

Understanding corruption

BY MALEEHA QURESHI

The Nation 2/1/04

The Corruption Perception Index (CPI) 2004, published recently, is a poll of polls, reflecting the perceptions of business people, academics and risk analysts, both resident and non-resident. The index primarily provides an annual snapshot of the views of business people and country analysts, with less of a focus on year-to-year trends.

The Transparency International (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.

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.

It is difficult to base comparative statements on the levels of corruption in different countries 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 build on the experience and perceptions of those who are most directly confronted with the realities of corruption in a country.

The CPI 2004 ranks 146 countries. TI requires at least three sources to be available in order to rank a country in the CPI. In 2003, the CPI included only 133 countries. The increase in coverage relates to the fact that more valid and reputable sources have been found. The following countries are in the CPI 2004, but not the CPI 2003: Barbados, Benin, Chad, Democratic Republic of Congo, Eritrea, Gabon, Malta, Mongolia, Nepal, Niger, Seychelles, Suriname and Turkmenistan.

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 and 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,

reliable 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. It is often difficult to improve a CPI score over a short-term period, such as one or two years. The CPI is based on data from the past three years.

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.

The CPI 2004 draws on 18 different polls and surveys from 12 independent institutions. TI does strive 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 has to be well documented, and it has to be sufficient to permit a judgment on its reliability.

Data for the CPI is provided to TI free of charge, on a non-disclosure basis. The institutions that provided data for the CPI 2004 include: Columbia University, Economist Intelligence Unit, Freedom House, Information International, International Institute for Management Development, a multinational development bank, Merchant International Group, Political and Economic Risk Consultancy, Transparency International/Gallup International, World Bank/European Bank for Reconstruction and Development, World Economic Forum and World Markets Research Centre. Since fundamental changes in the levels of corruption in a country evolve only slowly, TI opts to base the CPI on a three-year rolling average. The CPI 2004 is based on surveys provided between 2002 and 2004.

Surveys are carried out among business people and country analysts, including surveys of residents of countries. It is important to note that residents' viewpoints are found to correlate well with those abroad. In the past, the experts surveyed in the CPI sources were often business people from northern, industrialised countries; the viewpoint of less developed countries was underrepresented. This has changed.

On behalf of Transparency International, Gallup International surveyed respondents from emerging market economies, asking them to assess the performance of public servants in industrialised countries. A related approach was carried out by Information International. The results from these surveys correlate well with other sources. In sum, the CPI gathers perceptions that are broadly based, not biased by cultural preconditions, and not only generated by American and European experts.

Pakistan's corruption index took a beating of 0.4 points, from 2.5 to 2.1 this year.