measure the overall extent of corruption. This condition excludes surveys mixing corruption with other issues such as political instability or nationalism. All countries with enough qualifying sources are included in the index.

CPI 2007 Results

The 2007 Corruption Perceptions Index looks at perceptions of public sector corruption in 180 countries and territories - the greatest country coverage of any CPI to date – and is a composite index that draws on 14 expert opinion surveys. It scores countries on a scale from zero to ten, with zero indicating high levels of perceived corruption and ten indicating low levels of perceived corruption.

A strong correlation between corruption and poverty continues to be evident. Forty percent of those scoring below three, indicating that corruption is perceived as rampant, are classified by the World Bank as low income countries. Somalia and Myanmar share the lowest score of 1.4, while Denmark has edged up to share the top score of 9.4 with perennial high-flyers Finland and New Zealand.

Scores are significantly higher in several African countries in the 2007 CPI. These include Namibia, Seychelles, South Africa and Swaziland. These results reflect the positive progress of anti-corruption efforts in Africa and show that genuine political will and reform can lower perceived levels of corruption.

Other countries with a significant improvement include Costa Rica, Croatia, Cuba, Czech Republic, Dominica, Italy, FYR Macedonia, Romania and Suriname. Countries with a significant worsening in perceived levels of corruption in 2007 include Austria, Bahrain, Belize, Bhutan, Jordan, Laos, Macao, Malta, Mauritius, Oman, Papua New Guinea and Thailand.

The concentration of gainers in South East and Eastern Europe testifies to the galvanising effect of the European Union accession process on the fight against corruption. At the same time, deeply troubled states such as Afghanistan, Iraq, Myanmar, Somalia, and Sudan remain at the very bottom of the index.

For more information

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