

Corruption Perceptions Index 2012: Frequently Asked Questions

What is the Corruption Perceptions Index (CPI)?

The CPI scores and ranks countries/territories based on how corrupt a country's public sector is perceived to be. It is a composite index, a combination of surveys and assessments of corruption, collected by a variety of reputable institutions. The CPI is the most widely used indicator of corruption worldwide.

Why is the CPI based only on perceptions?

Corruption generally comprises illegal activities, which are deliberately hidden and only come to light through scandals, investigations or prosecutions. There is no meaningful way to assess absolute levels of corruption in countries or territories on the basis of hard empirical data. Possible attempts to do so, such as by comparing bribes reported, the number of prosecutions brought or studying court cases directly linked to corruption, cannot be taken as definitive indicators of corruption levels. Rather they show how effective prosecutors, the courts or the media are in investigating and exposing corruption. Capturing perceptions of corruption of those in a position to offer assessments of public sector corruption is the most reliable method of comparing relative corruption levels across countries.

Which countries/territories are included in the CPI 2012 and why?

For a country/territory to be included in the ranking, it must be included in a minimum of three of the CPI's data sources. If a country is not featured in the ranking, then this is solely because of insufficient survey information and not an indication that corruption does not exist in the country.

What are the data sources for the CPI?

The 2012 CPI draws on data sources from independent institutions specialising in governance and business climate analysis. The sources of information used for the 2012 CPI are based on data gathered in the past 24 months. The CPI includes only sources that provide a score for a set of countries/territories and that measure perceptions of corruption in the public sector. Transparency International reviews the methodology of each data source in detail to ensure that the sources used meet Transparency International's quality standards. For a full list of the data sources, the type of respondents and the specific questions they ask, please see the CPI sources description document.

What is the difference between a country/territory's rank and its score?

A country/territory's score indicates the perceived level of public sector corruption on a scale of 0-100, where 0 means that a country is perceived as highly corrupt and a 100 means that a country is perceived as very clean. A country's rank indicates its position relative to the other countries/territories included in the index. Ranks can change merely if the number of countries included in the index changes. TRANSPARENCY INTERNATIONAL CORRUPTION PERCEPTIONS INDEX 2012

Is the country/territory with the lowest score the world's most corrupt nation?

No. The CPI is an indicator of perceptions of public sector corruption, i.e. administrative and political corruption. It is not a verdict on the levels of corruption of entire nations or societies, or of their policies, or the activities of their private sector. Citizens of those countries/territories that score at the lower end of the CPI often show the same concern about and condemnation of corruption as the public in countries that perform strongly.

Further, the country/territory with the lowest score is the one where public sector corruption is perceived to be greatest *among those included in the list*. The CPI provides no information about countries/territories that are not included in the index.

What updates have been made to the Corruption Perceptions Index this year (2012) and why?

Since its first release in 1995, the CPI has been a powerful tool in raising awareness of the issue of corruption at the global level, providing an incentive for governments to improve their position by fighting corruption in their public institutions, giving a broad national context for further analysis of corruption and providing important quantitative information on this hard to measure phenomenon.

In recognition of the continued importance of this tool and the increasing demands that have been made on it, in 2012, Transparency International has <u>updated the</u> <u>methodology</u> used to construct the CPI. Essentially, Transparency International is using a simpler approach that is easy to follow and understand and that can better capture changes in perceptions of corruption over time. This is possible now due to the increased number and quality of data sources which capture perceptions of corruption across multiple countries.

In previous editions of the CPI, the methodology drew on a country/territory's rank position in the data sources, to capture perceptions of corruption as compared with other countries/territories. The 2012 CPI uses the raw scores given to any country/territory and then converts these raw scores to fit the CPI scale. To reflect the changes that have been made to the method used to rescale the data sources, the scale on which the CPI is presented has also been updated, to 0-100. With this updated method, it is much clearer to trace this back to the raw scores given in the data sources. This also means that any changes from year to year in the raw scores will therefore be directly translated into a change in the rescaled score from that data source, and will not be affected by changes in scores of other countries/territories also featured in the data source.

Starting in 2013, as a consequence of this update, it will be possible to reflect changes over time at the country level. The updated methodology also uses just one year of data from each source for each country, which allows changes over time to be better captured. Previously the CPI had included the past two years of business survey data.

Does the CPI tell the full story of corruption in a country?

No. The CPI is limited in scope, capturing perceptions of the extent of corruption in the public sector, from the perspective of business people and country experts. Complementing this viewpoint and capturing different aspects of corruption, Transparency International produces a range of both qualitative and quantitative research on corruption, both at the global level from its Secretariat and at the national

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level through Transparency International's network of National Chapters based in over 90 countries around the world. This body of research provides a comprehensive picture of the scale, spread and dynamics of corruption around the world. It also serves to mobilise and support evidence-based, effectively-tailored policy reform.

Complementing the CPI, Transparency International's portfolio of global research includes:

- Global Corruption Barometer (GCB): Measuring people's perceptions and experiences of corruption, the Global Corruption Barometer is a representative survey of more than 100,000 households in 100 countries. The most recent Global Corruption Barometer results (2010/2011) can be found at: <u>http://gcb.transparency.org/gcb201011/</u>
- Bribe Payers Index (BPI): Measuring the supply side of corruption in international business transaction, the Bribe Payers Index is a ranking of leading exporting countries according to the perceived likelihood of their firms to bribe abroad. It is based on a survey of business executives capturing perceptions of the business practices of foreign firms in their country. The most recent Bribe Payers Index can be found at: http://bpi.transparency.org/bpi2011/
- Global Corruption Report (GCR): Exploring corruption issues in detail for a specific issue or sector, the Global Corruption Report is a thematic report which draws on a variety of expert research and analysis as well as case studies. The series of Global Corruption Reports, covering issues from the judiciary to climate change, can be found at: http://www.transparency.org/research/gcr
- National Integrity System assessments (NIS): a series of in-country studies providing an extensive qualitative assessment of the strengths and weaknesses of the key institutions that enable good governance and prevent corruption in a country. For more information on the National Integrity System reports, please see: <u>http://www.transparency.org/whatwedo/nis</u>
- *Transparency In Corporate Reporting (TRAC):* The study analyses the extent of transparency in the reporting on a series of anti-corruption measures by the world's largest companies. For further information, please see http://www.transparency.org/whatwedo/pub/transparency_in_corporate_reporting_assessing_the_worlds_largest_companies