Corruption Perceptions Index 2010
Short methodological note

Data Sources:

- The Corruption Perceptions Index (CPI) 2010 is an aggregate indicator that brings together data from sources that cover the past two years. For the CPI 2010, this includes surveys published between January 2009 and September 2010.
- The CPI 2010 is calculated using data from 13 sources by 10 independent institutions. All sources measure the overall extent of corruption (frequency and/or size of bribes) in the public and political sectors, and all sources provide a ranking of countries, i.e. include an assessment of multiple countries.
- Evaluation of the extent of corruption in countries/territories is done by two groups: country experts, both residents and non-residents, and business leaders. In the CPI 2010, the following seven sources provided data based on expert analysis: African Development Bank, Asian Development Bank, Bertelsmann Foundation, Economist Intelligence Unit, Freedom House, Global Insight and the World Bank. Three sources for the CPI 2010 reflect the evaluations by resident business leaders of their own country, IMD, Political and Economic Risk Consultancy, and the World Economic Forum.
- For CPI sources that are surveys, and where multiple years of the same survey are available, data for the past two years is included.
- For sources that are scores provided by experts (risk agencies/country analysts), only the most recent iteration of the assessment is included, as these scores are generally peer reviewed and change very little from year to year.

Steps to calculate the CPI:

1. The first step to calculate the CPI is to standardise the data provided by the individual sources (that is, translate them into a common scale). We use what is called a matching percentiles technique that takes the ranks of countries reported by each individual source. This method is useful for combining sources that have different distributions. While there is some information loss in this technique, it allows all reported scores to remain within the bounds of the CPI, i.e. to remain between 0 and 10.
2. The second step consists of performing what is called a beta-transformation on the standardized scores. This increases the standard deviation among all countries included in the CPI and makes it possible to differentiate more precisely countries that appear to have similar scores.
3. Finally, the CPI scores are determined by averaging all of the standardised values for each country.

Results:

- The CPI score and rank are accompanied by the number of sources, the highest and lowest values given to every country by the data sources, the standard deviation and the confidence range for each country.
- The confidence range is determined by what is called a bootstrap (non-parametric) methodology, which allows inferences to be drawn on the underlying precision of the results. A 90 percent confidence range is then established, where there is only a five percent probability that the value is below and a five per cent probability that the value is above this confidence range.

For a more detailed explanation of the CPI method please visit www.transparency.org/cpi

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