

**FOR IMMEDIATE RELEASE**

## **Persistently high corruption in low-income countries amounts to an “ongoing humanitarian disaster”**

***Against a backdrop of continued corporate scandal, wealthy countries backsliding too***

**Berlin, 23 September 2008** - With countries such as Somalia and Iraq among those showing the highest levels of perceived corruption, Transparency International's (TI) 2008 Corruption Perceptions Index (CPI), launched today, highlights the fatal link between poverty, failed institutions and graft. But other notable backsliders in the 2008 CPI indicate that the strength of oversight mechanisms is also at risk among the wealthiest.

“In the poorest countries, corruption levels can mean the difference between life and death, when money for hospitals or clean water is in play,” said Huguette Labelle, Chair of Transparency International. “The continuing high levels of corruption and poverty plaguing many of the world's societies amount to an ongoing humanitarian disaster and cannot be tolerated. But even in more privileged countries, with enforcement disturbingly uneven, a tougher approach to tackling corruption is needed.”

### **The 2008 Results**

The Transparency International CPI measures the perceived levels of public-sector corruption in a given country and is a composite index, drawing on different expert and business surveys. The 2008 CPI scores 180 countries (the same number as the 2007 CPI) on a scale from zero (highly corrupt) to ten (highly clean).

*Denmark, New Zealand and Sweden* share the highest score at 9.3, followed immediately by *Singapore* at 9.2. Bringing up the rear is *Somalia* at 1.0, slightly trailing *Iraq* and *Myanmar* at 1.3 and *Haiti* at 1.4.

While score changes in the Index are not rapid, statistically significant changes are evident in certain countries from the high to the low end of the CPI. Looking at source surveys included in both the 2007 and 2008 Index, significant declines can be seen in the scores of *Bulgaria, Burundi, Maldives, Norway and the United Kingdom*.

Similarly, statistically significant improvements over the last year can be identified in *Albania, Cyprus, Georgia, Mauritius, Nigeria, Oman, Qatar, South Korea, Tonga and Turkey*.

### **Strengthening oversight and accountability**

Whether in high or low-income countries, the challenge of reigning in corruption requires functioning societal and governmental institutions. Poorer countries are often plagued by corrupt judiciaries and ineffective parliamentary oversight. Wealthy countries, on the other hand, show evidence of insufficient regulation of the private sector, in terms of addressing overseas bribery by their countries, and weak oversight of financial institutions and transactions.

“Stemming corruption requires strong oversight through parliaments, law enforcement, independent media and a vibrant civil society,” said Labelle. “When these institutions are weak, corruption spirals out of control with horrendous consequences for ordinary people, and for justice and equality in societies more broadly.”

### **Global fight against poverty in the balance**

In low-income countries, rampant corruption jeopardises the global fight against poverty, threatening to derail the UN Millennium Development Goals (MDGs). According to TI's 2008 Global Corruption Report, unchecked levels of corruption would add US \$50 billion (€35 billion) - or nearly half of annual global aid outlays – to the cost of achieving the MDG on water and sanitation.

Not only does this call for a redoubling of efforts in low-income countries, where the welfare of significant portions of the population hangs in the balance, it also calls for a more focussed and coordinated approach by the global donor community to ensure development assistance is designed to strengthen institutions of governance and oversight in recipient countries, and that aid flows themselves are fortified against abuse and graft.

This is the message that TI will be sending to the member states of the UN General Assembly as they prepare to take stock on progress in reaching the MDGs on 25 September, and ahead of the UN conference on Financing for Development, in Doha, Qatar, where commitments on funding aid will be taken

Prof. Johann Graf Lambsdorff of the University of Passau, who carries out the Index for TI, underscored the disastrous effects of corruption and gains from fighting it, saying, "Evidence suggests that an improvement in the CPI by one point [on a 10-point scale] increases capital inflows by 0.5 per cent of a country's gross domestic product and average incomes by as much as 4 per cent."

### **Corporate bribery and double standards**

The weakening performance of some wealthy exporting countries, with notable European decliners in the 2008 CPI, casts a further critical light on government commitment to reign in the questionable methods of their companies in acquiring and managing overseas business, in addition to domestic concerns about issues such as the role of money in politics. The continuing emergence of foreign bribery scandals indicates a broader failure by the world's wealthiest countries to live up to the promise of mutual accountability in the fight against corruption.

"This sort of double standard is unacceptable and disregards international legal standards," said Labelle. "Beyond its corrosive effects on the rule of law and public confidence, this lack of resolution undermines the credibility of the wealthiest nations in calling for greater action to fight corruption by low-income countries." The OECD Anti-Bribery Convention, which criminalises overseas bribery by OECD-based companies, has been in effect since 1999, but application remains uneven.

Regulation, though, is just half the battle. Real change can only come from an internalised commitment by businesses of all sizes, and in developing as well as developed countries, to real improvement in anti-corruption practices.

### **Fighting corruption: a social compact**

Across the globe, stronger institutions of oversight, firm legal frameworks and more vigilant regulation will ensure lower levels of corruption, allowing more meaningful participation for all people in their societies, stronger development outcomes and a better quality of life for marginalised communities.

###

*Transparency International is the global civil society organisation leading the fight against corruption.*

### **Media Contacts:**

Gypsy Guillén Kaiser  
Tel: +49-176-1008-7363  
Fax: +49-30-3470 3912  
[ggkaiser@transparency.org](mailto:ggkaiser@transparency.org)

Jesse Garcia  
Tel: +49-30-34 38 20 667  
[jgarcia@transparency.org](mailto:jgarcia@transparency.org)

## Transparency International 2008 Corruption Perceptions Index

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

Country Rank	Country /Territory	CPI Score 2008	Standard Deviation	Confidence Intervals*	Surveys Used**
1	Denmark	9.3	0.2	9.1 - 9.4	6
1	Sweden	9.3	0.1	9.2 - 9.4	6
1	New Zealand	9.3	0.2	9.2 - 9.5	6
4	Singapore	9.2	0.3	9.0 - 9.3	9
5	Finland	9.0	0.8	8.4 - 9.4	6
5	Switzerland	9.0	0.4	8.7 - 9.2	6
7	Iceland	8.9	0.9	8.1 - 9.4	5
7	Netherlands	8.9	0.5	8.5 - 9.1	6
9	Australia	8.7	0.7	8.2 - 9.1	8
9	Canada	8.7	0.5	8.4 - 9.1	6
11	Luxembourg	8.3	0.8	7.8 - 8.8	6
12	Austria	8.1	0.8	7.6 - 8.6	6
12	Hong Kong	8.1	1	7.5 - 8.6	8
14	Germany	7.9	0.6	7.5 - 8.2	6
14	Norway	7.9	0.6	7.5 - 8.3	6
16	Ireland	7.7	0.3	7.5 - 7.9	6
16	United Kingdom	7.7	0.7	7.2 - 8.1	6
18	USA	7.3	0.9	6.7 - 7.7	8
18	Japan	7.3	0.5	7.0 - 7.6	8
18	Belgium	7.3	0.2	7.2 - 7.4	6
21	Saint Lucia	7.1	0.4	6.6 - 7.3	3
22	Barbados	7.0	0.5	6.5 - 7.3	4
23	France	6.9	0.7	6.5 - 7.3	6
23	Chile	6.9	0.5	6.5 - 7.2	7
23	Uruguay	6.9	0.5	6.5 - 7.2	5
26	Slovenia	6.7	0.5	6.5 - 7.0	8
27	Estonia	6.6	0.7	6.2 - 6.9	8
28	Spain	6.5	1	5.7 - 6.9	6
28	Qatar	6.5	0.9	5.6 - 7.0	4
28	Saint Vincent and the Grenadines	6.5	1.5	4.7 - 7.3	3
31	Cyprus	6.4	0.8	5.9 - 6.8	3
32	Portugal	6.1	0.9	5.6 - 6.7	6
33	Israel	6.0	0.6	5.6 - 6.3	6
33	Dominica	6.0	1.3	4.7 - 6.8	3

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](http://www.transparency.org/surveys/#cpi) or [www.icgg.org](http://www.icgg.org)

### *Explanatory notes*

**\*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. 13 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	CPI Score 2008	Standard Deviation	Confidence Intervals	Surveys Used
35	United Arab Emirates	5.9	1.4	4.8 - 6.8	5
36	Botswana	5.8	1	5.2 - 6.4	6
36	Puerto Rico	5.8	1.1	5.0 - 6.6	4
36	Malta	5.8	0.6	5.3 - 6.3	4
39	Taiwan	5.7	0.5	5.4 - 6.0	9
40	South Korea	5.6	1.1	5.1 - 6.3	9
41	Mauritius	5.5	1.1	4.9 - 6.4	5
41	Oman	5.5	1.4	4.5 - 6.4	5
43	Macao	5.4	1.4	3.9 - 6.2	4
43	Bahrain	5.4	1.1	4.3 - 5.9	5
45	Bhutan	5.2	1.1	4.5 - 5.9	5
45	Czech Republic	5.2	1	4.8 - 5.9	8
47	Malaysia	5.1	1.1	4.5 - 5.7	9
47	Costa Rica	5.1	0.4	4.8 - 5.3	5
47	Hungary	5.1	0.6	4.8 - 5.4	8
47	Jordan	5.1	1.9	4.0 - 6.2	7
47	Cape Verde	5.1	1.6	3.4 - 5.6	3
52	Slovakia	5.0	0.7	4.5 - 5.3	8
52	Latvia	5.0	0.3	4.8 - 5.2	6
54	South Africa	4.9	0.5	4.5 - 5.1	8
55	Seychelles	4.8	1.7	3.7 - 5.9	4
55	Italy	4.8	1.2	4.0 - 5.5	6
57	Greece	4.7	0.6	4.2 - 5.0	6
58	Turkey	4.6	0.9	4.1 - 5.1	7
58	Lithuania	4.6	1	4.1 - 5.2	8
58	Poland	4.6	1	4.0 - 5.2	8
61	Namibia	4.5	1.1	3.8 - 5.1	6
62	Samoa	4.4	0.8	3.4 - 4.8	3
62	Croatia	4.4	0.7	4.0 - 4.8	8
62	Tunisia	4.4	1.6	3.5 - 5.5	6
65	Kuwait	4.3	1.4	3.3 - 5.2	5
65	Cuba	4.3	0.9	3.6 - 4.8	4
67	Ghana	3.9	0.8	3.4 - 4.5	6
67	Georgia	3.9	1.2	3.2 - 4.6	7
67	El Salvador	3.9	1	3.2 - 4.5	5
70	Romania	3.8	0.8	3.4 - 4.2	8
70	Colombia	3.8	1	3.3 - 4.5	7
72	Bulgaria	3.6	1.1	3.0 - 4.3	8
72	FYR Macedonia	3.6	1.1	2.9 - 4.3	6
72	Peru	3.6	0.6	3.4 - 4.1	6

Country Rank	Country /Territory	CPI Score 2008	Standard Deviation	Confidence Intervals	Surveys Used
72	Mexico	3.6	0.4	3.4 - 3.9	7
72	China	3.6	1.1	3.1 - 4.3	9
72	Suriname	3.6	0.6	3.3 - 4.0	4
72	Trinidad and Tobago	3.6	0.7	3.1 - 4.0	4
72	Swaziland	3.6	1.1	2.9 - 4.3	4
80	Burkina Faso	3.5	1	2.9 - 4.2	7
80	Brazil	3.5	0.6	3.2 - 4.0	7
80	Saudi Arabia	3.5	0.7	3.0 - 3.9	5
80	Thailand	3.5	0.8	3.0 - 3.9	9
80	Morocco	3.5	0.8	3.0 - 4.0	6
85	Senegal	3.4	0.9	2.9 - 4.0	7
85	Panama	3.4	0.6	2.8 - 3.7	5
85	Serbia	3.4	0.8	3.0 - 4.0	6
85	Montenegro	3.4	1	2.5 - 4.0	5
85	Madagascar	3.4	1.1	2.8 - 4.0	7
85	Albania	3.4	0.1	3.3 - 3.4	5
85	India	3.4	0.3	3.2 - 3.6	10
92	Algeria	3.2	0.3	2.9 - 3.4	6
92	Bosnia and Herzegovina	3.2	0.6	2.9 - 3.5	7
92	Sri Lanka	3.2	0.5	2.9 - 3.5	7
92	Lesotho	3.2	1	2.3 - 3.8	5
96	Gabon	3.1	0.3	2.8 - 3.3	4
96	Mali	3.1	0.4	2.8 - 3.3	6
96	Jamaica	3.1	0.3	2.8 - 3.3	5
96	Guatemala	3.1	1.2	2.3 - 4.0	5
96	Benin	3.1	0.5	2.8 - 3.4	6
96	Kiribati	3.1	0.5	2.5 - 3.4	3
102	Tanzania	3.0	0.6	2.5 - 3.3	7
102	Lebanon	3.0	1	2.2 - 3.6	4
102	Rwanda	3.0	0.4	2.7 - 3.2	5
102	Dominican Republic	3.0	0.4	2.7 - 3.2	5
102	Bolivia	3.0	0.3	2.8 - 3.2	6
102	Djibouti	3.0	0.7	2.2 - 3.3	4
102	Mongolia	3.0	0.5	2.6 - 3.3	7
109	Armenia	2.9	0.4	2.6 - 3.1	7
109	Belize	2.9	1.2	1.8 - 3.7	3
109	Argentina	2.9	0.7	2.5 - 3.3	7
109	Vanuatu	2.9	0.5	2.5 - 3.2	3
109	Solomon Islands	2.9	0.5	2.5 - 3.2	3
109	Moldova	2.9	1.1	2.4 - 3.7	7
115	Mauritania	2.8	1.2	2.2 - 3.7	7
115	Maldives	2.8	1.7	1.7 - 4.3	4
115	Niger	2.8	0.5	2.4 - 3.0	6
115	Malawi	2.8	0.6	2.4 - 3.1	6
115	Zambia	2.8	0.4	2.5 - 3.0	7
115	Egypt	2.8	0.7	2.4 - 3.2	6
121	Togo	2.7	1.4	1.9 - 3.7	6

Country Rank	Country /Territory	CPI Score 2008	Standard Deviation	Confidence Intervals	Surveys Used
121	Viet Nam	2.7	0.7	2.4 - 3.1	9
121	Nigeria	2.7	0.5	2.3 - 3.0	7
121	Sao Tome and Principe	2.7	0.6	2.1 - 3.1	3
121	Nepal	2.7	0.5	2.4 - 3.0	6
126	Indonesia	2.6	0.6	2.3 - 2.9	10
126	Honduras	2.6	0.5	2.3 - 2.9	6
126	Ethiopia	2.6	0.6	2.2 - 2.9	7
126	Uganda	2.6	0.7	2.2 - 3.0	7
126	Guyana	2.6	0.2	2.4 - 2.7	4
126	Libya	2.6	0.6	2.2 - 3.0	5
126	Eritrea	2.6	1.3	1.7 - 3.6	5
126	Mozambique	2.6	0.4	2.4 - 2.9	7
134	Nicaragua	2.5	0.4	2.2 - 2.7	6
134	Pakistan	2.5	0.7	2.0 - 2.8	7
134	Comoros	2.5	0.8	1.9 - 3.0	3
134	Ukraine	2.5	0.5	2.2 - 2.8	8
138	Paraguay	2.4	0.5	2.0 - 2.7	5
138	Liberia	2.4	0.7	1.8 - 2.8	4
138	Tonga	2.4	0.4	1.9 - 2.6	3
141	Yemen	2.3	0.7	1.9 - 2.8	5
141	Cameroon	2.3	0.7	2.0 - 2.7	7
141	Iran	2.3	0.5	1.9 - 2.5	4
141	Philippines	2.3	0.4	2.1 - 2.5	9
145	Kazakhstan	2.2	0.7	1.8 - 2.7	6
145	Timor-Leste	2.2	0.4	1.8 - 2.5	4
147	Syria	2.1	0.6	1.6 - 2.4	5
147	Bangladesh	2.1	0.5	1.7 - 2.4	7
147	Russia	2.1	0.6	1.9 - 2.5	8
147	Kenya	2.1	0.4	1.9 - 2.4	7
151	Laos	2.0	0.5	1.6 - 2.3	6
151	Ecuador	2.0	0.3	1.8 - 2.2	5
151	Papua New Guinea	2.0	0.6	1.6 - 2.3	6
151	Tajikistan	2.0	0.5	1.7 - 2.3	8
151	Central African Republic	2.0	0.3	1.9 - 2.2	5
151	Côte d'Ivoire	2.0	0.7	1.7 - 2.5	6
151	Belarus	2.0	0.7	1.6 - 2.5	5
158	Azerbaijan	1.9	0.4	1.7 - 2.1	8
158	Burundi	1.9	0.7	1.5 - 2.3	6
158	Congo, Republic	1.9	0.1	1.8 - 2.0	6
158	Sierra Leone	1.9	0.1	1.8 - 2.0	5
158	Venezuela	1.9	0.1	1.8 - 2.0	7
158	Guinea-Bissau	1.9	0.2	1.8 - 2.0	3
158	Angola	1.9	0.5	1.5 - 2.2	6
158	Gambia	1.9	0.6	1.5 - 2.4	5
166	Uzbekistan	1.8	0.7	1.5 - 2.2	8
166	Turkmenistan	1.8	0.5	1.5 - 2.2	5
166	Zimbabwe	1.8	0.5	1.5 - 2.1	7

Country Rank	Country /Territory	CPI Score 2008	Standard Deviation	Confidence Intervals	Surveys Used
166	Cambodia	1.8	0.2	1.7 - 1.9	7
166	Kyrgyzstan	1.8	0.2	1.7 - 1.9	7
171	Congo, Democratic Republic	1.7	0.2	1.6 - 1.9	6
171	Equatorial Guinea	1.7	0.2	1.5 - 1.8	4
173	Guinea	1.6	0.4	1.3 - 1.9	6
173	Chad	1.6	0.2	1.5 - 1.7	6
173	Sudan	1.6	0.2	1.5 - 1.7	6
176	Afghanistan	1.5	0.3	1.1 - 1.6	4
177	Haiti	1.4	0.4	1.1 - 1.7	4
178	Iraq	1.3	0.3	1.1 - 1.6	4
178	Myanmar	1.3	0.4	1.0 - 1.5	4
180	Somalia	1.0	0.6	0.5 - 1.4	4

## Appendix: Sources for the TI Corruption Perceptions Index (CPI) 2008

Number	1	2	3
Abbreviation	ADB	AFDB	BTI
Source	Asian Development Bank	African Development Bank	Bertelsmann Foundation
Name	Country Performance Assessment Ratings	Country Policy and Institutional Assessments	Bertelsmann Transformation Index
Compiled / published	2007/2008	2007/08	2007/2008
Internet	<a href="http://www.adb.org/Documents/Reports/ADF/2007-ADF-PBA.pdf">http://www.adb.org/Documents/Reports/ADF/2007-ADF-PBA.pdf</a>	<a href="http://www.afdb.org/pls/portal/docs/PA/GE/ADB_ADMIN_PG/DOCUMENTS/NEWS/2007%20COUNTRY%20PERFORMANCE%20ASSESSMENT%20NOTE.DOC">http://www.afdb.org/pls/portal/docs/PA/GE/ADB_ADMIN_PG/DOCUMENTS/NEWS/2007%20COUNTRY%20PERFORMANCE%20ASSESSMENT%20NOTE.DOC</a>	<a href="http://www.bertelsmann-transformation-index.de/11.0.html?&amp;L=1">http://www.bertelsmann-transformation-index.de/11.0.html?&amp;L=1</a>
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	Corruption, conflicts of interest, diversion of funds as well as anti-corruption efforts and achievements	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	29 countries (eligible for ADF funding)	52 countries	125 less developed and transition countries

Number	4	5	6
Abbreviation	WB	EIU	FH
Source	World Bank (IDA and IBRD)	Economist Intelligence Unit	Freedom House
Name	Country Policy and Institutional Assessment	Country Risk Service and Country Forecast	Nations in Transit
Compiled / published	2007/2008	2008	2008
Internet	<a href="http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0..contentMDK:20933600~menuPK:2626968~pagePK:51236175~piPK:437394~theSitePK:73154.00.html">http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0..contentMDK:20933600~menuPK:2626968~pagePK:51236175~piPK:437394~theSitePK:73154.00.html</a>	<a href="http://www.eiu.com">www.eiu.com</a>	<a href="http://www.freedomhouse.hu/index.php?option=com_content&amp;task=view&amp;id=196">http://www.freedomhouse.hu/index.php?option=com_content&amp;task=view&amp;id=196</a>
Who was surveyed?	Country teams, experts inside and outside the bank	Expert staff assessment	Assessment by experts originating or resident in the respective country.
Subject asked	Corruption, conflicts of interest, diversion of funds as well as anti-corruption efforts and achievements	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
Number of replies	Not applicable	Not applicable	Not applicable
Coverage	75 countries (eligible for IDA funding)	170 countries	29 countries/territories

Number	7	8	9
Abbreviation	GI	IMD	
Source	Global Insight	IMD International, Switzerland, World Competitiveness Center	
Name	Country Risk Ratings	IMD World Competitiveness Yearbook	
Compiled / published	2008	2007	2008
Internet	<a href="http://www.globalinsight.com">http://www.globalinsight.com</a>	<a href="http://www.imd.ch/wcc">www.imd.ch/wcc</a>	
Who was surveyed?	Expert staff assessment	Executives in top and middle management; domestic and international companies	
Subject asked	The likelihood of encountering corrupt officials, ranging from petty bureaucratic corruption to grand political corruption	Category Institutional Framework - State Efficiency: "Bribing and corruption exist/do not exist"	
Number of replies	Not applicable	More than 4000	
Coverage	203 countries	55 countries	55 countries



Number	10	11	12
Abbreviation	MIG	PERC	
Source	Merchant International Group	Political & Economic Risk Consultancy	
Name	Grey Area Dynamics	Asian Intelligence Newsletter	
Compiled / published	2007	2007	2008
Internet	<a href="http://www.merchantinternational.com">www.merchantinternational.com</a>	<a href="http://www.asiarisk.com/">www.asiarisk.com/</a>	
Who was surveyed?	Expert staff and network of local correspondents	Expatriate business executives	
Subject asked	Corruption, ranging from bribery of government ministers to inducements payable to the "humblest clerk"	How serious do you consider the problem of corruption to be in the public sector?	
Number of replies	Not applicable	1476	1400
Coverage	155 countries	15 countries	15 countries

Number	13
Abbreviation	WEF
Source	World Economic Forum
Name	Global Competitiveness Report
Compiled / published	2007/2008
Internet	<a href="http://www.weforum.org">www.weforum.org</a>
Who was surveyed?	Senior business leaders; domestic and international companies
Subject asked	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	11,406
Coverage	131 countries

**Additional technical information:**  
Prof. Dr Johann Graf Lambsdorff  
Passau University, Germany  
Tel: +49 851 509 2551  
[jlambsd@uni-passau.de](mailto:jlambsd@uni-passau.de)

<http://www.transparency.org>

Alt Moabit 96,  
10559 Berlin, Germany  
Tel: +49-30-3438 20666

### **A short methodological note**

### **Transparency International Corruption Perceptions Index (CPI) 2008**

1. The CPI gathers data from sources that span the last two years. For the CPI 2008, this includes surveys from 2008 and 2007.
2. The CPI 2008 is calculated using data from 13 sources originated from 11 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 last two years are 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 is done by country experts, non resident and residents. In the CPI 2008, this consists of the following sources: Asian Development Bank, African Development Bank, Bertelsmann Transformation Index, Country Policy and Institutional Assessment, Economist Intelligence Unit, Freedom House, Global Insight and Merchant International Group. Additional sources are resident business leaders evaluating their own country; in the CPI 2008, this consists of the following sources: 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, that is to say, 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 5 per cent probability that the value is below and 5 per cent probability that the value is above this confidence range.
11. Research shows that the unbiased coverage probability for the confidence range is lower than its nominal value of 90 per cent. The accuracy of the confidence interval estimates increases with a growing number of sources: for three sources, 65.3 per cent; for four sources, 73.6 per cent; for five sources, 78.4 per cent; for six sources, 80.2 per cent; and for seven sources, 81.8 per cent.
12. The overall reliability of data is demonstrated in the high correlation between sources. In this regard, Pearson's and Kendall's rank correlations have been performed, which provided average results of .78 and .63 respectively.

## *Frequently Asked Questions*

### **Transparency International Corruption Perceptions Index (CPI) 2008**

#### **General**

- What is the Corruption Perceptions Index (CPI)?
- For the purpose of the CPI, how is corruption defined?
- Why is the CPI based only on perceptions?

#### **Method**

- How many countries are included in the CPI 2008?
- How are countries chosen for inclusion in the CPI?
- Which countries/territories were added to or removed from the CPI 2008?
- Which countries might be included in future CPIs?
- What are the sources of data for the CPI?
- Whose opinion is polled for the surveys used in the CPI?
- Does the CPI reproduce what it is propagating?
- How does TI ensure quality control of the CPI?

#### **Interpreting the CPI**

- Which matters more, a country's rank or its score?
- Is the country with the lowest score the world's most corrupt country?
- Example: What is implied by Somalia's ranking according in the CPI 2008?
- Can country scores in the CPI 2008 be compared to those in past CPIs?
- 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?

#### **Change in scores between 2007 and 2008**

- Which countries' scores deteriorated most between 2007 and 2008?
- Which countries' scores improved most?

#### **Using the CPI**

- Is the CPI a reliable measure of a country's perceived level of corruption?
- Is the CPI a reliable measure for decisions on aid allocation?

#### **Transparency International's CPI and the fight against corruption**

- How is the CPI funded?
- What is the difference between the CPI and TI's Global Corruption Barometer (GCB)?
- What is the difference between the CPI and TI's Bribe Payers Index (BPI)?

#### **General**

##### **What is the CPI?**

The Transparency International Corruption Perceptions Index ranks countries 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 are living in the countries evaluated.

Transparency International commissions the CPI from Johann Graf Lambsdorff, Chair Economic Theory, University of Passau and Senior Research Advisor to TI.

### **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 relating to the misuse of public power for private benefit. These include for example: bribery of public officials, kickbacks in public procurement, embezzlement of public funds or questions that probe the strength and effectiveness of anti-corruption efforts, thereby encompassing 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 based on hard empirical data, e.g. by comparing the amount of bribes or the number of prosecutions or court cases. In the latter case, for example, such comparative data does not reflect actual levels of corruption; rather it highlights the quality of prosecutors, courts and/or the media in exposing corruption across countries. One strong method of compiling cross-country 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.

## **Method**

### **How many countries are included in the CPI?**

The CPI 2008 ranks 180 countries, the same number of countries as in 2007.

### **How are countries 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 data.

### **Which countries/territories were added to or removed from the CPI 2008?**

A slight change in country coverage resulted from individual sources adjusting their coverage. This allowed the inclusion of Puerto Rico. Unfortunately, for Grenada only two sources were available, disallowing its inclusion this year.

### **Which countries 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. Although a minimum of three sets of reliable data are required for the CPI, the following countries/territories are being considered for inclusion.

Countries or territories with two sets of data are: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bermuda, Brunei, Cayman Islands, Fiji, Grenada, Liechtenstein, Micronesia (Federated States of), Netherlands Antilles, North Korea, Palestine, St. Kitts & Nevis and Tuvalu. For all of the above countries / territories, at least one more set of data is necessary for inclusion in the CPI.

### **What are the sources of data for the CPI?**

The CPI 2008 draws on 13 different polls and surveys from 11 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. All sources must provide a ranking of nations and must measure the overall extent of corruption. This condition excludes surveys which mix corruption with other issues, such as political instability, decentralization or nationalism for instance.

Data for the CPI has been provided to TI free of charge. Some sources do not allow disclosure of the data that they contribute; other sources are publicly available. For a full list of survey sources, details on questions asked and number of respondents for the CPI

2008 please see the CPI methodology at <http://www.transparency.org/cpi> or <http://www.ICGG.org>

### **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 survey non-resident and resident experts.

It is important to note that residents' viewpoints correlate well with those of non-resident experts.

### **Does the CPI reproduce what it is propagating?**

The CPI has gained wide prominence in the international media since its first publication in 1995. This has raised concern 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 9000 responses, knowledge of the CPI does not induce business experts to 'go with the herd'. Knowledge of the CPI may motivate respondents to determine their own views. This is a strong indication that there is no circularity in the present approach.

### **How does TI ensure quality control of the CPI?**

The CPI methodology is reviewed by an Index Advisory Committee consisting of leading international experts in the fields of corruption, econometrics and statistics. Members of the committee make suggestions for improving the CPI, but the management of TI takes the final decisions on the methodology in light of the academic advice provided by Prof. Dr. Johann Graf Lambsdorff from Passau University.

## **Interpreting the CPI**

### **Which matters more, a country's rank or its score?**

A country's 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 with the lowest score the world's most corrupt country?**

No. The country 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 latest CPI 2008 ranks 180 of them. The CPI provides no information about countries that are not included.

### **Example: What is implied by Somalia's ranking in the CPI 2008?**

Corruption in Somalia has been perceived to be the highest in the CPI 2008. 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 the people are victims of corruption. Corruption by powerful individuals, and failure of leaders and institutions to control or prevent corruption, does not imply that a country or its people are most corrupt.

### **Can country scores in the CPI 2008 be compared to those in past CPIs?**

The index primarily provides a snapshot of the views of business people and country analysts for the current or recent years, 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, as outlined above.

Year-to-year changes in a country's score can either result from a changed perception of a country's performance or from a change in the CPI's sample and methodology. 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.

**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 2008 is based on data primarily 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.

## **Change in scores between 2007 and 2008**

**Which countries' scores deteriorated most between 2007 and 2008?**

Making comparisons from one year to another is problematic, for the reasons highlighted above. To the extent that changes can be traced back to individual sources, trends can be cautiously identified. Noteworthy examples of deteriorations from CPI 2007 to CPI 2008 are Bulgaria, Burundi, Finland, France, Italy, Macao, Maldives, Norway, Portugal, Somalia, Timor-Leste and United Kingdom. In these cases, actual changes in perceptions occurred during the last two years.

**Which countries' scores improved most?**

With the same caveats applied, and based on data from sources that have been consistently used for the index, improvements can be observed from 2007 to 2008 for Albania, Bahrain, Benin, Cyprus, Dominica, Georgia, Indonesia, Jordan, Mauritius, Nigeria, Oman, Poland, Qatar, Saint Lucia, Saint Vincent and the Grenadines, South Korea, Tonga and Turkey.

## **Using the CPI**

**Is the CPI a reliable measure of a country's perceived level of corruption?**

The CPI is a solid measurement tool of perceptions of 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. Countries 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 converse 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 receive aid, and which do not. TI does not encourage that the CPI 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. Additionally, 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 established.

## **Transparency International's CPI and the fight against corruption**

**How is the CPI funded?**

Transparency International is funded by various governmental agencies, international foundations and corporations, whose financial support makes the CPI possible. Additional support for TI's 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. For more on Transparency International's sources of funding, please see [http://www.transparency.org/support\\_us](http://www.transparency.org/support_us).

**What is the difference between the CPI and TI's Global Corruption Barometer?**

The CPI assesses expert perceptions of levels of public sector corruption across countries, while the Global Corruption Barometer (see [http://www.transparency.org/policy\\_research/surveys\\_indices/gcb](http://www.transparency.org/policy_research/surveys_indices/gcb)) is concerned with attitudes toward and experiences of corruption among the general public.

**What is the difference between the CPI and TI's Bribe Payers Index (BPI)?**

While the CPI indicates perceived levels of corruption in countries, the BPI focuses on the propensity of firms from leading export countries to bribe abroad – providing an indication of the 'supply side' of corruption. The most recent Bribe Payers Index was published in October 2006 and can be found under: [http://www.transparency.org/policy\\_research/surveys\\_indices/bpi](http://www.transparency.org/policy_research/surveys_indices/bpi) . The next BPI will be published in late 2008.



## Corruption Perceptions Index

### Regional Highlights: Americas

Countries/Territories included: 32

Among the 32 countries from the Americas included in Transparency International's (TI) 2008 Corruption Perceptions Index (CPI), 22 scored less than 5 points out of 10, indicating a serious corruption problem, and eleven failed to exceed the three-point mark, indicating rampant corruption.

The results reflect an unfortunate on-going trend for the region in the past few years. Anti-corruption efforts appear largely to have stalled, which is particularly troubling in light of the reform programmes of many governments, as well as the central role of corruption on the public agenda and in election campaigns in the region.

There is no single solution and the particular context of each country must be analysed. But some regional factors can be identified that continue to affect the fight against corruption in Latin America and, to a large extent, the Caribbean.

In recent years, strong economic growth throughout the region, which surpassed an average of five per cent in 2007, has not necessarily brought with it a reduction in income inequality. TI's 2007 *Global Corruption Barometer* (a survey that charts citizens' experiences and perceptions of corruption) and studies by TI national chapters show that poor families tend to pay bribes more frequently, depleting scarce household resources. Transparency International is therefore focusing its regional work on supporting the poor in their efforts to overcome the corruption barrier.

The 2007 *Global Corruption Report* showed that Latin America had the lowest level of trust in the judiciary, with seventy-three per cent of those surveyed in ten Latin American countries declaring the judiciary to be corrupt. The inability of judicial systems in some countries to sanction criminals promotes a perception of impunity for the powerful, a sense of insecurity for ordinary citizens and diminished interest from foreign investors.

More broadly, in 2004, 43 per cent of Latin American respondents for the *Global Corruption Barometer* reported that they expected corruption to increase in the next three years, a figure that rose to 54 per cent in 2007. Hence, it is vital that governments move quickly to achieve concrete, visible results. An immediate target must be the structural weaknesses that enable networks of individuals, whether legal or illegal, to steer public policy to their benefit, threatening the quality of government, and its ability to act in the public good.

These common elements seem to be determining factors in the perpetual sense of deadlock in the fight against corruption in Latin America and the Caribbean. The region has advanced significantly in the adoption of anti-corruption conventions and legal instruments, but it is clear that many countries are still lacking effective enforcement of the rule of law.

Looking at North America, the situation in the United States is different, but not necessarily better. The US score, at 7.3 in 2008, has decreased slightly over the past few years and its global ranking (18) continues to be one of the lowest among the world's leading industrialised countries. Contributing factors may include a widespread sense that political finance is in need of reform, with lobbyists and special interest groups perceived to have an unfair hold on political decision-making. Nearly three-quarters of voters polled after the 2006 US Congressional elections identified corruption as an extremely important issue. Since then, the persistence of corruption allegations at the federal, state and municipal level has also fuelled public concern.

Canada, the high scorer in the region, maintains its place among the ten countries with the lowest perceived levels of corruption, and therefore serves as a benchmark and inspiration for the Americas.

Country Rank	Regional Country Rank	Country /Territory	CPI Score 2008	Confidence Intervals	Surveys Used
9	1	Canada	8.7	8.4 - 9.1	6
18	2	USA	7.3	6.7 - 7.7	8
21	3	Saint Lucia	7.1	6.6 - 7.3	3
22	4	Barbados	7.0	6.5 - 7.3	4
23	5	Chile	6.9	6.5 - 7.2	7
23	5	Uruguay	6.9	6.5 - 7.2	5
28	7	Saint Vincent and the Grenadines	6.5	4.7 - 7.3	3
33	8	Dominica	6.0	4.7 - 6.8	3
36	9	Puerto Rico	5.8	5.0 - 6.6	4
47	10	Costa Rica	5.1	4.8 - 5.3	5
65	11	Cuba	4.3	3.6 - 4.8	4
67	12	El Salvador	3.9	3.2 - 4.5	5
70	13	Colombia	3.8	3.3 - 4.5	7
72	14	Trinidad and Tobago	3.6	3.1 - 4.0	4
72	14	Mexico	3.6	3.4 - 3.9	7
72	14	Peru	3.6	3.4 - 4.1	6
72	14	Suriname	3.6	3.3 - 4.0	4
80	18	Brazil	3.5	3.2 - 4.0	7
85	19	Panama	3.4	2.8 - 3.7	5
96	20	Guatemala	3.1	2.3 - 4.0	5
96	20	Jamaica	3.1	2.8 - 3.3	5
102	22	Dominican Republic	3.0	2.7 - 3.2	5
102	22	Bolivia	3.0	2.8 - 3.2	6
109	24	Argentina	2.9	2.5 - 3.3	7
109	24	Belize	2.9	1.8 - 3.7	3
126	26	Honduras	2.6	2.3 - 2.9	6
126	26	Guyana	2.6	2.4 - 2.7	4
134	28	Nicaragua	2.5	2.2 - 2.7	6
138	29	Paraguay	2.4	2.0 - 2.7	5
151	30	Ecuador	2.0	1.8 - 2.2	5
158	31	Venezuela	1.9	1.8 - 2.0	7
177	32	Haiti	1.4	1.1 - 1.7	4

###

**Media Contacts:**

Gypsy Guillén Kaiser, [ggkaiser@transparency.org](mailto:ggkaiser@transparency.org)  
 Tel:+49 30 3438 20 662

Jesse Garcia, [jgarcia@transparency.org](mailto:jgarcia@transparency.org)  
 Tel.: +49 30 3438 20 667

**Transparency International**  
 Alt Moabit 96  
 10559 Berlin, Germany  
[www.transparency.org](http://www.transparency.org)

## 2008 Corruption Perceptions Index

### Regional Highlights: Asia-Pacific

Countries/Territories Ranked: 32

Overall, corruption and lack of transparency, particularly in political financing, clearly remain serious challenges across the region. Out of 32 countries and territories in the Asia-Pacific region included in Transparency International's (TI) 2008 Corruption Perceptions Index (CPI), 22 scored below 5, indicating a serious corruption problem in the public sector. Only ten countries scored above 5.

**Indonesia**, **South Korea** and **Tonga** scored significantly higher this year, reflecting an improvement in perceived levels of corruption. **Hong Kong**, **Macao**, the **Maldives** and **Timor-Leste**, on the other hand, saw a worsening in perceived levels of corruption.

**Indonesia's** score of 2.6 continues to reflect perceptions of rampant corruption, but represents an improvement over its score of 2.3 in the 2007 CPI. Bold reform in the tax and custom administration and the ability of Corruption Eradication Commission to bring forward high profile cases have recently bolstered the perception that corruption is being addressed more aggressively, even though the problem remains widespread.

**Tonga**, which held elections this year and has stated its commitment to move towards a democratically elected government by 2010, saw its CPI score rise to 2.4 in 2008, over 1.7 in 2007, reflecting increased confidence as a result of stronger accountability mechanisms. The introduction of an anti-corruption law and the establishment of an anti-corruption commission this year helped bolster perceptions of a more systematic anti-corruption approach in the country.

The increased score for **South Korea**, from 5.1 in 2007 to 5.6 in 2008, reflects the international community's perception of improved public-sector ethics and a commitment to implementing anti-corruption measures. However, following a recent presidential pardon, granted to business leaders convicted of fraud and embezzlement, civil society has grown increasingly sceptical of the new government's political commitment to the fight against corruption.

China's improved CPI score over the past three years shows that the domestic campaign to stamp out corruption, through reforms, vigorous investigation and heavy sentences, have translated into increasingly positive perceptions of corruption levels, though at 3.6 the nation's score remains troublingly low.

While **Macao's** economy grew explosively, its CPI score declined this year, meriting special attention. Over the past years, Macao has registered rapid economic growth – expected to reach 15 per cent in 2008, according to official figures – including a number of large construction projects. However, the legal and law-enforcement framework have failed to keep pace with economic developments. Recent irregularities in public procurement have bred negative public sentiment.

Perceptions of public-sector corruption in **Timor-Leste** and **Afghanistan** still suffer from the instability of recent years and the downward trend in their CPI scores continues. Corruption perceptions in Timor-Leste were affected, *inter alia*, by the recent debate on government accountability, particularly in relation to budgeting and the use of the Petroleum Fund. In Afghanistan, more corruption cases were reported by international aid agencies and civil society groups, keeping the spotlight on corruption as a major factor impeding the country's stability and future growth.

Country Rank	Regional Country Rank	Country /Territory	CPI Score 2008	Confidence Intervals	Surveys Used
1	1	New Zealand	9.3	9.2 - 9.5	6
4	2	Singapore	9.2	9.0 - 9.3	9
9	3	Australia	8.7	8.2 - 9.1	8
12	4	Hong Kong	8.1	7.5 - 8.6	8
18	5	Japan	7.3	7.0 - 7.6	8
39	6	Taiwan	5.7	5.4 - 6.0	9
40	7	South Korea	5.6	5.1 - 6.3	9
43	8	Macao	5.4	3.9 - 6.2	4
45	9	Bhutan	5.2	4.5 - 5.9	5
47	10	Malaysia	5.1	4.5 - 5.7	9
62	11	Samoa	4.4	3.4 - 4.8	3
72	12	China	3.6	3.1 - 4.3	9
80	13	Thailand	3.5	3.0 - 3.9	9
85	14	India	3.4	3.2 - 3.6	10
92	15	Sri Lanka	3.2	2.9 - 3.5	7
96	16	Kiribati	3.1	2.5 - 3.4	3
109	17	Solomon Islands	2.9	2.5 - 3.2	3
109	17	Vanuatu	2.9	2.5 - 3.2	3
115	19	Maldives	2.8	1.7 - 4.3	4
121	20	Nepal	2.7	2.4 - 3.0	6
121	20	Viet Nam	2.7	2.4 - 3.1	9
126	22	Indonesia	2.6	2.3 - 2.9	10
134	23	Pakistan	2.5	2.0 - 2.8	7
138	24	Tonga	2.4	1.9 - 2.6	3
141	25	Philippines	2.3	2.1 - 2.5	9
145	26	Timor-Leste	2.2	1.8 - 2.5	4
147	27	Bangladesh	2.1	1.7 - 2.4	7
151	28	Laos	2.0	1.6 - 2.3	6
151	28	Papua New Guinea	2.0	1.6 - 2.3	6
166	30	Cambodia	1.8	1.7 - 1.9	7
176	31	Afghanistan	1.5	1.1 - 1.6	4
178	32	Myanmar	1.3	1.0 - 1.5	4

## 2008 Corruption Perceptions Index

### Regional Highlights: EU and Western Europe

Countries/Territories ranked: 31

Although the European Union and other Western European countries rank at the top of Transparency International's (TI) 2008 Corruption Perceptions Index (CPI), this year's results show that there is no corruption-free zone in and around the EU.

The overarching critical perception displayed in the broad decline of CPI scores among EU countries and other Western European nations can be seen as a sign that anti-corruption reforms should not stop with EU membership and that there is a heightened awareness about corruption throughout the region. Recent high-profile scandals in the public and private sectors have also put a spotlight on the supply-side of corruption and contributed to a better understanding of how governments tolerate or react to such activity.

Serious scandals that have surfaced over the last few years in **Norway** and a CPI score of 7.9 in 2008, down from 8.7 in 2007, reflect a deeper problem in the private and public sectors though a growing number of cases are being investigated and prosecuted..

The **United Kingdom's** anti-corruption credentials within the OECD and other major international groups has clearly suffered a setback following the December 2006 decision to discontinue a criminal investigation of British Aerospace Systems (BAES) in relation to the Al Yamamah contract in Saudi Arabia. The decision to stop the criminal investigation raised acute concerns over the UK's international obligation to combat corruption.

Joining the European Union is not an automatic remedy for corruption, as the worsening of **Bulgaria's** CPI score clearly shows at 3.6 in 2008, down from 4.1 in 2007. Despite its accession to the EU, the country is still wary of tackling political corruption, which is closely linked to a very high level of organised crime. During the past two years, corruption in public procurement and strategic concession deals, a judiciary paralysed by corrupt structures and the misuse of EU funds dedicated to the country's development –for which it faced recent sanctions- have countered Bulgaria's success, heavily damaged its international image and reduced trust in national institutions.

A lack of transparency in election campaign finance has shaken faith in **Finland's** politicians, many of whom were embroiled in a scandal related to campaign financing for elections held in 2007. The investigations focused on a group of influential entrepreneurs who contributed to the campaigns of prominent leaders from the government and the opposition. A discussion on political corruption, unprecedented in its extent, was consequently triggered. Finland's CPI score decreased from 9.4 in 2007 to 9.0 in 2008.

**Italy**, also a decliner in the 2008 CPI with 4.8 from a score of 5.2 in 2007, has faced cases of acute fraud and corruption in its public health system resulting in the arrest of prominent politicians and public officials in the Abruzzo region. Civil society has recently been concerned by the independence of Italy's High Commissioner against Corruption.

In **France**, several cases of high-level public officials connected to corrupt activities surfaced during the past two years, including those of former Prime Minister Dominique de Villepin and the indictment of former French president Jacques Chirac, who faces additional investigations. On the private sector front, a scandal regarding slush funds connected to the main federation of French companies also erupted in late 2007. Such scandals may have contributed to an increased perception of public sector corruption and a decline in the country's CPI score from 7.3 in 2007 to 6.9 in 2008.

Investigations of corruption involving prominent sports figures captured public attention in **Portugal** during 2008. The country, with a CPI score of 6.1 in 2008 down from 6.5 in 2007, also



had its first-ever successful investigation of an illicit campaign donation. Extensive public discussions of proposals for a new approach to anti-corruption along with a failed plan, dominated public discussions in Portugal and may have affected perceptions.

**Poland's** score of 4.6 in 2008 a step up from 4.2 in 2007, may be tied to a special anti-corruption body to address public and private sector corruption which has shown some promising results since its establishment in 2006. Its investigations have led to the arrest of various high level officials accused of bribery including an ex-minister, an ex-member of the Parliament and other public officials.

Country Rank	Regional Country Rank	Country /Territory	CPI Score 2008	Confidence Intervals	Surveys Used
1	1	Denmark	9.3	9.1 - 9.4	6
1	1	Sweden	9.3	9.2 - 9.4	6
5	3	Switzerland	9.0	8.7 - 9.2	6
5	3	Finland	9.0	8.4 - 9.4	6
7	5	Netherlands	8.9	8.5 - 9.1	6
7	5	Iceland	8.9	8.1 - 9.4	5
11	7	Luxembourg	8.3	7.8 - 8.8	6
12	8	Austria	8.1	7.6 - 8.6	6
14	9	Norway	7.9	7.5 - 8.3	6
14	9	Germany	7.9	7.5 - 8.2	6
16	11	Ireland	7.7	7.5 - 7.9	6
16	11	United Kingdom	7.7	7.2 - 8.1	6
18	13	Belgium	7.3	7.2 - 7.4	6
23	14	France	6.9	6.5 - 7.3	6
26	15	Slovenia	6.7	6.5 - 7.0	8
27	16	Estonia	6.6	6.2 - 6.9	8
28	17	Spain	6.5	5.7 - 6.9	6
31	18	Cyprus	6.4	5.9 - 6.8	3
32	19	Portugal	6.1	5.6 - 6.7	6
33	20	Israel	6.0	5.6 - 6.3	6
36	21	Malta	5.8	5.3 - 6.3	4
45	22	Czech Republic	5.2	4.8 - 5.9	8
47	23	Hungary	5.1	4.8 - 5.4	8
52	24	Latvia	5.0	4.8 - 5.2	6
52	24	Slovakia	5.0	4.5 - 5.3	8
55	26	Italy	4.8	4.0 - 5.5	6
57	27	Greece	4.7	4.2 - 5.0	6
58	28	Lithuania	4.6	4.1 - 5.2	8
58	28	Poland	4.6	4.0 - 5.2	8
70	30	Romania	3.8	3.4 - 4.2	8
72	31	Bulgaria	3.6	3.0 - 4.3	8

## 2008 Corruption Perceptions Index 2008

### Regional Highlights: South Eastern Europe and Central Asia

Countries Ranked: 7 in South Eastern Europe and 13 Post-Soviet Countries

Transparency International's 2008 Corruption Perceptions Index (CPI) clearly demonstrates that corruption remains a serious challenge in South Eastern Europe and post-soviet states. All 20 countries register scores below 5 (out of a possible 10) indicating that most face serious perceived levels of domestic corruption.

Despite extensive reforms and external incentives in the framework of the European Union pre-accession process, **Croatia, Macedonia, Montenegro, Serbia** and **Bosnia and Herzegovina** are not perceived as having significantly improved their anti-corruption stance. Apart from **Turkey** and **Albania**, the impact of the fight against corruption has been little despite actions undertaken to tackle the problem and promises by heads of state to make anti-corruption a core element of reforms in the run-up to EU membership.

The only two countries in South Eastern Europe currently witnessing a significant reduction in their perceived levels of corruption and showing signs of initial change are Albania, a potential EU candidate country, and Turkey, an EU candidate country. However, the EU accession process cannot yet be deemed a sustainable remedy.

Although **Turkey** declared anti-corruption a priority prior to 2006, no notable changes in legislation for greater transparency nor satisfying reforms furthering the fight against corruption can be noted in the past two years. In spite of this and the turmoil surrounding the last presidential and parliamentary elections, the country's economy has been developing very well, classifying Turkey as one of the BRICK-MUT countries with a heavy influx of foreign investors. This generally positive economic context and a focus on political developments in the public discourse may have influenced a side-tracking of corruption issues and an increased CPI score from 4.1 in 2007 to 4.6 in 2008.

In **Albania** on the other hand, where the CPI score rose from 2.9 in 2007 to 3.4 in 2008, the current government has been vocal about anti-corruption reforms it has championed over the past years and which appear to be showing initial results. An official task force created to fight corruption and economic crime has increased the number of officials prosecuted and sentenced for corruption, also building confidence among the public that corruption can be punished in Albania. In 2007, 224 officials were identified as involved in corruption and power abuse, 53 of them were arrested and prosecuted. A systemic approach was also taken in reducing corruption in tax administration, procurement and services to business, leading to a modernisation of such services. The implementation of electronic systems for taxes, procurement and business licenses reduced opportunities for extortion.

Of all CIS countries only Georgia shows an improvement while the scores of **Russia** and **Ukraine** continue to slide. Most countries in Central Asia remain at the same low level or show a significant decrease in their CPI score as is the case with **Kyrgyzstan** which went from 2.1 in 2007 to 1.8 in 2008.

**Georgia**, with a score of 3.9 in 2008 up from 3.4 in 2007, shows that the current administration's early reform efforts were highly effective in earning public confidence and improving the country's international image. There is a general consensus among public officials and civil society organisations that petty corruption has fallen post-revolution. In spite of this, grand corruption remains a persistent concern and a common assessment is that the official anti-corruption campaign is too heavily focused on prosecution as opposed to prevention, and that it is rather ad-hoc and not systemic or participatory.

Country Rank	Regional Country Rank	Country /Territory	CPI Score 2008	Confidence Intervals	Surveys Used
58	1	Turkey	4.6	4.1 - 5.1	7
62	2	Croatia	4.4	4.0 - 4.8	8
67	3	Georgia	3.9	3.2 - 4.6	7
72	4	Macedonia	3.6	2.9 - 4.3	6
85	5	Albania	3.4	3.3 - 3.4	5
85	5	Montenegro	3.4	2.5 - 4.0	5
85	5	Serbia	3.4	3.0 - 4.0	6
92	8	Bosnia and Herz	3.2	2.9 - 3.5	7
102	9	Mongolia	3.0	2.6 - 3.3	7
109	10	Armenia	2.9	2.6 - 3.1	7
109	10	Moldova	2.9	2.4 - 3.7	7
134	12	Ukraine	2.5	2.2 - 2.8	8
145	13	Kazakhstan	2.2	1.8 - 2.7	6
147	14	Russia	2.1	1.9 - 2.5	8
151	15	Belarus	2.0	1.6 - 2.5	5
151	15	Tajikistan	2.0	1.7 - 2.3	8
158	17	Azerbaijan	1.9	1.7 - 2.1	8
166	18	Turkmenistan	1.8	1.5 - 2.2	5
166	18	Kyrgyzstan	1.8	1.7 - 1.9	7
166	18	Uzbekistan	1.8	1.5 - 2.2	8



## 2008 Corruption Perceptions Index

### Regional Highlights: Sub-Saharan Africa

Countries/Territories Ranked: 47

Although overall, corruption and lack of transparency clearly remain a serious challenge across the region, Transparency International's (TI) 2008 Corruption Perceptions Index (CPI) shows that results in the fight against corruption are mixed. While **Benin, Mauritius** and **Nigeria** scored significantly higher this year, **Burundi** and **Somalia** saw a significant worsening in their perceived levels of corruption.

Out of the 47 countries reviewed, 30 scored below 3 indicating that corruption is perceived as rampant there and 14 scored between 3 and 5 indicating that corruption is perceived as a serious challenge by country experts and businessmen. Only three countries scored above the mid-point level of 5: **Botswana, Cape Verde** and **Mauritius**.

The fact that corruption is perceived to remain pervasive in many countries across the region indicates that it remains a serious threat for nations facing dire poverty stands to undermine chances of achieving any of the Millennium Development Goals. Increasing the risk that scarce funds earmarked for social spending are lost, misused or misallocated, corruption is a primary reason for the lack of progress in poverty reduction. Where transparency and accountability mechanisms are weak or lacking, public financial management and development outcomes suffer as a result. With the fight against corruption as a pre-condition to achieving greater aid effectiveness and reaching the goals of the 2005 Paris Declaration, which lays out the principles to make aid more effective, the CPI scores of most African countries indicate that progress in meeting the 2010 deadline for full implementation of the Declaration is lagging dangerously.

In addition to undermining the delivery of basic social services such as education and health, corruption, and the negative perceptions it generates, can fuel public distrust, while in cases such as **Somalia** the lowest CPI scores demonstrate a disturbing link to conflict, and economic and political collapse.

The threat of civil war returned to **Burundi** in 2007 after a breakdown of the Arusha peace process, and corruption became more acute across many sectors in the country. With no investigations into a growing number of allegations of high-level corruption, and little protection for whistle-blowers, corruption remained a serious impediment to the country's commercial and economic development.

Political corruption also has the power to alter the perceived level of corruption in a country. **Nigeria's** score of 2.7 in 2008, up from 2.2 in 2007, reflects increasingly positive domestic and international perceptions of the new government after elections in April 2007. Recent developments, however, show that Nigeria's reputation as seriously committed to transparency and accountability, is dependent on the resolve of political leaders to back anti-corruption pledges with concrete action, including ensuring the independence of anti-corruption agencies.

In **Mauritius**, reforms of the Mauritius Revenue Authority were carried out over the past two years with the aim of ensuring greater transparency and integrity in customs, which was previously considered to be one of the three most corrupt sectors in the country (along with law enforcement and the National Transport Authority). The Mauritian government's refusal, however, to allow an independent investigation into recent allegations of continued high-levels of corruption in the sector, does not bode well for the future fight against corruption in the country.

Country Rank	Regional Country Rank	Country /Territory	CPI Score 2008	Confidence Intervals	Surveys Used
36	1	Botswana	5.8	5.2 - 6.4	6
41	2	Mauritius	5.5	4.9 - 6.4	5
47	3	Cape Verde	5.1	3.4 - 5.6	3
54	4	South Africa	4.9	4.5 - 5.1	8
55	5	Seychelles	4.8	3.7 - 5.9	4
61	6	Namibia	4.5	3.8 - 5.1	6
67	7	Ghana	3.9	3.4 - 4.5	6
72	8	Swaziland	3.6	2.9 - 4.3	4
80	9	Burkina Faso	3.5	2.9 - 4.2	7
85	10	Madagascar	3.4	2.8 - 4.0	7
85	10	Senegal	3.4	2.9 - 4.0	7
92	12	Lesotho	3.2	2.3 - 3.8	5
96	13	Mali	3.1	2.8 - 3.3	6
96	13	Gabon	3.1	2.8 - 3.3	4
96	13	Benin	3.1	2.8 - 3.4	6
102	16	Tanzania	3.0	2.5 - 3.3	7
102	16	Rwanda	3.0	2.7 - 3.2	5
115	18	Zambia	2.8	2.5 - 3.0	7
115	18	Malawi	2.8	2.4 - 3.1	6
115	18	Niger	2.8	2.4 - 3.0	6
115	18	Mauritania	2.8	2.2 - 3.7	7
121	22	Sao Tome and Principe	2.7	2.1 - 3.1	3
121	22	Nigeria	2.7	2.3 - 3.0	7
121	22	Togo	2.7	1.9 - 3.7	6
126	25	Eritrea	2.6	1.7 - 3.6	5
126	25	Ethiopia	2.6	2.2 - 2.9	7
126	25	Mozambique	2.6	2.4 - 2.9	7
126	25	Uganda	2.6	2.2 - 3.0	7
134	29	Comoros	2.5	1.9 - 3.0	3
138	30	Liberia	2.4	1.8 - 2.8	4
141	31	Cameroon	2.3	2.0 - 2.7	7
147	32	Kenya	2.1	1.9 - 2.4	7
151	33	Côte d'Ivoire	2.0	1.7 - 2.5	6
151	33	Central African Republic	2.0	1.9 - 2.2	5
158	35	Gambia	1.9	1.5 - 2.4	5
158	35	Guinea-Bissau	1.9	1.8 - 2.0	3
158	35	Congo, Republic	1.9	1.8 - 2.0	6
158	35	Angola	1.9	1.5 - 2.2	6
158	35	Burundi	1.9	1.5 - 2.3	6
158	35	Sierra Leone	1.9	1.8 - 2.0	5
166	41	Zimbabwe	1.8	1.5 - 2.1	7
171	42	Congo, Democratic Republic	1.7	1.6 - 1.9	6
171	42	Equatorial Guinea	1.7	1.5 - 1.8	4
173	44	Chad	1.6	1.5 - 1.7	6
173	44	Sudan	1.6	1.5 - 1.7	6
173	44	Guinea	1.6	1.3 - 1.9	6
180	47	Somalia	1.0	0.5 - 1.4	4