

Frequently Asked Questions

Transparency International Corruption Perceptions Index (CPI 2004)

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1. What is the Corruption Perceptions Index?

The TI Corruption Perceptions Index (CPI) ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index, drawing on corruption-related data in expert surveys carried out by a variety of reputable institutions. It reflects the views of businesspeople and analysts from around the world, including experts who are resident in the countries evaluated.

2. For the purpose of the CPI, how is corruption defined?

The CPI focuses on corruption in the public sector and defines corruption as the abuse of public office for private gain. The surveys used in compiling the CPI ask questions that relate to the misuse of public power for private benefit, with a focus, for example, on bribe-taking by public officials in public procurement. The sources do not distinguish between administrative and political corruption or between petty and grand corruption.

3. Why is the CPI based only on perceptions?

It is difficult to base comparative statements on the levels of corruption in different countries on hard empirical data, e.g. by comparing the number of prosecutions or court cases. Such cross-country data does not reflect actual levels of corruption; rather it highlights the quality

of prosecutors, courts and/or the media in exposing corruption. The only method of compiling comparative data is therefore to build on the experience and perceptions of those who are most directly confronted with the realities of corruption in a country.

4. Is the CPI a reliable measure of a country's perceived level of corruption?

In terms of perceptions of corruption, the CPI is a solid measurement tool. The reliability differs, however, between countries. Countries with a low number of sources and large differences in the values provided by the sources (indicated by a high Standard Deviation) convey less reliability as to their score and ranking.

5. Is the CPI a reliable measure for decisions on aid allocation?

Some governments have begun to wonder whether it is useful to provide aid to countries perceived to be corrupt – and have sought to use corruption scores to determine which countries receive aid, and which do not.

TI does not encourage the CPI to be used in this way. Countries that are perceived as very corrupt should not be penalised for starting from a high level of corruption. They in particular need help to emerge from the corruption-poverty spiral. If a country is believed to be corrupt, but is willing to reform, this should serve as a signal to donors that investment is needed in systemic approaches to fight corruption. And if donors intend to support major development projects in corrupt countries, they should pay particular attention to corruption 'red flags' and make sure appropriate control processes are set up to limit graft.

6. How many countries are included in the CPI?

The CPI 2004 ranks 146 countries. TI requires at least three sources to be available in order to rank a country in the CPI.

In 2003, the CPI included only 133 countries. The increase in coverage relates to the fact that more valid, reputable sources have been found.

7. Which countries are new to the CPI 2004?

The following countries are in the CPI 2004, but not the CPI 2003: Barbados, Benin, Chad, Democratic Republic of Congo, Eritrea, Gabon, Malta, Mongolia, Nepal, Niger, Seychelles, Suriname and Turkmenistan.

8. Is it right to conclude that the country with the lowest score is the world's most corrupt country?

No. The country with the lowest score is the one perceived to be the most corrupt of those included in the index. There are almost 200 sovereign nations in the world, and the latest CPI ranks 146 of them.

9. Which matters more, a country's rank or its score?

While ranking countries enables TI to build an index, a country's score is a much more important indication of the perceived level of corruption in a country.

10. Can country scores in the CPI 2004 be compared to those in past CPIs?

The index primarily provides an annual snapshot of the views of businesspeople and country analysts, with less of a focus on year-to-year trends.

If comparisons with previous years are made, they should be based only on a country's score, not its rank. A country's rank can change simply because new countries enter the index or

others drop out. A higher score is an indicator that respondents provided better ratings, while a lower score suggests that respondents revised their perception downwards.

However, year-to-year changes in a country's score result not only from a changing perception of a country's performance but also from a changing sample and methodology. Each year, some sources are not updated and must be dropped from the CPI, while new, reliable sources are added. With differing respondents and slightly differing methodologies, a change in a country's score may also relate to the fact that different viewpoints have been collected and different questions have been asked.

11. Why isn't there a greater change in a country's score, given the strength of (or lack of) anti-corruption reform, or given recent exposure of corruption scandals?

It is often difficult to improve a CPI score over a short time period, such as one or two years. The CPI is based on data from the past three years (for more on this, see the question on the **sources of data** below). This means that a change in perceptions of corruption would only emerge in the index over longer periods of time. In addition, in those cases where government and/or others have made substantial efforts to combat corruption, with demonstrable results, and where there is no improvement in a CPI score, there is the possibility that these efforts – however successful – have not been adequately communicated.

12. Which countries' scores deteriorated most between 2003 and 2004?

Making comparisons from one year to another is problematic. However, to the extent that changes can be traced back to individual sources, while sometimes not obvious in the final overall score, trends can be cautiously identified. Noteworthy examples of a downward trend from 2003 to 2004 are Bahrain, Belize, Cyprus, Dominican Republic, Jamaica, Kuwait, Luxembourg, Mauritius, Oman, Poland, Saudi Arabia, Senegal, and Trinidad and Tobago. In these cases, actual changes in perceptions occurred during the last three years. In the case of the lower scores in the CPI 2004 for countries such as Belarus, Cuba, Israel, Italy, Namibia, Pakistan, Palestinian Authority and Qatar, however, the deterioration is partly due to technical factors of the CPI methodology, such as the inclusion or dropping of some surveys since last year.

13. Which countries improved most compared with last year?

With the same caveats applied, on the basis of data from sources that have been consistently used for the index, improvements can be observed from 2003 to 2004 for Austria, Botswana, Czech Republic, El Salvador, France, Gambia, Germany, Jordan, Switzerland, Tanzania, Thailand, Uganda, United Arab Emirates and Uruguay. In the case of the higher scores in the CPI 2004 for countries such as Cameroon, Costa Rica, Estonia, Libya, Macedonia (FYR), Madagascar, Papua New Guinea and Serbia and Montenegro, however, the improvement is partly due to technical factors of the CPI methodology, such as the inclusion or dropping of some surveys since last year.

14. The CPI is ten years old. Are there any long-term trends in country scores?

To be clear, the CPI was not designed to provide for comparisons over time, since each year the surveys included in the index vary. Analysing the individual sources in the CPI that have been included over time, however, does yield some aggregate changes over time. Countries that have improved over time include Colombia, Bulgaria, Estonia, Hong Kong, Mexico and Spain; countries that have deteriorated include Argentina, Ecuador, Poland and Zimbabwe, for instance. More research on long-term trends in corruption perception levels is being carried out, and results are expected in 2005-06.

15. What are the sources of data for the CPI?

The CPI 2004 draws on 18 different polls and surveys from 12 independent institutions. TI strives to ensure that the sources used are of the highest quality and that the survey work is performed with complete integrity. To qualify, the data has to be well documented, and it has to be sufficient to permit a judgment on its reliability.

Data for the CPI has been provided to TI free of charge, on a non-disclosure basis. The institutions that provided data for the CPI 2004 include: Columbia University, Economist Intelligence Unit, Freedom House, Information International, International Institute for Management Development, a multilateral development bank, Merchant International Group, Political and Economic Risk Consultancy, Transparency International/Gallup International, World Bank/European Bank for Reconstruction and Development, World Economic Forum and World Markets Research Centre.

Since fundamental changes in the levels of corruption in a country evolve only slowly, TI opted to base the CPI on a three-year rolling average. The CPI 2004 is based on surveys provided between 2002 and 2004.

For a full list and details on questions asked, number of respondents and coverage of the 18 polls and surveys included in the CPI 2004, please see <http://www.transparency.org/surveys/#cpi> or www.icgg.org

16. Whose opinion is polled by these surveys?

Surveys are carried out among businesspeople and country analysts, including surveys of residents of countries. It is important to note that residents' viewpoints are found to correlate well with those of experts from abroad.

In the past, the experts surveyed in the CPI sources were often businesspeople from northern, industrialised countries; the viewpoint of less developed countries was underrepresented.

This has changed. On behalf of Transparency International, Gallup International surveyed respondents from emerging market economies, asking them to assess the performance of public servants in industrialised countries. A related approach was carried out by Information International. The results from these surveys correlate well with other sources. In sum, the CPI gathers perceptions that are broadly based, not biased by cultural preconditions, and not only generated by US and European experts.

17. Why expert surveys, and why not public opinion surveys?

The CPI used to include public opinion surveys. When these surveys dropped out of the index because they were more than three years old, TI decided to focus the CPI exclusively on expert opinion on corruption. The reason for this is that while the surveys themselves don't distinguish between types of corruption, it was felt that business experts would be better qualified than the public at large to comment accurately on grand corruption. The general public is assumed to be more familiar with the burden (or absence) of petty corruption within a country.

TI is interested in public assessments of the levels of corruption – particularly as a way to benchmark progress in the fight against graft. To this end, TI developed another tool, the Global Corruption Barometer, to evaluate public sentiment on, and experience with, corruption (see the question on the **difference between the CPI and the Global Corruption Barometer** below).

18. How is the index itself computed?

TI has made considerable efforts to ensure that the methodologies used to analyse the data are of the highest quality. A detailed description of the underlying methodology is available at <http://www.transparency.org/surveys/#cpi> or at www.icgg.org.

The CPI methodology used is reviewed by a Steering Committee consisting of leading international experts in the fields of corruption, econometrics and statistics. Members of the Steering Committee make suggestions for improving the CPI, but the management of TI takes the final decisions on the methodology used. The statistical work on the CPI is orchestrated at the University of Passau under the leadership of Prof. Dr. Johann Graf Lambsdorff.

19. Which countries might be included in future CPIs?

Countries with two sets of data are: Afghanistan, Antigua and Barbuda, Bahamas, Bermuda, Bhutan, Burkina Faso, Burundi, Cambodia, Cayman Islands, Central African Republic, Dominica, Equatorial Guinea, Fiji, Grenada, Guinea, Guinea-Bissau, Guyana, Laos, Lesotho, Liberia, Macau, Mauritania, North Korea, Puerto Rico, Rwanda, Somalia, Swaziland and Togo. For all of the above countries, at least one more set of data is necessary for inclusion in the CPI.

Countries with only one set of data are: Andorra, Anguilla, Aruba, Brunei, Cape Verde, Comoros, Djibouti, East Timor, French Guiana, Guadeloupe, Liechtenstein, Maldives, Martinique, Netherlands Antilles, Palau, Samoa, Sao Tome and Principe, St. Kitts and Nevis, St Lucia, St Vincent and the Grenadines, and Virgin Islands (US). For each of the above countries, at least two more sets of data are necessary for inclusion in the CPI.

20. What is the difference between the CPI and TI's Global Corruption Barometer?

The CPI aims at assessing levels of corruption across countries, while the Global Corruption Barometer (see <http://www.transparency.org/surveys/#barometer>) is concerned with attitudes the general public forms vis-à-vis these levels of corruption. TI expects the Global Corruption Barometer, which was first published in 2003, to provide a strong indicator over time of the impact within countries of the fight against corruption. The next edition of the Barometer is expected in December 2004.

21. What is the difference between the CPI and TI's Bribe Payers Index (BPI)?

While the CPI indicates overall levels of corruption in countries, the BPI focuses on the propensity of firms from leading export countries to bribe abroad – creating the 'supply side' of corruption. The BPI therefore underlines the point that corruption in international business transactions involves those who give as well as those who take. The most recent Bribe Payers Index was published in May 2002 and can be found under: <http://www.transparency.org/surveys/#bpi>.