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**BPI FRAMEWORK DOCUMENT**  
**&**  
**Gallup International Response Analysis**

October 26, 1999

## BPI Research Design & Survey

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### Questionnaire

The questionnaire has developed through four stages:

- The first draft was submitted to the Index Steering Committee at its meeting in Washington, DC, February 1999.
- A second draft emerged from discussions with business people, journalists, public officials, etc. in the course of focus groups.
- The third version was tested in the pilot survey in Gallup Argentina.
- The final version is used in the actual survey.

The questionnaire is essentially aimed at producing two major new rankings. The first is an index of major exporting countries, ranked by the propensity of their companies to bribe while doing business abroad. The second is a ranking of the international business sectors perceived as being most – and least – prone to corruption. Both measures, like the CPI, are based on perceptions. In this case, we have identified a sample which should be well-placed to provide us with insights in the matter: top executives in the world's major emerging markets.

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### Focus Groups

Focus groups were conducted in the following cities: Brussels (9/2), Washington (22/2), Cambridge (24/2), Buenos Aires (1/3) and Paris (22/3).

- In Bruxelles and Washington the participants were high-ranking executives from the private sector and corporate lawyers.
- In Cambridge the focus group was exclusively with journalists from developing countries.
- In Buenos Aires we organized three separate meetings, one with CEOs of major companies; one with top investigative journalists; and a third with high-ranking civil servants. All meetings went well. A fourth, meeting planned with politicians did not take place. Although leading politicians had agreed to come, they all cancelled within hours of the meeting.
- In Paris participants included several major companies, a risk rating agency, academics, a research director at the main statistical institute in France.

The feedback from the focus groups is incorporated into the remaining parts of this document, especially in the parts on sample selection and of course the questionnaire.

The focus groups were conducted by Fredrik Galtung and Norman Webb, both members of the Steering Committee.

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#### **Pilot**

A pilot was conducted by Gallup Argentina both to test the questionnaire and the sampling frame during the months of May and June. The final report from the pilot can be provided upon request.

Norman Webb went to Buenos Aires to supervise the pilot in the week of 2/5 to 9/5.

Several changes were introduced to the questionnaire as a result of the pilot. Most importantly, the testing of the sample was very positive overall. In spite of the elite nature of the sample the response rate is good and most respondents were very forthcoming. If there was a criticism from respondents, it was that the questionnaire was too short, not too long or intrusive. We have are now allowing for a more open ended response at the end of the questionnaire in case respondents want to contribute more information.

One of the categories of respondents – the commercial attaches - had to be eliminated because they were less than forthcoming to the interviewers. All other categories could be maintained.

We did not tender for the pilot, partly because of the tight deadlines for the project.. We decided to conduct the pilot with Gallup Argentina because they are relatively familiar with TI and the corruption issue. They have conducted numerous surveys on corruption in the past and work closely with TI's national chapter in Argentina, *Poder Ciudadano*. They provided considerable assistance to the pilot on a pro bono basis.

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#### **Tenders**

Once the pilot was underway, we asked 3 international market research companies to tender for this project:

- AC Nielsen: Based in Illinois, they are the world's biggest market research company, present in more than 90 countries. They are better known for product testing and television ratings but they also conduct ad hoc surveys. They have provided a comprehensive bid for the project.
- Sofres/Taylor Nelson: This is the second or third largest market research company. They are based in London and had worked with us a couple of years ago on developing this project.
- Gallup International Association: Based in London, they are the 2<sup>nd</sup> or 3<sup>rd</sup> largest market research company in terms of country coverage.

- Other market research companies were not felt to have a sufficiently broad country coverage or the necessary experience in this area of research.

**Outcome of tenders**

Gallup International Association was awarded the contract after careful evaluation of the respective bids, taking into account price, experience and the international reputation of the companies.

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**Survey work**

On July 1<sup>st</sup>, Gallup International Association affiliates in 14 designated emerging markets were instructed to start with their own surveys, based on the revised questionnaire and sampling frame developed in the pilot survey.

An interim report received on August 31<sup>st</sup> confirms that the surveys are being conducted according to schedule. The final data is expected by September 15<sup>th</sup>, 1999.

## BPI Sample Selection

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<b>Initial thoughts</b>	<p>Initially, the aim was to survey business executives with international experience at the headquarters of a sample of multinational companies, e.g. from the world's leading exporting countries.</p> <p>As a result of the first focus group in Brussels and the Steering Committee meeting in Washington, DC, a consensus rapidly emerged that this would not be practical. It would be too difficult to locate the appropriate individuals and one could not be sufficiently certain of having a consistent sample of respondents.</p> <p>It was decided to explore the possibility of conducting the survey in the countries at the receiving end of international bribery. This is in a sense the "frontline" for international bribery. This approach would also have the added advantage of being a counterweight to the CPI which is perceived as largely drawing on business people from the North, which is not wholly accurate.</p>
<b>Final sample</b>	<p>The final sampling frame, covering 55 responses per country, focuses strictly on the business perspective. Through the focus groups, this was the group found to be most consistently knowledgeable about corruption. They are described in detail in Annex 3.</p>
<b>Post-pilot evaluation</b>	<p>During and after the first pilot in Argentina we undertook an evaluation to decide whether we might need to increase the sample size for some categories – and possibly exclude or diminish expectations from others.</p>
<b>Categories we were unable to include</b>	<p>There are several categories of respondents we would have liked to survey, both because some respondents might be knowledgeable and because of the political value of including them. The following categories of potential respondents had to be excluded, however.</p> <ul style="list-style-type: none"><li>• <b>Investigative journalists</b></li><li>• We could not develop a sampling method that could be replicated in each country and that might produce a reasonable consistency in the quality of the respondents.</li><li>• In Malaysia or Egypt the press conducts very few investigations in areas as sensitive as corruption; in India &amp; Argentina they do quite a bit. Levels of knowledge vary enormously.</li><li>• We felt there was a real risk of "leakage" if a journalist with a major newspaper or magazine in the South decided that his newspaper could conduct its own survey and publish them before us.</li></ul>

- **Civil servants (active)**
- In some countries civil servants change ministries frequently, ensuring a wide breadth of knowledge, in others they very seldom move, leading to significant differences in experience and knowledge.
- In numerous countries civil servants would need official permission from the government or Minister to take part in this survey.
- Polling companies indicated that it would be extremely difficult for them to provide a reliable –yet small - sample.
- Reliance on the World Bank or UNDP to provide a list of names might not produce comparable samples throughout the world.
- Since positions in the public administration cannot be adequately compared from country to country, samples cannot easily be replicated across all countries.
  
- **Civil servants (retired)**
- Even if we only pick people who have retired in the past 3-5 years their information will be dated. We are interested in have as up-to-date information as possible.
- Difficult universe to sample; polling companies could not do it and, again, reliance on the World Bank or UNDP to provide a list of names might not produce comparable samples throughout the world.
  
- **Civil society leaders, TI chapters**
- Almost impossible to replicate homogenous samples across countries.
- TI national chapters vary too much in quality and levels of institutionalization.
  
- **Commercial attaches at Embassies**
- In a previous survey conducted in the early 1990s, commercial attaches were quite forthcoming. We tested this category in our pilot in Argentina and they were the most difficult group by far and did not cooperate with the interviewers.

## Survey Sample Composition

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Total sample of 55 interviews with very senior respondents.<sup>1</sup>

N =	Sample group	Additional comments
5	<p><b>Chambers of Commerce</b></p> <p><i>Respondent selection</i></p>	<p>These are <b>foreign</b> Chambers of Commerce in your country, e.g. the French Chamber of Commerce, the USA Chamber of Commerce. The countries we are mainly interested in sampling are the major exporters in Q.8 of the questionnaire + the 2 major regional trading partners if they are not included in this list.</p> <p>A list should be obtainable from a central source or from any one of the Chambers themselves. Sample systematically through the list, then examine your selection. If 2 of your neighbours are included in the selection, reject one and replace with one from a region of the World not already represented or poorly represented. Treat combined chambers e.g. South East Asia Chamber of Commerce (if these exists in your country) exactly the same as the other Chambers of Commerce.</p> <p>Interview the President or one of the senior managers.</p>
17	<p><b>Chief executives of major <u>foreign</u> companies</b></p> <p><i>Respondent selection</i></p>	<p>If there are good listings of these in your country, use these. If not, one possibility is to use the Dow Jones Database, which is freely accessible on the internet (<a href="http://www.dowjones.com/indexes/home.html">http://www.dowjones.com/indexes/home.html</a>). It ranks the 3,500 major multinationals representing 85 % of the world's market capitalisation, so it is a good source to check whether a company's headquarters are foreign based. For preference, the list should be ranked by turnover. Take the top 500 (or all if less), and sample systematically. Try to sample companies from all business sectors.(see Q3) No one sector should be over-represented or missing in your selection. If your selection gives too many from any single business sector, you may substitute with others from a different sector.</p> <p>If the Chief Executive is unwilling to respond, a response could also be obtained from the 2<sup>nd</sup> or 3<sup>rd</sup> highest-ranking manager in the company but NOT from the company PR department.</p>
17	<p><b>Chief executives of major <u>national</u> companies</b></p> <p><i>Respondent selection</i></p>	<p>Follow the systematic instructions as for foreign companies, using an appropriate list.</p> <p><b>Note:</b> It may be that the list of companies is a combination of domestic and foreign together. If so, then they must be separated. In most cases this should be easy, but sometimes there is uncertainty whether a company is domestic or foreign owned, e.g. when national laws require foreign companies to have 51% or more local ownership.. When you are uncertain, the Dow Jones database is a good source to check for the national origin of a company. You can also use the Fortune 1000 or Business Week 1000 lists of major multinationals.</p> <p>If the CEO is unwilling, a response could also be obtained from the 2<sup>nd</sup> or 3<sup>rd</sup> highest-ranking manager in the company. NOT from the company PR department.</p>

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<sup>1</sup> This is a facsimile of the actual sample instructions from Gallup International to its affiliates.

6	<p><b>Partners in chartered accountancies</b></p> <p><i>Respondent selection</i></p>	<p>We want the <b>local</b> branches of:  PricewaterhouseCoopers  Arthur Andersen  KPMG  Ernst &amp; Young  Deloitte Touche Tohmatsu</p> <p>plus at least <b>one</b> of the following French ones:  Groupe Constantin  Salustro-Royal  Mazars – Guerard  Urien &amp; Associes  Dupond de Bertrand</p> <p>These accountancies will have both local and expatriate senior partners. We want a good mixture of both but NOT more than a maximum of 2 interviews from any one company.  If there is a shortfall, then supplement with a major national chartered accountancy.</p>
5	<p><b>National and foreign banks – commercial sector</b></p> <p><i>Respondent selection</i></p>	<p>These are “ordinary” banks for company/individual accounts. We do not want investment or merchant banks. A listing by size should be available in your country. State-owned banks should be included in the correct proportion. Include all foreign and domestically owned banks. Use the headquarters as the sample unit. Examine your selection for good coverage of all these different types and sizes of banks.</p> <p>The Head of Commercial Banking should be approached for interview but you may accept interviews from the 2<sup>nd</sup> or 3<sup>rd</sup> highest-ranking manager in the same department.</p>
5	<p><b>Major Legal practices – commercial sector</b></p> <p><i>Respondent selection</i></p>	<p>There should be a list of legal practices available in your country. Choose only those with 10 or more partners. Take a random sample systematically.</p> <p>Interview only senior partners with responsibility for the commercial sector.</p>
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## BPI Country Selection

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### Country Selection

Following the recommendations at the Washington, DC, Steering Committee meeting, the BPI survey will be conducted exclusively in emerging markets outside the OECD. The rationale is that TI is primarily interested in international corruption affecting developing countries. Since this is the “frontline” for international corruption affecting this region this is where the people with the most knowledge about this issue will be located, not in the head offices of major companies.

We decided to distinguish further between countries which are heavily dependent upon foreign aid and others. For the purposes of this survey we have decided to exclude heavily aid reliant countries because the profile of corruption in these countries tends to be quite different from those where there is a relatively open and vibrant economy.

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### Geographic locations

We originally asked the market research companies to tender on a survey including the following leading emerging markets, which together account for more than 80% of foreign direct investment into the developing world.

#### **ASIA/PACIFIC**

India  
Indonesia  
Malaysia  
Philippines  
South Korea  
Taiwan  
Thailand  
China

#### **LATIN AMERICA**

Argentina  
Brazil  
Chile  
Colombia  
Mexico  
Venezuela

#### **EUROPE**

Czech Republic  
Hungary  
Poland  
Russian Fed.  
Turkey

#### **AFRICA/MIDDLE EAST**

Cote d'Ivoire  
Egypt  
Kenya  
Morocco  
Nigeria  
South Africa

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**Candidates for exclusion**

Our operating hypothesis is that we want to conduct the survey in countries where there is a reasonable spread of international competition. If an emerging market is overwhelmingly dominated by one exporter this is by definition the dominant country, whether it gains this advantage by wholesale bribery or through colonial ties, geographical proximity, etc.

The following countries were excluded because their trade patterns.

Czech Rep.	47% of the imports are from Germany alone of the period 93-97.
Ivory Coast	46% of the imports are from France.
Mexico	79% of the imports are from the US.
Venezuela	59% of the imports are from the US.
China	We do not intend to include China, although it is the emerging world's first target for FDI. This is primarily due to the difficulties involved in commissioning a survey on this topic in China but also the <i>sui generis</i> nature of China's trade with overseas Chinese communities
Kenya	22% of the imports are from UK.

**Final list**

The final list of 14 countries is the following:

<b>ASIA/PACIFIC</b>	<b>LATIN AMERICA</b>	<b>EUROPE</b>
India	Argentina	Hungary
Indonesia	Brazil	Poland
Philippines	Colombia	Russian Fed
South Korea		
Thailand		
 <b>AFRICA</b>		
Morocco		
Nigeria		
South Africa		

**Rationale**

- This list has the advantage of including 1-2 major countries in each region.
- In Africa it includes a former French and former British colony.
- Major Muslim countries are included (i.e. Indonesia, Morocco, Nigeria, etc.), as well as a largely Buddhist country Thailand (and South Korea).
- Since Asia has traditionally accounted for an overwhelming part of the foreign direct investment and trade into the developing world, the inclusion of 5 countries from that region seems reasonable.

# **GALLUP INTERNATIONAL FIELDWORK RESPONSE ANALYSIS**

## **Fieldwork approach**

Fieldwork was carried out in all countries between the middle of July and the end of August 1999. In all countries, respondents were initially contacted (usually by telephone) to ask for an appointment to carry out the interview. It was particularly important in this survey. All interviews were conducted by fully trained, experienced interviewers on a face-to-face basis.

Clean data, in the form of a fixed format ASCII file was then sent by the subcontracted agencies to London for central processing and data analysis.

## Response Rates

All Countries

### Total contacts and achieved samples

Country	Total Contacts	Achieved Sample	Achieved %
<b>Argentina</b>	<b>162</b>	<b>55</b>	<b>33.9</b>
<b>Brazil</b>	<b>175</b>	<b>55</b>	<b>31.4</b>
<b>Colombia</b>	<b>180</b>	<b>58</b>	<b>32.2</b>
<b>Hungary</b>	<b>139</b>	<b>55</b>	<b>39.6</b>
<b>India</b>	<b>168</b>	<b>60</b>	<b>35.7</b>
<b>Indonesia</b>	<b>326</b>	<b>56</b>	<b>17.2</b>
<b>Morocco</b>	<b>202</b>	<b>55</b>	<b>27.2</b>
<b>Nigeria</b>	<b>145</b>	<b>55</b>	<b>37.9</b>
<b>Philippines</b>	<b>672</b>	<b>55</b>	<b>16.0</b>
<b>Poland</b>	<b>201</b>	<b>55</b>	<b>27.3</b>
<b>Russia</b>	<b>205</b>	<b>55</b>	<b>26.8</b>
<b>South Africa</b>	<b>235</b>	<b>55</b>	<b>23.4</b>
<b>South Korea</b>	<b>328</b>	<b>55</b>	<b>16.7</b>
<b>Thailand</b>	<b>459</b>	<b>55</b>	<b>11.9</b>
<b>Total</b>	<b>3597</b>	<b>779</b>	<b>21.65</b>

*Note*

### *Response Rates*

When considering response rates, it is important to remember that several factors can affect these. Different cultural backgrounds, methods of approach and even the level of experience of both the research agency and the individual interviewer will all have some part to play.

Similarly, it is sometimes difficult to decide whether a particular contact who has not been interviewed should be coded as a “refusal” or belongs in another response category. Sometimes reasons for non-response such as “too busy” may be an acceptable way for the respondent’s to avoid the interview without having to refuse directly.

A distinct pattern of response clearly emerges in the countries in the Pacific Rim in which the survey was conducted – Indonesia, the Philippines, South Korea and Thailand. Overall response was more difficult to obtain in these countries and all noted that the commercial sector, irrespective of whether national or foreign owned companies, was more likely to refuse an interview. But this may not be related to the topic of the survey. It is equally likely that this sector may be over-researched or simply more likely to refuse any survey interview for other reasons.

## Response Rates

All countries

### Reasons for non-contact

Argentina:

**Overall, 48 contacts counted as “refusals:**

<b>No time/too busy</b>	<b>22</b>
<b>No interest</b>	<b>12</b>
<b>Travelling/unavailable</b>	<b>8</b>
<b>Other reasons</b>	<b>6</b>

There did not appear to be any bias in the non-response levels of the individual sample groups.

Brazil:

**73 contacts counted as “refusals”:**

<b>No time/too busy</b>	<b>15</b>
<b>No interest</b>	<b>49</b>
<b>Travelling/unavailable</b>	<b>6</b>
<b>Other reasons</b>	<b>3</b>

By sample segments, the refusal rate was slightly higher amongst national companies than other elements of the sample, a finding which is reflected in several other countries.

Colombia:

**68 contacts counted as “refusals:**

<b>No time/too busy</b>	<b>24</b>
<b>No interest</b>	<b>19</b>
<b>Travelling/unavailable</b>	<b>24</b>
<b>Other reasons</b>	<b>1</b>

Again, national companies were slightly more likely to refuse the interview than other sample segments.

**Hungary:**

60 contacts counted as “refusals”:

<b>No time/too busy</b>	<b>20</b>
<b>No interest</b>	<b>33</b>
<b>Travelling/unavailable</b>	<b>5</b>
<b>Other reasons</b>	<b>2</b>

**Companies, both domestic and foreign were difficult to contact successfully and in Hungary, foreign companies were more likely as a sector to say they were not interested in participating in surveys, either generally or in this one specifically.**

India:

81 contacts failed to be interviewed:

<b>No time/too busy/travelling/unavailable</b>	<b>27</b>
<b>No interest in surveys</b>	<b>53</b>
<b>Other reasons</b>	<b>1</b>

Interviewers were also referred several times to a lower level respondent than was eligible but these have not been included in the figures above. Again, national companies proved more difficult to obtain co-operation than others in the sample.

Indonesia:

**209 contacts were counted as “refusals”:**

<b>Too busy</b>	<b>150</b>
<b>Not interested</b>	<b>55</b>
<b>Other reason</b>	<b>4</b>

Banks were difficult to contact successfully for interview in Indonesia, along with companies both domestic and foreign. It is also interesting to note that 3 Chambers of Commerce considered the topic too sensitive for interview. All were major exporting nations.

**Morocco:**

Unfortunately, whilst the number of total contact and the successful interviews were logged, detailed reasons for non-response were not recorded in Morocco. However, general comments are given. Some respondents showed a lack of interest in surveys generally or in the subject of this survey, specifically. Some of the respondents refused to participate because they suspected the Government was behind the study, even when told the real client. Many gave lack of time as a reason for non-response and it was in the middle of the holiday period in Morocco.

**Nigeria:**

Again, no detailed counts of reasons for non-response were kept but the following observations are made. Many respondents approached in the power (including petroleum, energy and utilities) sector refused to be interviewed because of the sensitivity of the subject matter. This is understandable as the present regime in Nigeria is waging total war on corruption. By contrast, respondents in the legal sector were more open and frank on the subject matter, probably because of the nature of their jobs and the immunity they enjoy from any form of harassment.

**Philippines:**

A total of 672 contacts were made in the Philippines with 591 refusals. Although detailed counts were not kept, it should again be noted that the domestic and foreign companies were most difficult to interview. For foreign companies, 235 multi-nationals were sampled and there were 152 refusals, whilst in the domestic sector 589 companies were originally drawn in the sample, with 418 refusals.

**Poland:**

146 contacts were counted as refusals:

<b>Topic related</b>	<b>81</b>
<b>No interest in surveys</b>	<b>21</b>
<b>Too busy</b>	<b>20</b>
<b>Travelling/unavailable</b>	<b>24</b>

**Russia:**

95 contacts were counted as refusals:

Too busy	16
No interest in surveys	37
Topic related	18
Travelling/unavailable	6
Never participate	7
Other	11

As in other countries, there are more refusals in the companies sectors than in others. Also as in other countries, domestic companies are more likely to refuse than foreign companies.

**South Africa:**

No detailed response records were kept, although repeated calls to the target sample kept refusal rates relatively low in South Africa and there were 54 refusals in total. Of all the sample segments, domestic companies as in other countries proved to be the most difficult to interview.

**South Korea:**

A total of 276 non-contacts were made:

<b>Too busy</b>	<b>134</b>
<b>No interest</b>	<b>84</b>
<b>Travelling/unavailable</b>	<b>57</b>

South Korea was also the only country to say that they found it hard to interview foreign Chambers of Commerce, some of whom deemed the questionnaire too sensitive to answer.

**Thailand:**

404 refusals were counted in Thailand, with the following breakdown:

Too busy	81
No interest	204
Travelling/unavailable	31
Other	88

Thailand also comments that companies had higher refusal rates than other sectors and notes that the rates regarding “non-interest” and “other” are high. Some said they would consider later whether to participate and ultimately refused. The main reason was the topic and fear of the effect of the interview, despite confidentiality assurances that were emphasised.

## Agencies involved in the Project

Membership of Gallup International

**In countries where there is no Gallup International member, other reliable and experienced suppliers (with whom Gallup International has worked before, or who were recommended) were used as subcontractors.**

<b>Argentina</b>	<b>Instituto Gallup de La Argentina, Buenos Aires, Argentina</b>
Brazil * <sup>1</sup>	<b>Quest, Sao Paulo, Brazil</b>
Colombia <sup>2</sup>	<b>Centro National de Consultoria, Bogotá, Colombia</b>
Hungary	<b>Mareco Marketing Research, Budapest, Hungary</b>
India* <sup>3</sup>	<b>Taylor Nelson Sofres Mode, Calcutta, India</b>
Indonesia* <sup>4</sup>	<b>Taylor Nelson Sofres Indonesia, Jakarta, India</b>
Morocco * <sup>5</sup>	<b>Léger &amp; Léger Maroc, Casablanca, Morocco</b>
Nigeria	<b>Research &amp; Marketing Services, Lagos, Nigeria</b>
Philippines	<b>Asia Research Organization, Manila, Philippines</b>
Poland	<b>Mareco Polska, Warsaw, Poland</b>
Russia	<b>ROMIR, Moscow, Russia</b>
South Africa	<b>Markinor, Johannesburg, South Africa</b>
South Korea	<b>Gallup Korea, Seoul, South Korea</b>
Thailand	<b>Taylor Nelson Sofres Thailand, Bangkok, Thailand</b>

### *KEY:*

\* *Not a Member of Gallup International*

<sup>1</sup> *Supervised by Gallup de la Argentina*

<sup>2</sup> *Supervised by Gallup de la Argentina*

<sup>3</sup> *Fully owned by Taylor Nelson Sofres, the UK Member of Gallup International*

<sup>4</sup> *Fully owned by Taylor Nelson Sofres, the UK Member of Gallup International*

<sup>5</sup> *Recommendation through previous work with Taylor Nelson Sofres, the UK Member of Gallup International*