

# A Critical Review of the Corruption Perceptions Index Report



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### *First: Main Data of the Report*

#### *1- Issuing Body and Timing:*

The annual report on the Corruption Perceptions Index (CPI) was issued by Transparency International Organization on January 31, 2023. This is the latest edition since Transparency International began releasing periodic reports on corruption indices for countries worldwide in 1995. Transparency International is an international non-governmental organization concerned with all types of corruption (financial corruption, political corruption, etc.). It issues an annual report on the Corruption Perceptions Index, which shows the progress or decline of countries globally, compared to each other. The organization is affiliated with the United Nations and consists of 100 regional branches worldwide. Its main secretariat is located in Berlin, Germany. It was established in 1993 as a non-profit organization, declaring that its primary objectives are to combat and fight corruption.

#### *2- Report Methodology:*

The Transparency International report covers 180 countries, classifying them based on scores (from 0 to 100). These scores are derived from several indicators and analyses, with the country

receiving the lowest score (0) being the most corrupt and the one with the highest score (100) being the most transparent among the world's countries. Countries are compared and evaluated in their fight against corruption through their internal specialized bodies, based on their progress or decline in the ranking compared to previous reports issued by Transparency International. The organization uses multiple statistics and data to achieve an evaluation that is as close to reality as possible. It employs a comprehensive analytical statistical methodology, which is an abstract approach relying on measurements fed into it, producing quantitative statistics based solely on mathematical and numerical analyses.

#### *3- Report Content:*

The index ranks 180 countries and regions based on levels of corruption in the public sector, according to experts. As previously mentioned, the measure relies on 13 independent data sources and uses a scale from 0 to 100, where 0 is highly corrupt and 100 is very clean. The main findings are as follows:

- a. More than two-thirds of the countries (68%) scored below 50, and the global average score remained unchanged at an average of 43.

● *Transparency International Annual Report, United Nations, 1/31/2023, available at the link: Report\_CPI2022\_English.pdf (transparencycdn.org)*



- b. Since 2012, 25 countries have significantly improved their scores, but during the same period, 31 countries have significantly declined.
- c. Countries with strong institutions and well-functioning democracies often find themselves at the top of the index, with Denmark ranking as the most transparent with a score of 90, followed by Finland and New Zealand with scores of 87, Norway 84, Singapore 83, Sweden 83, Switzerland 82, the Netherlands 80, Germany 79, Ireland 77, and Luxembourg 77, completing the top ten in the world.
- d. Countries experiencing conflicts or where fundamental personal and political freedoms are restricted tend to score the lowest. This is evident in countries with low scores, with Somalia (12), Syria (13), and South Sudan (13) at the bottom of the index, followed by Venezuela (14), Yemen (16), Libya (17), North Korea (17), Haiti (17), Equatorial Guinea (17), and Burundi (17) in the bottom ten.
- e. In the past five years, only eight countries have significantly improved their scores, while 10 countries have significantly declined, including highly-ranked countries such as Austria (71), Luxembourg (77), and the United Kingdom (73).

#### **4- Report Language:**

The report is issued in English.

#### **Second: Key Elements of the Report:**

##### **1- Method Used to Calculate the Report Indicators:**

##### **How are country scores calculated?**

Each country's score is composed of a composite of at least three data sources drawn from thirteen different surveys and assessments of corruption. These data sources are collected by a variety of prestigious institutions, including the World Bank and the World Economic Forum.

- a. Each of the thirteen data sources uses a different scale. After analysis, they are converted to a standardized value on a scale from 0 to 100, and then a simple average is calculated for each country.

- b. The Corruption Perceptions Index (CPI) is the leading measure of public sector corruption worldwide. By combining many different forms of corruption into one globally comparable index, it provides a more comprehensive picture of the situation in a particular country than each source does individually.
- c. The process of calculating the CPI is regularly reviewed to ensure that the index remains as robust and consistent as possible. The most recent review was conducted by the Joint Research Centre of the European Commission in 2017.

##### **2- The Difference Between a Country's Rank and Score:**

A country's score is the perceived level of corruption in its public sector on a scale from 0 to 100, where 0 means the most corrupt and 100 the most transparent.

A country's rank, however, indicates its position relative to other countries listed in the index. Ranks can change simply due to a change in the number of countries included in the index.

Therefore, the rank is not as important as the score in indicating the level of corruption in a country. Minor fluctuations or changes in a country's score on the Corruption Perceptions Index are not usually significant. For this reason, we highlight each year the countries that have experienced a "statistically significant" change in their results, which reflects changes in the majority of the data sources constituting the Corruption Perceptions Index. When only a few data sources indicate a change, it means it is still unclear whether the public sector corruption in that country has increased or decreased.

##### **3- Reasons for a Country Not Being Listed:**

To be included in the index, a country or territory must be listed in at least one of the thirteen data sources used for the Corruption Perceptions Index. The absence of a country from the list does not mean that the country is free of corruption; it simply means that there is not enough data available to accurately measure the levels of corruption in that country.

**4- What type of corruption does the Corruption Perceptions Index measure?**

- a. Bribery.
- b. Diversion of public funds to non-original purposes.
- c. Use of public office by officials for private gain without facing consequences.
- d. Government capability to contain corruption in the public sector.
- e. Excessive bureaucracy in the public sector, which may increase opportunities for corruption.
- f. Nepotism in civil service appointments.
- g. Existence of laws ensuring public officials disclose their assets and potential conflicts of interest.
- h. Legal protection for whistleblowers reporting cases of bribery and corruption.
- i. Capture of the state by narrow interests.
- j. Access to and disclosure of information related to public affairs and government statistics.

**Third: A Critical Review of the Report**

**1- Strengths:**

- a. The annual report provides an indicator of whether countries under review have progressed or regressed compared to their previous evaluations.
- b. It indicates the country's ranking (relatively) compared to its regional peers and to other countries worldwide.
- c. The report does not address methods of combating specific types of corruption nor does it investigate any corruption incidents itself.
- d. The organization rejects the idea of Northern superiority in matters of corruption and is committed to exposing corruption worldwide, which reflects a degree of impartiality and objectivity.

**2- Weaknesses:**

- a. The corruption index observes a small sample that does not represent the majority and refuses to expand the sample size due to time and cost constraints.

- b. The methods used cannot accurately measure institutional corruption.
- c. The abstract analysis of the results shows numbers and outcomes that do not reflect the reality of the reviewed country, as corruption in some countries is ideological and based on traditions that differ from one country to another.
- d. Using the index in sequential time-based statistics is difficult due to the purely analytical mathematical calculation method of the index.
- e. The organization funds its activities through donations and grants from various governmental and non-governmental bodies and economic institutions such as the World Bank, the United Nations, Boeing, General Motors, Kodak, etc. This provides benefits to them and compromises the organization's ability to express opinions freely. It may also be used as a political pressure tool at times or to achieve profits or interests for the institution.
- f. The organization has overlooked a crucial measure not included among the thirteen indicators, which is one of the most important measures of corruption perceptions: judicial rulings issued by the judicial authorities in the reviewed countries regarding crimes against public funds. These rulings are among the ten crimes the organization reviews. As it is known, a court ruling is the title of truth, indicating the closest possible corruption rate, especially concerning public funds and public office crimes. It reflects the efficiency, capability, and seriousness of law enforcement agencies and judicial authorities in that country. Considering the number of rulings issued in this regard, which take time in most countries to become final, this is a factor the annual report lacks since most local corruption cases do not have final judgments, hence not being measured.



**Conclusion:**

*From the above, it is evident that the Transparency International report on the Corruption Perceptions Index and its evaluation method face criticism for neglecting many important and decisive points. For example, it does not account for the culture and traditions of different countries, the entrenchment of certain types of corruption, nor does it address corruption levels in international organizations and the private sector, which play a significant role in influencing the evaluations of the countries under review. Additionally, the report may be perceived as biased due to the organization's acceptance of funding from some companies and other entities subject to examination, which may have multiple interests with the organization. Furthermore, it fails to consider judicial rulings related to public fund crimes, which provide a true reflection of a country's seriousness and methods in combating corruption and its actual progress on the ground. This also offers a genuine impression of the extent of public fund-related crimes and their impact on the reviewed countries. As a result, there is a belief that the annual report issued by Transparency International lacks accuracy and impartiality, and does not provide a true representation of the actual situation in those countries.*