



Transparency International Corruption Perceptions Index 2005

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About TI:

Transparency International, founded in 1993, is the civil society organisation leading the fight against corruption. TI, currently with 90 national chapters around the world, has its International Secretariat in Berlin, Germany. For more information on TI, its national chapters and its work, please visit: www.transparency.org

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Embargoed until 8.30 GMT, 18 October 2005

Corruption still rampant in 70 countries, says Corruption Perceptions Index 2005

Many countries face profound obstacles in escaping the poverty trap

London / Berlin, 18 October 2005 --- More than two-thirds of the 159 nations surveyed in Transparency International's 2005 Corruption Perceptions Index (CPI) scored less than 5 out of a clean score of 10, indicating serious levels of corruption in a majority of the countries surveyed.

Corruption continues to threaten development

The 2005 Index bears witness to the double burden of poverty and corruption borne by the world's least developed countries.

"Corruption is a major cause of poverty as well as a barrier to overcoming it," said Transparency International Chairman Peter Eigen. "The two scourges feed off each other, locking their populations in a cycle of misery. Corruption must be vigorously addressed if aid is to make a real difference in freeing people from poverty."

Despite progress on many fronts, including the imminent entry into force of the United Nations Convention against Corruption, seventy countries - nearly half of those included in the Index - scored less than 3 on the CPI, indicating a severe corruption problem. Among the countries included in the Index, corruption is perceived as most rampant in Chad, Bangladesh, Turkmenistan, Myanmar and Haiti - also among the poorest countries in the world.

The world has set its sights on halving extreme poverty by 2015. Corruption hampers achievement of the Millennium Development Goals by undermining the economic growth and sustainable development that would free millions from the poverty trap. Fighting corruption must be central to plans to increase resources to achieve the goals, whether via donor aid or in-country domestic action.

Moreover, extensive research shows that foreign investment is lower in countries perceived to be corrupt, which further thwarts their chance to prosper. When countries improve governance and reduce corruption, they reap a "development dividend" that, according to the World Bank Institute, can include improved child mortality rates, higher per capita income and greater literacy.

Nineteen of the world's poorest countries have been granted debt service relief under the Highly Indebted Poor Countries (HIPC) initiative, testifying to their economic reform

achievements. Not one of these countries, however, scored above 4 on the CPI, indicating serious to severe levels of corruption. These countries still face the grave risk that money freed from debt payments now entering national budgets will be forfeited to greed, waste or mismanagement. The commitment and resources devoted to qualifying for HIPC must also be applied to winning the fight against corruption.

Stamping out corruption and implementing recipient-led reforms are critical to making aid more effective, and to realising the crucial human and economic development goals that have been set by the international community.

“Corruption isn’t a natural disaster: it is the cold, calculated theft of opportunity from the men, women and children who are least able to protect themselves,” said David Nussbaum, TI’s Chief Executive. “Leaders must go beyond lip service and make good on their promises to provide the commitment and resources to improve governance, transparency and accountability.”

Progress has been made against corruption

An increase in perceived corruption from 2004 to 2005 can be measured in countries such as Costa Rica, Gabon, Nepal, Papua New Guinea, Russia, Seychelles, Sri Lanka, Suriname, Trinidad & Tobago and Uruguay. Conversely, a number of countries and territories show noteworthy improvements – a decline in perceptions of corruption – over the past year, including Estonia, France, Hong Kong, Japan, Jordan, Kazakhstan, Nigeria, Qatar, Taiwan and Turkey.

The recent ratification of the United Nations Convention against Corruption established a global legal framework for sustainable progress against corruption. The Convention, which will enter into force in December 2005, will accelerate the retrieval of stolen funds, push banking centres to take action against money laundering, allow nations to pursue foreign companies and individuals that have committed corrupt acts on their soil, and prohibit bribery of foreign public officials. Low-income countries that embrace and implement the Convention will have a head start in the race for foreign investment and economic growth.

Wealth does not determine progress against corruption

Wealth is not a prerequisite for successful control of corruption. New long-term analysis of the CPI carried out by Prof. Dr. Johann Graf Lambsdorff shows that the perception of corruption has decreased significantly in lower-income countries such as Estonia, Colombia and Bulgaria over the past decade.

In the case of higher-income countries such as Canada and Ireland, however, there has been a marked increase in the perception of corruption over the past ten years, showing that even wealthy, high-scoring countries must work to maintain a climate of integrity.

Similarly, the responsibility in the fight against corruption does not fall solely on lower-income countries. Wealthier countries, apart from facing numerous corruption cases within their own borders, must share the burden by ensuring that their companies are not involved in corrupt practices abroad. Offenders must be prosecuted and debarred from public bidding. The opportunity for ensuring sustainable progress also lies in the hands of the World Trade Organization, which needs to actively promote transparency and anti-corruption in global trade.

The lessons are clear: risk factors such as government secrecy, inappropriate influence of elite groups and distorted political finance apply to both wealthy and poorer countries, and no rich country is immune to the scourge of corruption.

Transparency International urges the following actions:

By lower-income countries

- Increase resources and political will for anti-corruption efforts.
- Enable greater public access to information about budgets, revenue and expenditure.

By higher-income countries

- Combine increased aid with support for recipient-led reforms.
- Reduce tied aid, which limits local opportunities and ownership of aid programmes.

By all countries

- Promote strong coordination among governments, the private sector and civil society to increase efficiency and sustainability in anti-corruption and good governance efforts.
- Ratify, implement and monitor existing anti-corruption conventions in all countries to establish international norms. These include, the UN Convention against Corruption, the OECD Anti-bribery Convention, and the regional conventions of the African Union and the Organization of American States.

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Note to Editors

The TI Corruption Perceptions Index is a composite survey, reflecting the perceptions of business people and country analysts, both resident and non-resident. It draws on 16 different polls from 10 independent institutions. For a country to be included, it must feature in at least 3 polls. As a result, a number of countries – including some which could be among the most corrupt – are missing because not enough survey data is available.

The Corruption Perceptions Index provides a snapshot, with less capacity to offer year-to-year trends. Nevertheless, time-series data for the CPI have been analysed for the first time this year by Professor Johann Graf Lambsdorff at Passau University in Germany.

TI is advised in relation to the CPI by a group of international specialists. The statistical work on the index was coordinated by Professor Graf Lambsdorff.

Details are available at:
www.transparency.org/surveys/index.html#cpi

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| Country Rank | Country/territory | 2005 CPI Score* | Confidence range** | Surveys Used*** |
|--------------|----------------------|-----------------|--------------------|-----------------|
| 1 | Iceland | 9.7 | 9.5 - 9.7 | 8 |
| 2 | Finland | 9.6 | 9.5 - 9.7 | 9 |
| | New Zealand | 9.6 | 9.5 - 9.7 | 9 |
| 4 | Denmark | 9.5 | 9.3 - 9.6 | 10 |
| 5 | Singapore | 9.4 | 9.3 - 9.5 | 12 |
| 6 | Sweden | 9.2 | 9.0 - 9.3 | 10 |
| 7 | Switzerland | 9.1 | 8.9 - 9.2 | 9 |
| 8 | Norway | 8.9 | 8.5 - 9.1 | 9 |
| 9 | Australia | 8.8 | 8.4 - 9.1 | 13 |
| 10 | Austria | 8.7 | 8.4 - 9.0 | 9 |
| 11 | Netherlands | 8.6 | 8.3 - 8.9 | 9 |
| | United Kingdom | 8.6 | 8.3 - 8.8 | 11 |
| 13 | Luxembourg | 8.5 | 8.1 - 8.9 | 8 |
| 14 | Canada | 8.4 | 7.9 - 8.8 | 11 |
| 15 | Hong Kong | 8.3 | 7.7 - 8.7 | 12 |
| 16 | Germany | 8.2 | 7.9 - 8.5 | 10 |
| 17 | USA | 7.6 | 7.0 - 8.0 | 12 |
| 18 | France | 7.5 | 7.0 - 7.8 | 11 |
| 19 | Belgium | 7.4 | 6.9 - 7.9 | 9 |
| | Ireland | 7.4 | 6.9 - 7.9 | 10 |
| 21 | Chile | 7.3 | 6.8 - 7.7 | 10 |
| | Japan | 7.3 | 6.7 - 7.8 | 14 |
| 23 | Spain | 7.0 | 6.6 - 7.4 | 10 |
| 24 | Barbados | 6.9 | 5.7 - 7.3 | 3 |
| 25 | Malta | 6.6 | 5.4 - 7.7 | 5 |
| 26 | Portugal | 6.5 | 5.9 - 7.1 | 9 |
| 27 | Estonia | 6.4 | 6.0 - 7.0 | 11 |
| 28 | Israel | 6.3 | 5.7 - 6.9 | 10 |
| | Oman | 6.3 | 5.2 - 7.3 | 5 |
| 30 | United Arab Emirates | 6.2 | 5.3 - 7.1 | 6 |
| 31 | Slovenia | 6.1 | 5.7 - 6.8 | 11 |
| 32 | Botswana | 5.9 | 5.1 - 6.7 | 8 |
| | Qatar | 5.9 | 5.6 - 6.4 | 5 |
| | Taiwan | 5.9 | 5.4 - 6.3 | 14 |
| | Uruguay | 5.9 | 5.6 - 6.4 | 6 |
| 36 | Bahrain | 5.8 | 5.3 - 6.3 | 6 |
| 37 | Cyprus | 5.7 | 5.3 - 6.0 | 5 |
| | Jordan | 5.7 | 5.1 - 6.1 | 10 |
| 39 | Malaysia | 5.1 | 4.6 - 5.6 | 14 |
| 40 | Hungary | 5.0 | 4.7 - 5.2 | 11 |
| | Italy | 5.0 | 4.6 - 5.4 | 9 |
| | South Korea | 5.0 | 4.6 - 5.3 | 12 |
| 43 | Tunisia | 4.9 | 4.4 - 5.6 | 7 |
| 44 | Lithuania | 4.8 | 4.5 - 5.1 | 8 |
| 45 | Kuwait | 4.7 | 4.0 - 5.2 | 6 |
| 46 | South Africa | 4.5 | 4.2 - 4.8 | 11 |
| 47 | Czech Republic | 4.3 | 3.7 - 5.1 | 10 |
| | Greece | 4.3 | 3.9 - 4.7 | 9 |
| | Namibia | 4.3 | 3.8 - 4.9 | 8 |
| | Slovakia | 4.3 | 3.8 - 4.8 | 10 |
| 51 | Costa Rica | 4.2 | 3.7 - 4.7 | 7 |
| | El Salvador | 4.2 | 3.5 - 4.8 | 6 |
| | Latvia | 4.2 | 3.8 - 4.6 | 7 |
| | Mauritius | 4.2 | 3.4 - 5.0 | 6 |
| 55 | Bulgaria | 4.0 | 3.4 - 4.6 | 8 |
| | Colombia | 4.0 | 3.6 - 4.4 | 9 |
| | Fiji | 4.0 | 3.4 - 4.6 | 3 |
| | Seychelles | 4.0 | 3.5 - 4.2 | 3 |
| 59 | Cuba | 3.8 | 2.3 - 4.7 | 4 |
| | Thailand | 3.8 | 3.5 - 4.1 | 13 |
| | Trinidad and Tobago | 3.8 | 3.3 - 4.5 | 6 |
| 62 | Belize | 3.7 | 3.4 - 4.1 | 3 |
| | Brazil | 3.7 | 3.5 - 3.9 | 10 |
| 64 | Jamaica | 3.6 | 3.4 - 3.8 | 6 |
| 65 | Ghana | 3.5 | 3.2 - 4.0 | 8 |
| | Mexico | 3.5 | 3.3 - 3.7 | 10 |
| | Panama | 3.5 | 3.1 - 4.1 | 7 |
| | Peru | 3.5 | 3.1 - 3.8 | 7 |
| | Turkey | 3.5 | 3.1 - 4.0 | 11 |
| 70 | Burkina Faso | 3.4 | 2.7 - 3.9 | 3 |
| | Croatia | 3.4 | 3.2 - 3.7 | 7 |
| | Egypt | 3.4 | 3.0 - 3.9 | 9 |
| | Lesotho | 3.4 | 2.6 - 3.9 | 3 |
| | Poland | 3.4 | 3.0 - 3.9 | 11 |
| | Saudi Arabia | 3.4 | 2.7 - 4.1 | 5 |
| | Syria | 3.4 | 2.8 - 4.2 | 5 |
| 77 | Laos | 3.3 | 2.1 - 4.4 | 3 |
| 78 | China | 3.2 | 2.9 - 3.5 | 14 |
| | Morocco | 3.2 | 2.8 - 3.6 | 8 |
| | Senegal | 3.2 | 2.8 - 3.6 | 6 |

Transparency International commissioned Prof. Dr J. Graf Lambsdorff of the University of Passau to produce the CPI table. For information on data and methodology, please consult the frequently asked questions and the CPI methodology: www.transparency.org/surveys#cpi or www.icgg.org

Explanatory notes

* **CPI Score** relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

** **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%.

*** **Surveys used** refers to the number of surveys that assessed a country's performance. 16 surveys and expert assessments were used and at least 3 were required for a country to be included in the CPI.

| Country Rank | Country/territory | 2005 CPI Score | Confidence range | Surveys Used |
|-----------------------|----------------------------|----------------|------------------|--------------|
| 78 | Sri Lanka | 3.2 | 2.7 - 3.6 | 7 |
| | Suriname | 3.2 | 2.2 - 3.6 | 3 |
| 83 | Lebanon | 3.1 | 2.7 - 3.3 | 4 |
| | Rwanda | 3.1 | 2.1 - 4.1 | 3 |
| 85 | Dominican Republic | 3.0 | 2.5 - 3.6 | 6 |
| | Mongolia | 3.0 | 2.4 - 3.6 | 4 |
| | Romania | 3.0 | 2.6 - 3.5 | 11 |
| 88 | Armenia | 2.9 | 2.5 - 3.2 | 4 |
| | Benin | 2.9 | 2.1 - 4.0 | 5 |
| | Bosnia and Herzegovina | 2.9 | 2.7 - 3.1 | 6 |
| | Gabon | 2.9 | 2.1 - 3.6 | 4 |
| | India | 2.9 | 2.7 - 3.1 | 14 |
| | Iran | 2.9 | 2.3 - 3.3 | 5 |
| | Mali | 2.9 | 2.3 - 3.6 | 8 |
| | Moldova | 2.9 | 2.3 - 3.7 | 5 |
| | Tanzania | 2.9 | 2.6 - 3.1 | 8 |
| | 97 | Algeria | 2.8 | 2.5 - 3.3 |
| Argentina | | 2.8 | 2.5 - 3.1 | 10 |
| Madagascar | | 2.8 | 1.9 - 3.7 | 5 |
| Malawi | | 2.8 | 2.3 - 3.4 | 7 |
| Mozambique | | 2.8 | 2.4 - 3.1 | 8 |
| Serbia and Montenegro | | 2.8 | 2.5 - 3.3 | 7 |
| 103 | Gambia | 2.7 | 2.3 - 3.1 | 7 |
| | Macedonia | 2.7 | 2.4 - 3.2 | 7 |
| | Swaziland | 2.7 | 2.0 - 3.1 | 3 |
| | Yemen | 2.7 | 2.4 - 3.2 | 5 |
| 107 | Belarus | 2.6 | 1.9 - 3.8 | 5 |
| | Eritrea | 2.6 | 1.7 - 3.5 | 3 |
| | Honduras | 2.6 | 2.2 - 3.0 | 7 |
| | Kazakhstan | 2.6 | 2.2 - 3.2 | 6 |
| | Nicaragua | 2.6 | 2.4 - 2.8 | 7 |
| | Palestine | 2.6 | 2.1 - 2.8 | 3 |
| | Ukraine | 2.6 | 2.4 - 2.8 | 8 |
| | Vietnam | 2.6 | 2.3 - 2.9 | 10 |
| | Zambia | 2.6 | 2.3 - 2.9 | 7 |
| | Zimbabwe | 2.6 | 2.1 - 3.0 | 7 |
| 117 | Afghanistan | 2.5 | 1.6 - 3.2 | 3 |
| | Bolivia | 2.5 | 2.3 - 2.9 | 6 |
| | Ecuador | 2.5 | 2.2 - 2.9 | 6 |
| | Guatemala | 2.5 | 2.1 - 2.8 | 7 |
| | Guyana | 2.5 | 2.0 - 2.7 | 3 |
| | Libya | 2.5 | 2.0 - 3.0 | 4 |
| | Nepal | 2.5 | 1.9 - 3.0 | 4 |
| | Philippines | 2.5 | 2.3 - 2.8 | 13 |
| | Uganda | 2.5 | 2.2 - 2.8 | 8 |
| | 126 | Albania | 2.4 | 2.1 - 2.7 |
| Niger | | 2.4 | 2.2 - 2.6 | 4 |
| Russia | | 2.4 | 2.3 - 2.6 | 12 |
| Sierra Leone | | 2.4 | 2.1 - 2.7 | 3 |
| 130 | Burundi | 2.3 | 2.1 - 2.5 | 3 |
| | Cambodia | 2.3 | 1.9 - 2.5 | 4 |
| | Congo, Republic | 2.3 | 2.1 - 2.6 | 4 |
| | Georgia | 2.3 | 2.0 - 2.6 | 6 |
| | Kyrgyzstan | 2.3 | 2.1 - 2.5 | 5 |
| | Papua New Guinea | 2.3 | 1.9 - 2.6 | 4 |
| 137 | Venezuela | 2.3 | 2.2 - 2.4 | 10 |
| | Azerbaijan | 2.2 | 1.9 - 2.5 | 6 |
| | Cameroon | 2.2 | 2.0 - 2.5 | 6 |
| | Ethiopia | 2.2 | 2.0 - 2.5 | 8 |
| | Indonesia | 2.2 | 2.1 - 2.5 | 13 |
| | Iraq | 2.2 | 1.5 - 2.9 | 4 |
| | Liberia | 2.2 | 2.1 - 2.3 | 3 |
| | Uzbekistan | 2.2 | 2.1 - 2.4 | 5 |
| 144 | Congo, Democratic Republic | 2.1 | 1.8 - 2.3 | 4 |
| | Kenya | 2.1 | 1.8 - 2.4 | 8 |
| | Pakistan | 2.1 | 1.7 - 2.6 | 7 |
| | Paraguay | 2.1 | 1.9 - 2.3 | 7 |
| | Somalia | 2.1 | 1.6 - 2.2 | 3 |
| | Sudan | 2.1 | 1.9 - 2.2 | 5 |
| | Tajikistan | 2.1 | 1.9 - 2.4 | 5 |
| 151 | Angola | 2.0 | 1.8 - 2.1 | 5 |
| 152 | Cote d'Ivoire | 1.9 | 1.7 - 2.1 | 4 |
| | Equatorial Guinea | 1.9 | 1.6 - 2.1 | 3 |
| | Nigeria | 1.9 | 1.7 - 2.0 | 9 |
| 155 | Haiti | 1.8 | 1.5 - 2.1 | 4 |
| | Myanmar | 1.8 | 1.7 - 2.0 | 4 |
| | Turkmenistan | 1.8 | 1.7 - 2.0 | 4 |
| 158 | Bangladesh | 1.7 | 1.4 - 2.0 | 7 |
| | Chad | 1.7 | 1.3 - 2.1 | 6 |

| Number | 1 | 2 | 3 | 4 |
|-------------------|--|---|--|---|
| Abbreviation | CU | EIU | FH | II |
| Source | Columbia University, The Center for International Earth Science Information Network | Economist Intelligence Unit | Freedom House | Information International |
| Name | State Capacity Survey | Country Risk Service and Country Forecast | Nations in Transit | Survey of Middle Eastern Businesspeople |
| Year | 2003 | 2005 | 2005 | 2003 |
| Internet | http://www.ciesin.org/ | www.eiu.com | http://www.freedomhouse.org/research/nattransit.htm | www.information-international.com |
| Who was surveyed? | US-resident country experts (policy analysts, academics and journalists) | Expert staff assessment | Assessment by US, regional, and in-country experts | Senior businesspeople from Bahrain, Lebanon and UAE |
| Subject asked | Severity of corruption within the state | 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 | How common are bribes, how costly are they for doing business and how frequently are public contracts awarded to friends and relatives in neighbouring countries |
| Number of replies | 224 | Not applicable | Not applicable | 382 assessments from 165 respondents |
| Coverage | 95 countries | 156 countries | 29 countries/territories | 31 countries |
| Number | 5 | 6 | 7 | 8 |
| Abbreviation | IMD | | | MIG |
| Source | International Institute for Management Development, Lausanne, Switzerland | | | Merchant International Group |
| Name | World Competitiveness Yearbook | | | Grey Area Dynamics |
| Year | 2003 | 2004 | 2005 | 2005 |
| Internet | www.imd.ch | | | www.merchantinternational.com |
| Who was surveyed? | Executives in top and middle management; domestic and international companies | | | Expert staff and network of local correspondents |
| Subject asked | Bribery and corruption in the economy | | | Corruption, ranging from bribery of government ministers to inducements payable to the "humblest clerk" |
| Number of replies | > 4,000 | 4166 | Roughly 4000 | Not applicable |
| Coverage | 51 countries | | | 155 countries |
| Number | 9 | 10 | 11 | 12 |
| Abbreviation | PERC | | | UNECA |
| Source | Political & Economic Risk Consultancy | | | United Nations Economic Commission for Africa |
| Name | Asian Intelligence Newsletter | | | Africa Governance Report |
| Year | 2003 | 2004 | 2005 | 2005 |
| Internet | www.asiarisk.com/ | | | http://www.uneca.org/agr/ |
| Who was surveyed? | Expatriate business executives | | | National expert survey (between 70 and 120 in each country) |
| Subject asked | How bad do you consider the problem of corruption to be in the country in which you are working as well as in your home country? | | | "Corruption Control". This includes aspects related to corruption in the legislature, judiciary, and at the executive level, as well as in tax collection. Aspects of access to justice and government services are also involved |
| Number of replies | More than 1,000 | More than 1,000 | More than 1,000 | Roughly 2800 |
| Coverage | 14 countries | | | 28 countries |
| Number | 13 | 14 | 15 | 16 |
| Abbreviation | WEF | | | WMRC |
| Source | World Economic Forum | | | World Markets Research Centre |
| Name | Global Competitiveness Report | | | Risk Ratings |
| Year | 2003/04 | 2004/05 | 2005/06 | 2005 |
| Internet | www.weforum.org | | | www.wmrc.com |
| Who was surveyed? | Senior business leaders; domestic and international companies | | | Expert staff assessment |
| Subject asked | Undocumented extra payments or bribes connected with various government functions | | | The likelihood of encountering corrupt officials, ranging from petty bureaucratic corruption to grand political corruption |
| Number of replies | 7,741 | 8,700 | 10,993 | Not applicable |
| Coverage | 102 countries | 104 countries | 117 countries | 186 countries |

Frequently Asked Questions

Transparency International Corruption Perceptions Index (CPI) 2005

1. What is the Corruption Perceptions Index?
2. For the purpose of the CPI, how is corruption defined?
3. Why is the CPI based only on perceptions?
4. Is the CPI a reliable measure of a country's perceived level of corruption?
5. Is the CPI a reliable measure for decisions on aid allocation?

6. How many countries are included in the CPI 2005?
7. Which countries are new to the CPI 2005?
8. Is it right to conclude that the country with the lowest score is the world's most corrupt country?

9. Which matters more, a country's rank or its score?
10. Can country scores in the CPI 2005 be compared to those in past CPIs?
11. Why isn't there a greater change in my country's score, given the strength (or: lack of) anti-corruption reform, or given recent exposure of corruption scandals?
12. Which countries' scores deteriorated most between 2004 and 2005?
13. Which countries' scores improved most?
14. The CPI is more than ten years old. Are there any long term trends in country scores?

15. What are the sources of data for the CPI?
16. Whose opinion is polled by these surveys?
17. Why include expert surveys, but not public opinion surveys?
18. How is the index itself computed?
19. Which countries might be included in future CPIs?

20. What is the difference between the CPI and TI's Global Corruption Barometer (GCB)?
21. What is the difference between the CPI and TI's Bribe Payers Index (BPI)?

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 business people and analysts from around the world, including experts who are locals 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 assess the levels of corruption in different countries based 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 draw 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 evaluations provided by the sources (indicated by a wider confidence range) 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 can not be written off – it is particularly they who 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. And if donors intend to support major development projects in countries perceived to be corrupt, they should pay particular attention to ‘red flags’ and make sure appropriate control processes are set up.

6. How many countries are included in the CPI?

The CPI 2005 ranks 159 countries. TI requires at least three sources to be available in order to rank a country in the CPI. In 2004, the CPI included only 146 countries. The increase in coverage relates to the fact that a new source has been included.

7. Which countries are new in the CPI 2005?

The following countries are included in the CPI 2005, but were not in the CPI 2004: Afghanistan, Burkina Faso, Burundi, Cambodia, Equatorial Guinea, Fiji, Guyana, Laos, Lesotho, Liberia, Rwanda, Somalia, and Swaziland.

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 where corruption is perceived to be the highest among those included in the list. Moreover, there are more than 200 sovereign nations in the world, and the latest CPI ranks 159 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 2005 be compared to those in past CPIs?

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

If comparisons with previous years are made, they should only be based 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 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 been asked.

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

It is difficult to improve a CPI score over a short time period. The CPI is based on data from the past three years (for more on this, see question 15 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 2004 and 2005?

Making comparisons from one year to another is problematic. However, to the extent that changes can be traced back to individual sources, trends can be cautiously identified. Noteworthy examples of a downward trend from 2004 to 2005 are Barbados, Belarus, Costa Rica, Gabon, Nepal, Papua New Guinea, Russia, Seychelles, Sri Lanka, Suriname, Trinidad & Tobago and Uruguay. In these cases, actual changes in perceptions occurred during the last three years.

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 2004 to 2005 for Argentina, Austria, Bolivia, Estonia, France, Guatemala, Honduras, Hong Kong, Japan, Jordan, Kazakhstan, Lebanon, Moldova, Nigeria, Qatar, Slovakia, South Korea, Taiwan, Turkey, Ukraine and Yemen.

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

The CPI was not designed to provide comparisons over time, since year-to-year changes on a country's score are the result not only of changes in perceptions of a country's performance, but of changes in survey samples and methodology and alterations in the list of sources that constitute the index. Nevertheless, analysis of the CPI and its component data, conducted by Prof. Dr. Johann Graf Lambsdorff in 2005, provides initial findings related to country trends in almost 60 countries over the period 1995-2005. For further detail see J. Graf Lambsdorff, 'Determining Trends for Perceived Levels of Corruption', Passau University Discussion Paper, V-38-06, 2005.

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

The CPI 2005 draws on 16 different polls and surveys from 10 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 must be well documented and 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 who provided data for the CPI 2005 are: Columbia University, Economist Intelligence Unit, Freedom House, Information International, International Institute for Management Development, Merchant International Group, Political and Economic Risk Consultancy, United Nations Economic Commission for Africa, World Economic Forum and World Markets Research Centre.

For a full list and details on questions asked, number of respondents and coverage of the 16 polls and surveys included in the CPI 2005, please see the CPI methodology at <http://www.transparency.org/surveys/index.html#cpi> or <http://www.ICGG.org>

16. Whose opinion is polled by these surveys?

Surveys are carried out among business people and country analysts, including surveys of residents of countries.

It is important to note that residents' viewpoints correlate well with those of experts abroad. In the past, the experts surveyed in the CPI sources were often business people from industrialised countries; the viewpoint of less developed countries was underrepresented. This has changed over time, giving increasingly voice to respondents from emerging market economies. In sum, the CPI gathers

perceptions that are broadly based, not biased by cultural preconditions, and not generated just by American and European experts.

17. Why include expert surveys, but 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 are 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 has developed another tool, the Global Corruption Barometer, to evaluate public sentiment on and experience with corruption (see question 20 on the **difference between the CPI and the Global Corruption Barometer**, below).

18. How is the index itself computed?

A detailed and a short description of the underlying methodology is available at <http://www.transparency.org/surveys/index.html#cpi> or at www.ICGG.org.

TI has made considerable efforts to ensure that the methodologies used to analyse the data are of the highest quality. The CPI methodology 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: Antigua and Barbuda, Bahamas, Bermuda, Bhutan, Cayman Islands, Central African Republic, Dominica, East Timor, Grenada, Guinea, Guinea-Bissau, Macau, Mauritania, North Korea, Puerto Rico 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, French Guiana, Guadeloupe, Liechtenstein, Maldives, Martinique, Netherlands Antilles, Samoa, Sao Tome and Principe, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines and Virgin Islands (US). For all 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 assesses the perception of levels of corruption across countries, while the Global Corruption Barometer (see <http://www.transparency.org/surveys/index.html#barometer>) is concerned with attitudes toward and experiences of corruption among the general public. Over time, the Global Corruption Barometer, which was first published in 2003, will provide an indicator of the impact of the fight against corruption within countries.

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

Further frequently asked questions on the Transparency International Corruption Perceptions Index 2005, together with the CPI methodology, are available at www.transparency.org/surveys/#cpi