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# **CORRUPTION PERCEPTIONS INDEX 2019**

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PRESIDENT TI- MALAYSIA**

**23 JANUARY 2020**

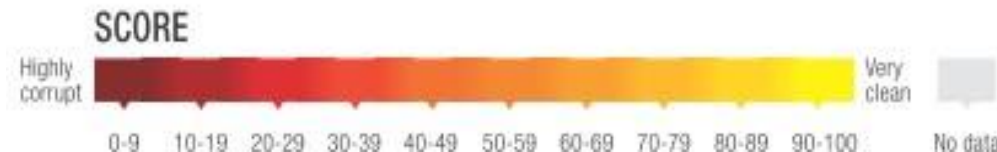


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# 180 COUNTRIES. 180 SCORES.

## HOW DOES YOUR COUNTRY MEASURE UP?

The perceived levels of public sector corruption in 180 countries/territories around the world.





# WHAT IS CPI ?

A global (180 countries/territories)  
aggregate Index (up to 13 different data sources)  
capturing perceptions (experts/business people)  
of corruption (abuse of power for private gain)  
in the public sector (public officials and institutions)



# WHAT DOES THE CPI MEASURE?

**All of our sources  
measure public sector  
corruption, or certain  
aspects of public sector  
corruption, including:**

- **Bribery**
- **Diversion of public funds**
- **Use of public office for private gain**
- **Nepotism in the civil service**
- **State capture**
- **The government's ability to enforce integrity mechanisms**
- **The effective prosecution of corrupt officials**
- **Red tape and excessive bureaucratic burden**
- **The existence of adequate laws on financial disclosure, conflict of interest prevention and access to information**
- **Legal protection for whistleblowers, journalists and investigators**



# CPI DOES NOT CAPTURE:

Based on the dimensions included in our external sources, the following aspects are not captured in the CPI:

- ❖ Citizens' perceptions or experience on corruption
- ❖ Tax fraud
- ❖ Illicit financial flows
- ❖ Enablers of corruption (lawyers, accountants, financial advisors etc)
- ❖ Money Laundering
- ❖ Any type of private sector corruption
- ❖ Informal economies and markets



# SURVEY SOURCES

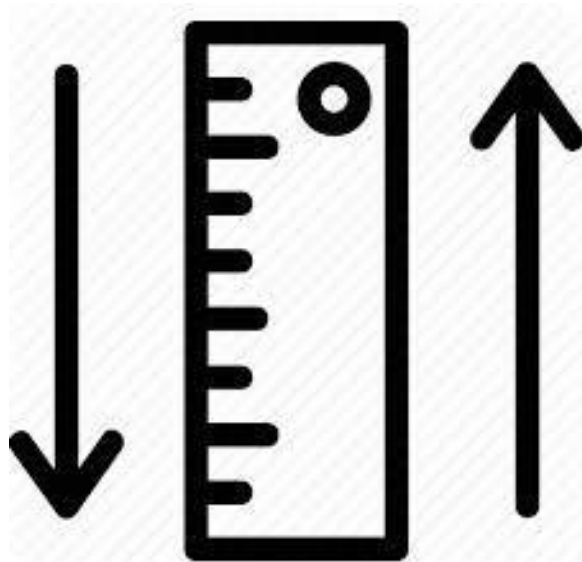
1. Bertelsmann Stiftung Transformation Index 2020
2. Economist Intelligence Unit Country Risk Service 2019
3. Global Insight Country Risk Ratings 2018
4. IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2019
5. Political and Economic Risk Consultancy Asian Intelligence 2019
6. The PRS Group International Country Risk Guide 2019
7. World Economic Forum Executive Opinion Survey 2019
8. World Justice Project Rule of Law Index Expert Survey 2019
9. Varieties of Democracy (V-Dem) 2019
10. African Development Bank Country Policy and Institutional Assessment 2018
11. Bertelsmann Stiftung Sustainable Governance Indicators 2018
12. Freedom House Nations in Transit 2018
13. World Bank Country Policy and Institutional Assessment 2018







# METHODOLOGY – RESCALING SOURCES



**Reverse the data (if necessary)**

- Low number = Highly corrupt
- High number = Very clean

**Standardise original data to z scores**

**Standardise data to CPI scale (0-100)**

- Transform Z scores to 0-100 scale
- Fix the spread of data to have a max 100, min 0

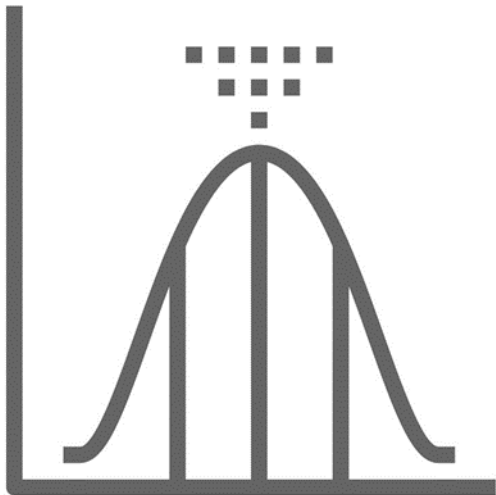


# METHODOLOGY – CALCULATE THE AVERAGE

**At least three scores for each country**

**Simple average of scores**

**Each source counts equally (no weighting)**







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# METHODOLOGY – SOURCES

## What makes a valid source?

- A. Methodological reliability and institutional reputation
- B. Conceptual alignment of the data
- C. Cross country comparability
- D. Multi year data availability



| Bertelsmann Stiftung



# METHODOLOGY – EXTERNAL AUDIT

Conducted by European  
Commission Joint Research  
Centre.

...the Corruption Perceptions Index (CPI), besides being appealing for reasons of transparency and replicability, is also conceptually and statistically coherent and with a balanced structure (i.e. the CPI is not dominated by any of the individual sources)...

Results also provided statistical justification for the use of simple average across the sources.

**MAIN RECOMMENDATION: UPDATE FORMULA FOR  
CALCULATION OF STANDARD ERRORS**





# WHY DO WE STILL NEED THE CPI?

The external audit re-iterated that the CPI is an important global indicator for the following reasons:

**Coverage:** The CPI covers more countries than any of the individual sources alone

**Statistical reliability:** The CPI is better than the sum of its parts as it compensates for eventual errors among sources by taking the average of at least 3 different sources and as many as 13.

**Precision:** The CPI's scale (0-100) introduces more precision in comparison to other sources that may have scales of 1-5 or 1-7 (and where many countries are equally ranked).

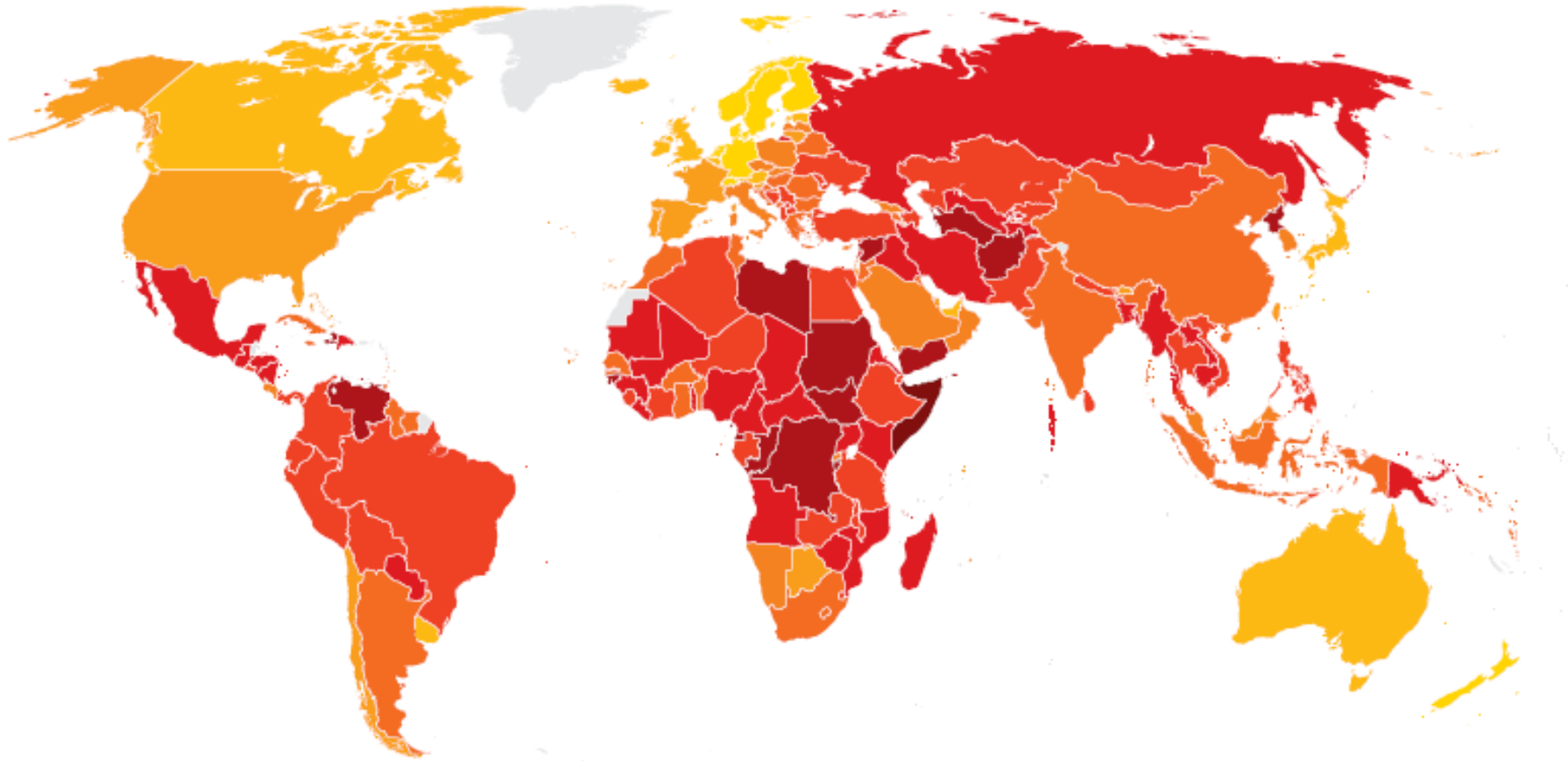
**Neutrality:** The CPI reconciles different view points on the issue of public sector corruption, it is also more neutral when handling different political regimes.





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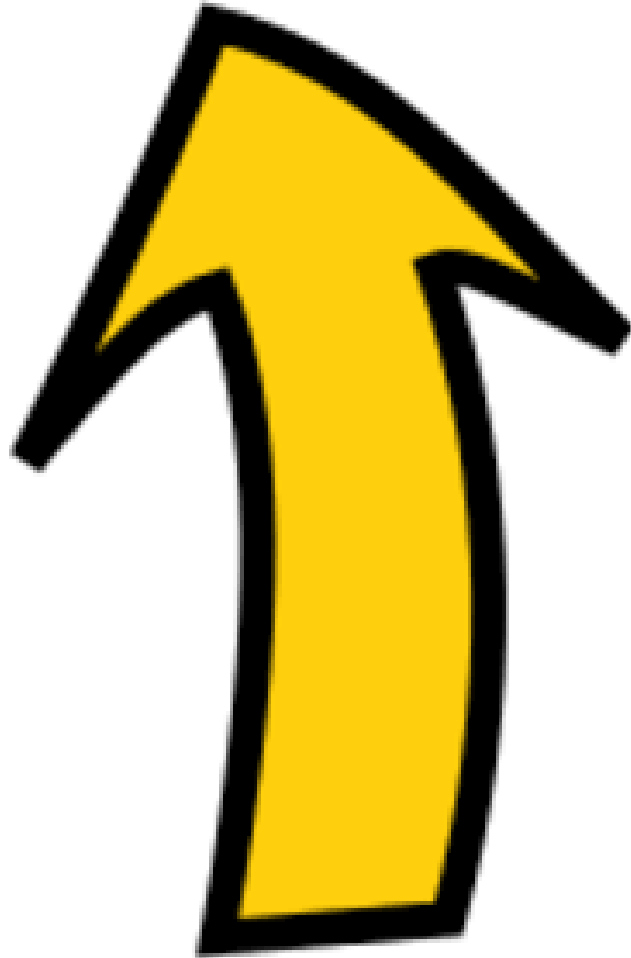
# CPI 2019 MAP





# CPI 2019: TOP 10 COUNTRIES

## TOP 10 COUNTRY SCORES



87	Denmark	85	Switzerland
87	New Zealand	84	Norway
86	Finland	82	Netherlands
85	Singapore	80	Canada
85	Sweden	80	Luxembourg





# CPI 2019: BOTTOM 10 COUNTRIES



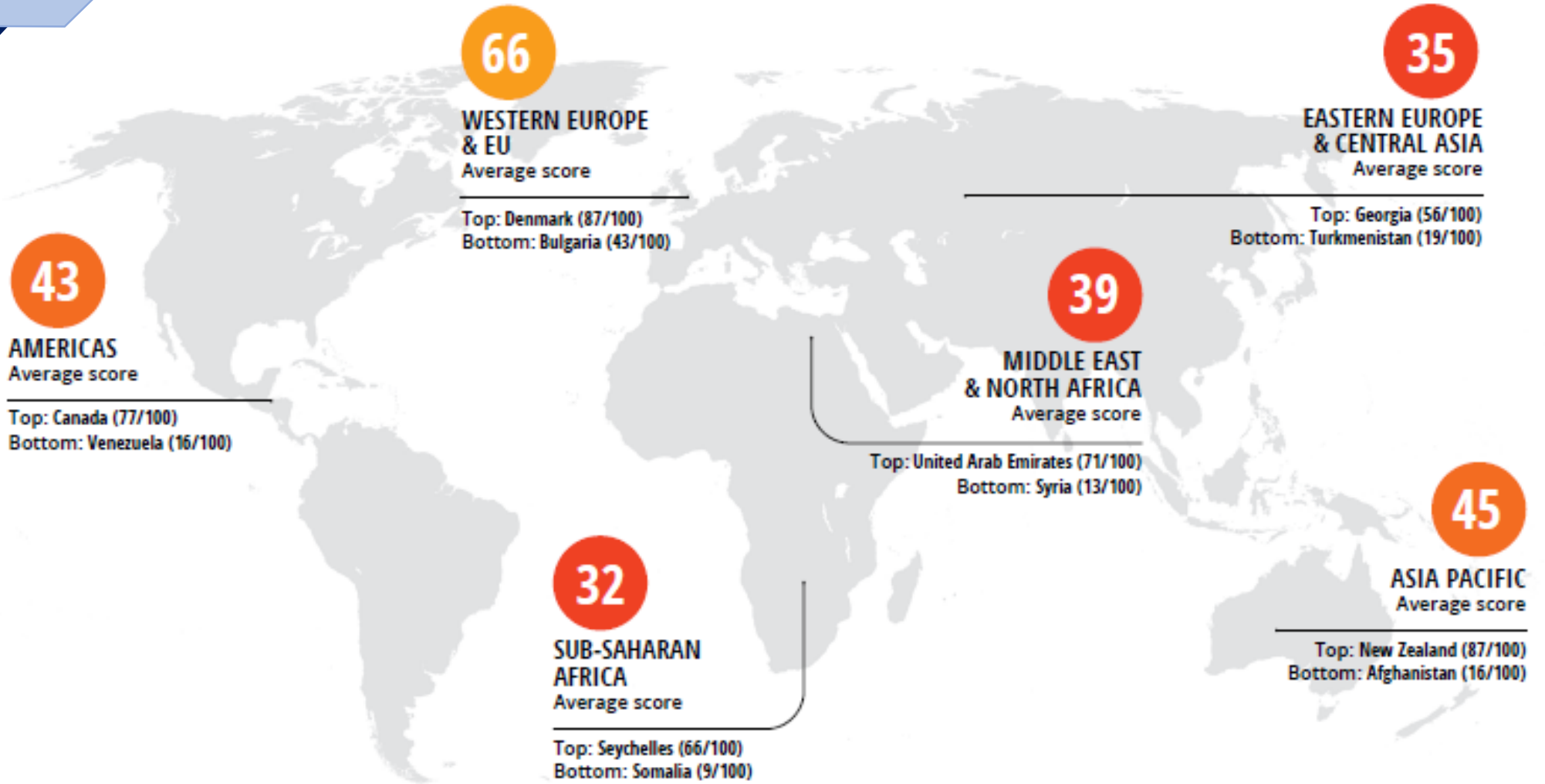
## BOTTOM 10 COUNTRY SCORES

18	Libya	16	Venezuela
17	North Korea	15	Yemen
16	Afghanistan	13	Syria
16	Equatorial Guinea	12	South Sudan
16	Sudan	9	Somalia





# RESULTS BY REGION





# MAIN MOVERS: UP AND DOWN

In the last eight years, only 22 countries significantly improved their CPI scores, including Greece, Guyana and Estonia. In the same period, 21 countries significantly decreased their scores, including Canada, Australia and Nicaragua. In the remaining 137 countries, the levels of corruption show little to no change.

Since 2012:

22



## COUNTRIES IMPROVED\*

Including:

- Greece (+12)
- Guyana (+12)
- Estonia (+10)

21



## COUNTRIES DECLINED\*

Including:

- Canada (-7)
- Nicaragua (-7)
- Australia (-8)



**THE REMAINING COUNTRIES MADE  
LITTLE OR NO PROGRESS IN THE FIGHT  
AGAINST CORRUPTION IN RECENT YEARS**

\* In these six examples, the country score changed significantly between 2012 and 2019.



# CPI 2019: THE ANALYSIS

## ASIA PACIFIC

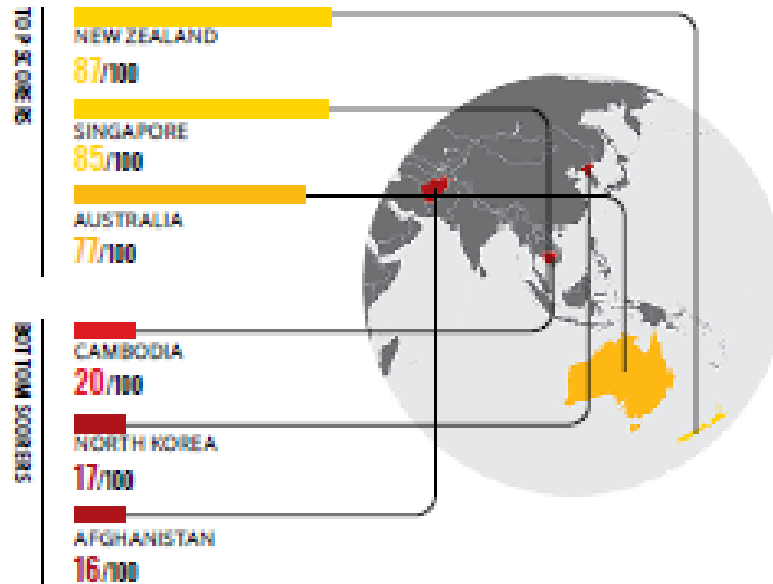
A regional average of 45, after many consecutive years of an average score of 44, illustrates general stagnation across the Asia Pacific.

31

COUNTRIES ASSESSED

45/100

AVERAGE REGIONAL SCORE



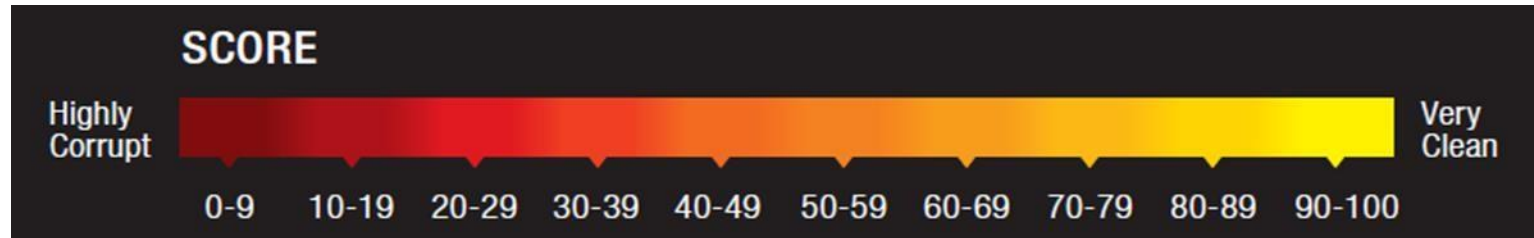
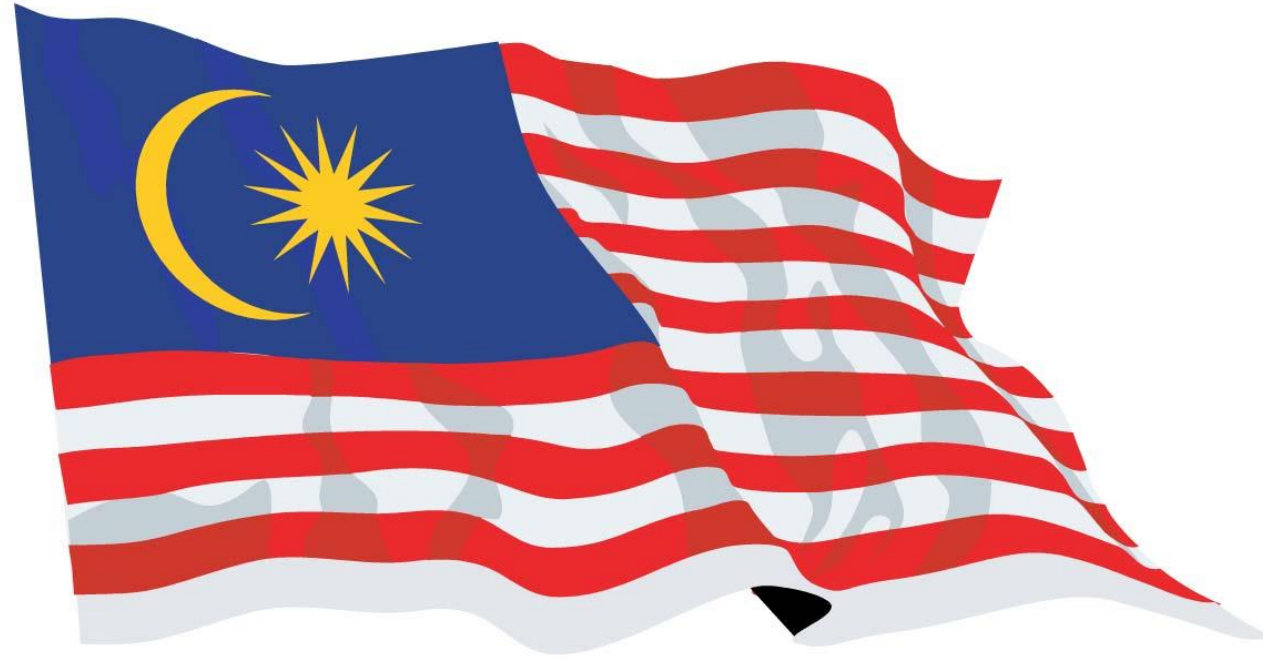
Despite the presence of high performers like New Zealand (87), Singapore (85), Australia (77), Hong Kong (76) and Japan (73), the region hasn't witnessed substantial progress in anti-corruption efforts or results. In addition, low performers like Afghanistan (16), North Korea (17) and Cambodia (20) continue to highlight serious challenges in the region.

While often seen as an engine of the global economy, in terms of political integrity and governance, the region performs only marginally better than the global average. Many countries see economic openness as a way forward, however, governments across the region, from China to Cambodia to Vietnam, continue to restrict participation in public affairs, silence dissenting voices and keep decision-making out of public scrutiny.

Given these issues, it comes as no surprise that vibrant economic powers like China (41), Indonesia (40), Vietnam (37), the Philippines (34) and others continue to struggle to tackle corruption. Even in democracies, such as Australia and India, unfair and opaque political financing and undue influence in decision-making and lobbying by powerful corporate interest groups, result in stagnation or decline in control of corruption.



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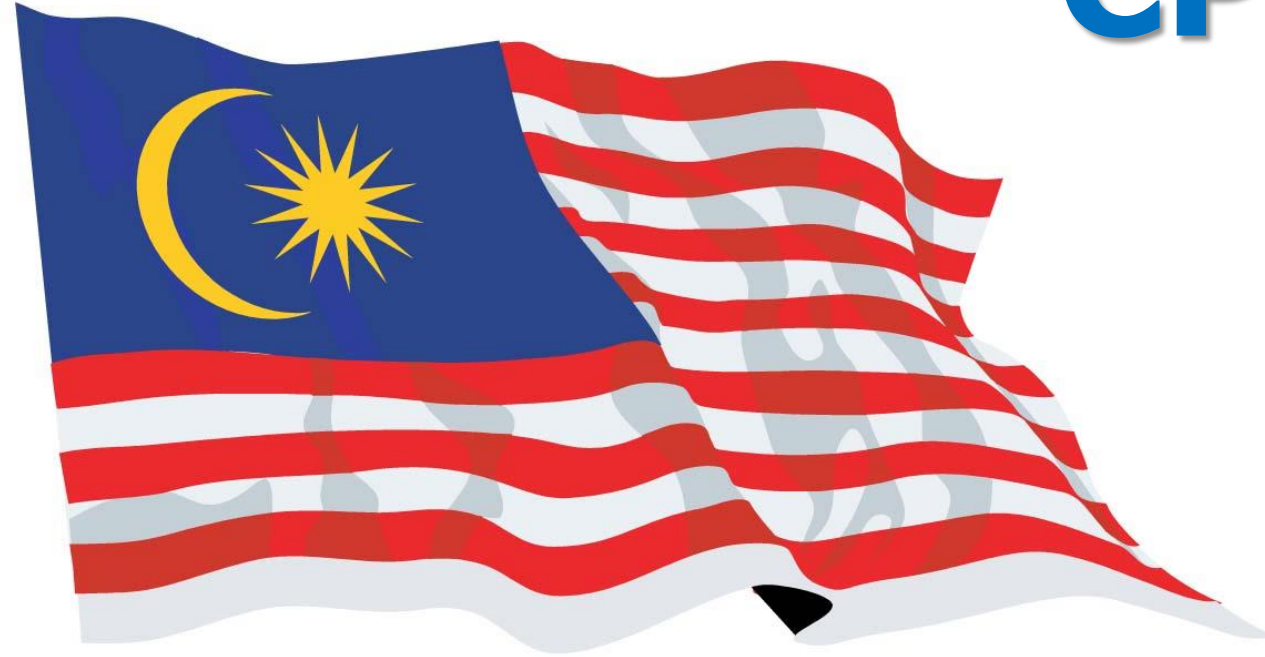


A Nation without Corruption; A Society with Integrity



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# CPI 2018



## SCORE

**47**

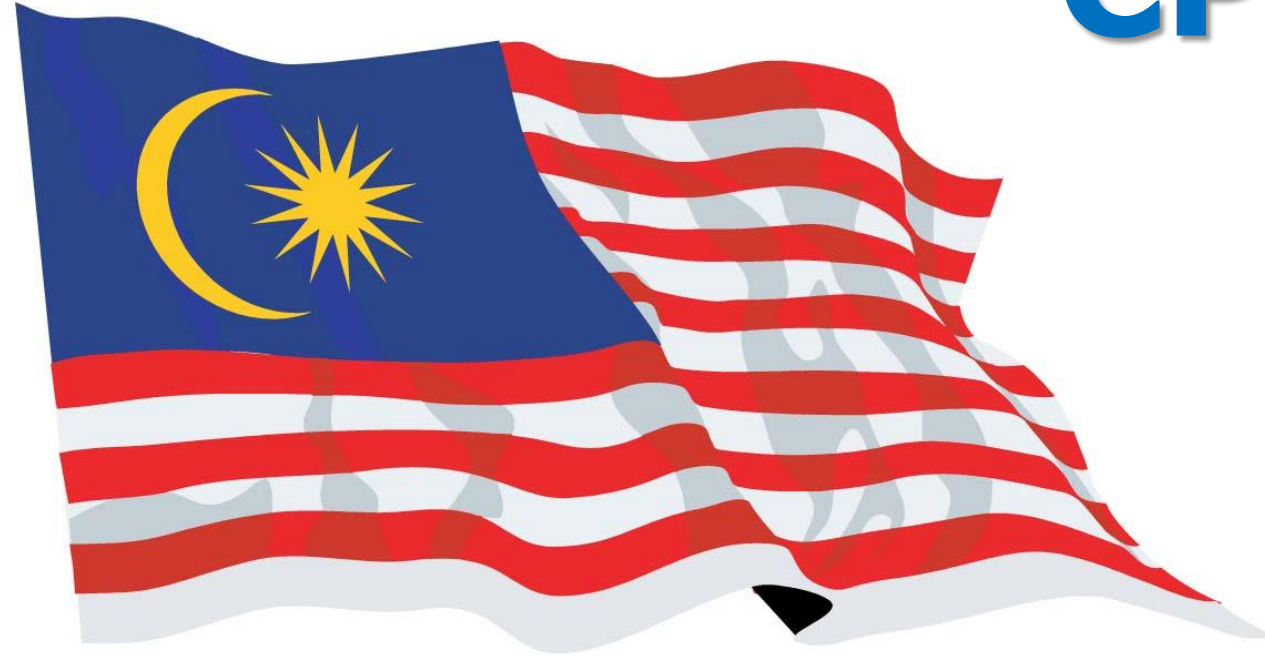
## RANK

**61**



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# CPI 2019



## SCORE

**XX**

## RANK

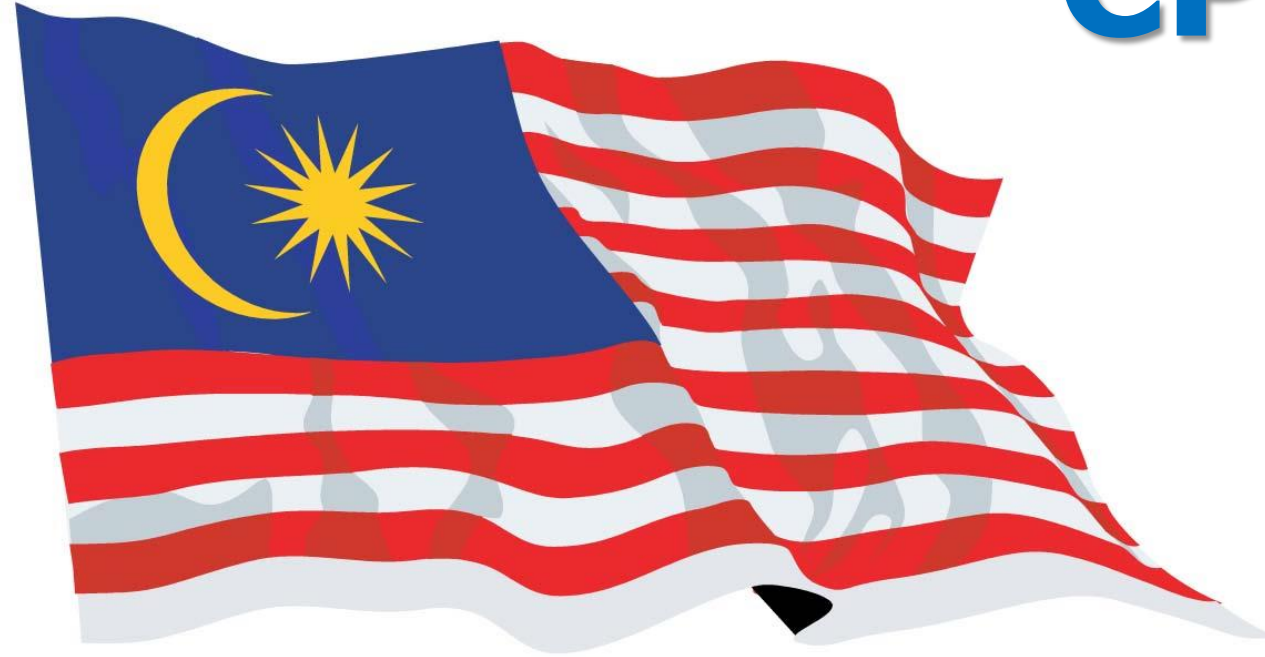
**XX**





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# CPI 2019



## SCORE

**53**

## RANK

**51**



# SURVEYS USED

## SCORE

1	<b>Bertelsmann Stiftung Transformation Index 2020</b>	<b>53</b>
2	<b>Economist Intelligence Unit Country Risk Service 2019</b>	<b>55</b>
3	<b>Global Insight Country Risk Ratings 2018</b>	<b>59</b>
4	<b>IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2019</b>	<b>56</b>
5	<b>Political and Economic Risk Consultancy Asian Intelligence 2019</b>	<b>46</b>
6	<b>The PRSGroup International Country Risk Guide 2019</b>	<b>41</b>
7	<b>World Economic Forum Executive Opinion Survey 2019</b>	<b>62</b>
8	<b>World Justice Project Rule of Law Index Expert Survey 2019</b>	<b>49</b>
9	<b>Varieties of Democracy (V-Dem) 2019</b>	<b>60</b>



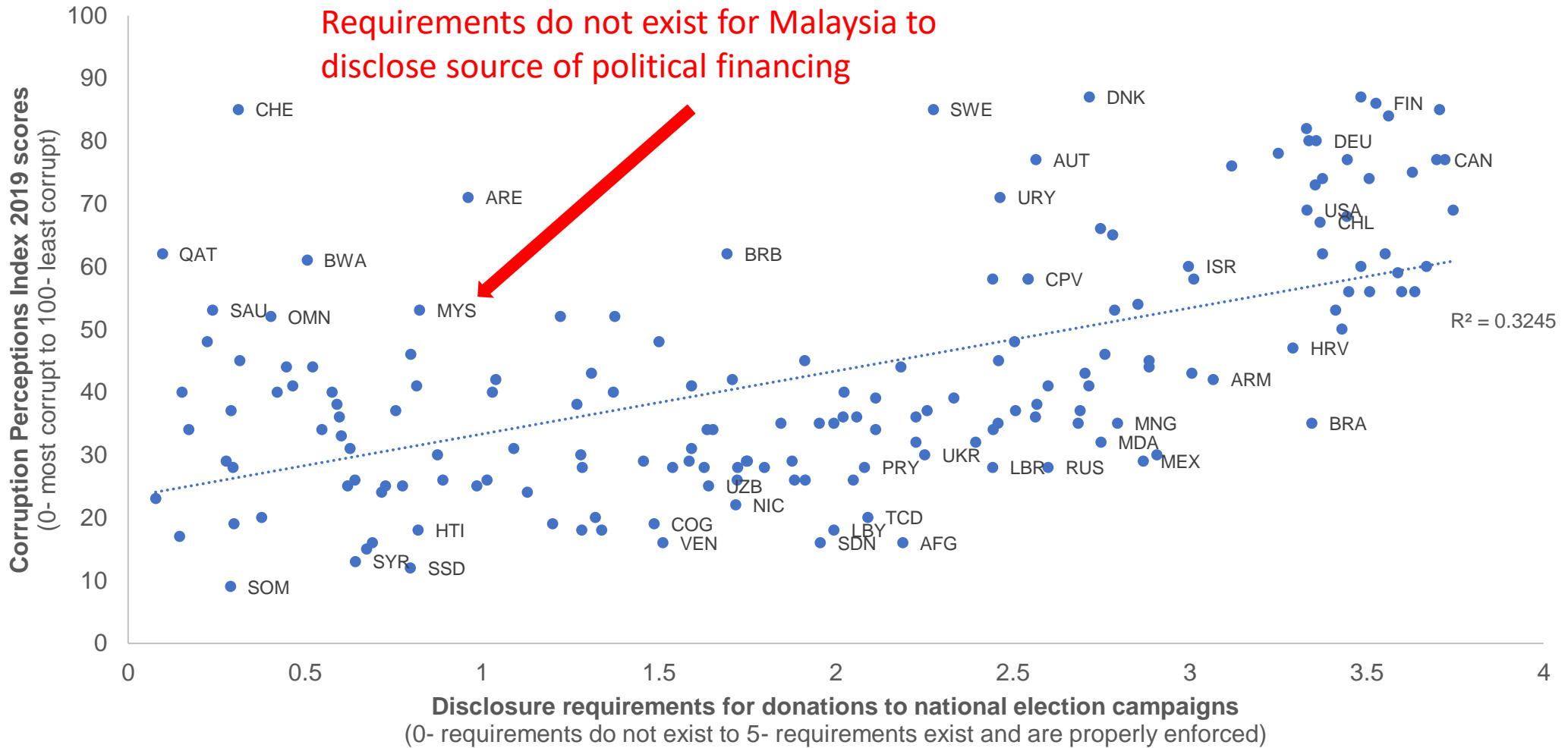
# SURVEYS USED

	2018	2019
1 Bertelsmann Stiftung Transformation Index 2020	37	53
2 Economist Intelligence Unit Country Risk Service 2019	55	55
3 Global Insight Country Risk Ratings 2018	47	59
4 IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2019	47	56
5 Political and Economic Risk Consultancy Asian Intelligence 2019	41	46
6 The PRSGroup International Country Risk Guide 2019	41	41
7 World Economic Forum Executive Opinion Survey 2019	66	62
8 World Justice Project Rule of Law Index Expert Survey 2019	45	49
9 Varieties of Democracy (V-Dem) 2019	47	60
	<b>Total</b>	<b>426</b>
		<b>481</b>

**Aggregate CPI Score = 481/9**  
**= 53**



# CPI vs DISCLOSURE REQUIREMENTS FOR DONATIONS TO NATIONAL ELECTION CAMPAIGNS





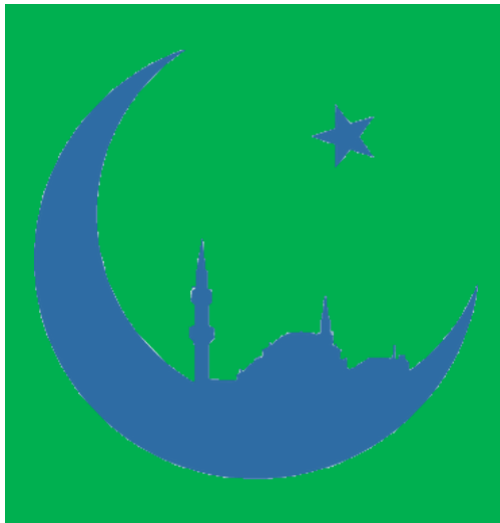
# CPI 2019: ASEAN SCORE & RANK

ASEAN COUNTRIES	Country Score		Rank	
	2019	2018	2019	2018
Singapore	85	85	4 ↓	3
Brunei	60 ↓	63	35 ↓	31
Malaysia	53 ↑	47	51 ↑	61
Indonesia	40 ↑	38	85 ↑	89
Thailand	36	36	101 ↓	99
Philippines	34 ↓	36	113 ↓	99
Vietnam	37 ↑	33	96 ↑	117
Myanmar	29	29	130 ↑	132
Laos	29	29	130 ↑	132
Cambodia	20	20	162 ↓	161



# CPI 2019: ISLAMIC COUNTRIES SCORE & RANK

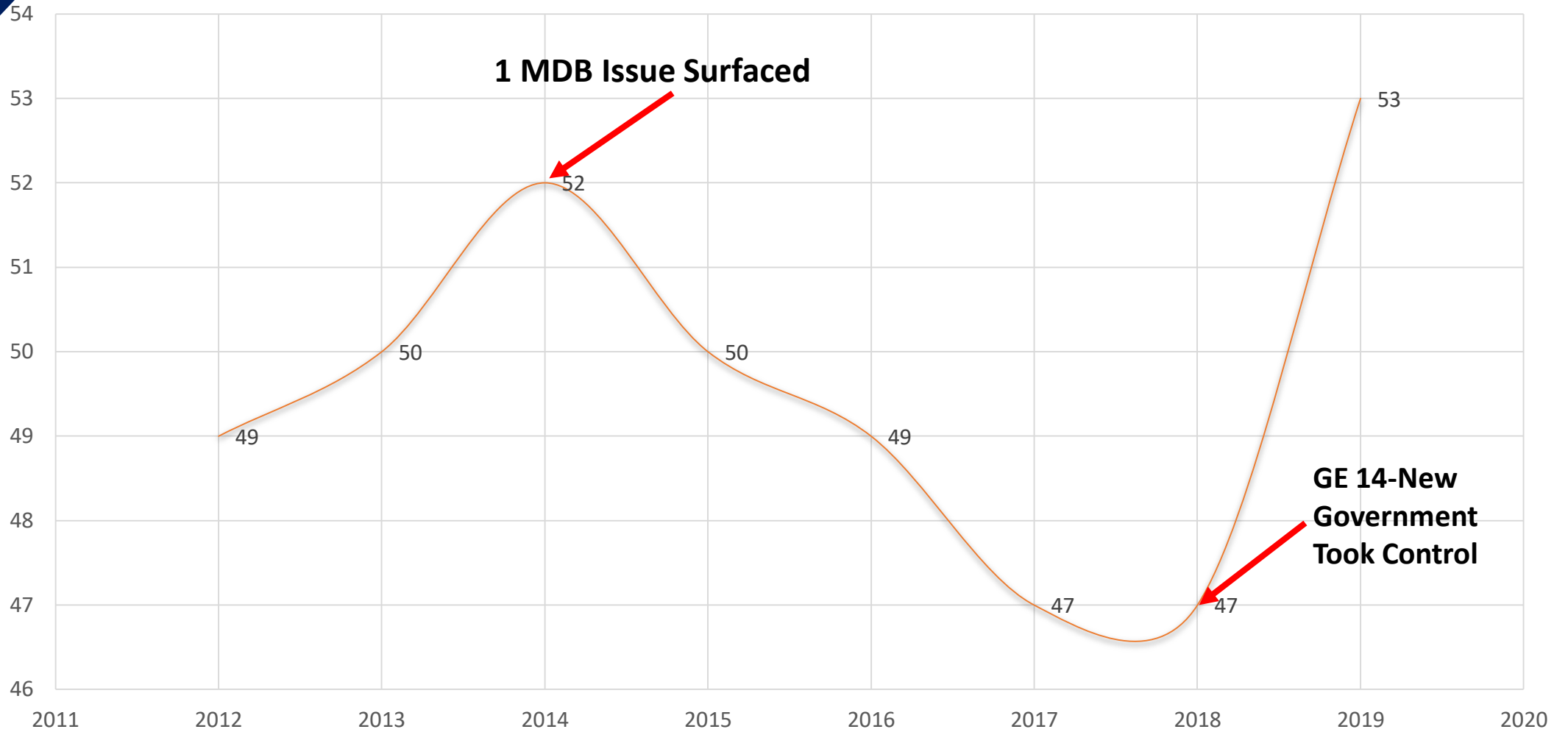
ISLAMIC COUNTRIES	Country Score		Rank	
	2019	2018	2019	2018
UAE	71	70	21	23
Qatar	62	62	30	33
Brunei	60	63	35	31
Saudi Arabia	53	49	51	58
Malaysia	53	47	51	62
Oman	52	52	56	53
Jordan	48	49	60	58
Senegal	45	45	66	67
Tunisia	43	43	74	73
Bahrain	42	36	77	99







# Analysis of CPI SCORES (2012-2019)





# Why Malaysia's Score in CPI Improved?

- ❖ **Swift action by the new government to take action on the 1 MDB, SRC, FELDA and TABUNG HAJI scandals.**
- ❖ **Arrest of several political figures for corruption and money laundering by MACC.**
- ❖ **Greater media freedom.**
- ❖ **Public Accounts Committee led by an opposition member.**
- ❖ **Passing of the asset declaration motion in parliament and the asset declaration by MPs of the ruling party.**
- ❖ **Incorporating Corporate Liability Provision (Section 17A) in the MACC Act (Article 26-UNCAC).**
- ❖ **National Anti Corruption Plan (NACP).**





# CPI 2019: TI-M'S CONCERNS

- ❖ **Political Financing Bill to be tabled in parliament –March 2020?**
- ❖ **Culture of money politics still alive during by-elections!**
- ❖ **Continued delay to pass the bill on IPCMC-March 2020?**
- ❖ **Government Procurement Bill to be tabled in parliament-March 2020?**
- ❖ **Whistleblower Protection Act 2010 amendment?**
- ❖ **Governance and internal controls in government agencies and departments**
- ❖ **Are issues raised in the Auditor General's report yearly, addressed effectively?**
- ❖ **What is the role of the Internal Audit in the government agencies and departments?**





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# CPI 2019: RECOMMENDATIONS

- ❖ **Early closure of high profile graft cases like SRC, Sabah Watergate and 1MDB.**
- ❖ **Ensure successful implementation of the National Anti-Corruption Plan and make disclosures on the progress of the 115 initiatives.**
- ❖ **Re-opening of past cases by the Malaysian Anti-Corruption Commission to be done without fear or favor**
- ❖ **Strong political will for institutional and legal reforms**
- ❖ **Release the Institutional Reforms Committee report**
- ❖ **Enact the Freedom of Information Act across all states, to replace the Official Secrets Act**
- ❖ **Provide greater transparency when public projects are awarded (Mega Projects)**





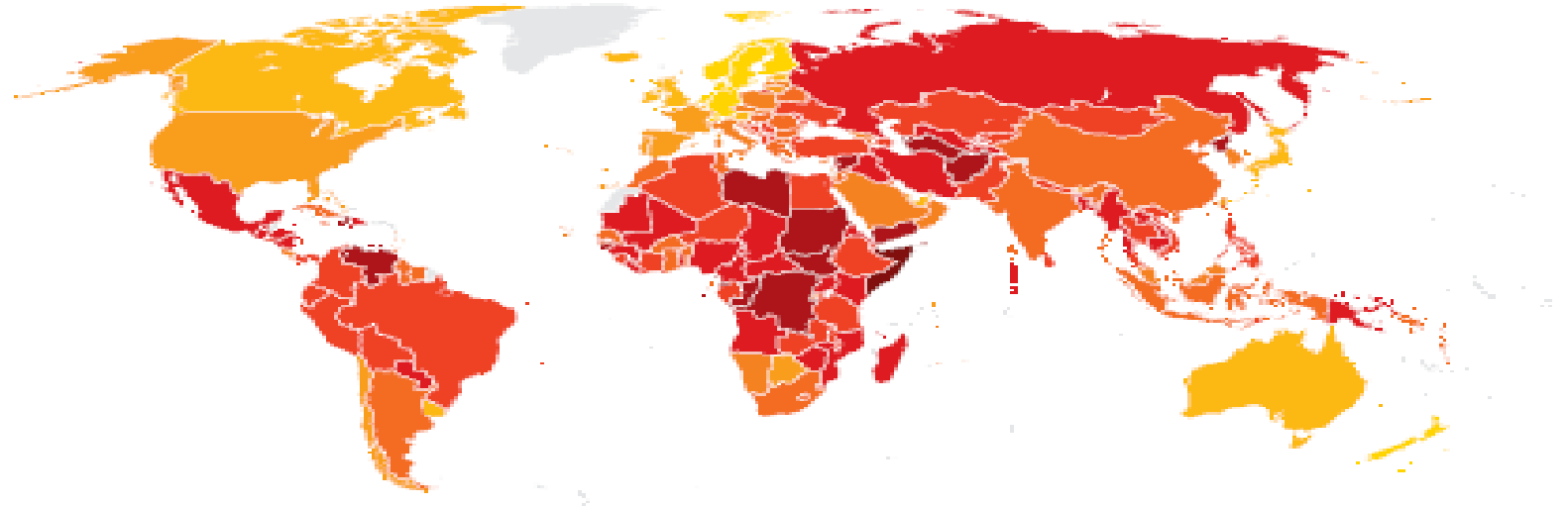
# CPI 2019: RECOMMENDATIONS (Con't)

- ❖ **Amendments of the MACC Act on the appointment of the Chief Commissioner through parliament.**
- ❖ **Amendment to the Whistleblower Protection Act 2010 to widen the reporting channels for the public and strengthen the protection for whistleblowers.**
- ❖ **Enactment of the asset declaration law to compel all lawmakers including the opposition and public officials to declare their assets and made accessible to the public.**
- ❖ **Make provision in the current MACC Act to incorporate provisions to compel companies to declare the Ultimate Beneficial Ownership.**
- ❖ **Government should improve communication with the public and build a consultative type of administration to update on progress made regularly.**



# CORRUPTION PERCEPTIONS INDEX 2019

The perceived levels of public sector corruption in 180 countries/territories around the world.



SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK
97	Denmark	1	67	Chile	26	53	Italy	51	42	Solomon Islands	77	36	Thailand	101
97	New Zealand	1	66	Seychelles	27	53	Malaysia	51	41	Benin	80	35	Algeria	105
96	Finland	3	65	Taiwan	28	52	Rwanda	51	41	China	80	35	Algeria	105
95	Singapore	4	64	Bahamas	29	52	Saudi Arabia	51	41	Ghana	80	35	Brazil	106
95	Sweden	4	62	Barbados	30	52	Mauritius	56	41	India	80	35	Cote d'Ivoire	106
95	Switzerland	4	62	Portugal	30	52	Namibia	56	41	Morocco	80	35	Egypt	106
94	Norway	7	62	Qatar	30	52	Oman	56	40	Burkina Faso	85	35	North Macedonia	106
92	Netherlands	8	62	Spain	30	50	Slovakia	59	40	Guyana	85	35	Mongolia	106
90	Germany	9	61	Botswana	34	48	Cuba	60	40	Indonesia	85	34	El Salvador	113
90	Luxembourg	9	60	Brunei	35	48	Greece	60	40	Kuwait	85	34	Kazakhstan	113
88	Iceland	11	60	Darussalam	35	48	Jordan	60	40	Lesotho	85	34	Nepal	113
88	Australia	12	60	Israel	35	47	Croatia	60	40	Trinidad and Tobago	85	34	Philippines	113
87	Austria	12	60	Lithuania	35	46	Sao Tome and Principe	64	39	Serbia	91	34	Bosnia and Herzegovina	126
87	Canada	12	60	Slovenia	35	46	Vanuatu	64	39	Turkey	91	33	Zambia	113
87	United Kingdom	12	59	Korea, South	39	46	Argentina	66	39	Ecuador	93	33	Sierra Leone	119
86	Hong Kong	16	59	Saint Vincent and the Grenadines	39	45	Bahrain	66	38	Sri Lanka	93	33	Moldova	120
85	Belgium	17	58	Cabo Verde	41	45	Montenegro	66	38	Timor-Leste	93	33	Niger	120
84	Estonia	18	58	Cyprus	41	45	Senegal	66	37	Colombia	96	33	Pakistan	120
84	Ireland	18	58	Poland	41	44	Hungary	70	37	Ethiopia	96	31	Bolivia	123
83	Japan	20	56	Costa Rica	44	44	Romania	70	37	Gambia	96	31	Gabon	123
81	United Arab Emirates	21	56	Czech Republic	44	44	South Africa	70	37	Tanzania	96	31	Malawi	123
81	Uruguay	21	56	Georgia	44	44	Suriname	70	37	Vietnam	96	30	Azerbaijan	126
80	France	23	56	Latvia	44	43	Bulgaria	74	36	Bosnia and Herzegovina	101	30	Djibouti	126
80	United States of America	23	55	Dominica	48	43	Jamaica	74	36	Kosovo	101	30	Kyrgyzstan	126
80	Bhutan	25	55	Malta	50	43	Tunisia	74	36	Panama	101	30	Ukraine	126
			54	Malta	50	42	Armenia	77	36	Peru	101	29	Guinea	130
			53	Grenada	51	42	Bahrain	77	36	Peru	101	29	Laos	130
												29	Maldives	130
												29	Mal	130
												29	Mexico	130
												29	Myanmar	130
												29	Togo	130
												28	Dominican Republic	137
												28	Kenya	137
												28	Lebanon	137
												28	Liberia	137
												28	Mauritania	137
												28	Papua New Guinea	137
												28	Paraguay	137
												28	Russia	137
												28	Uganda	137
												26	Angola	146
												26	Bangladesh	146
												26	Guatemala	146
												26	Honduras	146
												26	Iran	146
												26	Mozambique	146
												26	Nigeria	146
												25	Cameroon	153
												25	Central African Republic	153
												25	Comoros	153
												25	Tajikistan	153
												25	Uzbekistan	153
												25	Yemen	177
												13	Syria	178
												12	South Sudan	179
												9	Somalia	180
												35	Uzbekistan	153
												34	Madagascar	158
												34	Zimbabwe	158
												33	Eritrea	160
												32	Nicaragua	161
												30	Cambodia	162
												30	Chad	162
												30	Iraq	162
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												16	Equatorial Guinea	173
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												13	Syria	178
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												9	Somalia	180





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