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Corruption threatens global economic recovery, greatly challenges countries in conflict

Berlin, 17 November 2009 – As the world economy begins to register a tentative recovery and some nations continue to wrestle with ongoing conflict and insecurity, it is clear that no region of the world is immune to the perils of corruption, according to Transparency International's 2009 Corruption Perceptions Index (CPI), a measure of domestic, public sector corruption released today.

“At a time when massive stimulus packages, fast-track disbursements of public funds and attempts to secure peace are being implemented around the world, it is essential to identify where corruption blocks good governance and accountability, in order to break its corrosive cycle” said Huguette Labelle, Chair of Transparency International (TI).

The vast majority of the 180 countries included in the 2009 index score below five on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption). The CPI measures the perceived levels of public sector corruption in a given country and is a composite index, drawing on 13 different expert and business surveys. The 2009 edition scores 180 countries, the same number as the 2008 CPI.

Fragile, unstable states that are scarred by war and ongoing conflict linger at the bottom of the index. These are: Somalia, with a score of 1.1, Afghanistan at 1.3, Myanmar at 1.4 and Sudan tied with Iraq at 1.5. These results demonstrate that countries which are perceived as the most corrupt are also those plagued by long-standing conflicts, which have torn apart their governance infrastructure.

When essential institutions are weak or non-existent, corruption spirals out of control and the plundering of public resources feeds insecurity and impunity. Corruption also makes normal a seeping loss of trust in the very institutions and nascent governments charged with ensuring survival and stability.

Countries at the bottom of the index cannot be shut out from development efforts. Instead, what the index points to is the need to strengthen their institutions. Investors and donors should be equally vigilant of their operations and as accountable for their own actions as they are in demanding transparency and accountability from beneficiary countries.

“Stemming corruption requires strong oversight by parliaments, a well performing judiciary, independent and properly resourced audit and anti-corruption agencies, vigorous law enforcement, transparency in public budgets, revenue and aid flows, as well as space for independent media and a vibrant civil society,” said Labelle. “The international community must find efficient ways to help war-torn countries to develop and sustain their own institutions.”

Highest scorers in the 2009 CPI are New Zealand at 9.4, Denmark at 9.3, Singapore and Sweden tied at 9.2 and Switzerland at 9.0. These scores reflect political stability, long-established conflict of interest regulations and solid, functioning public institutions.

Overall results in the 2009 index are of great concern because corruption continues to lurk where opacity rules, where institutions still need strengthening and where governments have not implemented anti-corruption legal frameworks.

Even industrialised countries cannot be complacent: the supply of bribery and the facilitation of corruption often involve businesses based in their countries. Financial secrecy jurisdictions, linked to many countries that top the CPI, severely undermine efforts to tackle corruption and recover stolen assets.

“Corrupt money must not find safe haven. It is time to put an end to excuses,” said Labelle. “The OECD’s work in this area is welcome, but there must be more bilateral treaties on information exchange to fully end the secrecy regime. At the same time, companies must cease operating in renegade financial centres.”

Bribery, cartels and other corrupt practices undermine competition and contribute to massive loss of resources for development in all countries, especially the poorest ones. Between 1990 and 2005, more than 283 private international cartels were exposed that cost consumers around the world an estimated US \$300 billion in overcharges, as documented in a recent TI [report](#).

With the vast majority of countries in the 2009 index scoring below five, the corruption challenge is undeniable. The [Group of 20](#) has made strong commitments to ensure that integrity and transparency form the cornerstone of a newfound regulatory structure. As the G20 tackles financial sector and economic reforms, it is critical to address corruption as a substantial threat to a sustainable economic future. The G20 must also remain committed to gaining public support for essential reforms by making institutions such as the Financial Stability Board and decisions about investments in infrastructure, transparent and open to civil society input.

Globally and nationally, institutions of oversight and legal frameworks that are actually enforced, coupled with smarter, more effective regulation, will ensure lower levels of corruption. This will lead to a much needed increase of trust in public institutions, sustained economic growth and more effective development assistance. Most importantly, it will alleviate the enormous scale of human suffering in the countries that perform most poorly in the Corruption Perceptions Index.

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Transparency International Corruption Perceptions Index 2009

A country or territory's **CPI score** indicates the degree of public sector corruption as perceived by business people and country analysts, and ranges from 10 (highly clean) to 0 (highly corrupt).

Country Rank	Country / Territory	2009 CPI Score	Standard Deviation	Surveys Used*	Confidence Intervals**	
					Lower bound	Higher bound
1	New Zealand	9.4	0.3	6	9.1	9.5
2	Denmark	9.3	0.3	6	9.1	9.5
3	Singapore	9.2	0.3	9	9.0	9.4
3	Sweden	9.2	0.2	6	9.0	9.3
5	Switzerland	9.0	0.1	6	8.9	9.1
6	Finland	8.9	0.8	6	8.4	9.4
6	Netherlands	8.9	0.2	6	8.7	9.0
8	Australia	8.7	0.6	8	8.3	9.0
8	Canada	8.7	0.3	6	8.5	9.0
8	Iceland	8.7	1.3	4	7.5	9.4
11	Norway	8.6	0.7	6	8.2	9.1
12	Hong Kong	8.2	0.5	8	7.9	8.5
12	Luxembourg	8.2	0.9	6	7.6	8.8
14	Germany	8.0	0.5	6	7.7	8.3
14	Ireland	8.0	0.5	6	7.8	8.4
16	Austria	7.9	0.7	6	7.4	8.3
17	Japan	7.7	0.5	8	7.4	8.0
17	United Kingdom	7.7	0.7	6	7.3	8.2
19	United States	7.5	0.9	8	6.9	8.0
20	Barbados	7.4	1.1	4	6.6	8.2
21	Belgium	7.1	0.4	6	6.9	7.3
22	Qatar	7.0	1.8	6	5.8	8.1
22	Saint Lucia	7.0	0.4	3	6.7	7.5
24	France	6.9	0.6	6	6.5	7.3
25	Chile	6.7	0.4	7	6.5	6.9
25	Uruguay	6.7	0.5	5	6.4	7.1
27	Cyprus	6.6	0.7	4	6.1	7.1
27	Estonia	6.6	0.7	8	6.1	6.9
27	Slovenia	6.6	0.6	8	6.3	6.9
30	United Arab Emirates	6.5	1.4	5	5.5	7.5
31	Saint Vincent and the Grenadines	6.4	1.3	3	4.9	7.5
32	Israel	6.1	1.0	6	5.4	6.7
32	Spain	6.1	0.8	6	5.5	6.6
34	Dominica	5.9	0.9	3	4.9	6.7
35	Portugal	5.8	0.5	6	5.5	6.2
35	Puerto Rico	5.8	0.8	4	5.2	6.3
37	Botswana	5.6	0.7	6	5.1	6.1
37	Taiwan	5.6	0.5	9	5.4	5.9
39	Brunei Darussalam	5.5	1.0	4	4.7	6.4

For information on data and methodology, please consult the frequently asked questions and the CPI methodology: www.transparency.org/cpi

Explanatory notes

***Surveys used** refers to the number of surveys that assessed a country's performance. 13 surveys and expert assessments were used and at least 3 were required for a country to be included in the CPI.

****Confidence range** provides a range of possible values of the CPI score. This reflects how a country's score may vary, depending on measurement precision. Nominally, with 5 percent probability the score is above this range and with another 5 percent it is below. However, particularly when only few sources are available, an unbiased estimate of the mean coverage probability is lower than the nominal value of 90 per cent.

		5.5	1.6	5	4.4	6.5
39	Korea (South)	5.5	0.4	9	5.3	5.7
42	Mauritius	5.4	0.7	6	5.0	5.9
43	Costa Rica	5.3	0.9	5	4.7	5.9
43	Macao	5.3	1.8	3	3.3	6.9
45	Malta	5.2	1.4	4	4.0	6.2
46	Bahrain	5.1	1.2	5	4.2	5.8
46	Cape Verde	5.1	1.8	3	3.3	7.0
46	Hungary	5.1	0.9	8	4.6	5.7
49	Bhutan	5.0	0.9	4	4.3	5.6
49	Jordan	5.0	1.8	7	3.9	6.1
49	Poland	5.0	0.9	8	4.5	5.5
52	Czech Republic	4.9	1.2	8	4.3	5.6
52	Lithuania	4.9	0.9	8	4.4	5.4
54	Seychelles	4.8	1.9	3	3.0	6.7
55	South Africa	4.7	0.5	8	4.3	4.9
56	Latvia	4.5	0.6	6	4.1	4.9
56	Malaysia	4.5	1.0	9	4.0	5.1
56	Namibia	4.5	0.9	6	3.9	5.1
56	Samoa	4.5	1.1	3	3.3	5.3
56	Slovakia	4.5	0.8	8	4.1	4.9
61	Cuba	4.4	0.9	3	3.5	5.1
61	Turkey	4.4	0.8	7	3.9	4.9
63	Italy	4.3	0.9	6	3.8	4.9
63	Saudi Arabia	4.3	1.5	5	3.1	5.3
65	Tunisia	4.2	1.9	6	3.0	5.5
66	Croatia	4.1	0.8	8	3.7	4.5
66	Georgia	4.1	1.0	7	3.4	4.7
66	Kuwait	4.1	1.3	5	3.2	5.1
69	Ghana	3.9	1.1	7	3.2	4.6
69	Montenegro	3.9	0.6	5	3.5	4.4
71	Bulgaria	3.8	1.1	8	3.2	4.5
71	FYR Macedonia	3.8	0.6	6	3.4	4.2
71	Greece	3.8	0.8	6	3.2	4.3
71	Romania	3.8	1.0	8	3.2	4.3
75	Brazil	3.7	0.8	7	3.3	4.3
75	Colombia	3.7	1.0	7	3.1	4.3
75	Peru	3.7	0.7	7	3.4	4.1
75	Suriname	3.7	0.9	3	3.0	4.7
79	Burkina Faso	3.6	1.3	7	2.8	4.4
79	China	3.6	1.1	9	3.0	4.2
79	Swaziland	3.6	1.0	3	3.0	4.7
79	Trinidad and Tobago	3.6	0.8	4	3.0	4.3
83	Serbia	3.5	0.5	6	3.3	3.9
84	El Salvador	3.4	0.5	5	3.0	3.8
84	Guatemala	3.4	0.7	5	3.0	3.9
84	India	3.4	0.4	10	3.2	3.6
84	Panama	3.4	0.4	5	3.1	3.7
84	Thailand	3.4	0.8	9	3.0	3.8
89	Lesotho	3.3	0.8	6	2.8	3.8
89	Malawi	3.3	1.0	7	2.7	3.9
89	Mexico	3.3	0.3	7	3.2	3.5
89	Moldova	3.3	1.0	6	2.7	4.0
89	Morocco	3.3	0.8	6	2.8	3.9

		3.3	0.5	4	2.9	3.7
95	Albania	3.2	0.3	6	3.0	3.3
95	Vanuatu	3.2	1.3	3	2.3	4.7
97	Liberia	3.1	1.0	3	1.9	3.8
97	Sri Lanka	3.1	0.5	7	2.8	3.4
99	Bosnia and Herzegovina	3.0	0.6	7	2.6	3.4
99	Dominican Republic	3.0	0.2	5	2.9	3.2
99	Jamaica	3.0	0.4	5	2.8	3.3
99	Madagascar	3.0	0.4	7	2.8	3.2
99	Senegal	3.0	1.0	7	2.5	3.6
99	Tonga	3.0	0.3	3	2.6	3.3
99	Zambia	3.0	0.3	7	2.8	3.2
106	Argentina	2.9	0.4	7	2.6	3.1
106	Benin	2.9	0.8	6	2.3	3.4
106	Gabon	2.9	0.2	3	2.6	3.1
106	Gambia	2.9	1.7	5	1.6	4.0
106	Niger	2.9	0.2	5	2.7	3.0
111	Algeria	2.8	0.4	6	2.5	3.1
111	Djibouti	2.8	0.6	4	2.3	3.2
111	Egypt	2.8	0.4	6	2.6	3.1
111	Indonesia	2.8	0.7	9	2.4	3.2
111	Kiribati	2.8	0.5	3	2.3	3.3
111	Mali	2.8	0.6	6	2.4	3.2
111	Sao Tome and Principe	2.8	0.5	3	2.4	3.3
111	Solomon Islands	2.8	0.5	3	2.3	3.3
111	Togo	2.8	1.4	5	1.9	3.9
120	Armenia	2.7	0.2	7	2.6	2.8
120	Bolivia	2.7	0.5	6	2.4	3.1
120	Ethiopia	2.7	0.4	7	2.4	2.9
120	Kazakhstan	2.7	1.0	7	2.1	3.3
120	Mongolia	2.7	0.5	7	2.4	3.0
120	Vietnam	2.7	0.7	9	2.4	3.1
126	Eritrea	2.6	1.5	4	1.6	3.8
126	Guyana	2.6	0.1	4	2.5	2.7
126	Syria	2.6	0.5	5	2.2	2.9
126	Tanzania	2.6	0.4	7	2.4	2.9
130	Honduras	2.5	0.4	6	2.2	2.8
130	Lebanon	2.5	0.6	3	1.9	3.1
130	Libya	2.5	0.5	6	2.2	2.8
130	Maldives	2.5	0.8	4	1.8	3.2
130	Mauritania	2.5	1.2	7	2.0	3.3
130	Mozambique	2.5	0.4	7	2.3	2.8
130	Nicaragua	2.5	0.4	6	2.3	2.7
130	Nigeria	2.5	0.4	7	2.2	2.7
130	Uganda	2.5	0.6	7	2.1	2.8
139	Bangladesh	2.4	0.6	7	2.0	2.8
139	Belarus	2.4	0.5	4	2.0	2.8
139	Pakistan	2.4	0.5	7	2.1	2.7
139	Philippines	2.4	0.5	9	2.1	2.7
143	Azerbaijan	2.3	0.5	7	2.0	2.6
143	Comoros	2.3	0.9	3	1.6	3.3

		2.3	0.5	6	2.0	2.6
146	Cameroon	2.2	0.6	7	1.9	2.6
146	Ecuador	2.2	0.4	5	2.0	2.5
146	Kenya	2.2	0.4	7	1.9	2.5
146	Russia	2.2	0.4	8	1.9	2.4
146	Sierra Leone	2.2	0.4	5	1.9	2.4
146	Timor-Leste	2.2	0.6	5	1.8	2.6
146	Ukraine	2.2	0.5	8	2.0	2.6
146	Zimbabwe	2.2	0.9	7	1.7	2.8
154	Côte d'Ivoire	2.1	0.5	7	1.8	2.4
154	Papua New Guinea	2.1	0.5	5	1.7	2.5
154	Paraguay	2.1	0.5	5	1.7	2.5
154	Yemen	2.1	0.6	4	1.6	2.5
158	Cambodia	2.0	0.3	8	1.8	2.2
158	Central African Republic	2.0	0.2	4	1.9	2.2
158	Laos	2.0	0.7	4	1.6	2.6
158	Tajikistan	2.0	0.7	8	1.6	2.5
162	Angola	1.9	0.1	5	1.8	1.9
162	Congo-Brazzaville	1.9	0.3	5	1.6	2.1
162	Democratic Republic of Congo	1.9	0.3	5	1.7	2.1
162	Guinea-Bissau	1.9	0.1	3	1.8	2.0
162	Kyrgyzstan	1.9	0.2	7	1.8	2.1
162	Venezuela	1.9	0.2	7	1.8	2.0
168	Burundi	1.8	0.3	6	1.6	2.0
168	Equatorial Guinea	1.8	0.1	3	1.6	1.9
168	Guinea	1.8	0.1	5	1.7	1.8
168	Haiti	1.8	0.5	3	1.4	2.3
168	Iran	1.8	0.1	3	1.7	1.9
168	Turkmenistan	1.8	0.1	4	1.7	1.9
174	Uzbekistan	1.7	0.2	6	1.5	1.8
175	Chad	1.6	0.2	6	1.5	1.7
176	Iraq	1.5	0.3	3	1.2	1.8
176	Sudan	1.5	0.2	5	1.4	1.7
178	Myanmar	1.4	0.5	3	0.9	1.8
179	Afghanistan	1.3	0.3	4	1.0	1.5
180	Somalia	1.1	0.3	3	0.9	1.4

Corruption Perceptions Index 2009

Regional Highlights: Americas

Countries/Territories included: 31

Among the 31 countries from the Americas included in Transparency International's (TI) 2009 *Corruption Perceptions Index (CPI)*, 10 scored above 5 (out of 10) while 21 scored less than 5 indicating a serious corruption problem. Overall, nine countries failed to exceed a score of 3, indicating rampant corruption. With the exception of **Guatemala**, no country in the region showed a significant increase in its CPI score.

In the group of countries which score above 5, **Canada** remains at the top of the list. It continues to be among the ten countries with the lowest perceived levels of corruption worldwide, serving as a benchmark and inspiration for the Americas. **Chile**, **Uruguay** and **Costa Rica** are the only Latin American countries included in this group, although with lower scores than their Caribbean neighbours in **Barbados** and **Saint Lucia**.

The **United States** (US) score remains stable at 7.5 despite widespread concerns over a lack of government oversight in relation to the financial sector. A swift government response to the financial crisis and moves towards regulatory reforms that include transparency and accountability measures, may play a role in the country's score. Nonetheless, it remains to be seen whether proposed reforms are far-reaching enough and to what extent they will be implemented. Another reason for concern is that in the US the legislature is perceived to be the institution most affected by corruption, according to TI's *Global Corruption Barometer*, a public opinion [survey](#) published in 2009.

Among the nine countries that failed to exceed a score of 5 are **Brazil**, **Peru**, **Colombia** and **Mexico**, all leading economies in the region which should become anti-corruption strongholds but have been rocked by scandals involving impunity, kickbacks, political corruption and state capture.

Once again **Haiti**, the poorest country in the region, ranks at the bottom though its score improved modestly from 1.4 in 2008 to 1.8 this year. Additional low scorers include **Bolivia**, **Nicaragua**, **Honduras**, and **Paraguay**, all countries facing high levels of poverty and a great need for solid, transparent institutions that could facilitate much-needed economic growth. **Argentina** and **Venezuela** are also among the low performers in the index, an indication that high perceptions of corruption are not exclusively linked to poverty.

Throughout Latin America, which makes up the bulk of low-scoring countries in the region, weak institutions, poor governance practices and the excessive influence of private interests continue to undermine best efforts to promote equitable and sustainable development. Additionally, Latin American journalists face an increasingly restrictive environment with several countries passing or proposing legislation aimed at silencing critical coverage, which hampers overall press freedom and the crucial ability to report on corruption and its impact. Both civil society and the media play a key role in preventing and fighting corruption. Weakening them, particularly at a time when democratic institutions are also being challenged in several countries, limits the possibility of achieving lasting prosperity and reducing inequality.

Although each country has its own particular context, across the board the effects of the financial crisis and the subsequent economic downturn have highlighted the crucial importance of governance in the private and public sectors and in relationships between the two, particularly in respect to stimulus packages which are already pumping large amounts of money into badly affected economies. States across the region – rich and poor – will have to respond by ensuring that these public funds are handled with integrity.

Rank	Regional Rank	Country / Territory	CPI 2009 Score	Confidence Interval		Surveys Used
				Lower bound	Upper bound	
8	1	Canada	8.7	8.5	9.0	6
19	2	United States	7.5	6.9	8.0	8
20	3	Barbados	7.4	6.6	8.2	4
22	4	Saint Lucia	7.0	6.7	7.5	3
25	5	Chile	6.7	6.5	6.9	7
25	5	Uruguay	6.7	6.4	7.1	5
31	7	Saint Vincent and the Grenadines	6.4	4.9	7.5	3
34	8	Dominica	5.9	4.9	6.7	3
35	9	Puerto Rico	5.8	5.2	6.3	4
43	10	Costa Rica	5.3	4.7	5.9	5
61	11	Cuba	4.4	3.5	5.1	3
75	12	Brazil	3.7	3.3	4.3	7
75	12	Colombia	3.7	3.1	4.3	7
75	12	Peru	3.7	3.4	4.1	7
75	12	Suriname	3.7	3.0	4.7	3
79	16	Trinidad and Tobago	3.6	3.0	4.3	4
84	17	El Salvador	3.4	3.0	3.8	5
84	17	Guatemala	3.4	3.0	3.9	5
84	17	Panama	3.4	3.1	3.7	5
89	20	Mexico	3.3	3.2	3.5	7
99	21	Dominican Republic	3.0	2.9	3.2	5
99	21	Jamaica	3.0	2.8	3.3	5
106	23	Argentina	2.9	2.6	3.1	7
120	24	Bolivia	2.7	2.4	3.1	6
126	25	Guyana	2.6	2.5	2.7	4
130	26	Honduras	2.5	2.2	2.8	6
130	26	Nicaragua	2.5	2.3	2.7	6
146	28	Ecuador	2.2	2.0	2.5	5
154	29	Paraguay	2.1	1.7	2.5	5
162	30	Venezuela	1.9	1.8	2.0	7
168	31	Haiti	1.8	1.4	2.3	3

Corruption Perceptions Index 2009

Regional Highlights: Asia-Pacific

Countries/Territories included: 32

The global financial crisis and political transformation in many Asian countries during 2008 exposed fundamental weaknesses in both the financial and political systems and demonstrated the failures in policy, regulations, oversight, and enforcement mechanisms. These two factors contribute to a decrease in the scores of 13 countries from the 32 countries/territories in the region, along with a reduction in the number of countries that scored above 5 in the 2009 *Corruption Perceptions Index* (CPI).

Bangladesh, Japan, Tonga and **Vanuatu** scored significantly higher this year, reflecting an improvement in perceived levels of corruption. **Malaysia, Nepal, the Maldives** and **Afghanistan**, on the other hand, saw their scores decline, representing worsening levels of perceived corruption.

Bangladesh's score of 2.4 continues to reflect perceptions of rampant corruption, but represents an improvement over its score of 2.1 in the 2008 CPI. This is the result of the caretaker government's nationwide crackdown on corruption during 2007-08 and the introduction of institutional and legal reforms aimed at strengthening the government's capacity to tackle corruption. Whether the improvement is to be sustainable will depend on the new government's ability to strengthen key institutions dealing with anti-corruption, public information and human rights, as well as the judiciary, law enforcement agencies and public services.

Following the 2006 riots, **Tonga** has undergone reforms that seek to grant greater political power to popularly elected officials and its anti-corruption drive has earned the support of local civil society organisations. Tonga's CPI score has risen to 3.0 in 2009 from 1.7 in 2007.

The political stability and high fiscal freedom of **Vanuatu** helped to improve perceptions of corruption in the country, which has a significant increase this year to 3.2 from 2.9 in 2008.

Since 2008, the **Hong Kong** government and the Independent Commission against Corruption have intensified efforts to fight corruption in the financial sector. New regulations were enacted and new tools developed.

Indonesia still has a long way to go to eradicate corruption but the recent tough approach by the Corruption Eradication Commission (KPK) has contributed to a rise in its CPI score from 2.6 in 2008 to 2.8 this year. The KPK has reported a 100 per cent conviction rate for corruption cases involving some of the country's highest-ranking officials. A crucial task for the new administration is to continue support of the KPK. Local anti-corruption advocates must ensure that this agency is not weakened.

The decline in the CPI score for **Malaysia** (from 5.1 in 2008 to 4.5 in 2009) may be attributed to the perception that there has been little progress combating corruption and a lack of political will to implement effective anti-corruption measures. The Malaysian Anti-Corruption Commission (MACC) appears to focus on "small fish" and opposition politicians.

The **Maldives** is undergoing a radical political transition in response to national and international criticism and has introduced a series of political reforms. However, their passage has not been smooth and human rights abuses and corruption cases have been exposed.

Despite the fact that **Nepal** replaced its centuries-old monarchy with a federal republic, drafted a constitution and held elections in 2008 – all relatively peacefully – political instability, lawlessness, nepotism and lack of accountability prevail in the society and corruption is perceived to be a major concern. An anti-corruption agenda has not become a political and social priority.

Public-sector corruption in **Afghanistan**, which is at the bottom of the index (1.3), is rampant according to reports and surveys. Examples of corruption range from public posts for sale and justice

Corruption Perceptions Index 2009
Regional Highlights

for a price to daily bribing for basic services. This, along with the exploding opium trade – which is also linked to corruption – also contributes to the downward trend in the country’s CPI score.

In **Taiwan**, corruption scandals involving former President Chen Shui-pian and his family members gripped the public and have resulted in convictions. This has not yet been reflected in its 2009 CPI score, which remained steady.

China has launched a sustained anti-corruption drive and intensified a crackdown on corruption in the public sector, investigating and prosecuting ministers, public officials and employees. Corrupt officials above provincial levels were disciplined and preventive measures to deal with stimulus packages to tackle the financial crisis have helped keep China’s score stable in 2009, though still low at 3.6.

Rank	Regional Rank	Country / Territory	CPI 2009 Score	Confidence Interval		Surveys Used
				Lower bound	Upper bound	
1	1	New Zealand	9.4	9.1	9.5	6
3	2	Singapore	9.2	9.0	9.4	9
8	3	Australia	8.7	8.3	9.0	8
12	4	Hong Kong	8.2	7.9	8.5	8
17	5	Japan	7.7	7.4	8.0	8
37	6	Taiwan	5.6	5.4	5.9	9
39	7	Brunei Darussalam	5.5	4.7	6.4	4
39	7	South Korea	5.5	5.3	5.7	9
43	9	Macao	5.3	3.3	6.9	3
49	10	Bhutan	5.0	4.3	5.6	4
56	11	Malaysia	4.5	4.0	5.1	9
56	11	Samoa	4.5	3.3	5.3	3
79	13	China	3.6	3.0	4.2	9
84	14	India	3.4	3.2	3.6	10
84	14	Thailand	3.4	3.0	3.8	9
95	16	Vanuatu	3.2	2.3	4.7	3
97	17	Sri Lanka	3.1	2.8	3.4	7
99	18	Tonga	3.0	2.6	3.3	3
111	19	Indonesia	2.8	2.4	3.2	9
111	19	Kiribati	2.8	2.3	3.3	3
111	19	Solomon Islands	2.8	2.3	3.3	3
120	22	Viet Nam	2.7	2.4	3.1	9
130	23	Maldives	2.5	1.8	3.2	4
139	24	Bangladesh	2.4	2.0	2.8	7
139	24	Pakistan	2.4	2.1	2.7	7
139	24	Philippines	2.4	2.1	2.7	9
143	27	Nepal	2.3	2.0	2.6	6
146	28	Timor-Leste	2.2	1.8	2.6	5
154	29	Papua New Guinea	2.1	1.7	2.5	5
158	30	Cambodia	2.0	1.8	2.2	8
158	30	Laos	2.0	1.6	2.6	4
178	32	Myanmar	1.4	0.9	1.8	3
179	33	Afghanistan	1.3	1.0	1.5	4

Corruption Perceptions Index 2009

Regional Highlights: European Union and Western Europe

Countries/Territories included: 30

Among the 2009 *Corruption Perceptions Index* (CPI) top scorers are several European Union (EU) members and other Western European states. However, the index also demonstrates that the region is far from corruption-free and many achievements are still precarious. Sustained anti-corruption efforts are required to improve integrity and accountability and to ensure that both individual states and the European Union live up to the anti-corruption expectations and aspirations of their citizens.

While **Bulgaria** struggled to prove it had reformed its management of EU funds in order to obtain the release of pre-accession and post-accession monies blocked by the EU, parliamentary elections in July 2009 brought a new government to power which campaigned on an anti-corruption platform. During its first months in office many corruption cases were brought to court. As a result, the EU announced the unblocking of hundreds of millions of Euros. Reforms were also introduced in the customs and border police with the aim of freeing an additional € 600 million in blocked funds. However, reforms to curb political corruption and address organised crime have yet to be introduced.

Low priority for reform coupled with political instability following the fall of the government in early 2009, have had a negative impact on anti-corruption efforts in the **Czech Republic**, whose score decreased from 5.2 in 2008 to 4.9 in 2009. Recent public statements by the government meant to undermine judicial independence (particularly in connection with high profile cases) along with ongoing staff changes in specialist police units, have further eroded the effectiveness of the anti-corruption fight. The Czech Republic is one of the few signatories that have yet to ratify the UN Convention against Corruption. Its 2009 CPI score highlights the need for structural reform.

Greece, which registered a significant drop in score from 4.7 in 2008 to 3.8 this year, is particularly concerning. The 2009 score reflects insufficient levels of anti-corruption enforcement, lengthy delays in the judicial process and a string of corporate corruption scandals which point to systemic weaknesses. Greece's poor score shows that joining the EU does not automatically translate into a reduction in corruption. Immediate and sustained efforts are required to ensure the country lives up to acceptable levels of transparency and accountability.

Latvia's CPI score fell from 5.0 in 2008 to 4.5 in 2009 primarily due to high profile corruption scandals and the previous government's attempt to undermine the national anti-corruption agency in 2008. Perhaps the single most damaging corruption case concerned the previous government's bailout of a locally-owned bank at the end of 2008, which benefitted the bank's owners, large investors and possibly, political decision-makers. The bailout eventually contributed to the collapse of the Latvian economy, which has badly affected government operations, including its ability to fight corruption.

On the back of broad political support and institutional reform, **Poland's** score has risen from 4.6 in 2008 to 5.0 in 2009. Key developments that have contributed to an improvement in perceptions are: the establishment of a ministerial office for anti-corruption, an increase in the number of investigations by the Central Anti-Corruption office and the plan to adopt a national anti-corruption strategy, referred to as the "anti-corruption shield". These efforts must be sustained and strengthened.

Romania failed to advance its anti-corruption efforts, as reflected in the index. A series of policy decisions undermined its political institutions and contributed to the perception that the risk of corruption in the country has increased since the start of negotiations for EU accession. Being in the EU ironically appears to reduce pressure for anti-corruption reforms. As a consequence, Romania is facing a degradation of its public integrity climate, marked by the lack of strategic coordination of legislative and institutional anti-corruption measures.

Persistent procurement scandals and delayed responses by the government, as well as problematic asset declarations from leading politicians, have contributed to **Slovakia's** slide from 5.0 in 2008 to 4.5 in 2009. The relative weakness of a number of oversight institutions, stricter press laws and frequent government restrictions of the media and NGOs are also areas of concern.

Rank	Regional Rank	Country / Territory	CPI 2009 Score	Confidence Interval		Surveys Used
				Lower bound	Upper bound	
2	1	Denmark	9.3	9.1	9.5	6
3	2	Sweden	9.2	9.0	9.3	6
5	3	Switzerland	9.0	8.9	9.1	6
6	4	Finland	8.9	8.4	9.4	6
6	4	Netherlands	8.9	8.7	9.0	6
8	6	Iceland	8.7	7.5	9.4	4
11	7	Norway	8.6	8.2	9.1	6
12	8	Luxembourg	8.2	7.6	8.8	6
14	9	Germany	8.0	7.7	8.3	6
14	9	Ireland	8.0	7.8	8.4	6
16	11	Austria	7.9	7.4	8.3	6
17	12	United Kingdom	7.7	7.3	8.2	6
21	13	Belgium	7.1	6.9	7.3	6
24	14	France	6.9	6.5	7.3	6
27	15	Cyprus	6.6	6.1	7.1	4
27	15	Estonia	6.6	6.1	6.9	8
27	15	Slovenia	6.6	6.3	6.9	8
32	18	Spain	6.1	5.5	6.6	6
35	19	Portugal	5.8	5.5	6.2	6
45	20	Malta	5.2	4.0	6.2	4
46	21	Hungary	5.1	4.6	5.7	8
49	22	Poland	5.0	4.5	5.5	8
52	23	Czech Republic	4.9	4.3	5.6	8
52	23	Lithuania	4.9	4.4	5.4	8
56	25	Latvia	4.5	4.1	4.9	6
56	25	Slovakia	4.5	4.1	4.9	8
63	27	Italy	4.3	3.8	4.9	6
71	28	Bulgaria	3.8	3.2	4.5	8
71	28	Greece	3.8	3.2	4.3	6
71	28	Romania	3.8	3.2	4.3	8

Corruption Perceptions Index 2009

Regional Highlights: Middle East and North Africa

Countries/Territories included: 19

With only six countries scoring 5 or above (out of 10), and 13 countries scoring below 5, the perception of corruption remains a serious problem in the Middle East and North Africa.

The poor results of the *2009 Corruptions Perception Index* (CPI) reflect how conflict and political turmoil in the region seriously hamper the effectiveness of anti-corruption efforts. The threat to political and institutional infrastructures partly explains the governance gap in the region while other factors such as lack of transparency, insecurity and oil wealth continue to fuel corruption.

Countries where the political and security environment is particularly volatile, such as **Yemen**, **Iran** and **Iraq** rank at the bottom of the list. These countries face the challenge of establishing solid and transparent public institutions, with appropriate mechanisms for accountability: the essential elements for preventing and fighting corruption. Where these are absent, any kind of success is very difficult.

Other countries, such as **Morocco**, **Egypt** and **Lebanon** are still perceived as highly corrupt despite the fact that corruption is openly addressed as a principal obstacle to development and the issue of enhancing integrity and accountability in the public and the private sectors is now being addressed. (This is also true for **Palestine**, although it is not included in the 2009 CPI.)

The 2009 index shows improvement in the scores of **Qatar**, the **United Arab Emirates (UAE)**, **Oman**, and **Jordan**. It remains to be seen whether this is due to increased political will to fight corruption or whether the negative effects of corruption are being masked by large surpluses, particularly in the oil and gas-rich Gulf states, which are fuelling rapid economic development. In the case of the **UAE**, one explanation for an improved score may be the increase in corruption cases involving high-level executives, including UAE citizens, as well as the strengthening of the country's Financial Audit Department.

The negative effects of the financial crisis have underscored the importance of improving governance across the region.

Rank	Regional Rank	Country / Territory	CPI 2009 Score	90% Confidence Interval		Surveys Used
				Lower bound	Upper bound	
22	1	Qatar	7.0	5.8	8.1	6
30	2	United Arab Emirates	6.5	5.5	7.5	5
32	3	Israel	6.1	5.4	6.7	6
39	4	Oman	5.5	4.4	6.5	5
46	5	Bahrain	5.1	4.2	5.8	5
49	6	Jordan	5.0	3.9	6.1	7
63	7	Saudi Arabia	4.3	3.1	5.3	5
65	8	Tunisia	4.2	3.0	5.5	6
66	9	Kuwait	4.1	3.2	5.1	5
89	10	Morocco	3.3	2.8	3.9	6
111	11	Algeria	2.8	2.5	3.1	6
111	11	Djibouti	2.8	2.3	3.2	4
111	11	Egypt	2.8	2.6	3.1	6
126	14	Syria	2.6	2.2	2.9	5
130	15	Lebanon	2.5	1.9	3.1	3
130	15	Libya	2.5	2.2	2.8	6
154	17	Yemen	2.1	1.6	2.5	4
168	18	Iran	1.8	1.7	1.9	3
176	19	Iraq	1.5	1.2	1.8	3

Corruption Perceptions Index 2009

Regional Highlights: Sub-Saharan Africa

Countries/Territories included: 47

Of the 47 countries reviewed in the region (the same as in 2008), 31 scored less than 3 (out of 10) indicating that corruption is perceived as rampant, while 13 scored between 3 and 5, indicating that corruption is perceived as a serious challenge by country experts and businessmen. As in 2008, only three countries scored more than 5: **Botswana**, **Mauritius** and **Cape Verde**.

While some countries appear to improve their scores or ranking in comparison with others in Sub-Saharan Africa, these changes do not reflect substantial and sustainable improvements in local accountability. The overall picture remains one of serious corruption challenges across the region.

As in previous years, the CPI results show that corruption has a particularly stark and devastating effect on countries that face ongoing political instability and high levels of poverty. **Somalia**, once again, is at the bottom of the ranking with a score of 1.0 as continued conflict and corruption prevent it from embarking on reforms to overcome economic and political collapse.

Others scoring 2.0 or less include resource-rich countries such as **Angola**, the **Democratic Republic of Congo**, **Guinea**, **Chad** and **Sudan**. Despite their potential for generating huge revenues that could increase social development, these countries have not been able to translate their wealth into sustainable poverty-reduction programmes. Instead, high levels of corruption in the extractive industries consistently contribute to economic stagnation, inequality and conflict.

Countries that score 3.0 or above and are perceived as relatively less corrupt, still face enormous challenges in the fight against corruption. While legal frameworks have been increasingly strengthened across the sub-region, their enforcement remains inconsistent.

In **Liberia**, the post-conflict government has received international recognition for its efforts to stamp out corruption. However, recent scandals affecting government procurement and financial management, and the perception that too many government officials are political appointees, continue to undermine transparency, accountability and public trust in the political leadership.

High-profile anti-corruption cases and scandals continue to be regularly reported in countries including **South Africa**, **Ghana** and **Senegal** and risk undermining political stability as well as the governments' capacity to provide effective basic services in sectors such as education, health and water. In such a context, corruption levels can mean the difference between life and death.

In **Kenya**, **Guinea**, **Zimbabwe** and **Niger** political leaders have failed to address the vicious cycle that links corruption to poverty. Local anti-corruption activists and whistleblowers courageous enough to publicly expose weaknesses in accountability systems are increasingly at risk as government crackdowns limit democratic opposition and stifle civil society's ability to express the voice of the people.

Individual cases, such as reports of massive corruption within the Harare City Council in **Zimbabwe**, are proof that only the introduction of clear and robust accountability systems with independent oversight, risk-management and full disclosure of the use of public funds, can help build systems of accountability that can reduce perceptions of public sector corruption. In **Niger**, the president's decision to seize emergency powers and to dissolve both parliament and the constitutional court after it ruled that a referendum to allow him to seek a third consecutive term was unconstitutional, was a blatant disregard by the political leadership of the integrity of Niger's public institutions.

With government efforts to tackle corruption seen as ineffective across the region, it is clear that there must be renewed commitments to implement anti-corruption reforms and legislation and to introduce preventative measures, including education programmes. This will help to restore public trust and contribute to a reduction in the levels of corruption throughout the region.

Rank	Regional Rank	Country / Territory	CPI 2009 Score	90% Confidence Interval		Surveys Used
				Lower bound	Upper bound	
37	1	Botswana	5.6	5.1	6.1	6
42	2	Mauritius	5.4	5.0	5.9	6
46	3	Cape Verde	5.1	3.3	7.0	3
54	4	Seychelles	4.8	3.0	6.7	3
55	5	South Africa	4.7	4.3	4.9	8
56	6	Namibia	4.5	3.9	5.1	6
69	7	Ghana	3.9	3.2	4.6	7
79	8	Burkina Faso	3.6	2.8	4.4	7
79	8	Swaziland	3.6	3.0	4.7	3
89	10	Lesotho	3.3	2.8	3.8	6
89	10	Malawi	3.3	2.7	3.9	7
89	10	Rwanda	3.3	2.9	3.7	4
97	13	Liberia	3.1	1.9	3.8	3
99	14	Madagascar	3.0	2.8	3.2	7
99	14	Senegal	3.0	2.5	3.6	7
99	14	Zambia	3.0	2.8	3.2	7
106	17	Benin	2.9	2.3	3.4	6
106	17	Gabon	2.9	2.6	3.1	3
106	17	Gambia	2.9	1.6	4.0	5
106	17	Niger	2.9	2.7	3.0	5
111	21	Mali	2.8	2.4	3.2	6
111	21	Sao Tome and Principe	2.8	2.4	3.3	3
111	21	Togo	2.8	1.9	3.9	5
120	24	Ethiopia	2.7	2.4	2.9	7
126	25	Eritrea	2.6	1.6	3.8	4
126	25	Tanzania	2.6	2.4	2.9	7
130	27	Mauritania	2.5	2.0	3.3	7
130	27	Mozambique	2.5	2.3	2.8	7
130	27	Nigeria	2.5	2.2	2.7	7
130	27	Uganda	2.5	2.1	2.8	7
143	31	Comoros	2.3	1.6	3.3	3
146	32	Cameroon	2.2	1.9	2.6	7
146	32	Kenya	2.2	1.9	2.5	7
146	32	Sierra Leone	2.2	1.9	2.4	5
146	32	Zimbabwe	2.2	1.7	2.8	7
154	36	Côte d'Ivoire	2.1	1.8	2.4	7
158	37	Central African Republic	2.0	1.9	2.2	4
162	38	Angola	1.9	1.8	1.9	5
162	38	Democratic Republic of Congo	1.9	1.7	2.1	5
162	38	Congo-Brazzaville	1.9	1.6	2.1	5
162	38	Guinea-Bissau	1.9	1.8	2.0	3
168	42	Burundi	1.8	1.6	2.0	6
168	42	Equatorial Guinea	1.8	1.6	1.9	3
168	42	Guinea	1.8	1.7	1.8	5
175	45	Chad	1.6	1.5	1.7	6
176	46	Sudan	1.5	1.4	1.7	5
180	47	Somalia	1.1	0.9	1.4	3

Corruption Perceptions Index 2009

South Eastern Europe, Eastern Europe and Central Asia

20 Countries/Territories included: 20

The 2009 *Corruption Perceptions Index* (CPI) demonstrates that corruption remains a serious challenge for the entire region. All of the countries included register scores below 5 (out of 10) indicating that they face serious perceived levels of domestic, public-sector corruption.

In South Eastern Europe, the importance of prospective European Union membership cannot be overestimated as the main driver to spur anti-corruption efforts. The freeze in 2008 of considerable amounts of EU funds previously allocated to Bulgaria, due to a lack of progress in anti-corruption and judicial reform, seems to have strengthened the European Commission position in its demands for reform. It is no coincidence that the tone of the EU [progress reports](#) on accession candidates issued in October 2009, reflect to a large extent, the 2009 CPI ranking.

Notably, the 2009 CPI scores of **Turkey** and **Croatia** (both EU candidate countries), 4.4 and 4.1 respectively, surpassed those of the newest EU members Bulgaria and Romania, both at 3.8 this year.

Various corruption scandals along with the lack of implementation and enforcement of anti-corruption reforms are likely factors in **Bosnia and Herzegovina** having the lowest score (3.0) in South Eastern Europe.

Many countries from the former Soviet Union show improved CPI scores in 2009. **Kazakhstan's** increase from 2.2 in 2008 to 2.7 may be attributed to government anti-corruption efforts aimed at improving conditions for foreign direct investment along with the country's much-discussed upcoming chairmanship of the Organisation for Security and Co-operation in Europe (OSCE) in 2010. Kazakhstan is the first former Soviet Block country to assume this role and is also considered the strongest economy in the region. Still, Kazakhstan's low CPI score indicates that corruption remains systemic, with the most problematic areas being the judiciary, police, customs, property rights, land registration and construction projects.

Despite ongoing internal political turmoil, which was exacerbated by the war with Russia in August 2008, **Georgia's** CPI score continues to increase, from 3.9 to 4.1. There is a general consensus among Georgians and the international community that petty corruption has been reduced significantly. However, concerns remain regarding high-level corruption and on corrupt practices in the judiciary. The government should focus on promoting greater transparency and public trust in agencies with an anti-corruption role and it should ensure that related reforms are continuously monitored and assessed.

Russia's slim increase from 2.1 in 2008 to 2.2 in 2009 could be interpreted as a mildly positive response to the newly-adopted package of anti-corruption legislation initiated and promoted by President Medvedev and passed by the Duma in December 2008. The president recently admitted publicly that corruption is endemic in Russia. The excessive role of government in the economy and business sector, which spurs the supply side of corruption, aggravates the problem.

Azerbaijan has improved its score from 1.9 in 2008 to 2.3 in 2009, most likely as a result of the government's commitment to improve the business environment and increased general awareness about the importance of curbing corruption. In the past five years five TI Advocacy and Legal Advice Centres ([ALACs](#)) – offices that help citizens to claim their rights in cases of corruption - opened across the country and the government has entered into an open dialogue with civil society through a network of local anti-corruption NGOs and TI Azerbaijan. These are positive developments, though corruption remains entrenched throughout society. The government should improve law enforcement procedures to ensure that anti-corruption legislation works.

Armenia's CPI score continues to slide from 2.9 in 2008 to 2.7 this year. The political and economic elite continue to exert control over the judiciary, media, business and other institutions. Continued inconsistency in implementation of anti-corruption legislation, and in meeting international obligations, as well as unwillingness of the authorities to address grand corruption are among the most critical factors that contribute to continued decrease in the country's score.

Political turmoil in **Ukraine** contributed to the fall in its score from 2.5 to 2.2. Political corruption, corruption involving the public and private sectors, along with high tolerance levels among citizens in regards to corrupt practices, provide for a bleak outlook.

Rank	Regional Rank	Country / Territory	CPI 2009 Score	90% Confidence Interval		Surveys Used
				Lower bound	Upper bound	
61	1	Turkey	4.4	3.9	4.9	7
66	2	Croatia	4.1	3.7	4.5	8
66	2	Georgia	4.1	3.4	4.7	7
69	4	Montenegro	3.9	3.5	4.4	5
71	5	FYR Macedonia	3.8	3.4	4.2	6
83	6	Serbia	3.5	3.3	3.9	6
89	7	Moldova	3.3	2.7	4.0	6
95	8	Albania	3.2	3.0	3.3	6
99	9	Bosnia and Herzegovina	3.0	2.6	3.4	7
120	10	Armenia	2.7	2.6	2.8	7
120	10	Kazakhstan	2.7	2.1	3.3	7
120	10	Mongolia	2.7	2.4	3.0	7
139	13	Belarus	2.4	2.0	2.8	4
143	14	Azerbaijan	2.3	2.0	2.6	7
146	15	Russia	2.2	1.9	2.4	8
146	15	Ukraine	2.2	2.0	2.6	8
158	17	Tajikistan	2.0	1.6	2.5	8
162	18	Kyrgyzstan	1.9	1.8	2.1	7
168	19	Turkmenistan	1.8	1.7	1.9	4
174	20	Uzbekistan	1.7	1.5	1.8	6

Corruption Perceptions Index 2009

Appendix: Sources for the Corruption Perceptions Index 2009

Number	1	2	3
Abbreviation	ADB	AFDB	BTI
Source	Asian Development Bank	African Development Bank	Bertelsmann Foundation
Name	Country Performance Assessment Exercise 2008	Country Policy and Institutional Assessments 2008	Bertelsmann Transformation Index 2010
Compiled / published	2008/2009	2008/09	2009
Internet	http://www.adb.org/Documents/Reports/Country-Performance-Assessment-Exercise/default.asp	http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/AfDB_2008_Governance.xls	http://www.bertelsmann-transformation-index.de/11.0.html?&L=1
Who was surveyed?	Country teams, experts inside and outside the bank	Country teams, experts inside and outside the bank	Network of local correspondents and experts inside and outside the organization
Subject asked	Transparency, Accountability, and Corruption in the Public Sector" is especially relevant, as explained by the guidelines	Corruption, conflicts of interest, diversion of funds as well as anti-corruption efforts and achievements	The government's capacity to punish and contain corruption
Number of replies	Not applicable	Not applicable	Not applicable
Coverage	27 Asian countries	53 countries	128 less developed and transition countries

Number	4	5	6
Abbreviation	EIU	FH	GI
Source	Economist Intelligence Unit	Freedom House	Global Insight
Name	Country Risk Service and Country Forecast	Nations in Transit	Country Risk Ratings
Compiled / published	2009	2009	2009
Internet	www.eiu.com	http://www.freedomhouse.hu/index.php?option=com_content&view=article&id=242:nations-in-transit-2009&catid=30&Itemid=92	http://www.globalinsight.com
Who was surveyed?	Expert staff assessment	Assessment by experts originating or resident in the respective country.	Expert staff assessment
Subject asked	The misuse of public office for private (or political party) gain	Extent of corruption as practiced in governments, as perceived by the public and as reported in the media, as well as the implementation of anticorruption initiatives	The likelihood of encountering corrupt officials, ranging from petty bureaucratic corruption to grand political corruption
Number of replies	Not applicable	Not applicable	Not applicable
Coverage	158 countries	29 countries/territories	203 countries

Number	7	8
Abbreviation	IMD	
Source	IMD International, Switzerland, World Competitiveness Center	
Name	IMD World Competitiveness Yearbook	
Compiled / published	2008	2009
Internet	www.imd.ch/wcc	
Who was surveyed?	Executives in top and middle management; domestic and international companies	
Subject asked	Category Institutional Framework - State Efficiency: "Bribing and corruption exist/do not exist"	
Number of replies	More than 4,000 executives	
Coverage	55 countries	57 countries

Number	9	10
Abbreviation	PERC	
Source	Political & Economic Risk Consultancy	
Name	Asian Intelligence Newsletter	
Compiled / published	2008	2009
Internet	www.asiarisk.com/	
Who was surveyed?	Expatriate business executives	
Subject asked	How serious do you consider the problem of corruption to be in the public sector?	
Number of replies	1,400	1,750
Coverage	15 countries	16 countries

Number	11	12	13
Abbreviation	WB	WEF	
Source	World Bank (IDA and IBRD)	World Economic Forum	
Name	Country Policy and Institutional Assessment 2008	Global Competitiveness Report	
Compiled / published	2008-09 / 2008	2008-09	2009-10
Internet	http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:21359477~menuPK:2626968~pagePK:51236175~piPK:437394~theSitePK:73154,00.html	www.weforum.org	
Who was surveyed?	Country teams, experts inside and outside the bank	Senior business leaders; domestic and international companies	
Subject asked	Corruption, conflicts of interest, diversion of funds as well as anti-corruption efforts and achievements	Undocumented extra payments or bribes connected with 1) exports and imports, 2) public utilities, 3) tax collection, 4) public contracts and 5) judicial decisions are common/never occur	
Number of replies	Not applicable	12,297	Over 12,614
Coverage	75 countries (eligible for IDA funding)	134 countries	133 countries

Corruption Perceptions Index 2009

Short methodological note

1. The 2009 Corruption Perceptions Index (CPI) gathers data from sources that cover the past two years. For the 2009 CPI, this includes surveys from 2008 and 2009.
2. The 2009 CPI is calculated using data from 13 sources from 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.
3. For CPI sources that are surveys, and where multiple years of the same survey are available, data for the past two years is included to provide a smoothing effect.
4. 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.
5. 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 2009 CPI, 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 2009 CPI reflect the evaluations by resident business leaders of their own country, IMD, Political and Economic Risk Consultancy, and the World Economic Forum.
6. To determine the mean value for a country, standardisation is carried out via a matching percentiles technique. This uses the ranks of countries reported by each individual source. This method is useful for combining sources that have a different distribution. 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.
7. A beta-transformation is then performed on scores. This increases the standard deviation among all countries included in the CPI and avoids the process by which the matching percentiles technique results in a smaller standard deviation from year to year.
8. All of the standardised values for a country are then averaged, to determine a country's score.
9. The CPI score and rank are accompanied by the number of sources, high-low range, standard deviation and confidence range for each country.
10. The confidence range is determined by a bootstrap (non-parametric) methodology, which allows inferences to be drawn on the underlying precision of the results. A 90 per cent confidence range is then established, where there is a five per cent probability that the value is below and a five per cent probability that the value is above this confidence range.

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

Corruption Perceptions Index 2009

Frequently Asked Questions

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General

What is the CPI?

Transparency International's Corruption Perceptions Index (CPI) ranks countries/territories in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index, a poll of polls, drawing on corruption-related data from expert and business surveys carried out by a variety of independent and reputable institutions. The CPI reflects views from around the world, including those of experts who live in the countries/territories evaluated.

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

The CPI focuses on corruption in the public sector. The surveys used in compiling the CPI ask questions relating to the abuse of public power for private benefit. These include questions on: bribery of public officials, kickbacks in public procurement, embezzlement of public funds, and questions that probe the strength and effectiveness of public sector anti-corruption efforts, thereby covering both the administrative and political aspects of corruption.

Why is the CPI based only on perceptions?

It is difficult to assess the overall levels of corruption in different countries/territories based on hard empirical data, e.g. by comparing the amount of bribes or the number of prosecutions or court cases directly related to corruption. In the latter case, for example, such data does not reflect actual levels of corruption; rather it highlights the extent to which prosecutors, courts and/or the media are effectively investigating and exposing corruption. One reliable method of compiling cross-country data is, therefore, to draw on the experience and perceptions of those who see first hand the realities of corruption in a country.

How is the launch-date of the CPI set?

All decisions about the international launch of the CPI are made at the Transparency International Secretariat in Berlin. The specific launch date is chosen with a view to maximising global visibility and is generally pegged to related international events.

How is the CPI funded?

Transparency International is funded by various governmental agencies, international foundations and corporations, whose financial support makes the CPI possible (for a full list of donors, see http://www.transparency.org/support_us/support). Additional support for the CPI and TI's other global measurement tools comes from Ernst & Young. TI does not endorse a company's policies by accepting its financial support, and does not involve any of its supporters in the management of its projects.

Method**How many countries/territories are included in the CPI?**

The 2009 CPI ranks 180 countries/territories, the same number as in 2008.

How are countries/territories chosen for inclusion in the CPI?

A minimum of three reliable sources of corruption-related data is required for a country or territory to be included in the CPI. Inclusion in the index is not an indication of the existence of corruption but rather depends solely on the availability of the minimum data requirements.

Why are countries/territories no longer covered in the 2009 CPI, and why are new countries/territories added?

Countries/territories are only included in the index if at least three sources of data are available. In 2009 a change in the country coverage of individual sources resulted in Brunei Darussalam being included, but Belize had to be dropped from the Index, as there was only one source available.

Which countries/territories might be included in future CPIs?

Transparency International is continuously and actively seeking to increase the number of countries and territories included in the CPI.

Countries or territories with two sets of data (insufficient for inclusion) are: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bermuda, Cayman Islands, Grenada, Kosovo, Liechtenstein, Micronesia (Federated States of), Netherlands, Antilles, North Korea, St. Kitts & Nevis and Tuvalu. At least one additional set of data is necessary for inclusion in the CPI.

What are the sources of data for the CPI?

The 2009 CPI draws on 13 different polls and surveys from 10 independent institutions. Data sources must be published in the past two years to be eligible for inclusion. All data sources must provide a ranking of countries/territories and measure the overall extent of corruption. This condition excludes surveys which mix corruption with other issues, such as political instability, decentralisation or nationalism. 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 must be well documented and the methodology explained to permit a judgment on its reliability.

Some institutions that donate their data to TI free of charge, for use in the CPI, do not allow disclosure of the data they contribute because their evaluations are only available to subscribers. Other institutions make their data publicly available. For a full list of data sources, details on questions asked and number of respondents for the 2009 CPI, please see the CPI methodology at <http://www.transparency.org/cpi>.

Whose opinion is polled for the surveys used in the CPI?

The expertise reflected in the CPI scores draws on an understanding of corrupt practices held by those based in both the industrialised and developing world and includes surveys of business people and country analysts. Sources providing data for the CPI rely on non-resident and resident experts. It is important to note that residents' viewpoints correlate well with those of non-resident experts.

Does the CPI's prominence influence respondents?

The CPI has gained wide prominence in the international media since its first publication in 1995. This has raised concerns that respondents' judgements may be overshadowed by the data reported by TI, which would introduce a problem of circularity. This hypothesis was tested in 2006 using a survey question posed to business leaders around the world. Based on more than 9,000 responses, knowledge of the CPI does not appear to induce business experts to 'go with the herd'. Rather, knowledge of the CPI may motivate respondents to determine their own views, and there is therefore little indication of circularity in the present approach.

How is the 2009 CPI produced?

The 2009 CPI is produced by the Transparency International Secretariat in Berlin. TI gathered the data, liaised with experts on the method, and calculated the Index. In past years, this work was carried out by a consultant and senior adviser to TI.

TI has a rigorous process for cross-checking final results, in collaboration with a number of experts from leading universities and institutes. As in years past, advice on the CPI methodology was provided by TI's Index Advisory Committee (http://transparency.org/policy_research/surveys_indices/about). In addition, in 2009 a group of experts both advised TI during the calculation phase and reviewed the production of the Index: Andrew Gelman (Columbia University), Rajshri Jayaraman (European School of Management and Technology), Meghan O'Malley Berry (Columbia University), Piero Stanig (London School of Economics) and Andreas Stephan (JIBS, Jönköping University; CESIS, KTH Stockholm). Catherine Muller and Marc Vothknecht (DIW Berlin - German Institute for Economic Research) provided additional advice and independently checked the calculation of the 2009 CPI.

For further information on the CPI's method, please consult the 2009 CPI methodology (www.transparency.org/cpi).

Have there been any changes in the CPI methodology in 2009?

By and large, the CPI 2009 follows the same method as in previous years. The one small change that was introduced is that the CPI 2009 uses the previous year's

scores, the CPI 2008, as its master list (for more on the overall method, see http://www.transparency.org/policy_research/surveys_indices/cpi/2009/methodology) . This was the approach taken to the CPI until 2006. In the 2007 and 2008 CPI editions, the previous year's scores were used but also adjusted. For more on this see http://transparency.org/policy_research/surveys_indices/cpi/2007.

Change in scores between 2008 and 2009

Can country/territory scores in the 2009 CPI be compared to those in past CPIs?

The index provides a snapshot of the views of business people and country analysts for the current or recent years. Given its methodology, the CPI is not a tool that is suitable for monitoring progress or lack of progress over time. The only reliable way to compare a country's score over time is to go back to individual survey sources, each of which can reflect a change in assessment.

Year-to-year changes in a country/territory's score could result from a changed perception of a country's performance, a change in the ranking provided by original sources or a change in the CPI's methodology. Wherever possible, TI has identified those changes in scores that can be identified in the sources themselves.

Which countries/territories' scores deteriorated most between 2008 and 2009?

As indicated above, the CPI method is not well-suited to making comparisons of scores from year to year. To the extent that changes can be traced back to individual sources, however, trends can be identified.

Noteworthy examples of deteriorations from scores in the 2008 CPI to 2009 CPI on which more than half of the sources agreed include: Bahrain, Greece, Iran, Malaysia, Malta and Slovakia. In these cases, we can conclude that changes in perceptions of analysts and businesspeople regarding levels of corruption occurred during the last two years.

Which countries/territories' scores improved most?

With the same caveats applied, and based on data from sources that have been consistently used for the Index, we can point to improvements from 2008 to 2009 for: Bangladesh, Belarus, Guatemala, Lithuania, Moldova, Montenegro, Poland, Syria and Tonga.

Interpreting the CPI

Which matters more, a country/territory's rank or its score?

A country/territory's score indicates the perceived level of corruption in a country and the country's rank indicates its position relative to the other countries/territories included in the index. The score is a much more important indication of the perceived level of corruption in a country. A country's rank can change simply because new countries enter the index or others drop out.

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

No. The country/territory with the lowest score is the one where corruption is perceived to be greatest *among those included in the list*. There are more than 200 sovereign nations in the world, and the 2009 CPI ranks 180 of them. The CPI provides no information about countries/territories that are not included. Moreover, the CPI is an assessment of perception of administrative and political corruption – it is not a verdict on the corruption of nations or societies as a whole. The general public of those countries/territories who score at the lower end in the CPI have shown the same concern about and condemnation of corruption as publics from stronger performers. For more information, see TI's Global Corruption Barometer.

Example: What is implied by Somalia's bottom ranking and New Zealand's top ranking in the 2009 CPI?

Public sector corruption in Somalia is perceived to be the highest of all countries/territories included in the 2009 CPI. This does not, however, indicate that Somalia is the 'world's most corrupt country' or that Somalians are the 'most corrupt people'. While corruption is indeed one of the most formidable challenges to good governance, development and poverty reduction in Somalia, the vast majority of people are victims of corruption. Corruption by powerful individuals, and the failure of leaders and institutions to control or prevent corruption, does not imply that a country or its people are corrupt.

In the same light, New Zealand – whose perceived public sector corruption is the lowest of the 180 countries surveyed – is not necessarily the 'world's least corrupt country' – and New Zealanders are not in turn immune to corruption. Though its institutional and governance framework have translated into what is perceived to be a success, with limited corruption, New Zealand – like any other state – remains susceptible to corruption.

Why is the impact (or lack thereof) of anti-corruption reform or recent corruption scandals not always evident in a country/territory's CPI score?

It is difficult to improve a CPI score over a short time period. The 2009 CPI is based on data from the past two years, relating to perceptions that may have been formed even further in the past. This means that substantial changes in perceptions of corruption are only likely to emerge in the index over longer periods of time.

Is the CPI a reliable measure of a country/territory's perceived level of public sector corruption?

The CPI is a solid measurement tool of perceptions of public sector corruption. As such, the CPI has been tested and used widely by both scholars and analysts. The reliability of the CPI differs, however, across countries/territories. States with a high number of sources and small differences in the evaluations provided by the sources (indicated by a narrow confidence range) convey greater reliability in terms of their score and ranking; the reverse is also the case.

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

Some governments have sought to use corruption scores to determine which countries/territories receive aid, and which do not. TI does not encourage that the CPI is used in this way. Countries/territories that are perceived as very corrupt can not be written off. Rather they need help to emerge from the corruption-poverty spiral. If a country is believed to be corrupt, this should serve as a signal to donors that investment is needed in systemic approaches to fight corruption, based on mutual accountability. Additionally, if donors intend to support major development projects in countries/territories perceived to be corrupt, they should pay particular attention to 'red flags' and make sure appropriate control processes are established.

How does the CPI relate to other TI research products?

TI is an independent producer of empirical research on corruption. It has assembled a global research portfolio that combines qualitative approaches with quantitative ones, macro-level indicators with in-depth diagnostics, expert analysis with experience, as well as perceptions-based survey work. 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. TI's portfolio of global research products includes:

- **Global Corruption Barometer (GCB):** a representative survey of more than 70,000 households in more than 65 countries on people's perceptions and

experiences of corruption. The most recent Global Corruption Barometer was published on 3 June 2009 and can be found under:

http://www.transparency.org/policy_research/surveys_indices/gcb.

- **Bribe Payers Index (BPI):** a ranking of leading, exporting countries according to the likelihood of their firms to bribe abroad. It is based on a survey of executives focusing on the business practices of foreign firms in their country. The most recent Bribe Payers Index was published on 9 December 2008 and can be found under:

http://www.transparency.org/policy_research/surveys_indices/bpi .

- **Global Corruption Report (GCR):** a thematic report that explores corruption with regard to a specific sector or governance issue. The report provides views of dozens of experts and practitioners in the field, in addition to case studies and reports from TI national chapters around the world. The GCR also features latest corruption-related research findings relevant to the theme. The most recent Global Corruption Report was published on 23 September 2009 and can be found under:

<http://www.transparency.org/publications/gcr>

- **National Integrity System assessments (NIS):** a series of studies produced in-country that involves an extensive diagnostic assessment of the strengths and weaknesses of the key institutions that enable good governance and integrity in a country. NIS assessments are published on an ongoing basis. For a full list and more information, please see:

http://www.transparency.org/policy_research/nis

The **Corruption Perceptions Index (CPI)** is the fifth pillar in this portfolio, providing expert perceptions on corruption in an annual composite index covering 180 countries.