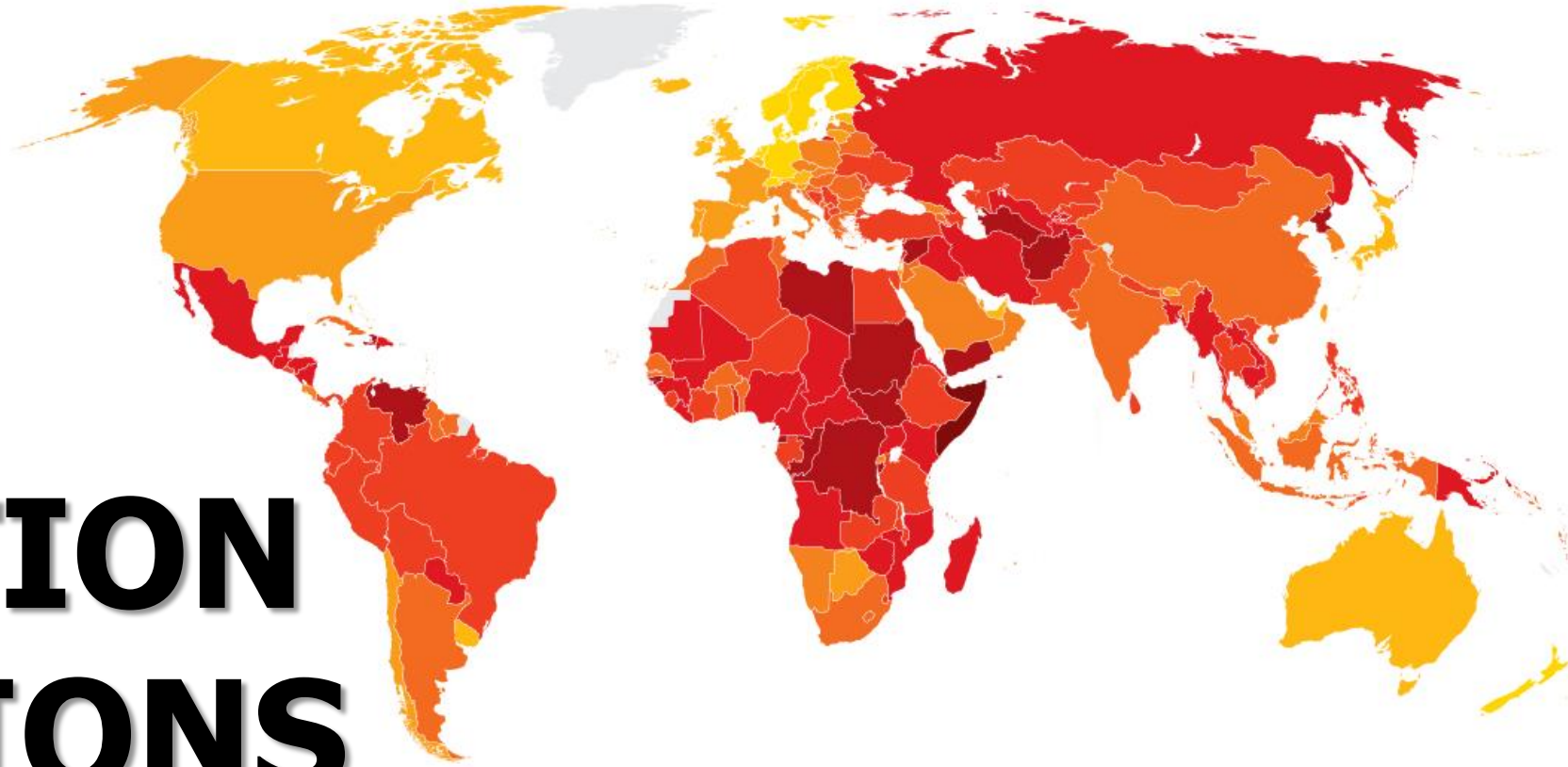


CORRUPTION PERCEPTIONS INDEX 2022



Dr Muhammad Mohan | President, TI-Malaysia

31 January 2023



**TRANSPARENCY
INTERNATIONAL
MALAYSIA**

WHAT IS THE 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 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

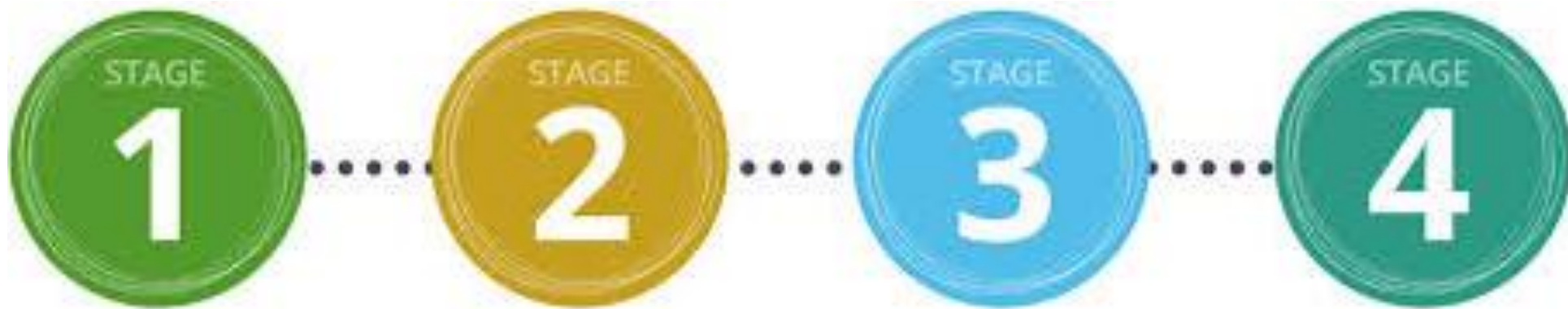


- Citizens' perceptions or experience on corruption
- Tax fraud
- Illicit financial flows
- Enablers of corruption
- Money Laundering
- Any type of private sector corruption
- Informal economies and markets

SURVEY SOURCES



METHODOLOGY



Select Data
Sources

Rescale &
Standardise
Data Sources

Calculate
Average

Report
Uncertainty



Conflict, peace and security

Corruption can undermine political, social and economic stability, and ultimately threaten peace, safety and security as a whole. Corruption also creates a fertile ground for organized criminal activities, even terrorism, as criminals are aided in their illegal activities by the complicity of corrupt public officials.

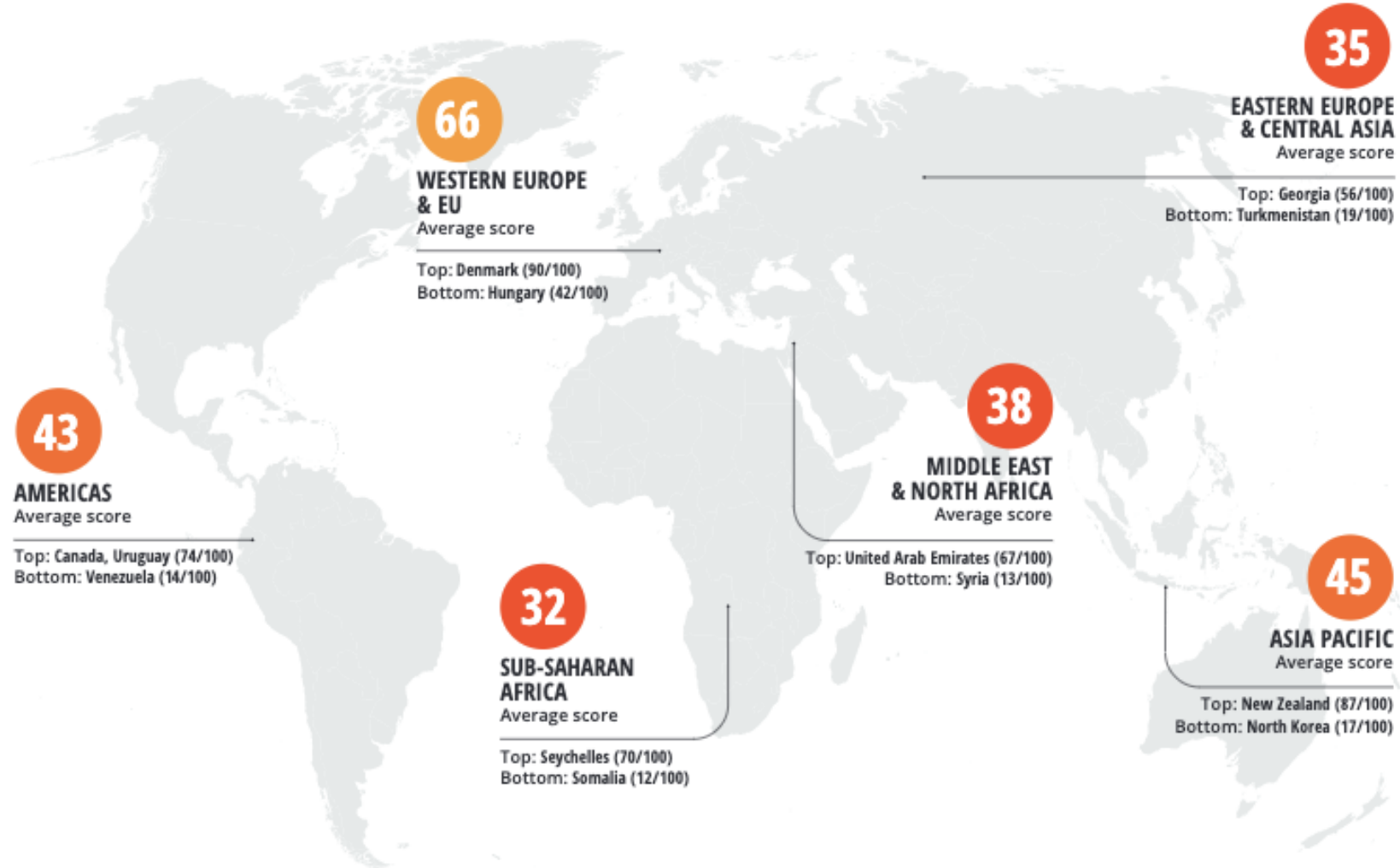


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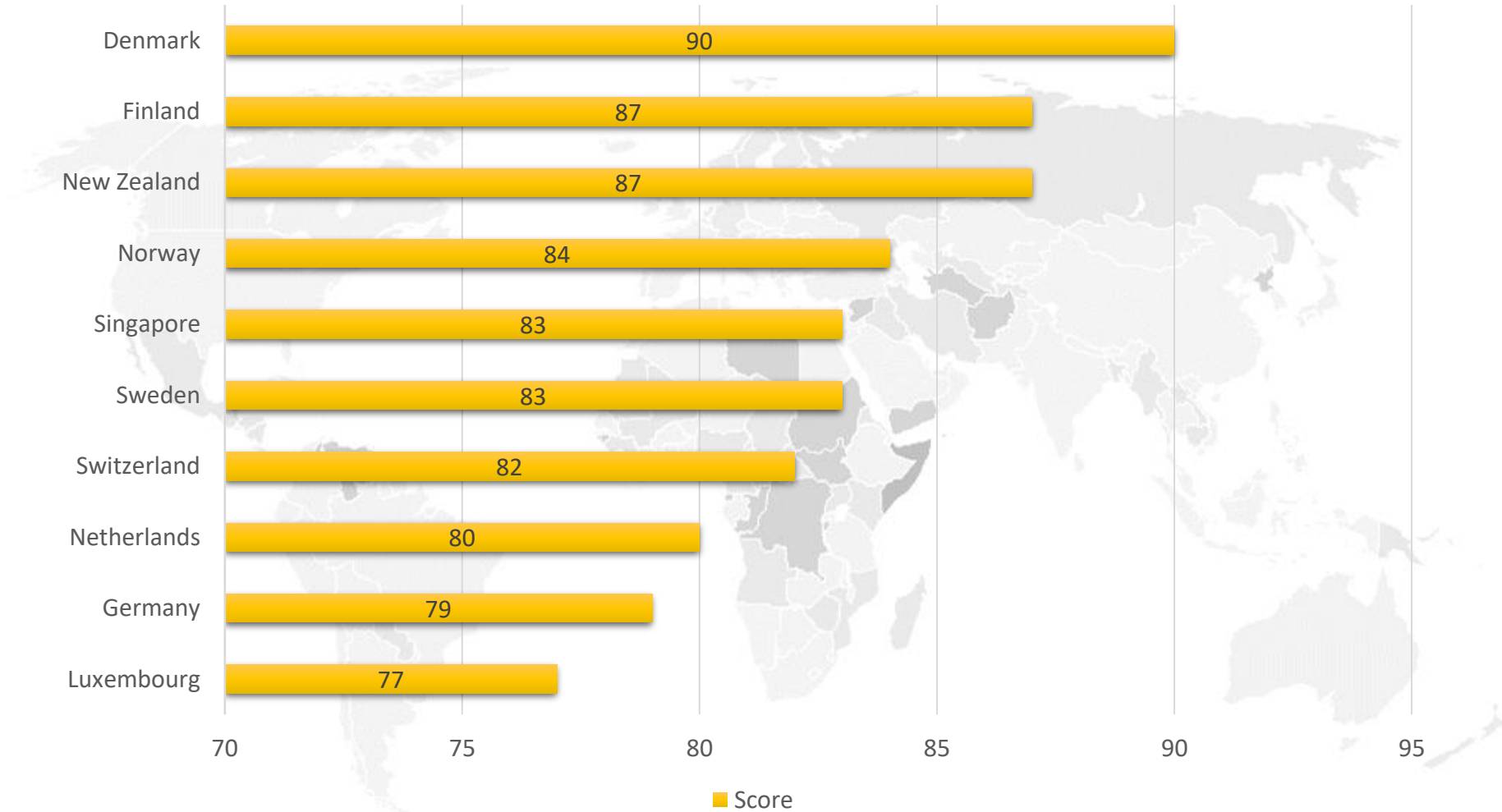
2022 RESULTS

REGIONAL AVERAGES

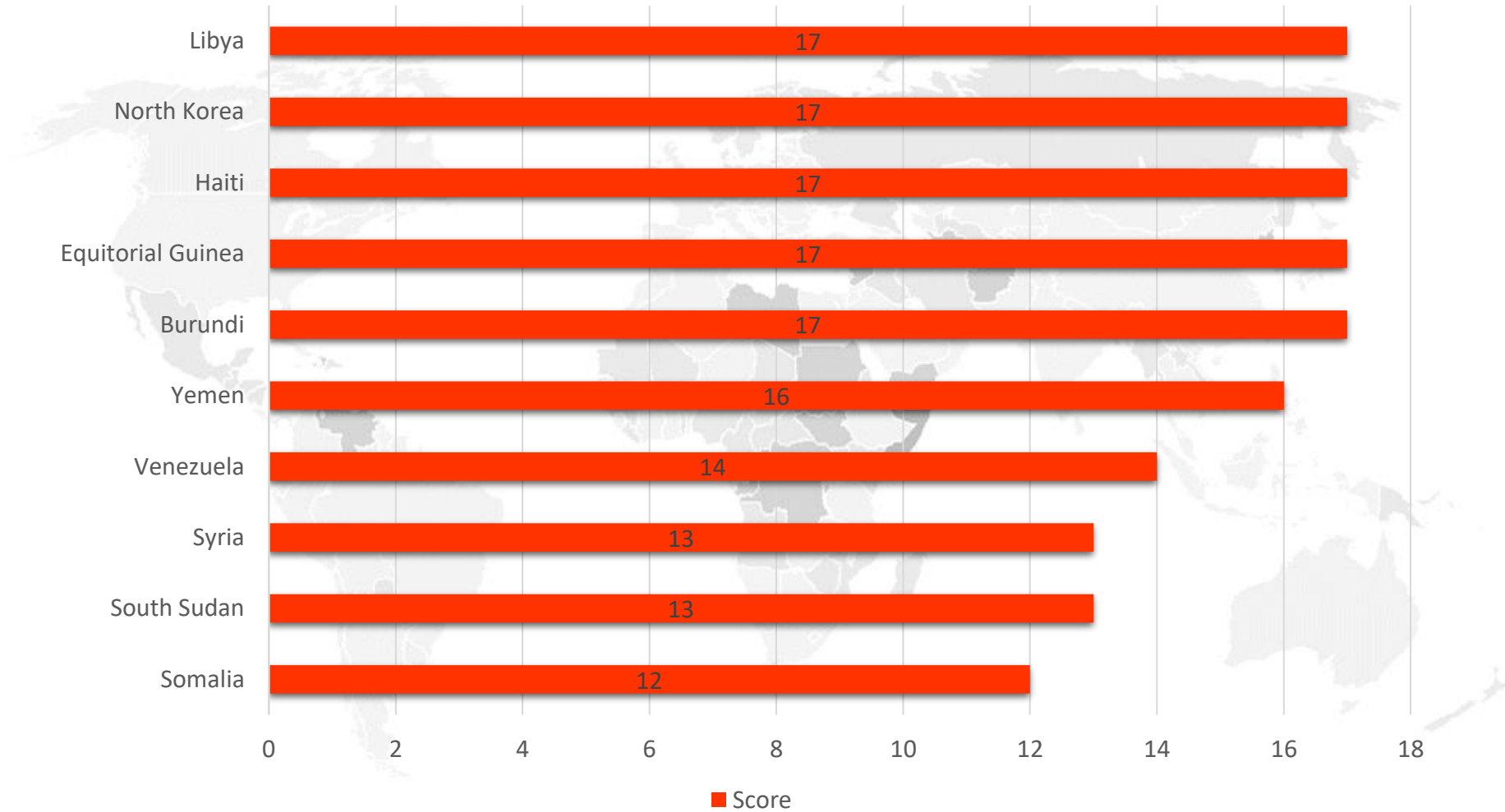
Average regional scores, with top and bottom performers in each region.



TOP 10 COUNTRIES

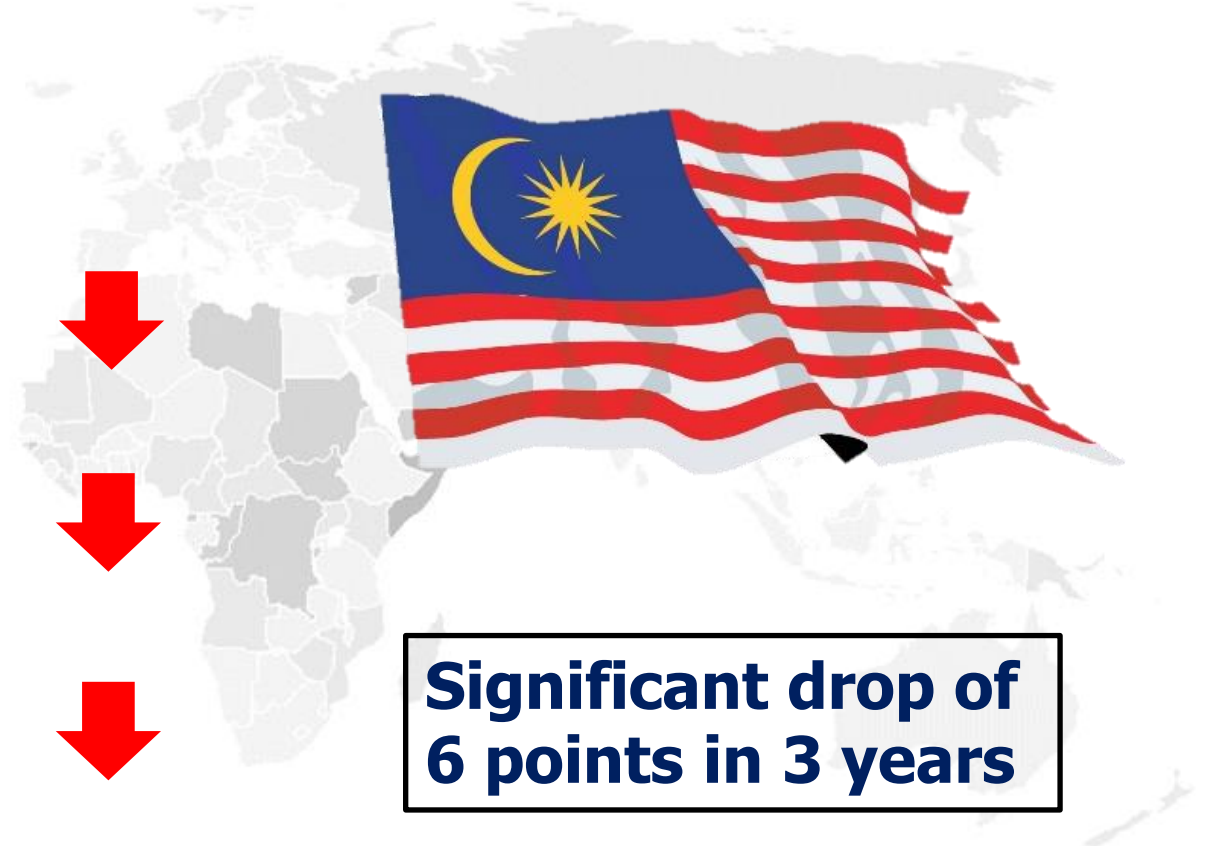


BOTTOM 10 COUNTRIES



MALAYSIA'S SCORE

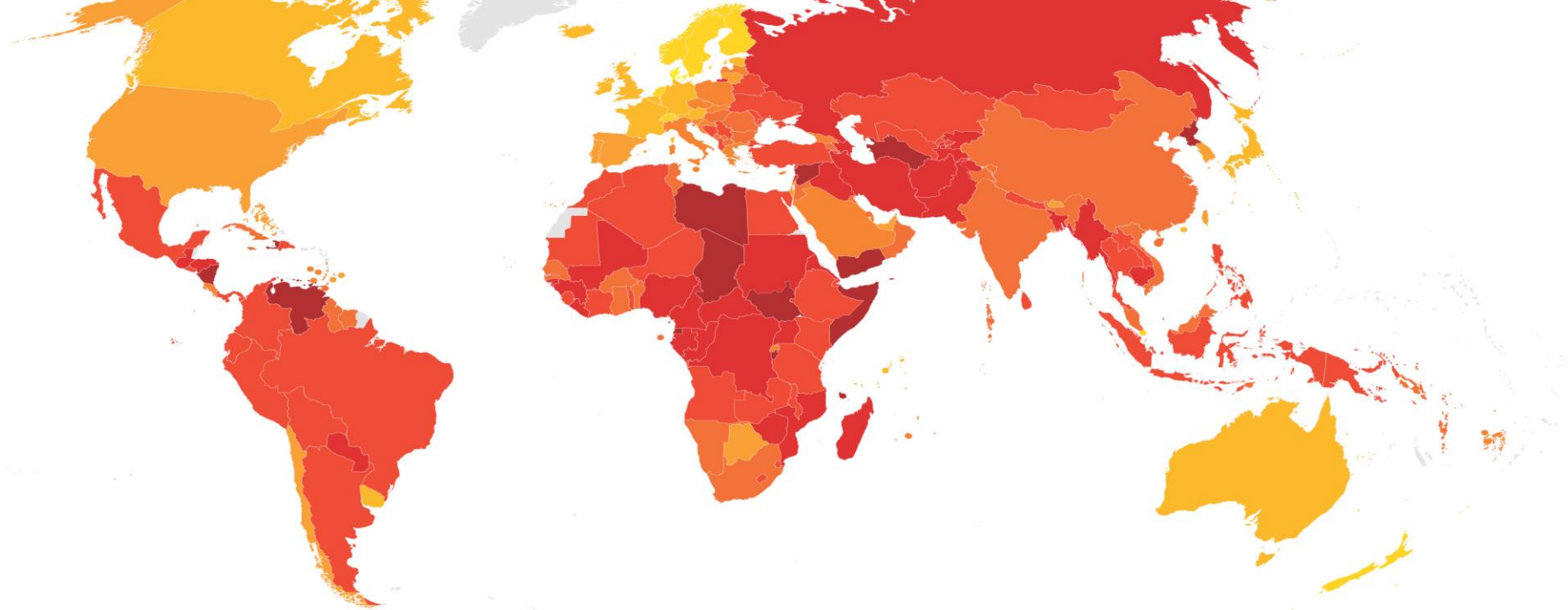
YEAR	SCORE ¹
2019	53
2020	51
2021	48
2022	47



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

CORRUPTION PERCEPTIONS INDEX 2022

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



SCORE COUNTRY/TERRITORY

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

67	Chile
67	United Arab Emirates
65	Barbados
64	Bahamas
63	Israel
63	Korea, South
62	Lithuania
62	Portugal
60	Botswana
60	Cabo Verde
60	Saint Vincent and the Grenadines
60	Spain
59	Latvia
58	Qatar
56	Czechia
56	Georgia
56	Italy
56	Slovenia
55	Dominica
55	Poland
55	Saint Lucia
54	Costa Rica
53	Fiji
53	Slovakia
52	Cyprus
52	Greece

52	Grenada
51	Malta
51	Rwanda
51	Saudi Arabia
50	Croatia
50	Mauritius
49	Namibia
48	Vanuatu
47	Jordan
47	Malaysia
46	Armenia
46	Romania
45	China
45	Cuba
45	Montenegro
45	Sao Tome and Principe
44	Bahrain
44	Jamaica
44	Oman
43	Benin
43	Bulgaria
43	Ghana
43	Senegal
43	Fiji
43	South Africa
42	Burkina Faso
42	Hungary
42	Kuwait

42	Solomon Islands
42	Timor-Leste
42	Trinidad and Tobago
42	Vietnam
41	Kosovo
40	Guyana
40	India
40	Maldives
40	North Macedonia
40	Suriname
40	Tunisia
39	Belarus
39	Colombia
39	Moldova
38	Argentina
38	Brazil
38	Ethiopia
38	Morocco
38	Tanzania
37	Cote d'Ivoire
37	Lesotho
36	Albania
36	Ecuador
36	Kazakhstan
36	Panama
36	Peru
36	Serbia

36	Sri Lanka
36	Thailand
36	Turkey
34	Bosnia and Herzegovina
34	Gambia
34	Indonesia
34	Malawi
34	Nepal
34	Sierra Leone
33	Algeria
33	Angola
33	Belarus
33	Mongolia
33	Philippines
33	Ukraine
33	Zambia
32	Dominican Republic
32	Kenya
32	Niger
31	Bolivia
31	Laos
31	Mexico
31	Uzbekistan
30	Djibouti
30	Egypt
30	Eswatini

30	Mauritania
30	Papua New Guinea
30	Togo
29	Gabon
28	Mali
28	Paraguay
28	Russia
27	Kyrgyzstan
27	Pakistan
26	Cameroon
26	Liberia
26	Madagascar
26	Mozambique
26	Uganda
25	Bangladesh
25	Guinea
25	Iran
24	Afghanistan
24	Cambodia
24	Central African Republic
24	Guatemala
24	Lebanon
24	Nigeria
24	Tajikistan
23	Azerbaijan
23	Honduras

23	Iraq
23	Myanmar
23	Zimbabwe
22	Eritrea
22	Sudan
21	Congo
21	Guinea Bissau
20	Democratic Republic of the Congo
19	Chad
19	Comoros
19	Nicaragua
19	Turkmenistan
17	Burundi
17	Equatorial Guinea
17	Haiti
17	Korea, North
17	Libya
16	Yemen
14	Venezuela
13	South Sudan
13	Syria
12	Somalia

DETAILED SCORING

NO.	SOURCE	2022	2021	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	40	43	-3
5	Political and Economic Risk Consultancy Asian Intelligence	37	38	-1
6	The PRS Group International Country Risk Guide	41	41	—
7	World Economic Forum Executive Opinion Survey	47	54	-7
8	World Justice Project Rule of Law Index Expert Survey	45	48	-3
9	Varieties of Democracy (V-Dem)	49	49	—

Total:	422	436
Aggregate:	47	48



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ANALYSIS

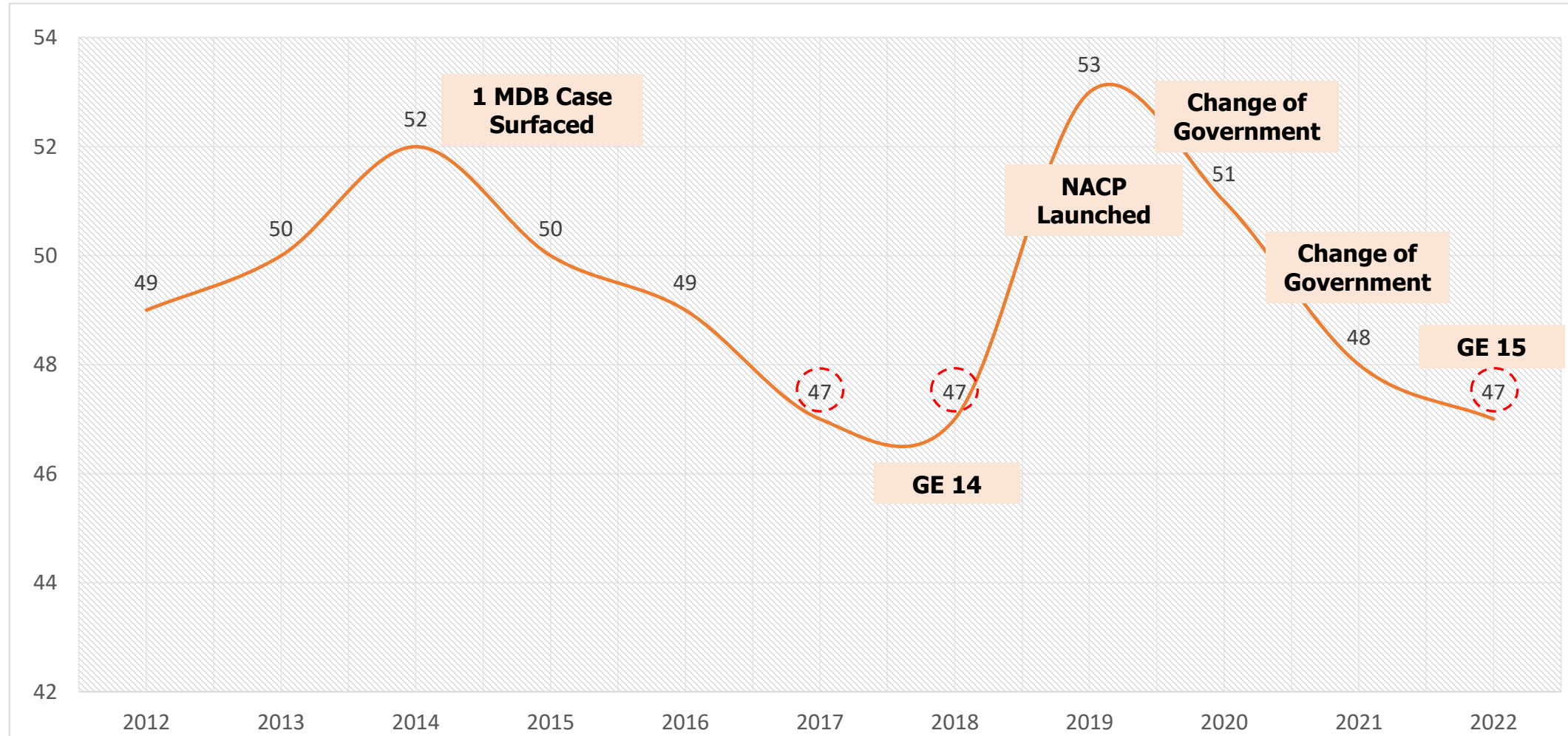
ASEAN COUNTRIES

COUNTRY	Country Scores		Rank	
	2022	2021	2022	2021
Singapore	83	85	5	4
Brunei	-	-	-	-
Malaysia	47	48	61	62
Vietnam	42	39	77	87
Thailand	36	35	101	110
Indonesia	34	38	110	96
Philippines	33	33	116	117
Laos	31	30	126	128
Cambodia	24	23	150	157
Myanmar	23	28	157	140

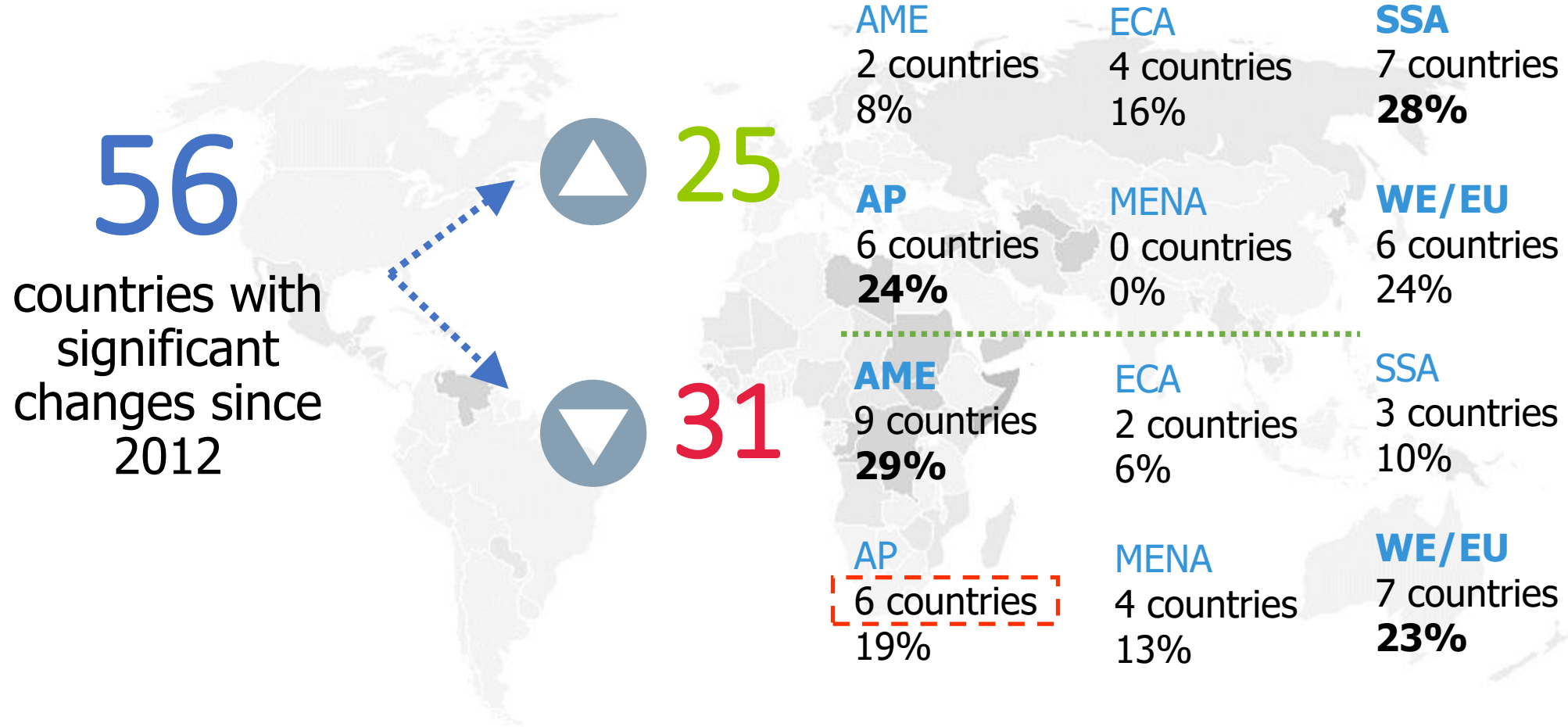
SCORE



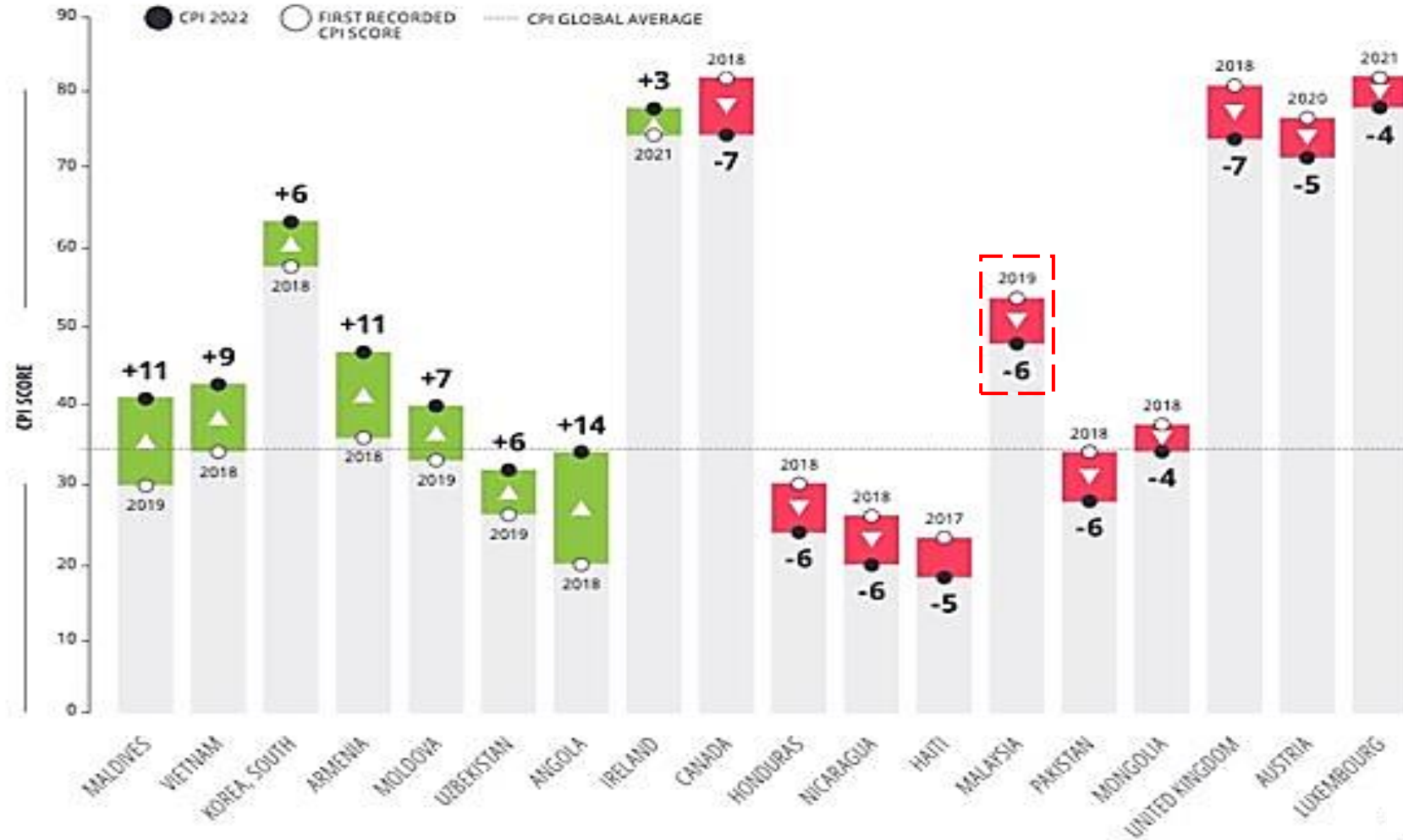
MALAYSIA'S SCORE – LAST 11 YEARS



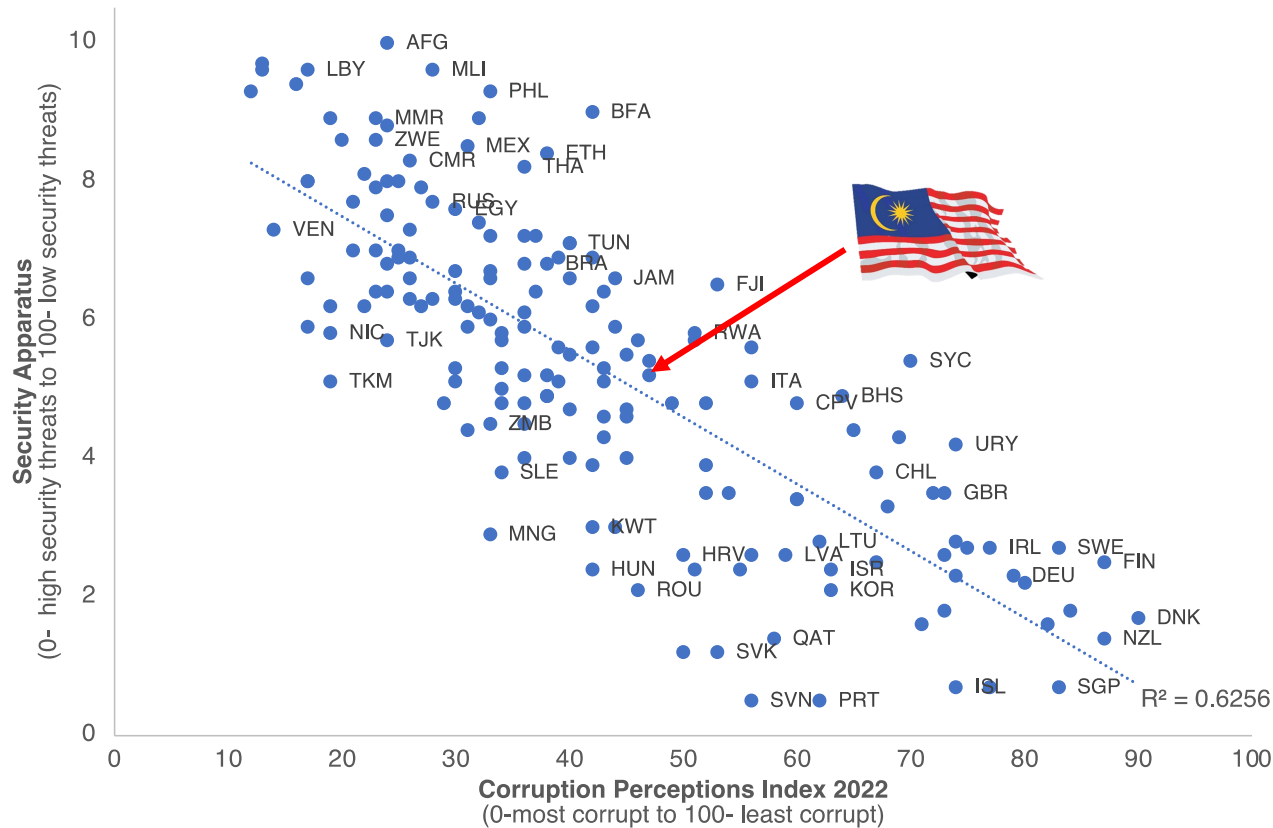
STATISTICALLY SIGNIFICANT CHANGES



STATISTICALLY SIGNIFICANT CHANGES



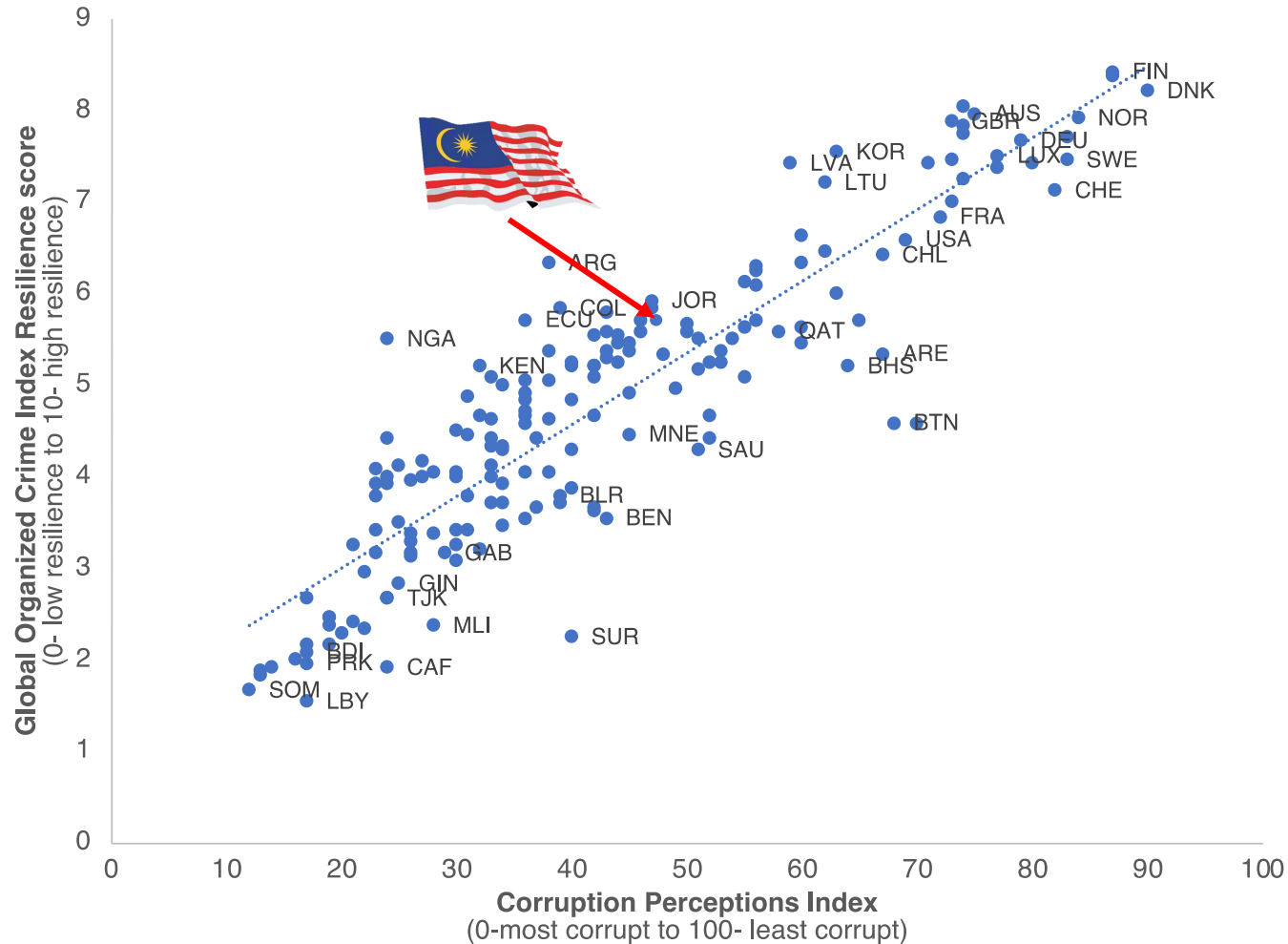
CORRUPTION MAKES SECURITY THREATS MORE LIKELY



The Security Apparatus indicator considers the security threats to a state, such as bombings, attacks and battle-related deaths, rebel movements, mutinies, coups, or terrorism. It also takes into account serious criminal factors, such as organized crime and homicides, and perceived trust of citizens in domestic security.

Source: Fund for Peace Fragile States Index

CORRUPTION MAKES CRIME RESPONSE HARDER



Resilience scores represent the political, legal, economic and social spheres of society that when taken together, have the potential to provide holistic and effective responses to organized crime. The higher the resilience score, the more effective the response to organized crime.

Source: Global Initiative Against Transnational Organized Crime (2021), Global Organized Crime Index.

REASONS FOR MALAYSIA'S POOR SCORE

➤ Lack of political will in fighting institutional corruption

- ❖ Huge COVID-19 pandemic **stimulus packages** were rolled out **without parliamentary debate & scrutiny**
- ❖ Patronage in appointing **unqualified politicians to head GLCs/GLICs**
- ❖ Reluctance to firmly address cost overruns (e.g. Littoral Combat Ship project)
- ❖ **Repeated governance failures** highlighted by the **Auditor General**
- ❖ **Lack of action against public officials** found to have **abused their position**
- ❖ **Slow implementation** of the National Anti-Corruption Plan 2019-2023 (NACP)

➤ Institutional reforms have stalled

- ❖ Last 4 governments have failed to table the **Political Financing Bill**
- ❖ **Proposed IPCMC Bill** was revised to a watered down, ineffective **IPCC Bill**
- ❖ No progress on **reforms to MACC** recommended in 2015
- ❖ Slow progress on **amendments to the Whistle Blower Protection Act 2010**
- ❖ **Government Procurement Bill** is yet to be tabled in Parliament
- ❖ **Separation of power** between the **Attorney General** and the **Public Prosecutor**

POSITIVE DEVELOPMENTS

- **Demonstration of Judiciary's Independence**
 - ❖ Conviction in **SRC International** Corruption Case

- **MOU between the previous PN Government & Pakatan Harapan**
 - ❖ Passing the minimum voting age to **18** and automatic voter registration *(done)*
 - ❖ **Anti-Hopping** Law *(done)*
 - ❖ Malaysia Agreement **(MA) 63** *(progress made in 2021 & 2022)*
 - ❖ Limiting the tenure of the **PM** in office to **10** years *(pending)*
 - ❖ **Parliamentary** Reforms *(pending)*

- **Positive Announcements by the Prime Minister**
 - ❖ **Good governance, fighting corruption and judicial independence** are identified as core issues
 - ❖ Mandatory **competitive bidding** for procurement contracts
 - ❖ Review of certain **high-value projects**
 - ❖ Address issues raised in the **Auditor-General's Report**
 - ❖ **Good governance and a corrupt-free Malaysia** to boost foreign investor confidence

OUR RECOMMENDATIONS

1. Transparency with Information

- ❖ **Narrow** the scope of the **Official Secrets Act** so that matters of public interest can be released and only matters related to **national security** are protected
- ❖ **Share information transparently including** uploading data on all public contracts and supporting documents
- ❖ Provide **regular updates on the status** of pending high profile corruption cases
- ❖ Monitor implementation of the **National Anti-Corruption Plan (NACP)** and disclose progress on its initiatives via a public dashboard

2. Public Administration

- ❖ Empower **KSN** to be responsible for the successful delivery and **implementation of the NACP's goals**
- ❖ Adopt **International Standards on Integrity Pact in Government Procurement** for transparency and good governance. **Latest government circular failed to address this issue**
- ❖ Mandate that large **"mega" projects must require parliamentary approval** before commencing, and all supporting documents e.g. Needs Analysis and Cost Benefit reports are publicly available
- ❖ **Compel public officials found guilty of corruption to vacate their official positions**, even while they exhaust their appeal process

OUR RECOMMENDATIONS

3. Legislation to Strengthen Governance

- ❖ **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

4. Strengthen MACC

- ❖ Provision for **separate funding for MACC operations approved by Parliament**
- ❖ Ability to **manage its own administration and manpower requirements**
- ❖ **Mandates direct reporting to Parliament**
- ❖ **Requires amendments to the MACC Act and the Federal Constitution** (as proposed by Civil Society in 2015)

A. Investigative Journalism

- ❖ Protection for journalists to conduct investigative journalism via the strengthened Whistleblower Protection Act
- ❖ In line with the Prime Minister's call for public officials to report questionable decisions directly to him
- ❖ Last significant piece of Investigative Journalism was the Wang Kelian mass graves exposure in 2015
- ❖ This led to an RCI which only recently published its findings
- ❖ Questions remain – were the main perpetrators ever caught, how did it escape monitoring by authorities?

B. Local Council Elections

- ❖ Local councils deal with various governance issues that directly impact the rakyat
- ❖ They are an integral part of the public sector delivery service
- ❖ Having local council elections directly enhances public governance
- ❖ Without elections, appointing councillors can be a form of rewarding supporters
- ❖ Citizen participation can help improve transparency in the delivery service
- ❖ TI-M is promoting the Community Integrity Building (CIB) tool to enable citizen participation

LOOKING FORWARD

- The Prime Minister's emphasis to practice **good governance, transparency, integrity and democratic accountability** in his administration gives fresh hope for Malaysia's fight against corruption
- If we wish to see Malaysia's CPI score improve, this hope must be translated into **measurable action that produces the desired results**





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ti-malaysia@transparency.org.my



www.transparency.org.my