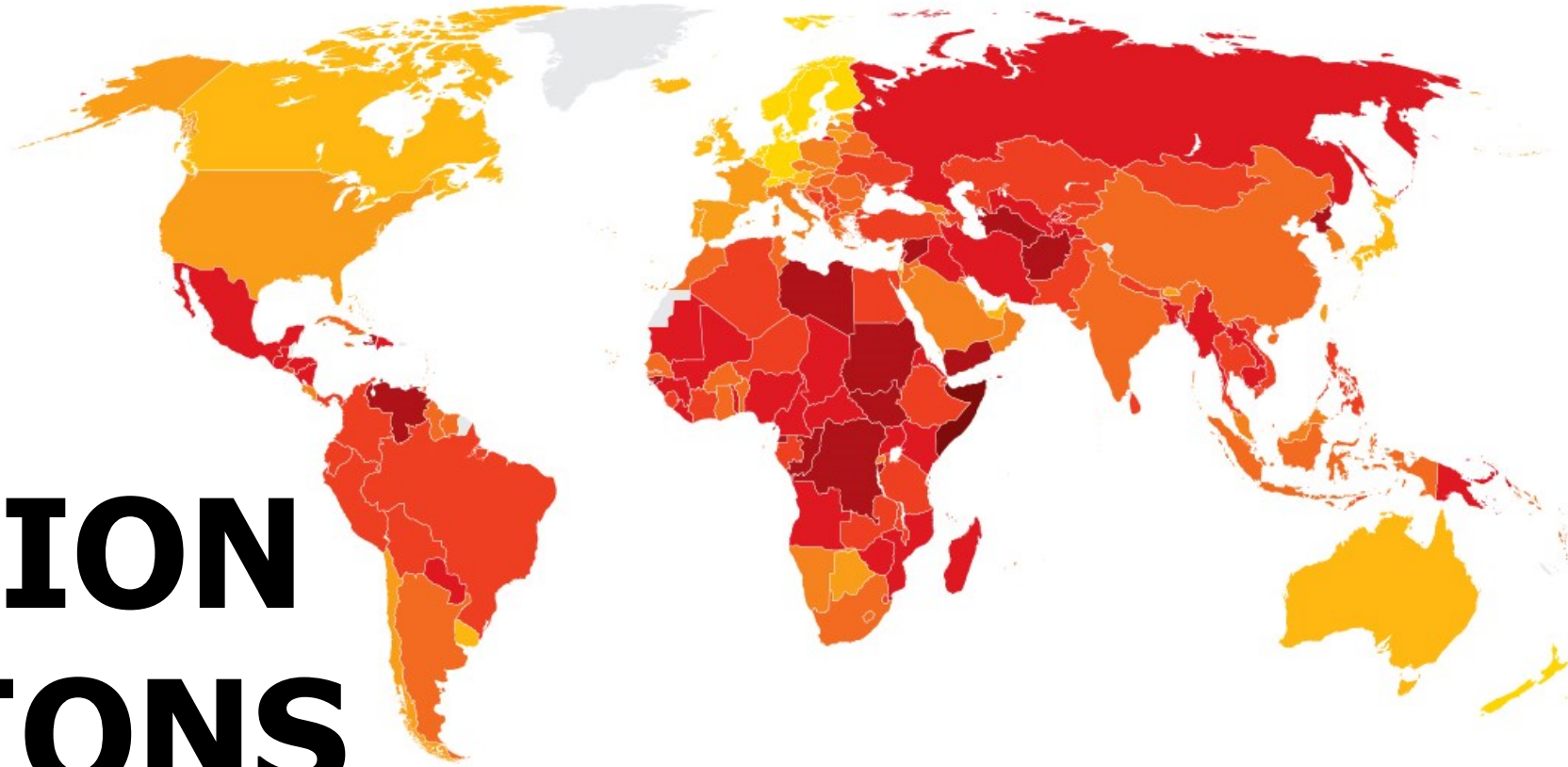


CORRUPTION PERCEPTIONS INDEX 2023



Dr Muhammad Mohan | President, TI-Malaysia
30 January 2024



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?



- Bribery
- Diversion of public funds
- Enforcement of integrity mechanisms
- Commitment of the government to fight corruption
- Restriction on freedom of expression
- Use of public office for private gain
- CSO access to information
- State capture
- Prosecution of corrupt officials
- Excessive red tape/bureaucracy
- Legislation on financial disclosure
- Legal protection for whistleblowers



- Citizens' perceptions or experience on corruption
- Tax fraud
- Illicit financial flows
- Enablers of corruption
- Money Laundering
- Any type of private sector corruption
- Informal economies and markets

GLOBAL SURVEY SOURCES



Survey Completion: August 2023

METHODOLOGY



Select Data
Sources

Rescale &
Standardise
Data Sources

Calculate
Average

Report
Uncertainty

GLOBAL THEME IN THE PAST

2016: Social inequality and populism

2017: Shrinking civic space

2018: The crisis of democracy

2019: Building political integrity

2020: COVID-19 crisis response

2021: Human rights and democracy

2022: Conflict, peace and security



CPI 2021: Corruption, human rights and democracy

News • 25 January 2022



Why fighting corruption matters in times of COVID-19

News • 28 January 2021



Tackling the crisis of democracy, promoting rule of law and fighting corruption

News • 29 January 2019



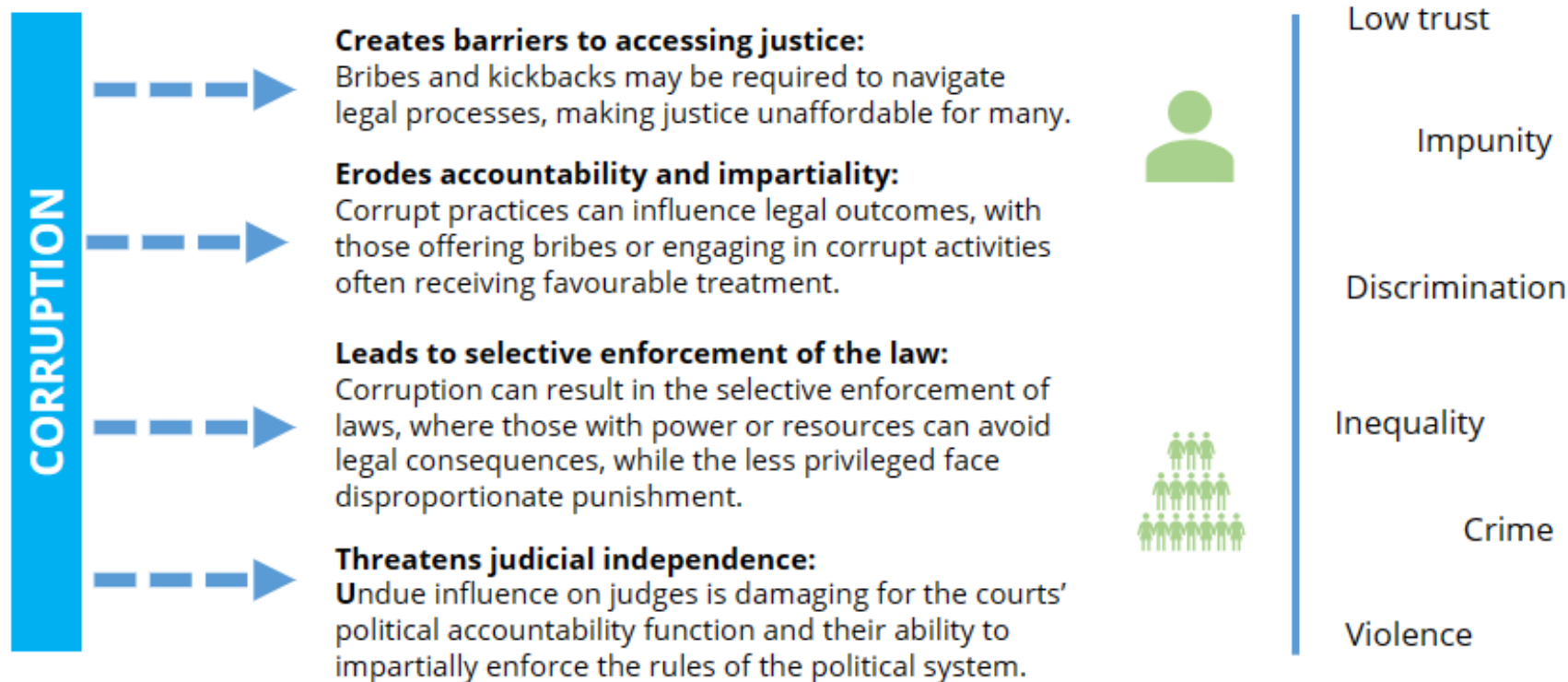
CPI 2022: Corruption as a fundamental threat to peace and security

News • 31 January 2023



Corruption and Justice

CPI 2023 – GLOBAL THEME

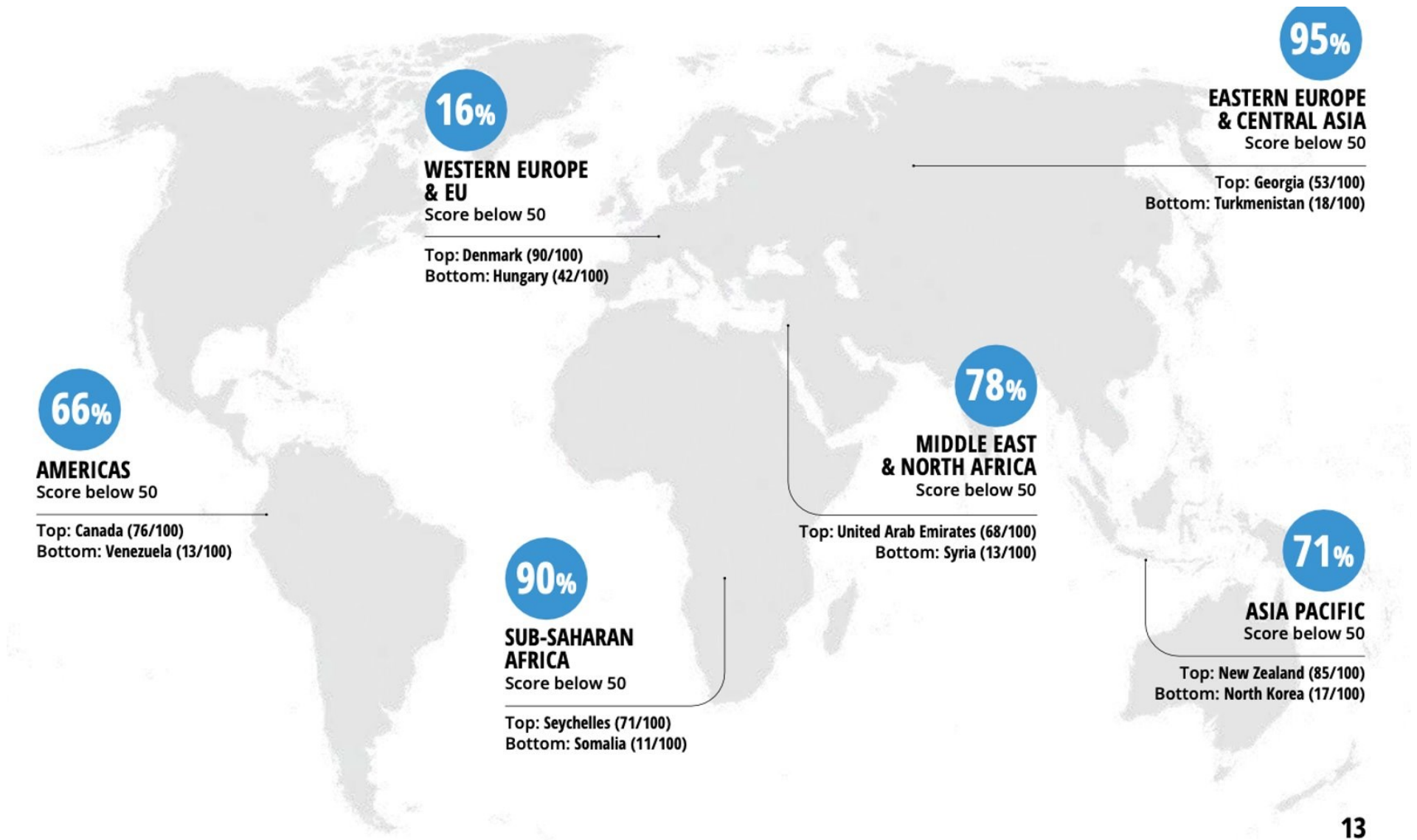




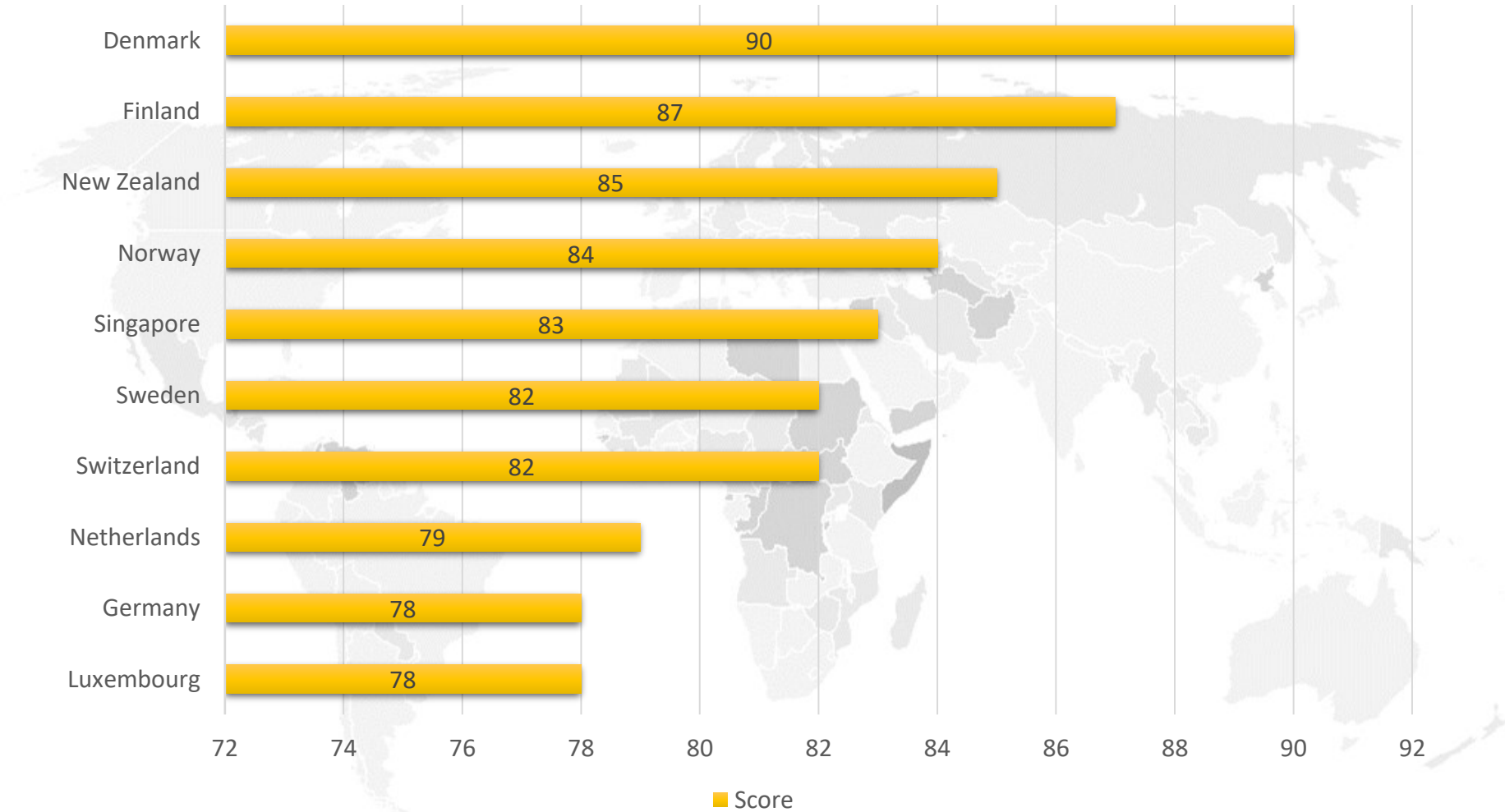
TRANSPARENCY
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MALAYSIA

2023 RESULTS

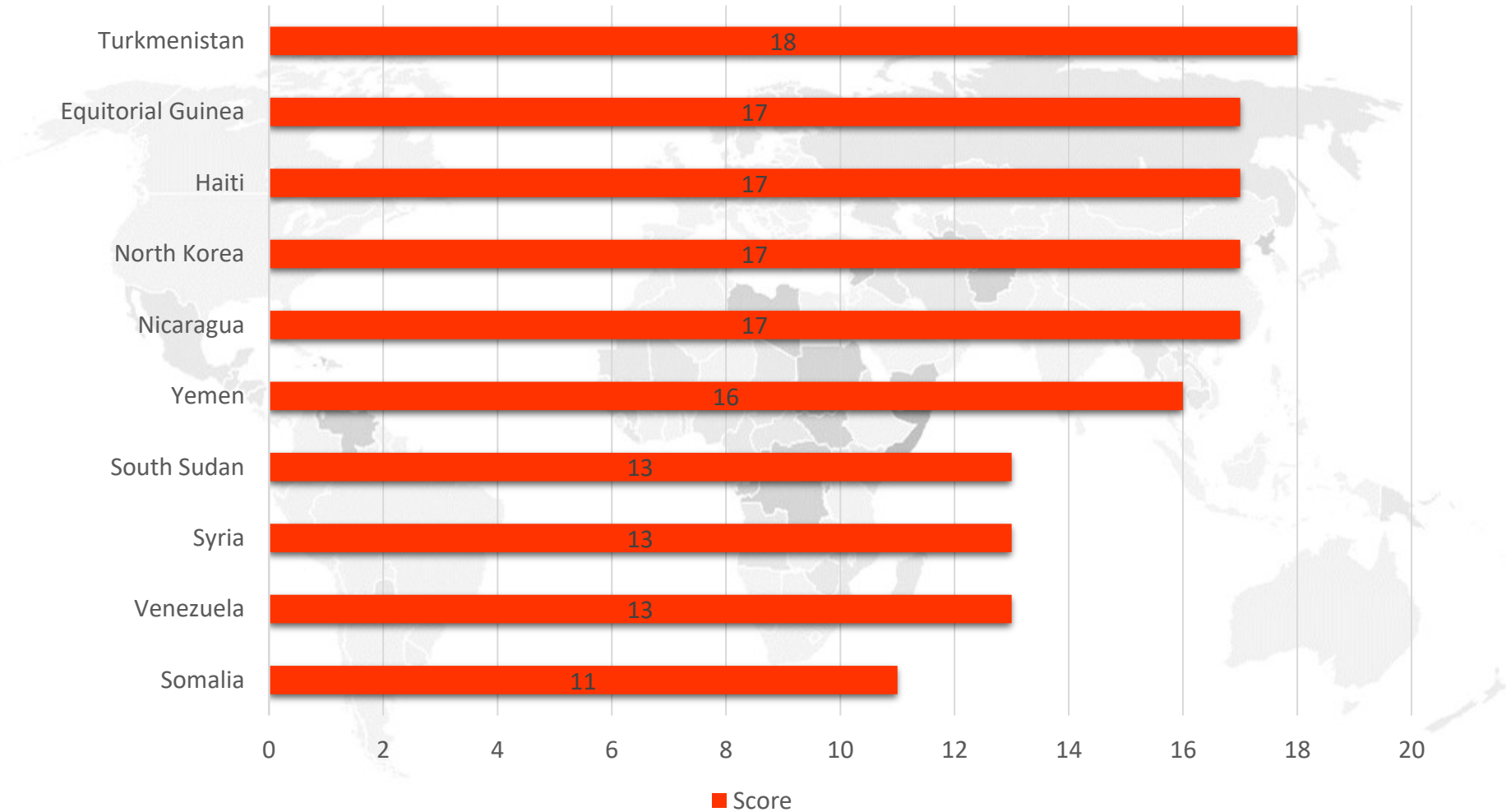
REGIONAL AVERAGES



TOP 10 COUNTRIES

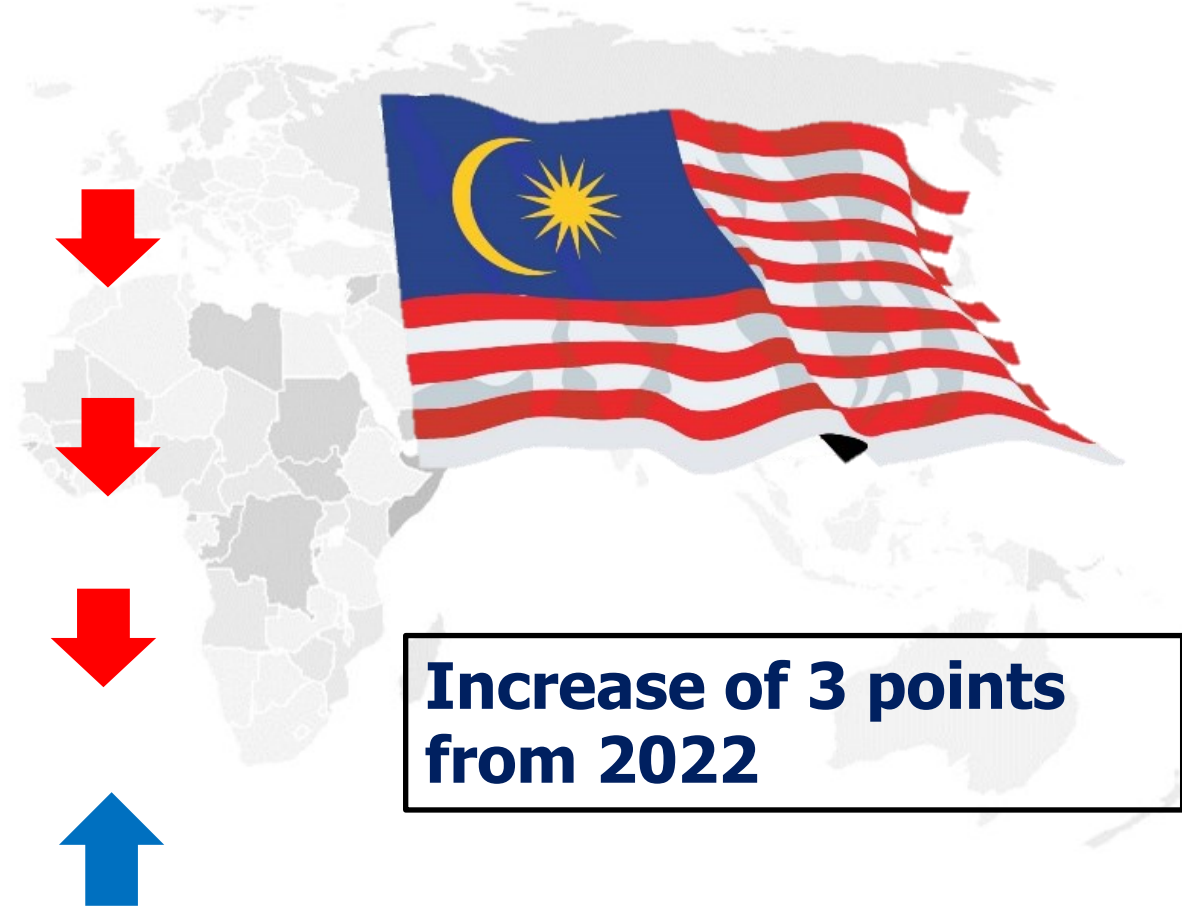


BOTTOM 10 COUNTRIES



MALAYSIA'S SCORE

YEAR	SCORE ¹
2019	53
2020	51
2021	48
2022	47
2023	50



Note: 1. 100 (very clean) to 0 (highly corrupt)

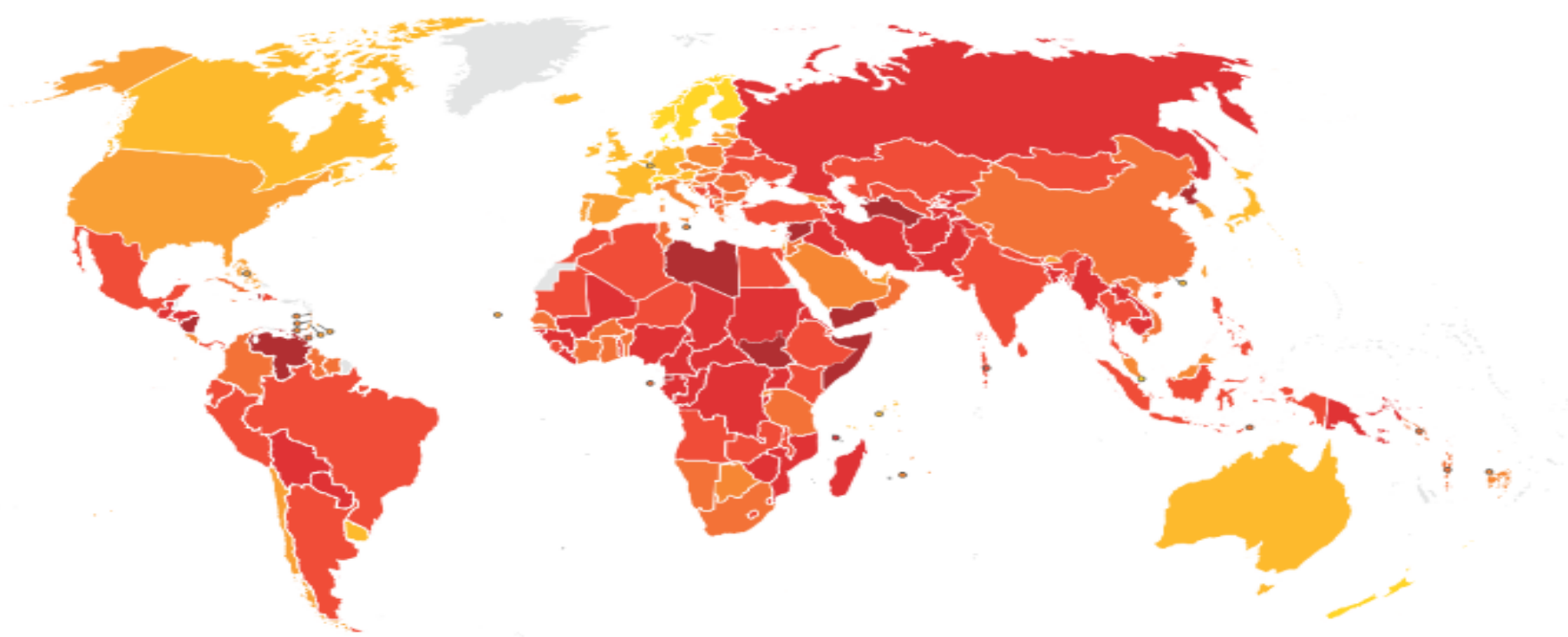


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MALAYSIA

ANALYSIS

CORRUPTION PERCEPTIONS INDEX 2023

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



SCORE COUNTRY/TERRITORY

90	Denmark
87	Finland
85	New Zealand
84	Norway
83	Singapore
82	Sweden
82	Switzerland
79	Netherlands
78	Germany
78	Luxembourg
77	Ireland
76	Canada
76	Estonia
75	Australia
75	Hong Kong
73	Belgium
73	Japan
73	Uruguay
72	Iceland
71	Austria
71	France
71	Seychelles
71	United Kingdom
69	Barbados
69	United States
68	Bhutan

68	United Arab Emirates
67	Taiwan
66	Chile
64	Bahamas
64	Cabo Verde
63	Korea, South
62	Israel
61	Lithuania
61	Portugal
60	Latvia
60	Saint Vincent and the Grenadines
60	Spain
59	Botswana
58	Qatar
57	Czechia
56	Dominica
56	Italy
56	Slovenia
55	Costa Rica
55	Saint Lucia
54	Poland
54	Slovakia
53	Cyprus
53	Georgia
53	Grenada
53	Rwanda

52	Fiji
52	Saudi Arabia
51	Malta
51	Mauritius
50	Croatia
49	Malaysia
49	Greece
49	Namibia
48	Vanuatu
47	Armenia
46	Jordan
46	Kuwait
46	Montenegro
46	Romania
45	Bulgaria
45	Sao Tome and Principe
44	Jamaica
43	Benin
43	Ghana
43	Oman
43	Senegal
43	Solomon Islands
43	Timor-Leste
42	Bahrain
42	China
42	Cuba
42	Hungary

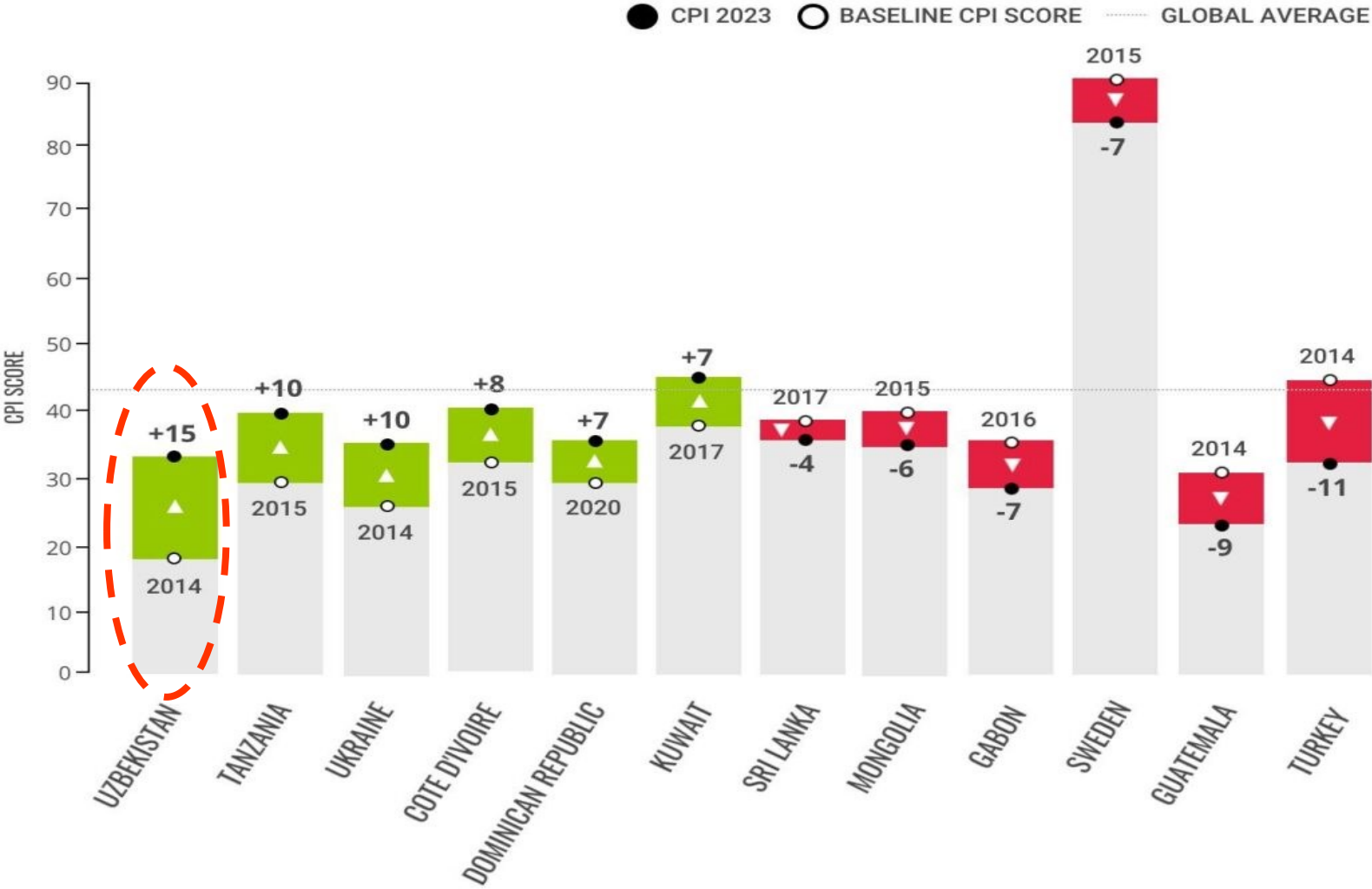
42	Moldova
42	North Macedonia
42	Trinidad and Tobago
41	Burkina Faso
41	Kosovo
41	South Africa
41	Vietnam
40	Colombia
40	Côte d'Ivoire
40	Guyana
40	Suriname
40	Tanzania
40	Tunisia
39	India
39	Kazakhstan
39	Lesotho
39	Maldives
38	Morocco
37	Argentina
37	Albania
37	Belarus
37	Ethiopia
37	Gambia
37	Zambia
36	Algeria
36	Brazil
36	Serbia

36	Ukraine
35	Bosnia and Herzegovina
35	Dominican Republic
35	Egypt
35	Nepal
35	Panama
35	Sierra Leone
35	Thailand
34	Ecuador
34	Indonesia
34	Malawi
34	Philippines
34	Sri Lanka
34	Turkey
33	Angola
33	Mongolia
33	Peru
33	Uzbekistan
32	Niger
31	El Salvador
31	Kenya
31	Mexico
31	Togo
30	Djibouti
30	Eswatini
30	Mauritania

29	Bolivia
29	Pakistan
29	Papua New Guinea
28	Gabon
28	Laos
28	Mali
28	Paraguay
27	Cameroon
26	Guinea
26	Kyrgyzstan
26	Russia
26	Uganda
25	Liberia
25	Madagascar
25	Mozambique
25	Nigeria
24	Bangladesh
24	Peru
24	Central African Republic
24	Iran
24	Lebanon
24	Zimbabwe
23	Azerbaijan
23	Guatemala
23	Honduras
23	Iraq
22	Cambodia

22	Congo
22	Guinea-Bissau
21	Eritrea
20	Afghanistan
20	Burundi
20	Chad
20	Comoros
20	Democratic Republic of the Congo
20	Myanmar
20	Sudan
20	Tajikistan
18	Libya
18	Turkmenistan
17	Equatorial Guinea
17	Haiti
17	Korea, North
17	Nicaragua
16	Yemen
13	South Sudan
13	Syria
13	Venezuela
11	Somalia

STATISTICALLY SIGNIFICANT CHANGES



DETAILED SCORING-MALAYSIA



NO.	SOURCE	2023	2022	Change
1	Bertelsmann Stiftung Transformation Index	49	49	—
2	Economist Intelligence Unit Country Risk Service	55	55	—
3	Global Insight Country Risk Ratings	59	59	—
4	IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey	47	40	+7
5	Political and Economic Risk Consultancy Asian Intelligence	41	37	+4
6	The PRS Group International Country Risk Guide	50	41	+9
7	World Economic Forum Executive Opinion Survey	47	47	—
8	World Justice Project Rule of Law Index Expert Survey	47	45	+2
9	Varieties of Democracy (V-Dem)	51	49	+2

Total:	446	422
Aggregate:	50	47

ASEAN COUNTRIES

COUNTRY	Country Scores		Rank	
	2023	2022	2023	2022
Singapore	83	83	5	5
Malaysia	50	47	57	61
Vietnam	41	42	83	77
Thailand	35	36	108	101
Indonesia	34	34	115	110
Philippines	34	33	115	116
Laos	28	31	136	126
Cambodia	22	24	158	150
Myanmar	20	23	162	157

SCORE

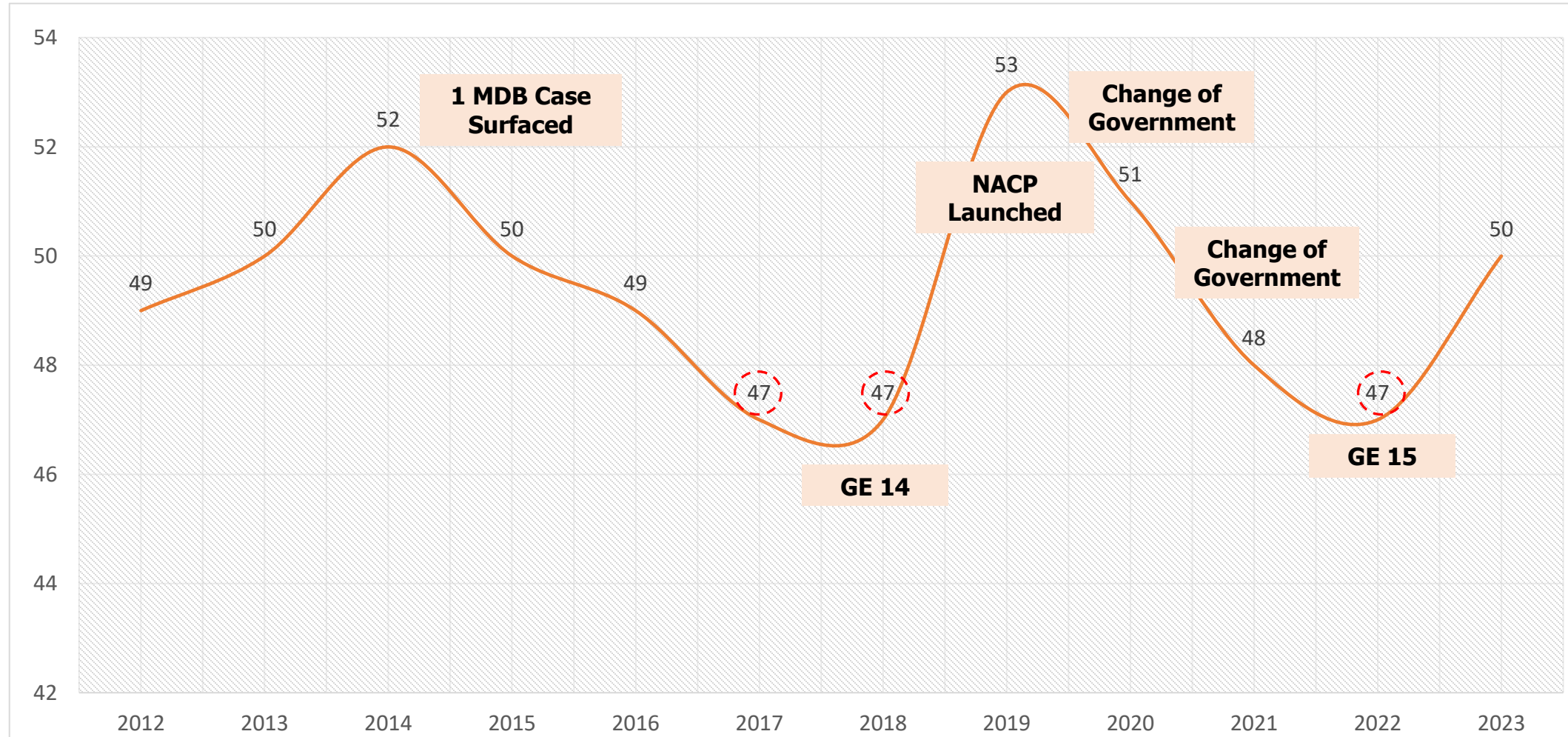
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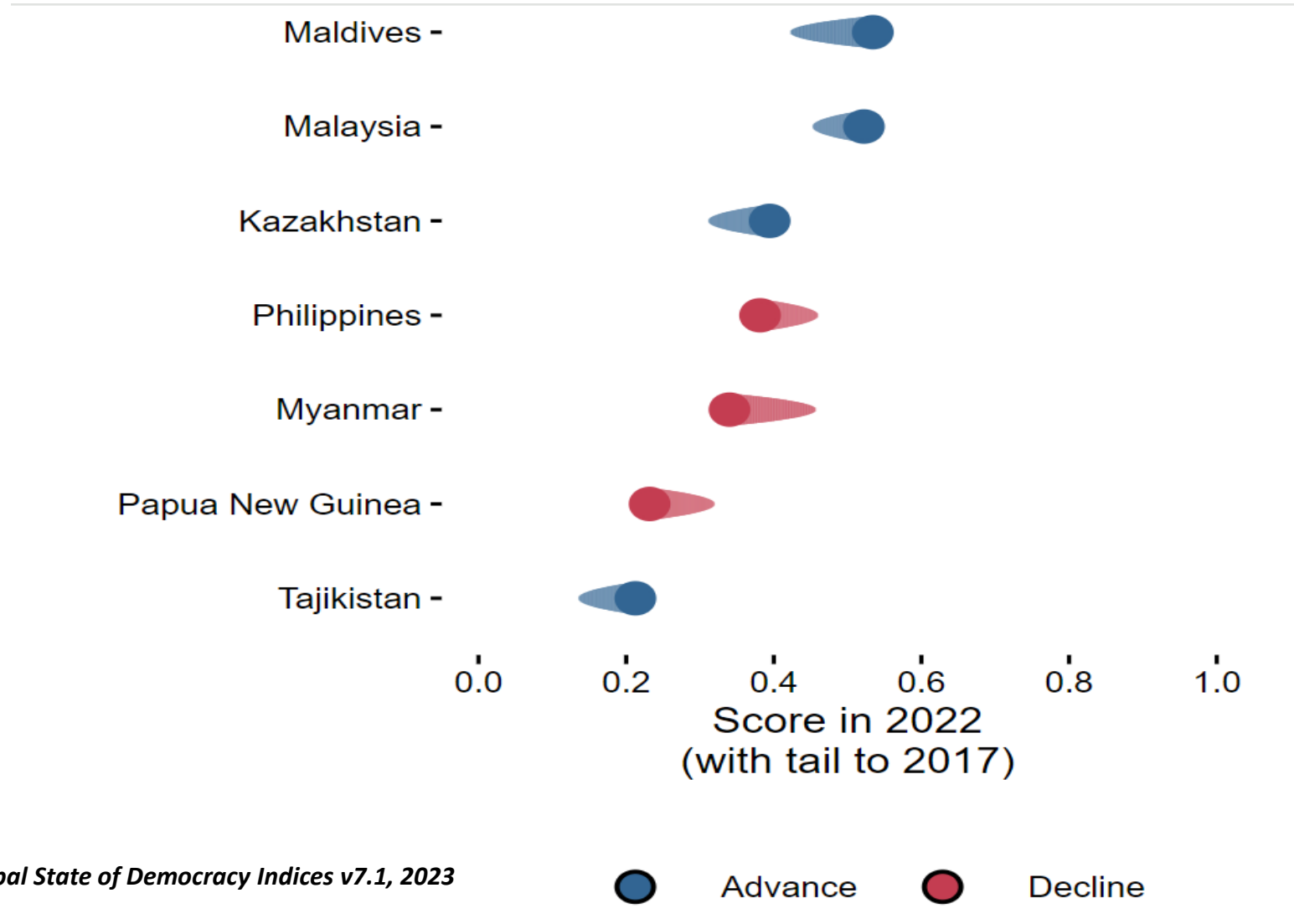
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MALAYSIA'S SCORE – LAST 12 YEARS

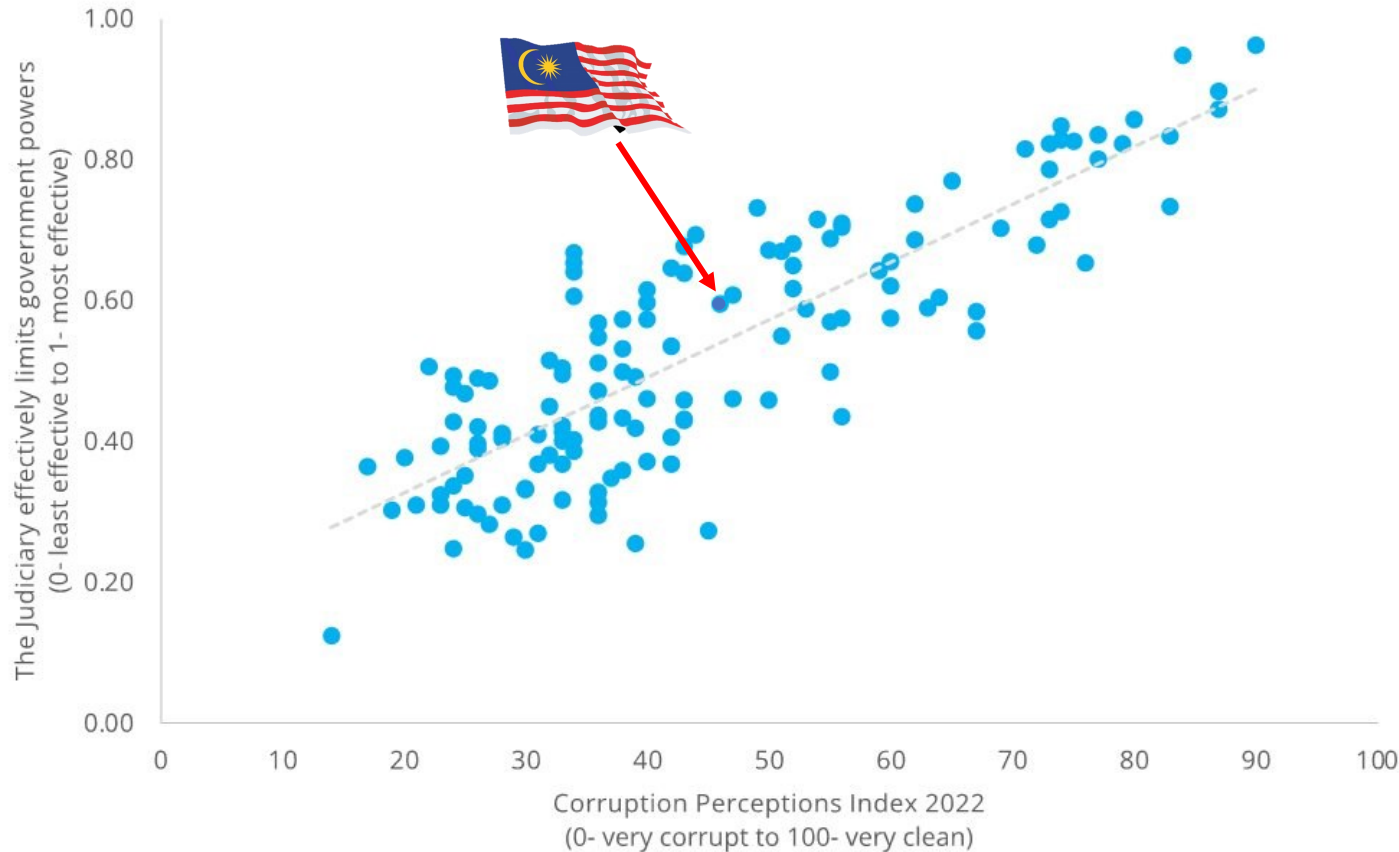


Anti-Corruption Commission & the Judiciary



Source: International IDEA, *The Global State of Democracy Indices v7.1, 2023*

JUDICIAL INDEPENDENCE

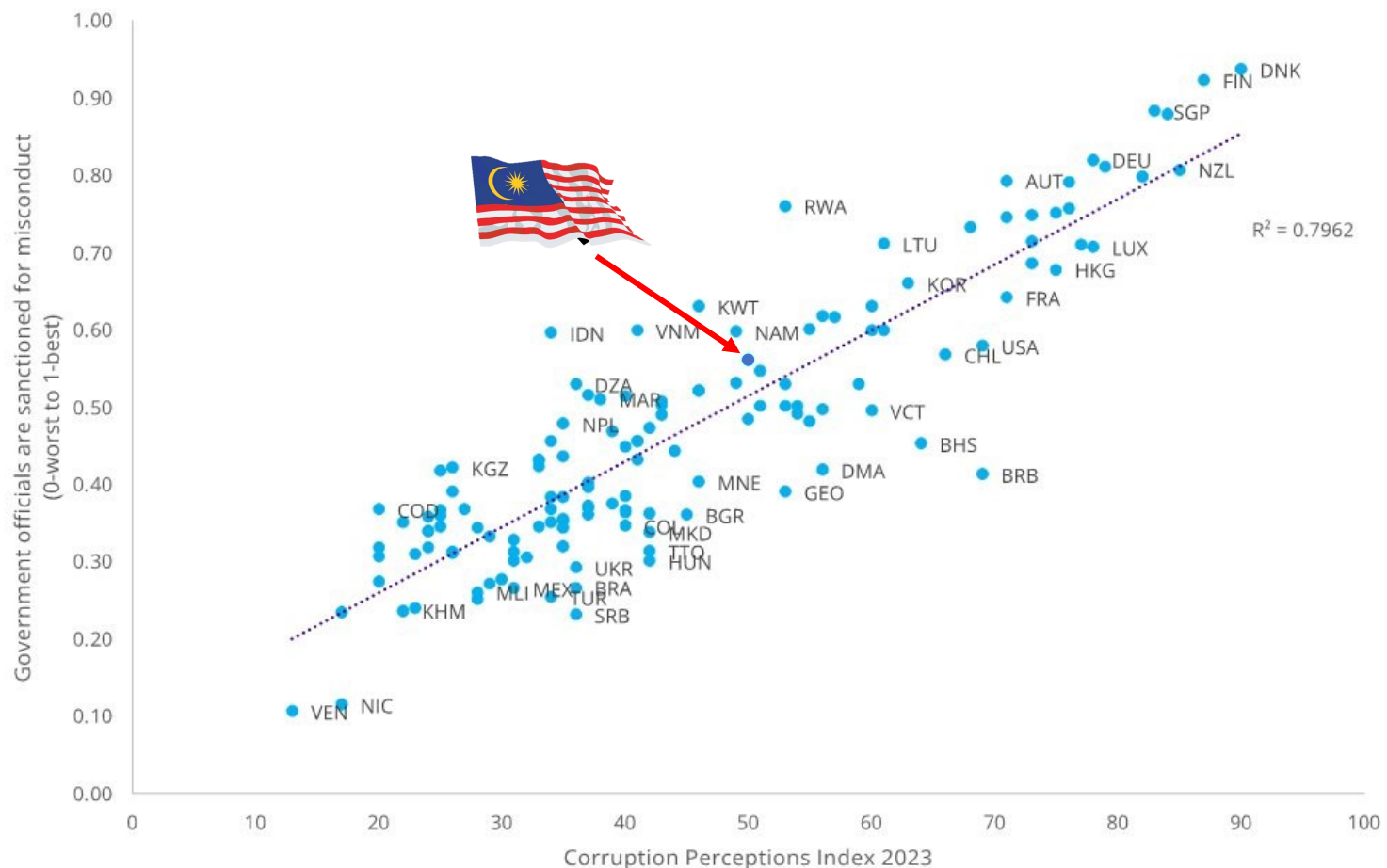


Source: World Justice Project Rule of Law Index



The World Justice Project (WJP) Rule of Law Index measures human rights, access to justice, corruption and authoritarianism worldwide. WJP defines the rule of law as durable system of laws, institutions, norms, and community commitment that delivers four universal principles: accountability, just law, open government, and accessible and impartial justice.

SANCTIONS AGAINST OFFICIALS



WJP measures whether government officials in the executive, legislature, judiciary, and the police are investigated, prosecuted, and punished for official misconduct and other violations.

This is an important factor in indicating whether there are adequate constraints on government powers. Having a high score indicates commitment to transparency and accountability.

Source: World Justice Project Rule of Law Index

ABSENCE OF DISCRIMINATION



Source: World Justice Project Rule of Law Index

This measures whether individuals are free from discrimination—based on socio-economic status, gender, ethnicity, religion, national origin, sexual orientation, or gender identity—with respect to public services, employment, court proceedings, and the justice system.

Equality and fairness weigh into the data of whether the rule of law in a country is upheld.

POSSIBLE REASONS FOR MALAYSIA'S REBOUND

- **Demonstration of MACC & AG's Chambers to charge high profile politicians**
 - ❖ Charging **two former Prime Ministers** for corruption cases
- **Demonstration of Judiciary's Independence**
 - ❖ Conviction of a former Prime Minister in the **SRC International** Corruption Case
- **Democratic Representation, Participation & Power Transition**
 - ❖ Malaysia rose to rank **40th globally** in the Democratic Index by Economic Intelligence Unit in 2022 (Score 7.30/10.00).
 - ❖ Despite political instability, but there is **increase in voter participation due to UNDI 18**
 - ❖ **Smooth transition of power** post GE 14 & GE 15.

Recommendations

Accelerate Reforms That Were Promised

Institutional reforms

- ❖ Last 4 governments have failed to table the **Political Financing Bill**
- ❖ **Reform IPCC Bill** which is a watered down version of the **IPCCM**
- ❖ No progress on **reforms to MACC** recommended in 2015
- ❖ Slow progress on **amendments to the Whistle Blower Protection Act 2010**
- ❖ **Government Procurement Bill** should be tabled in Parliament by 2024
- ❖ **Separation of power** between the **Attorney General** and the **Public Prosecutor**

Political Will

Have the political will in fighting institutional corruption

- ❖ Stop appointing **politicians to head Government Linked Agencies**
- ❖ Greater transparency and disclosure needed on failed projects (**e.g. Littoral Combat Ship project**)
- ❖ **Lack of action against public officials found to have abused their position**

Reform Our Public Administration

Improve Governance in the Public Administration

- ❖ Empower **KSN** to be responsible for the successful delivery and **implementation of the NACS's goals**
- ❖ Adopt **International Standards on Integrity Pact in Government Procurement for Mega Projects** for transparency and good governance. **Last government circular failed to address this issue**
- ❖ Mandate that large **"mega" projects must require parliamentary approval** before commencing, and all supporting documents e.g. Advance Planning, Needs Analysis and Cost Benefit reports are publicly available

Accelerate Legislative Reforms

Strengthen Governance through Legislative Reforms

- ❖ **Whistle blower Protection Act 2010** – provide wider reporting channels for the public and strengthen protection for whistle blowers
- ❖ **Election Offences Act 1954** – include **sanctions against corruption**
- ❖ **MACC Act 2009** – include **Misconduct in Public Office (MIPO)** provision to hold public officials accountable for their actions
- ❖ **Political Financing Act** – to address **money politics**, both during elections and as a scheme for corruption
- ❖ **Procurement Act** – to improve transparency and governance in the public procurement process
- ❖ **Ombudsman Act** – to enact an independent Ombudsman’s office with powers to sanction for the public to report wrong doings and maladministration
- ❖ **Asset Declaration Act** - to compel politicians and high ranking public officials to declare their assets and make it accessible to the public

MACC Reforms-Long Overdue

Strengthen MACC

- ❖ Provision for **separate funding for MACC operations approved by Parliament**
- ❖ **Appointment of the MACC Chief Commissioner and his tenure of office** should be independent of the executive
- ❖ **Mandates direct reporting to a Parliament Special Select Committee**
- ❖ **Requires amendments to the MACC Act** (as proposed by Civil Society Groups)

Prime Minister's Vision

“Malaysia to be top 25 in the CPI global rank by 2033”

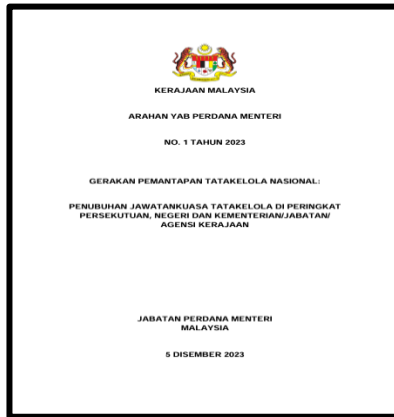
Dato' Seri Anwar Ibrahim

This Vision Must Be Turned Into Action

Positives, Shortcomings & Worrying Trends

Positives

- Prime Minister's Directive – National Code of Governance Enhance Movement (Gerakan Pemantapan Tatakelola Malaysia)



- Current investigations on Undisclosed Wealth (former politicians)
- Setting a target by the PM CPI ranking to top 25 in 10 years.

Positives, Negatives & Worrying Trends

Shortcomings

- Continued lack of good governance practice
 - Political appointments to government linked agencies
 - Lack of transparency to justify mega projects (MRT 3 & High Speed Rail)

- Extremely slow progress on governance related legislative reforms that were promised in PH's election manifesto
 - a. Political financing Bill yet to be tabled
 - b. Independence of MACC
 - c. Separation of power between AG and Public Prosecutor

- Auditor General's Report continues to report alarming leakages
 - KSN (Chief Secretary to the Government) should take firm action against officers who failed in their fiduciary duties including dismissal (allowed under current government regulations & circulars)

Positives, Shortcomings & Worrying Trends

Worrying Trends

- No clear strategy and plans with milestones on how to achieve the goal of **CPI rank 25 in 10 years**
- Only one person charged for the **1 MDB case**. What about the enablers or those who had the duty to speak up (Civil service code is clear –Must report transgression and abuse of power by politicians)
- Recent **DNAA** decision on a Deputy Prime Minister is worrying. Attorney General's statement that the **Public Prosecutor is not bound to furnish** any reason when exercising his prosecutorial discretion.
- Flurry of investigations on **undisclosed wealth by politicians** is good. But what about **those in the current government** who are named in the Pandora and Panama papers? **No one is above the law.**
- Nexus between **politicians, business and patronage** continues to be a grey area. This explains why Political Financing Bill cannot see the light at end of the tunnel.

Can Malaysia Achieve That Vision By 2033?





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