



Transparency International Corruption Perceptions Index 2010

**Policy and Research Department
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www.transparency.org/cpi

TI Corruption Perceptions Index 2010

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What is the CPI 2010?

An aggregate indicator that...

- Measures the degree to which corruption is perceived to exist among public officials and politicians in 178 countries around the world.
- Focuses on perceptions and not hard data.
- Draws on 13 different surveys and country assessments from 10 independent institutions carried out among experienced observers, such as business people and country analysts, including local experts.

Objectives

- To enhance comparative understanding of levels of public sector corruption.
- To create public awareness of corruption – and create a climate for change.
- To offer a snapshot of the views of businesspeople and experts who make decisions about trade and investment.
- To stimulate scientific research and complementary diagnostic analysis on causes and consequences of corruption, both at international and national level.

Methodology

The CPI is an indicator that combines different sources of information on perceived levels of corruption

- 13 surveys from 10 institutions (different sampling and varying methodologies)
- All sources of information assess levels of corruption mainly, in the public sector. Some sources of information contribute with more detailed data, thus simple averages must be calculated prior to inclusion.
- Country scores on a scale from 10 (very clean) to 0 (very corrupt).
- At least 3 sources per country. Businesspeople opinion surveys cover last 2 years while for assessments made by experts only the most recent iteration is included.
- For more details, see one page methodology document or detailed methodology document www.transparency.org/cpi

Sources

- Asian Development Bank (ADB), Country Performance Assessment Ratings, 2009
- African Development Bank (AfDB), Country Policy and Institutional Assessment, 2009
- Bertelsmann Foundation (BF), Bertelsmann Transformation Index, 2009
- The Economist Intelligence Unit (EIU), Country Risk Service and Country Forecast, 2010
- Freedom House (FH), Nations in Transit, 2010
- Global Insight (formerly the World Markets Research Centre, GI), Risk Ratings, 2010
- The Institute for Management Development (IMD) Lausanne, World Competitiveness Yearbook, 2009 and 2010
- The Political and Economic Risk Consultancy, (PERC) Hong Kong, Asian Intelligence Newsletter, 2009 and 2010
- World Economic Forum (WEF), Global Competitiveness Report, 2009 and 2010
- World Bank (WB), Country Policy and Institutional Assessment 2009

Sampling

	Source	Sample
1	ADB, AFDB, BTI, EIU, GI, WB	Non-resident perspective; respondents largely from developed countries of the western hemisphere.
2	FH, IMD, PERC, and WEF	Resident perspective; respondents from local experts and local business and multinational firms.

Composition of respondents is approximately **60% non-residents** and **40% residents**

Coverage

- The CPI 2010 covers 178 countries/territories (2 less than in 2009).
- Change resulted from individual sources adjusting their coverage:
 - **Kosovo** is included for the first time this year.
 - **Saint Lucia, Saint Vincent and the Grenadines, and Suriname**, are not included in the CPI 2010.

Results – CPI 2010

Countries where corruption is perceived to be lowest

<i>Rank</i>	<i>Country</i>	<i>Score</i>	<i>Surveys used</i>
1	Denmark	9.3	6
1	New Zealand	9.3	6
1	Singapore	9.3	9
4	Finland	9.2	6
	Sweden	9.2	6

Countries where corruption is perceived to be highest

<i>Rank</i>	<i>Country</i>	<i>Score</i>	<i>Surveys used</i>
175	Iraq	1.5	3
176	Afghanistan	1.4	4
	Myanmar	1.4	3
178	Somalia	1.1	3

Changes in results 2010 v. 2009

The CPI should not be used to compare across editions.

Scores from original sources were used to identify countries for which perceptions of the prevalence of corruption changed.

Changes in scores that can be identified in the sources themselves:

- **Decliners 2009 to 2010:**

The Czech Republic, Greece, Hungary, Italy, Madagascar, Niger and the United States.

- **Improvers 2009 to 2010:**

Bhutan, Chile, Ecuador, FYR Macedonia, Gambia, Haiti, Jamaica, Kuwait and Qatar

How to explain year-to-year changes

- Some changes in score are the result of an observable change in perceived levels of corruption
- In 2010 some changes are the result of:
 - Changes in sources: There is a change in countries covered by the original sources or some sources are not longer used.
 - Rounding and standardizing of data.

Please remember...

- The CPI SCORE indicates the perceived level of corruption in a country and the RANK indicates its position relative to the other countries included in the index.
- CPI needs complementary analysis. Need other measures to understand WHY a country scores as it does.
- The CPI was not designed to measure change over time. It is also not meant to provide a view of most recent efforts/changes.
- The CPI was not designed to identify areas for reform— NIS or other tools are better suited to do this
- The countries who score and rank poorly are not the most corrupt in the world.
- Although the CPI is robust, it should not be used as a hard measure for aid allocation.

New in 2010!

- Along with the CPI table, the following accompanying materials will be available
 - **Underlying scores:** The scores given to a country by 9 of the 13 different data providers (sources). These scores are transformed from their original scores to the 0 to 10 scale the CPI uses.
 - **Description of data sources:** A summary document explaining for each source of information: institutional features, type of survey, respondents, questions and scoring guidelines
 - **CPI report:** Booklet presenting the CPI results



Next – Malaysia's 2010 CPI Score

Malaysia's CPI Score – The last 10 Years

Year	Country Ranking	CPI Score	Countries surveyed
2001	36	5.0	91
2002	33	4.9	102
2003	37	5.2	133
2004	39	5.0	146
2005	39	5.1	159
2006	44	5.0	163
2007	43	5.1	179
2008	47	5.1	180
2009	56	4.5	180
2010	56	4.4	178

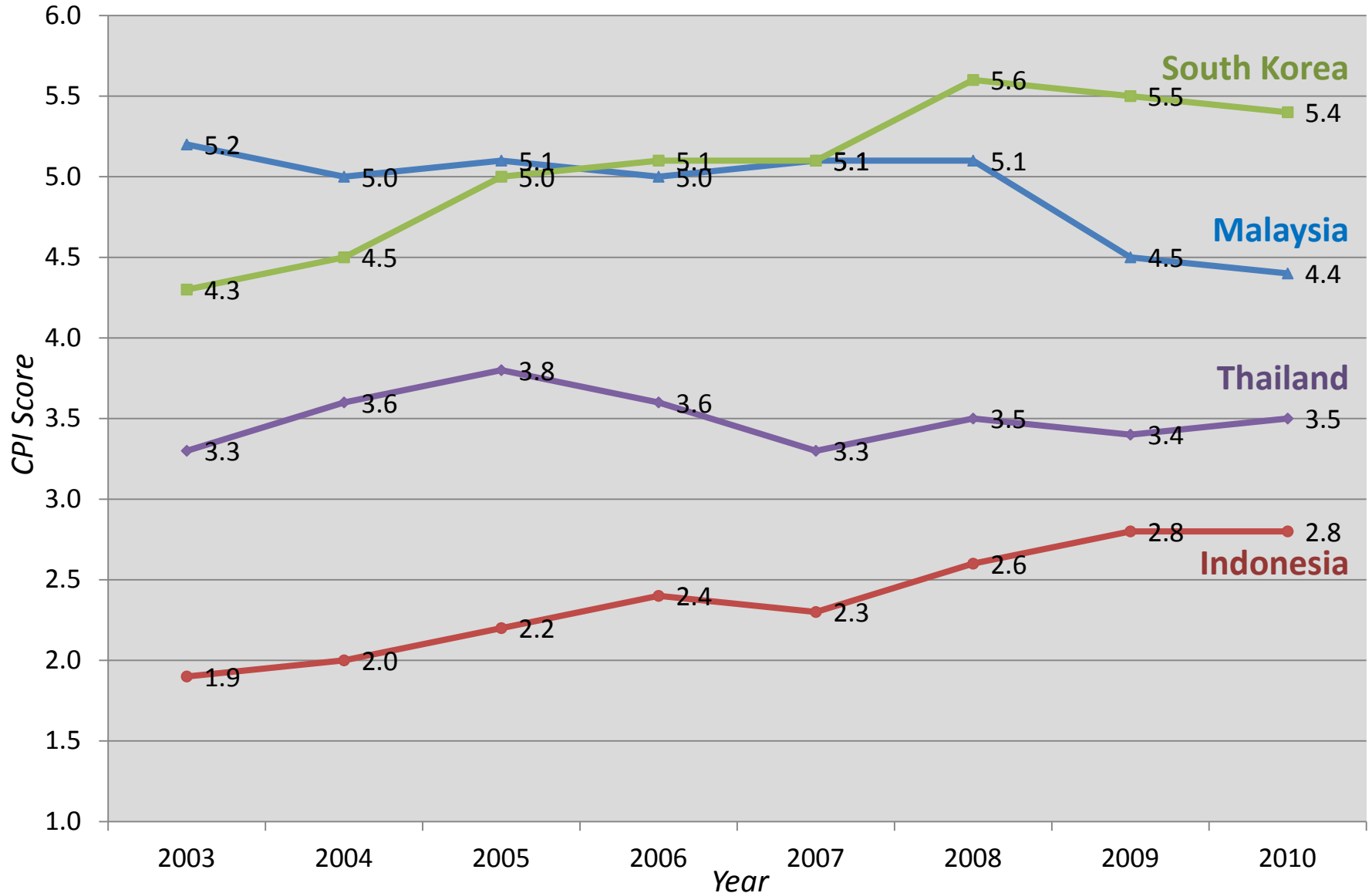


Scores of ASEAN Countries

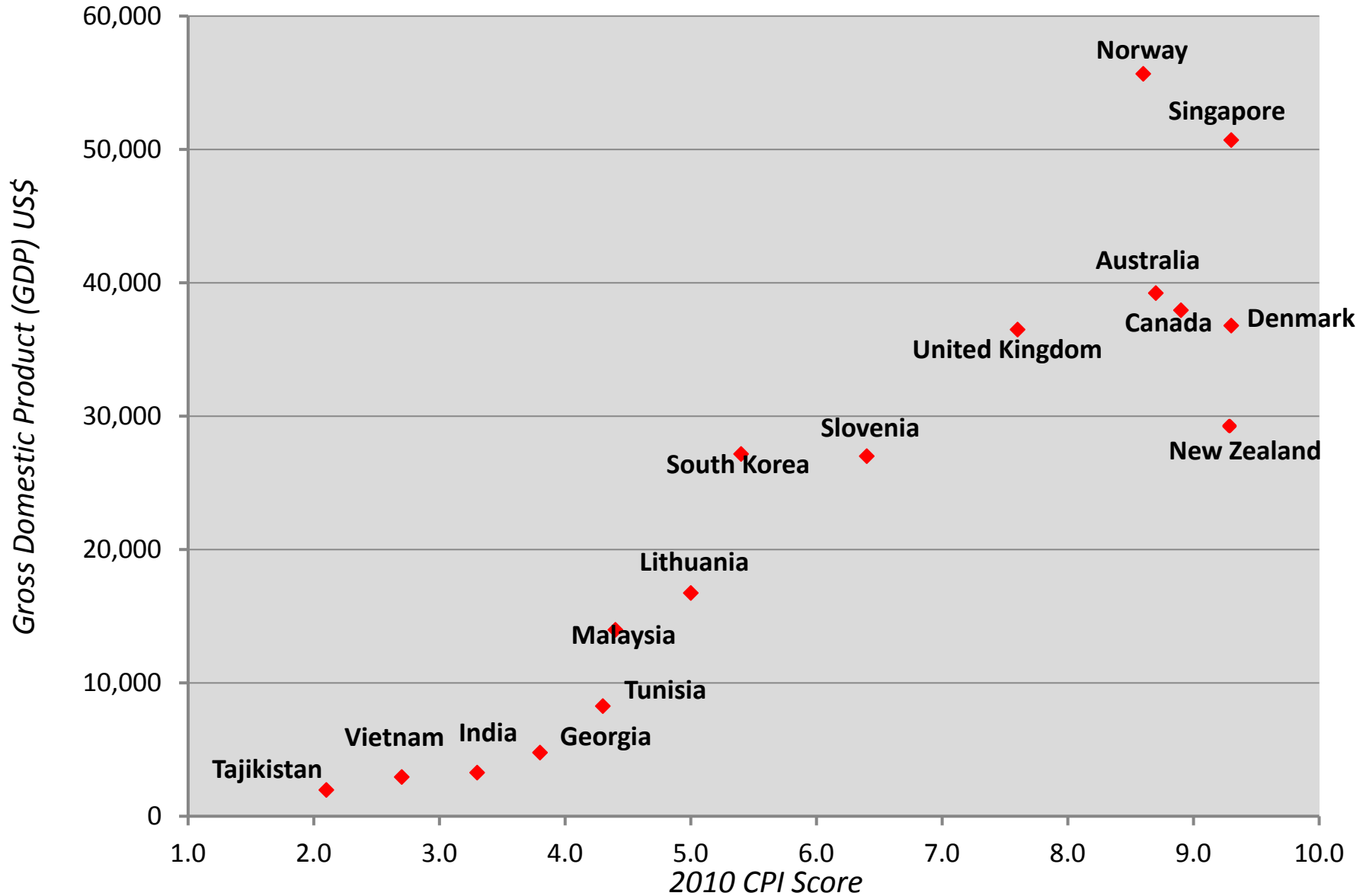
Ranking in ASEAN	Country	Global Ranking		CPI Score	
		2010 (178 countries)	2009 (180 countries)	2010	2009
1	Singapore	1	3	9.3	9.2
2	Brunei Darussalam	38	39	5.5	5.5
3	Malaysia	56	56	4.4	4.5
4	Thailand	78	84	3.5	3.4
5	Indonesia	110	111	2.8	2.8
6	Vietnam	116	120	2.7	2.7
7	Philippines	134	139	2.4	2.4
8	Laos	154	158	2.1	2.0
8	Cambodia	154	158	2.1	2.0
9	Myanmar	176	178	1.4	1.4



CPI Scores – Selected ASEAN Countries and South Korea



Relationship between CPI Scores and GDP



Source of GDP Figures: World Development Indicators Database, World Bank 2009

Possible Reasons for Malaysia's 2010 CPI Score

1. Perception of little progress in combating corruption
2. Lack of political will in implementing effective anti-corruption measures, e.g.
 - 2.1 No 'big fish' brought to book
 - 2.2 Lack of progress in PKFZ fiasco
 - 2.3 NFA by A-G in judicial appointments tampering ("Lingam tapes")
 - 2.4 Snowballing mega projects and contracts without open tenders or competitive bidding
 - 2.5 No Integrity Pacts (IPs) implemented yet

Initiatives by the Government

1. Integrity - NKRA, with improvement of the CPI score as KPI
2. TI's IPs to be implemented in the government procurement process
3. Formation of MACC with more powers, autonomy and independent panels
4. Whistleblower Protection Act, to expose corruption and protect whistleblowers
5. 18 special corruption courts and amendments to the CPC to expedite corruption trials
6. Publication of Government tender awards in MyProcurement portal
7. "Name and Shame" list of convicted corruption offenders on MACC's website
8. Establishment of compliance units in key enforcement agencies

TI Malaysia's Recommendations

1. Make MACC more independent and autonomous to reinforce the rule of law that no one is above the law
2. Reform political financing and regulation of political parties and elections
3. Promote freedom of information - repeal or drastically curb OSA, Seditious Act and Printing Presses and Publications Act
4. Effective and vigorous enforcement of existing laws and policies

Government must show strong political will to fight corruption

Thank you
We welcome your questions

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