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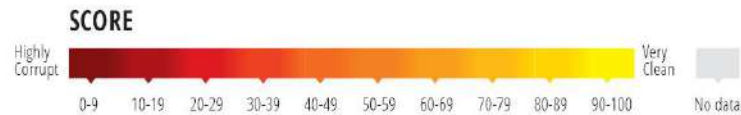
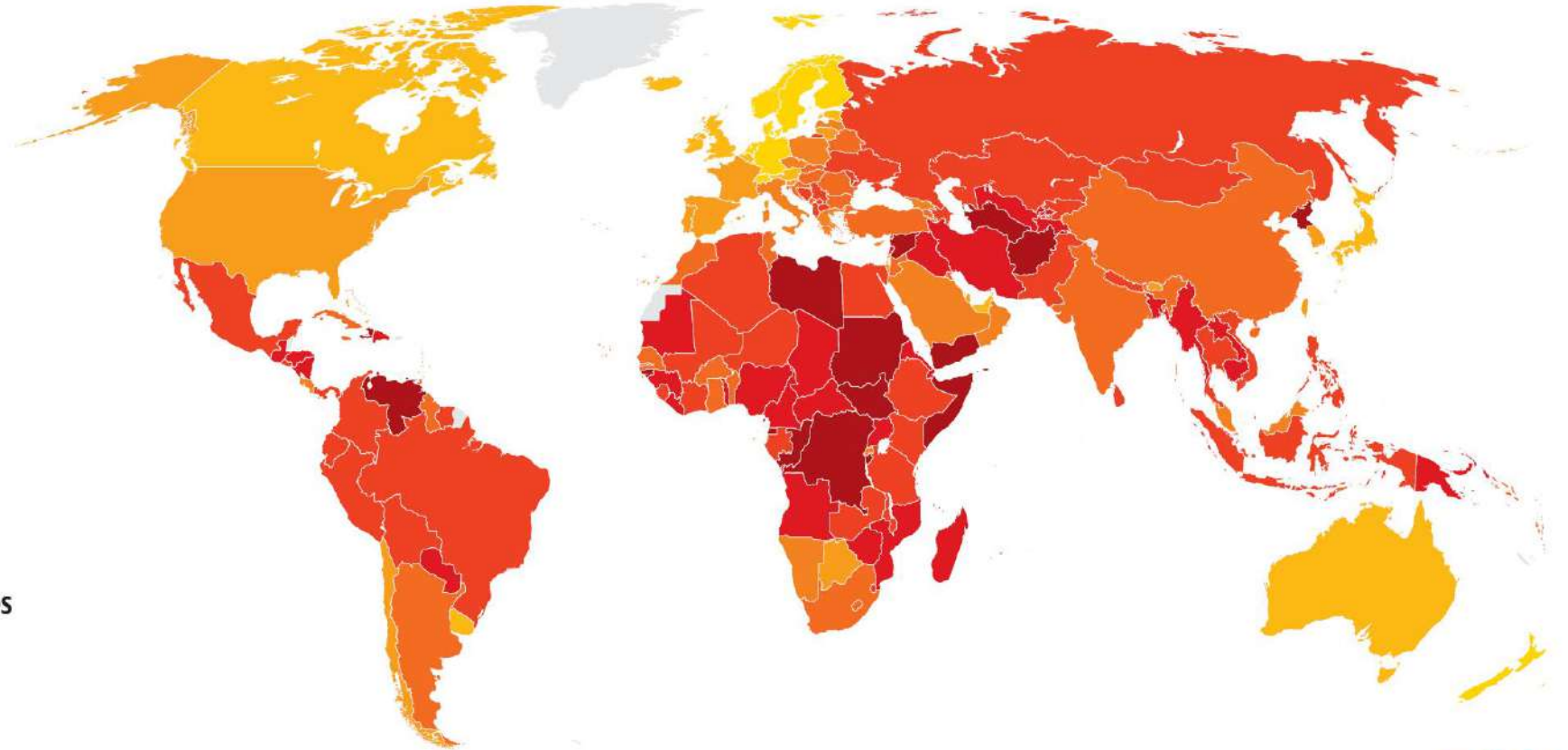
CORRUPTION PERCEPTIONS INDEX 2020

**Dr Muhammad Mohan
PRESIDENT TI- MALAYSIA**

28 JANUARY 2021

CORRUPTION PERCEPTIONS INDEX 2020

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



#cpi2020

www.transparency.org/cpi

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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**
- **Embezzlement/ Diversion of public funds**
- **Use of public office for private gain**
- **Access for Civil Society to information on public affairs**
- **State capture by narrow vested interest**
- **The government's ability to enforce integrity mechanisms**
- **The effective prosecution of corrupt officials**
- **Red tape and excessive bureaucratic burden**
- **Adequate laws on financial disclosure, conflict of interest prevention and access to information**
- **Legal protection for whistleblowers, journalists and investigators**



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

CPI DOES NOT CAPTURE:

- ❖ **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 2019
4. IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2019
5. Political and Economic Risk Consultancy Asian Intelligence 2020
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) 2020
10. African Development Bank Country Policy and Institutional Assessment 2019
11. Bertelsmann Stiftung Sustainable Governance Indicators 2019
12. Freedom House Nations in Transit 2019
13. World Bank Country Policy and Institutional Assessment 2019





METHODOLOGY – STEPS

STEP 1

Select Data Sources

STEP 2

Rescale Data Sources

STEP 3

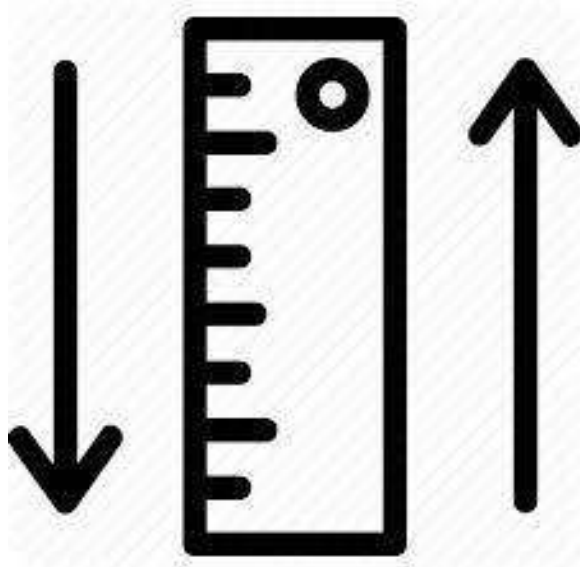
Calculate the Average

STEP 4

Report Uncertainty



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

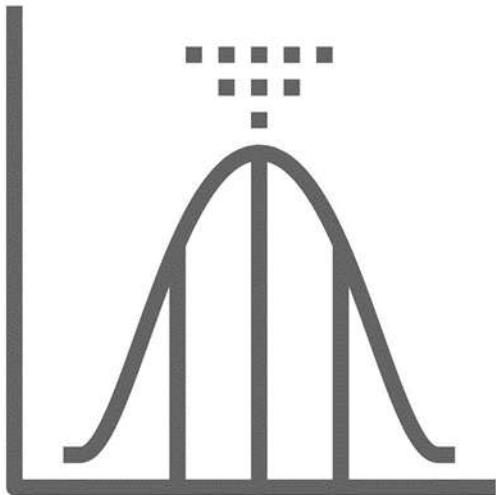


METHODOLOGY – CALCULATE THE AVERAGE

At least three scores for each country

Simple average of scores

Each CPI score is accompanied by a Confidence Interval & Standard Error





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**





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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



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 2020 MAP



CORRUPTION PERCEPTIONS INDEX 2020

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CPI 2020: Global Highlights

- **Corruption Perception Index (CPI) reveals that most countries have made limited progress in tackling corruption.**
- **2/3 of countries scored below 50 out of 100.**
- **The pandemic Covid-19 is not just a health and economic crisis but a corruption crisis too.**
- **Countries with higher level of corruption are worst perpetrators of rule of law & democratic breaches while managing the Covid-19 crisis.**



CPI 2020: Global Highlights

IN A NUTSHELL

180 COUNTRIES
SCORED

The CPI scores **180 countries and territories** by their **perceived** levels of public sector corruption, according to experts and businesspeople.



THE CPI USES A SCALE FROM 0 TO 100

100 is **very clean** and 0 is **highly corrupt**

MORE THAN 2/3 OF THE COUNTRIES SCORE BELOW

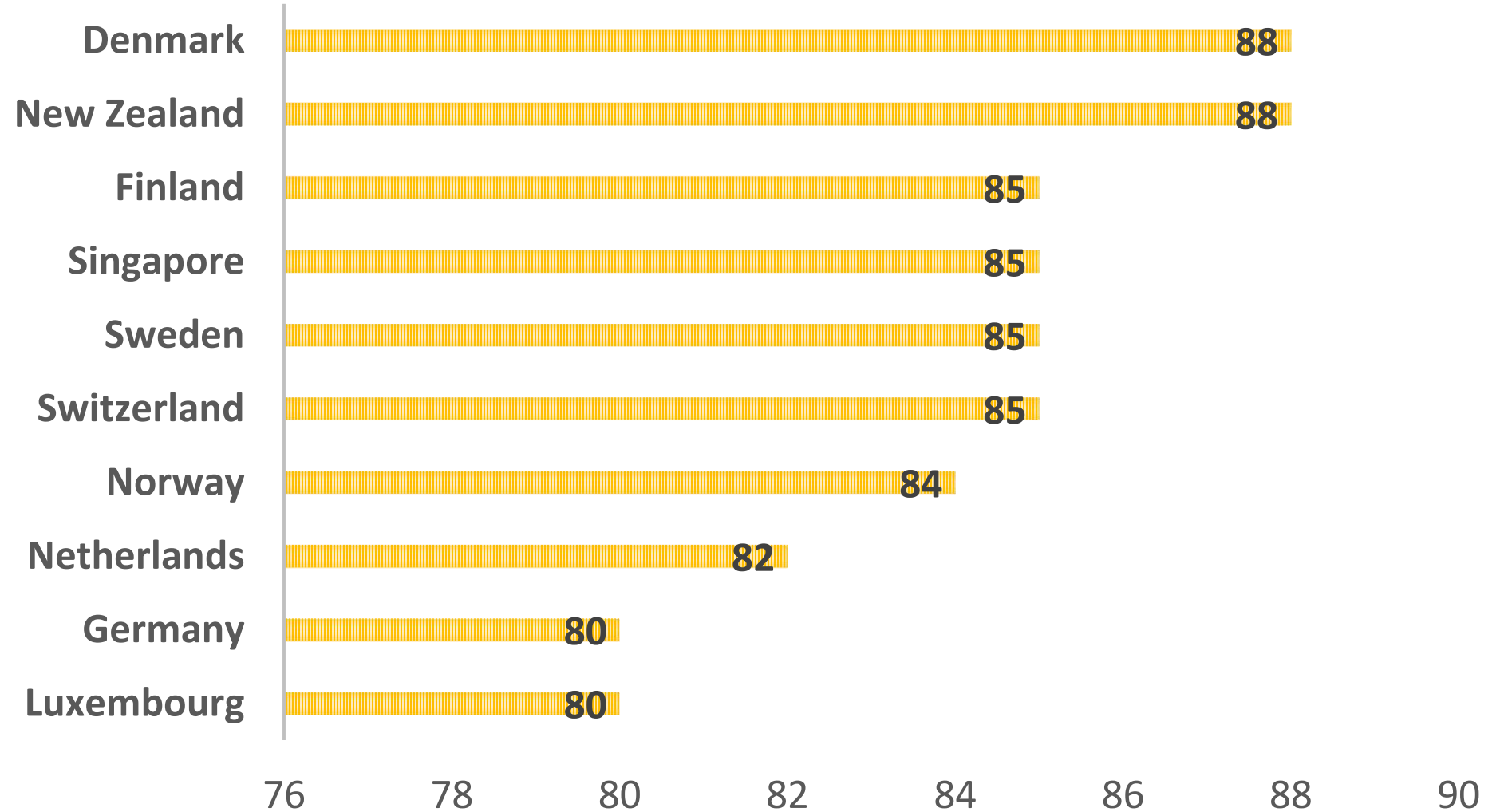
50 /100

THE AVERAGE COUNTRY SCORE IS

43 /100

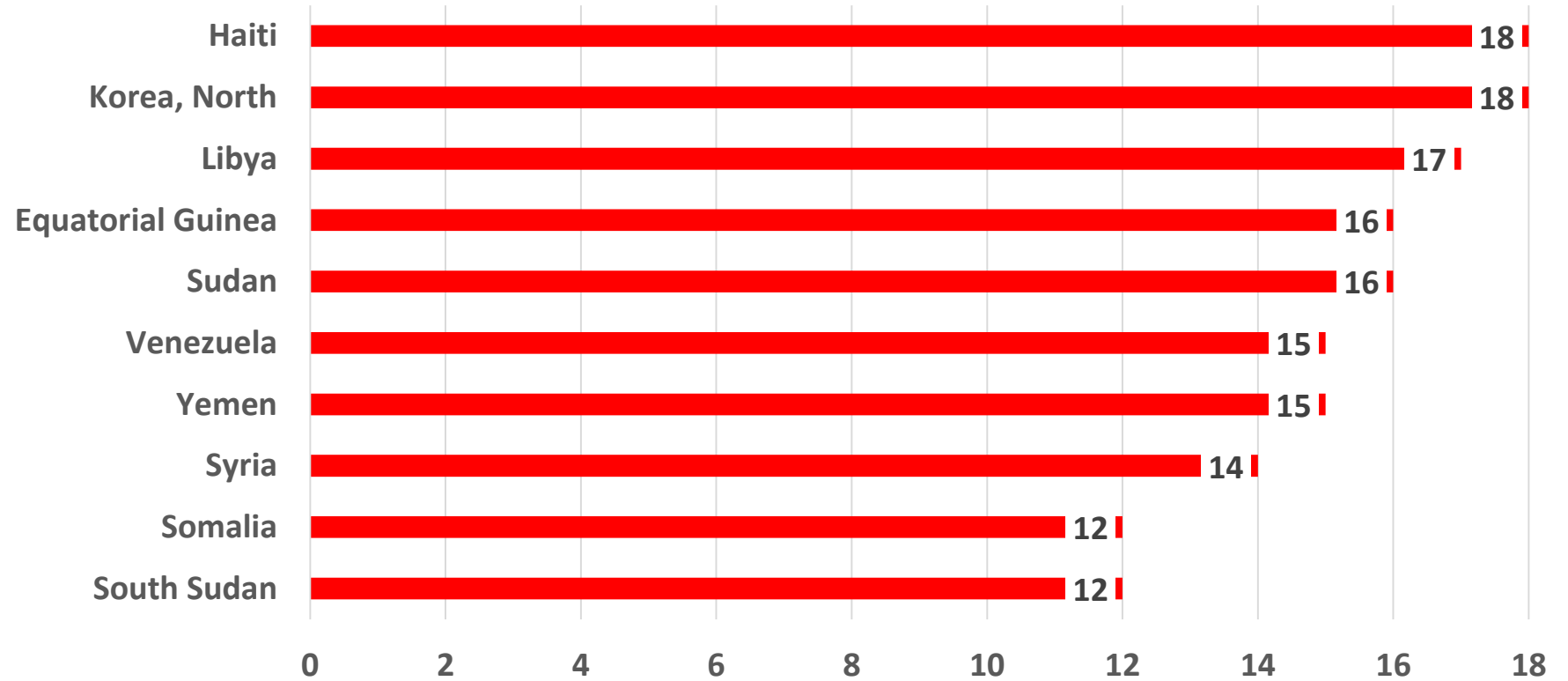


CPI 2020: TOP 10 COUNTRIES





CPI 2020: BOTTOM 10 COUNTRIES

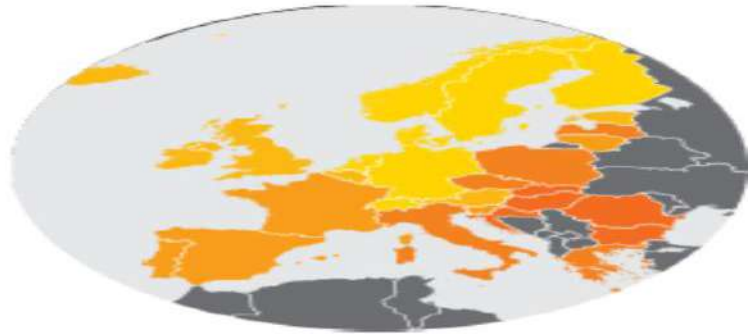




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CPI 2020: Global Highlights

**NO COUNTRY
EARNS A PERFECT SCORE**



HIGHEST SCORING REGION

**WESTERN EUROPE &
EUROPEAN UNION**

66/100

AVERAGE REGIONAL SCORE

= SINCE 2018

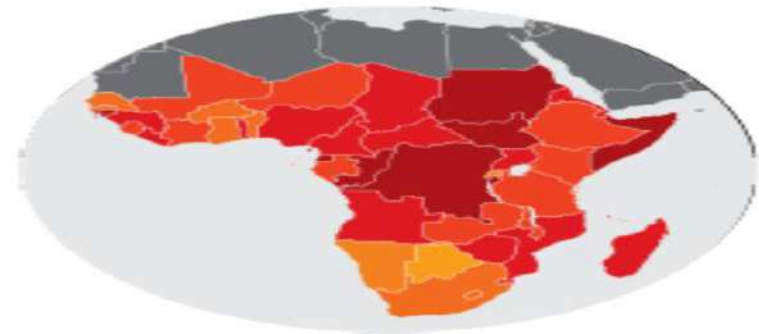
LOWEST SCORING REGION

**SUB-SAHARAN
AFRICA**

32/100

AVERAGE REGIONAL SCORE

= SINCE 2018

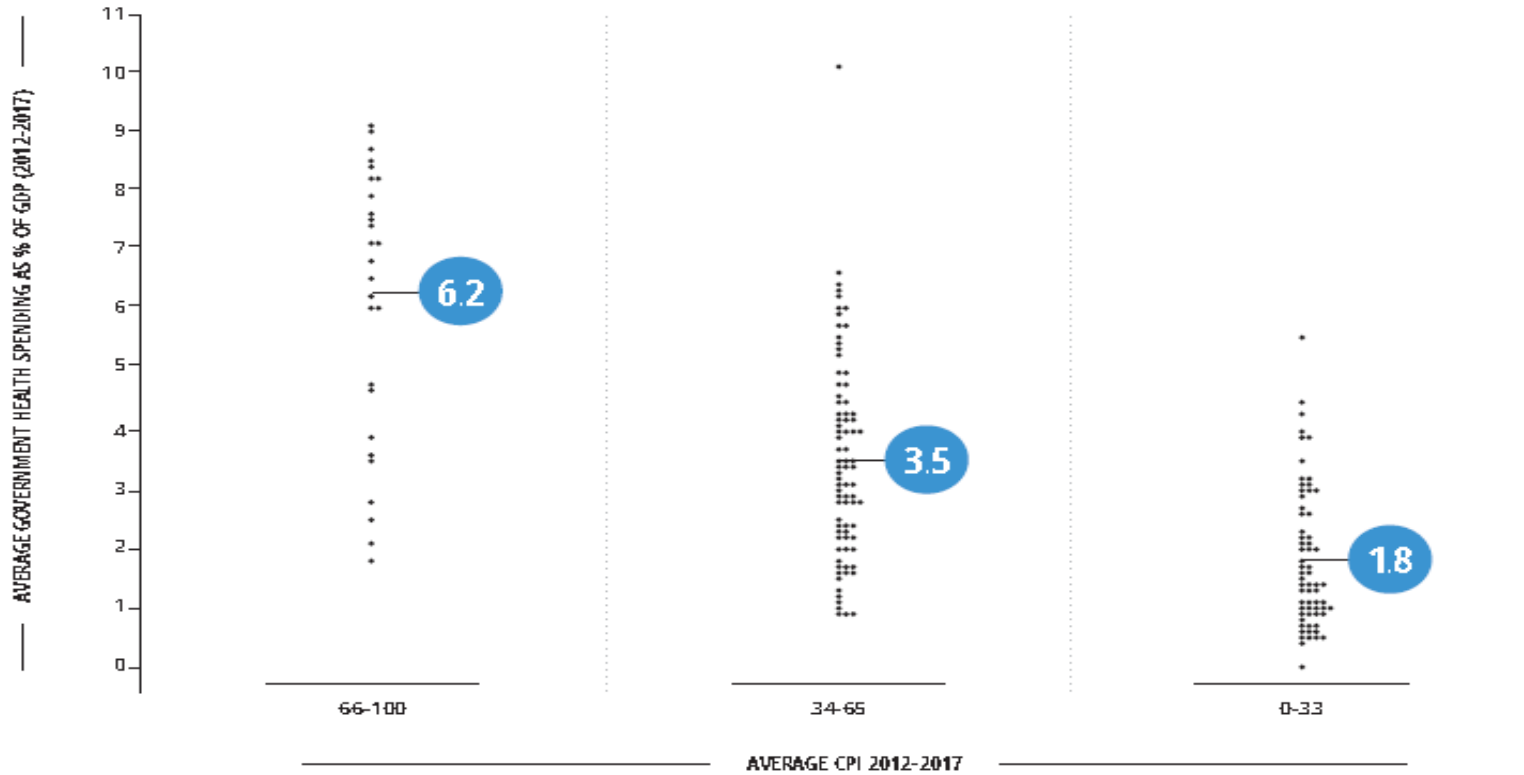




CPI 2020: Global Highlights

CORRUPTION AND HEALTH SPENDING

Lower investment in public health is associated with higher levels of corruption. Each dot represents a country's average CPI score (2012-2017) compared to average health expenditures as a percentage of GDP (2012-2017).¹³



Source: The World Bank's World Development Indicators



CPI 2020: Global Highlights

CORRUPTION AND DEMOCRATIC BACKSLIDING

Countries that **perform well** on the CPI are less likely to violate **democratic norms** and institutions

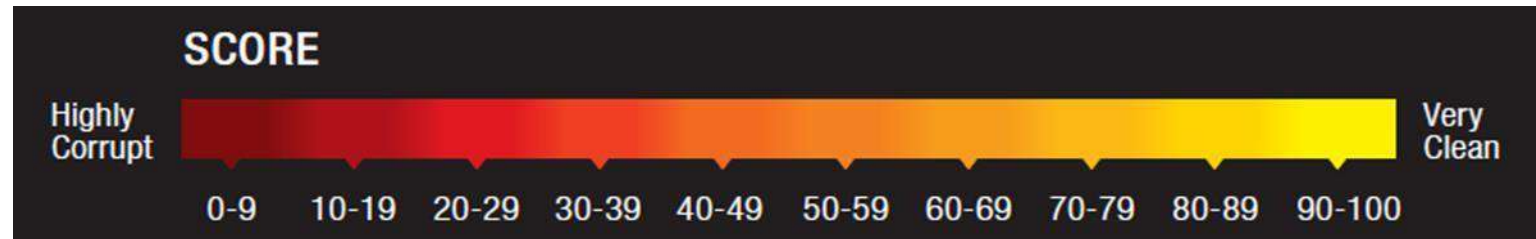
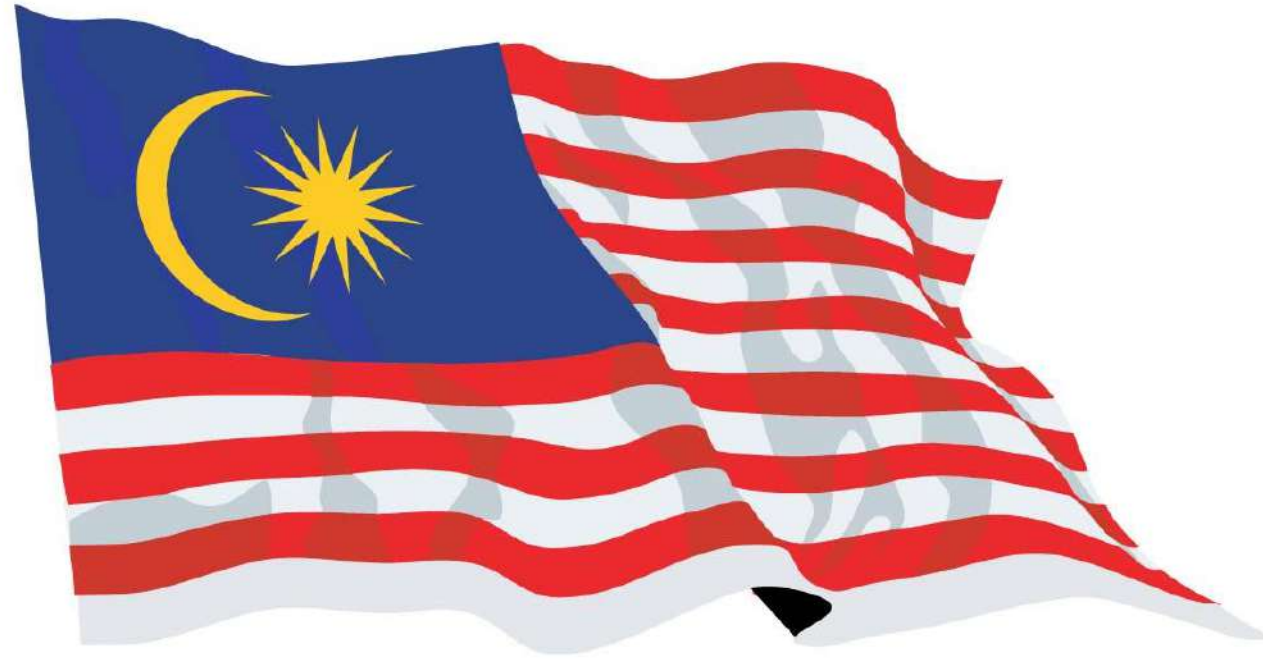


Each dot represents a country's CPI 2020 score, and the circles represent the average CPI score as compared to the average pandemic violation*

Source: Pandemic Violations of Democratic Standards Index, Varieties of Democracy (V-Dem) 2020



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A Nation without Corruption; A Society with Integrity



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CPI 2019



SCORE

53

RANK

51



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CPI 2020



SCORE

XX

RANK

XX



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CPI 2020



SCORE

51



RANK

57





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CPI 2020-ANALYSIS



SURVEYS USED

SCORE

1	Bertelsmann Stiftung Transformation Index 2020	53
2	Economist Intelligence Unit Country Risk Service 2019	55
3	Global Insight Country Risk Ratings 2019	59
4	IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2020	51
5	Political and Economic Risk Consultancy Asian Intelligence 2020	35
6	The PRSGroup International Country Risk Guide 2019	41
7	World Economic Forum Executive Opinion Survey 2019	62
8	World Justice Project Rule of Law Index Expert Survey 2020	52
9	Varieties of Democracy (V-Dem) 2020	54



SURVEYS USED

	2019	2020
1 Bertelsmann Stiftung Transformation Index 2020	53	53
2 Economist Intelligence Unit Country Risk Service 2019	55	55
3 Global Insight Country Risk Ratings 2019	59	59
4 IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey 2020	56	51
5 Political and Economic Risk Consultancy Asian Intelligence 2020	46	35
6 The PRSGroup International Country Risk Guide 2019	41	41
7 World Economic Forum Executive Opinion Survey 2019	62	62
8 World Justice Project Rule of Law Index Expert Survey 2020	49	52
9 Varieties of Democracy (V-Dem) 2020	60	54
	Total	481
		462

Aggregate CPI Score = 462/9
= 51



CPI 2020 ASEAN SCORE & RANK



ASEAN COUNTRIES	Country Score		Rank	
	2020	2019	2020	2019
Singapore	85	85	3 ↑	4
Brunei	60	60	35	35
Malaysia	51 ↓	53	57 ↓	51
Indonesia	37 ↓	40	102 ↓	85
Thailand	36	36	104 ↓	101
Philippines	34	34	115	113
Vietnam	36 ↓	37	104 ↓	96
Myanmar	28 ↓	29	137 ↓	130
Laos	29	29	134 ↓	130
Cambodia	21 ↓	20	160 ↑	162

CPI 2020

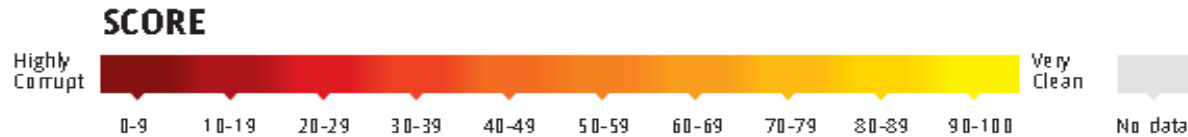
ISLAMIC COUNTRIES SCORE & RANK

ISLAMIC COUNTRIES	Country Score		Rank	
	2020	2019	2020	2019
UAE	71	71	21	21
Qatar	63 ↑	62	30	30
Brunei Darussalam	60	60	35	35
Oman	54 ↑	52	49 ↑	56
Saudi Arabia	53	53	52 ↓	51
Malaysia	51 ↓	53	57 ↓	51
Jordan	49 ↑	48	60	60
Senegal	45	45	67 ↓	66
Tunisia	44	43	69 ↑	74
Maldives	43 ↑	29	75 ↑	130





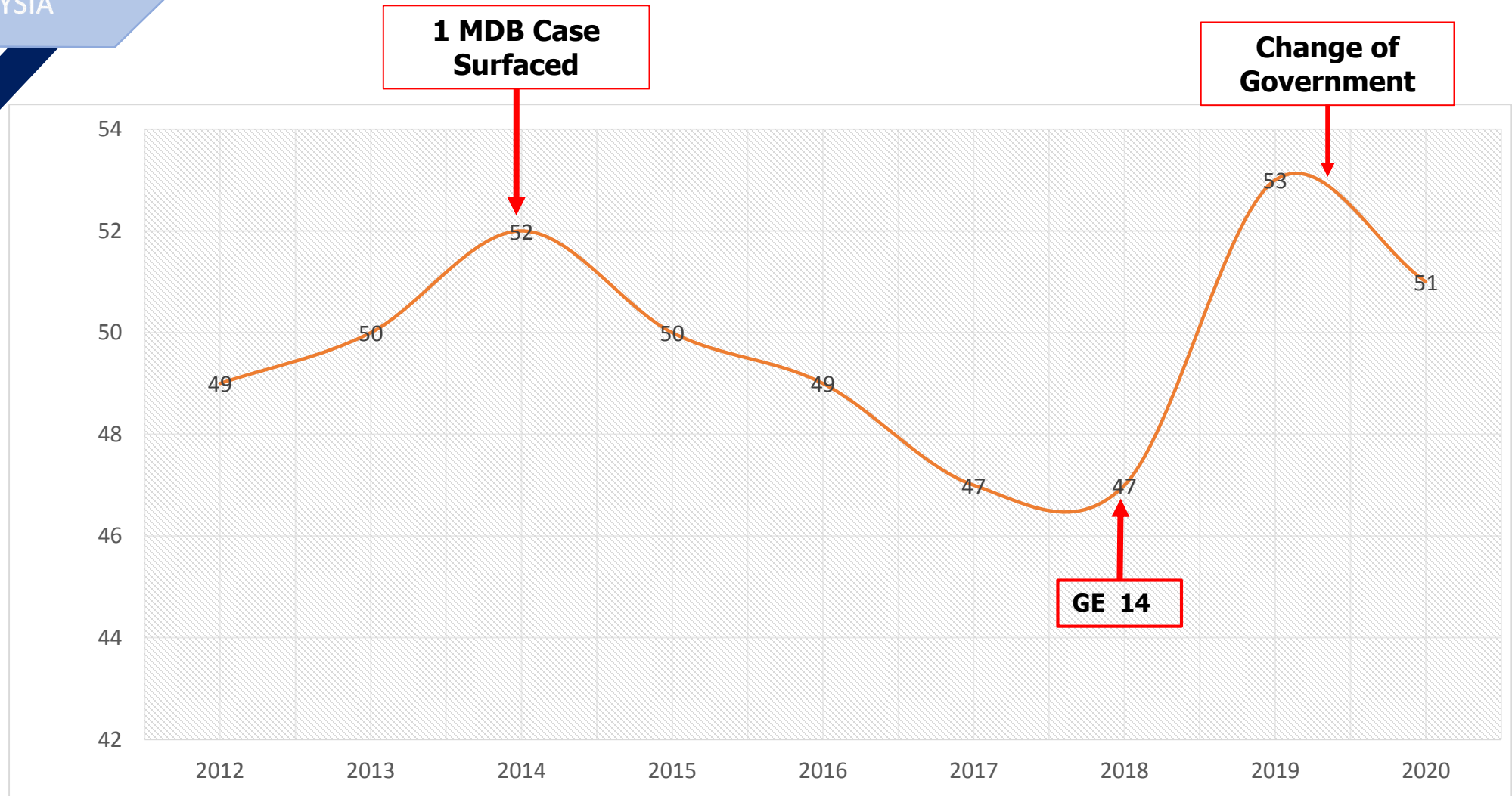
CPI Overview by Country Ranking



SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK
88	Denmark	1	69	France	23	56	Georgia	45
88	New Zealand	1	68	Bhutan	24	56	Poland	45
85	Finland	3	67	Chile	25	56	Saint Lucia	45
85	Singapore	3	67	United States	25	55	Dominica	48
85	Sweden	3	66	Seychelles	27	54	Czechia	49
85	Switzerland	3	65	Taiwan	28	54	Oman	49
84	Norway	7	64	Barbados	29	54	Rwanda	49
82	Netherlands	8	63	Bahamas	30	53	Grenada	52
80	Germany	9	63	Qatar	30	53	Italy	52
80	Luxembourg	9	62	Spain	32	53	Malta	52
77	Australia	11	61	Korea, South	33	53	Mauritius	52
77	Canada	11	61	Portugal	33	53	Saudi Arabia	52
77	Hong Kong	11	60	Botswana	35	51	Malaysia	57
77	United Kingdom	11	60	Brunei Darussalam	35	51	Namibia	57
76	Austria	15	60	Israel	35	50	Greece	59
76	Belgium	15	60	Lithuania	35	49	Armenia	60
75	Estonia	17	60	Slovenia	35	49	Jordan	60
75	Iceland	17	60	Saint Vincent and the Grenadines	40	49	Slovakia	60
74	Japan	19	59	Cabo Verde	41	47	Belarus	63
72	Ireland	20	58	Costa Rica	42	47	Croatia	63
71	United Arab Emirates	21	57	Cyprus	42	47	Cuba	63
71	Uruguay	21	57	Latvia	42	47	Sao Tome and Principe	63
			57		42	45	Montenegro	67
						45	Senegal	67
						44	Bulgaria	69
						44	Hungary	69
						44	Jamaica	69
						44	Romania	69
						44	South Africa	69
						44	Tunisia	69
						43	Ghana	75
						43	Maldives	75
						43	Vanuatu	75
						42	Argentina	78
						42	Bahrain	78
						42	China	78
						42	Kuwait	78
						42	Solomon Islands	78
						41	Benin	83
						41	Guyana	83
						41	Lesotho	83
						40	Burkina Faso	86
						40	India	86
						40	Morocco	86
						40	Timor-Leste	86
						40	Trinidad and Tobago	86



Analysis of CPI SCORES (2012-2020)





Recent Positive Developments

- ❖ Development of a **National Anti-Corruption Plan 2019-2023 (NACP)**
 - ❖ Wide ranging document to guide national level action
 - ❖ Focuses on political governance, public sector administration, public procurement, legal and judicial proceedings, law enforcement and corporate governance
 - ❖ 115 initiatives
 - ❖ With clear timelines, responsibility and measurement indicators
- ❖ **Ongoing cases** against several **high profile politicians** involving corruption charges
- ❖ From **1 June 2020 enforcement** of the Corporate Liability (Section 17A) provision of the MACC Act



2020 CPI



Possible Influencing Factors

- ❖ **Institutional reforms have stalled**
 - ❖ Failure to table and pass the **Political Funding Bill**. As a result **money politics** is still rampant during elections
 - ❖ **IPCMC Bill** was revised to a watered down, ineffective IPCC Bill
- ❖ **Acquittal or Discharge Not Amounting to Acquittal (DNAA)** to high profile personalities in several corruption cases
 - ❖ **Riza Aziz** **Datuk Musa Aman** **Tengku Adnan**
- ❖ **Limited access to information on matters of public interest**. Should not hide under the non disclosure clause in agreements unless it directly impacts national security
 - ❖ Compensation for termination of the **High Speed Railway (HSR) project**
 - ❖ Actual compensation paid by **Goldman Sachs on 1MDB case still unknown**
- ❖ **Continued abuse of power and corruption by enforcement agencies**. For example, despite MACC's crack down on petty corruption in the Immigration Department, bribe taking and fraudulent issuance of visas remains a perennial problem
- ❖ **Lack of political will** from various administrations in fighting institutional corruption.



2020 CPI



Possible Influencing Factors ...

- ❖ **Appointment of politicians** without experience to head GLCs/GLICs
- ❖ **Limited progress or public update on high profile cases**
 - ❖ **Wang Kelian** **Sabah Water** **Littoral Combat Ship (LCS)**
- ❖ **Corruption within the system appears to be embedded**
 - ❖ **Non-Halal Meat scandal reported to have operated with impunity for 40 years**
- ❖ **Government Procurement Bill** yet to be tabled in Parliament
- ❖ **Lack of progress on amendments to the Whistle Blower Protection Act 2010**
- ❖ **Continued adverse findings** and repeated governance failures observed in the **Auditor General's annual report**
- ❖ **Lack of action against public officials** found to have abused their position
- ❖ **Limited update** on the progress of the National Anti-Corruption Plan's (NACP) 115 initiatives



2020 CPI



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CPI 2020: RECOMMENDATIONS

- ❖ For improved transparency government should **narrow the scope of the Official Secrets Act** so that matters of public interest e.g. directly negotiated contracts can be released and only matters related to **national security** are protected
- ❖ Provide regular **public updates** on the status of pending **high profile** cases
- ❖ Monitor implementation of the **National Anti-Corruption Plan** and disclose progress on the **115 initiatives** via a public dashboard
- ❖ **Empower KSN** to be responsible for the public service's role in the successful implementation and achievement of the NACP's goals
- ❖ Adopt **International Standards on Integrity Pact** in Government Procurement for transparency and good governance
- ❖ Improve the power and independence of the **Enforcement Agency Integrity Commission (EAIC)**
- ❖ Mandate that the Auditor General's Report must be debated in Parliament and make the **National Audit Department accountable only to Parliament**



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CPI 2020: RECOMMENDATIONS ...



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- ❖ Amend the MACC Act to allow parliament to **appoint the Chief Commissioner** and decide his/her tenure of office
- ❖ **Amend the Whistleblower Protection Act 2010** to provide wider reporting channels for the public and strengthen protection for whistle blowers
- ❖ Enactment of an **Asset Declaration law** to compel all politicians and high ranking public officials to declare their assets and make it accessible to the public
- ❖ **Reduce large off budget projects** that use public funds. Ensure they have publicly disclosed Cost Benefit reports and require parliamentary approval before starting.
- ❖ **Amend Election Offences Act 1954** to include sanctions against corruption
- ❖ **Compel public officials** found guilty of corruption **to vacate their official positions**, even while they exhaust their appeal process
- ❖ Enact a new law on **Ombudsman** to investigate complaints of public interest



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THANK YOU

Please don't hesitate to contact us if you have any questions

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