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# About Corruption Perceptions Index

Media Briefing, 2018 CPI Launch, Lilongwe.

# Presentation Outline

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- ▶ Frequently Asked Questions
- ▶ 2018 CPI Reflections



# What is the Corruption Perceptions Index (CPI)?

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- ▶ The CPI scores and ranks countries/territories based on how corrupt a country's public sector is perceived to be.
- ▶ It is a composite index, a combination of surveys and assessments of corruption, collected by a variety of reputable institutions.
- ▶ The CPI is the most widely used indicator of corruption worldwide.



# What is CPI?

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- ▶ The CPI reflects the views of observers from around the world, including experts living and working in the countries and territories evaluated.





# What does the CPI measure?

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- Bribery
- Diversion of public funds
- Use of public office for private gain
- Nepotism in the civil service
- State capture
- The government's ability to enforce integrity mechanisms
- The effective prosecution of corrupt officials
- Red tape and excessive bureaucratic burden
- The existence of adequate laws on financial disclosure, conflict of interest prevention and access to information
- Legal protection for whistleblowers, journalists and investigators



# What does the CPI not capture?

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Based on the dimensions included in our external sources, the following aspects are not captured in the CPI:

- Citizen perceptions or experience of corruption
- Tax fraud
- Illicit financial flows
- Enablers of corruption (lawyers, accountants, financial advisors etc),
- Money Laundering,
- Any type of private sector corruption
- Informal economies and markets



## 2. Why is the CPI based on perceptions?



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- ▶ Corruption generally comprises illegal activities, which are deliberately hidden and only come to light through scandals, investigations or prosecutions.
- ▶ There is no meaningful way to assess absolute levels of corruption in countries or territories on the basis of hard empirical data.
- ▶ Capturing perceptions of corruption of those in a position to offer assessments of public sector corruption is the most reliable method of comparing relative corruption levels across countries.



# What are the data sources for the CPI?

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- ▶ The 2018 CPI draws on data sources from independent institutions specialising in governance and business climate analysis.
- ▶ TI reviews the methodology of each data source in detail, to meet Transparency International's quality standards.

## Data Sources for Mw

1. World Bank CPIA
2. World Economic Forum EOS
3. Global Insight Country Risk Ratings
4. Bartelsmann Foundation Transparency Index
5. AfDB CPIA (Country Policy & Institutional Assessment)
6. World Justice Project Rule of Law Index
7. PRS International Country Risk Guide
8. Varieties of Democracy Project
9. Economist Intelligence Country Ratings



# What is the difference between a country/territory's rank and its score?

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- ▶ A country/territory's score indicates the perceived level of public sector corruption on a scale of 0-100, where 0 means that a country is perceived as highly corrupt and a 100 means that a country is perceived as very clean. A country's rank indicates its position relative to the other countries/territories included in the index.
- ▶ Ranks can change merely if the number of countries included in the index changes.



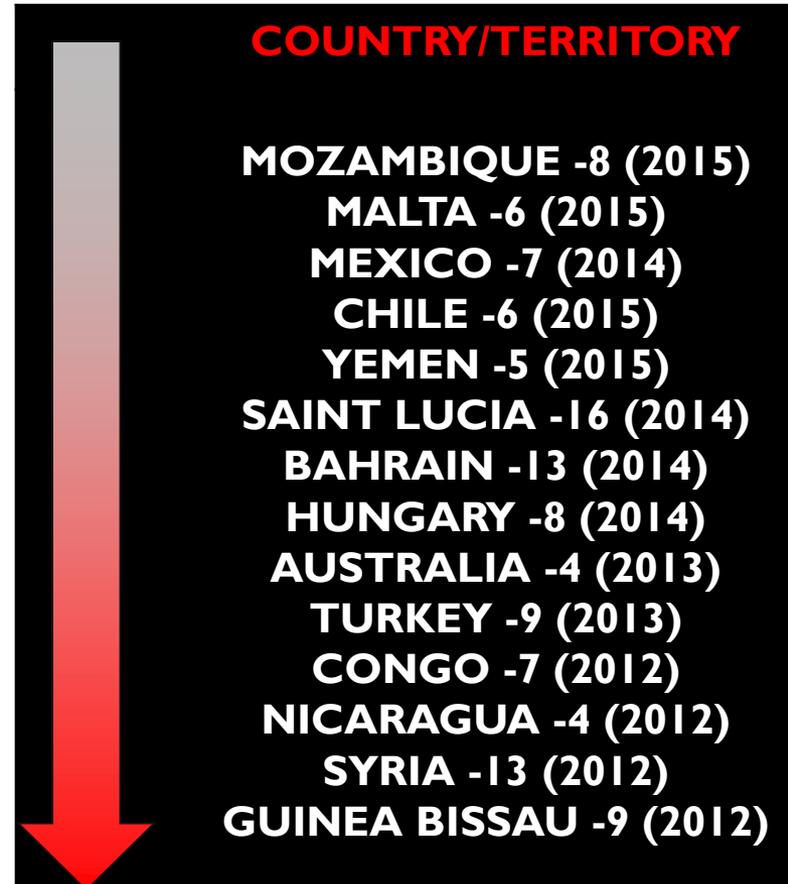
# Is the country/territory with the lowest score the world's most corrupt nation?

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- ▶ No. The CPI is an indicator of perceptions of public sector corruption, i.e. administrative and political corruption. It is not a verdict on the levels of corruption of entire nations or societies, or of their policies, or the activities of their private sector.
- ▶ Further, the country/territory with the lowest score is the one where public sector corruption is perceived to be greatest *among those included in the list.*



# Which countries have improved/declined on the Corruption Perceptions Index this year?



# Does the CPI tell the full story of corruption in a country?

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- ▶ No. The CPI is limited in scope, capturing perceptions of the extent of corruption in the public sector, from the perspective of business people and country experts.
- ▶ Transparency International produces a range of both qualitative and quantitative research on corruption, both at the global level from its Secretariat and at the national level



# Summary of CPI Ranking for Malawi in 9 years

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- ▶ 2010: Ranked at 85 of 178 with a score of 3.4 of 10
- ▶ 2011: Ranked at 100 of 183 with a score of 3 of 10
- ▶ 2012: Ranked at 88 of 177 with a score of 37 (of 100)
- ▶ 2013: Ranked at 91 of 177 with a score of 37 (of 100)
- ▶ 2014: Ranked at 110 of 175 with a score of 33 (of 100)
- ▶ 2015: Ranked at 111 of 175 with a score of 31 (of 100)
- ▶ 2016: Ranked at 120 of 175 with a score of 31 (of 100)
- ▶ 2017: Ranked at 122 of 183 with a score of 31 (of 100)
- ▶ 2018: Ranked at 120 of 183 with a score of 32 (of 100)



# Global analysis

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- ▶ The 2018 Corruption Perceptions Index (CPI) released by Transparency International reveals that there is a close and direct correlation between the rise in corruption and global democratic trends.
  - ▶ Corruption continues to threaten the performance of democratic institutions
  - ▶ More than two-thirds of countries score below 50 on this year's CPI, with an average score of just 43.
  - ▶ While there are exceptions, the data shows that despite some progress, most countries are failing to make serious inroads against corruption.
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# Local Analysis

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- ▶ Malawi's ranking slightly moved from 122 in 2017 to 120 in 2018
- ▶ The country's rating also moved slightly from 31 in 2017 to 32 in 2018
- ▶ At global level Malawi remains among more than 2 thirds of countries scoring below 50 in this year's CPI
- ▶ Hence the situation remains that Malawi is stuck and is failing to make serious inroads against corruption.
- ▶ It is also clear that just as has been the case across the globe, Malawi's democratic institutions are under threat due to corruption



# Is the 2018 CPI a Fair Reflection on Malawi?

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- Bribery
  - Diversion of public funds
  - Use of public office for private gain
  - Nepotism in the civil service
  - State capture
  - The government's ability to enforce integrity mechanisms
  - The effective prosecution of corrupt officials
  - Red tape and excessive bureaucratic burden
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Thank You



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