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**What is the Corruption Perceptions Index (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, a university professor based in Passau, Germany.

**For the purpose of the CPI, how is corruption defined?**
The TI CPI focuses on corruption in the public sector and defines corruption as the abuse of public office for private gain. The surveys used in compiling the CPI ask questions that relate to the misuse of public power for private benefit, for example bribery of public officials, kickbacks in public procurement, embezzlement of public funds) or questions that probe the strength of anti-corruption policies, thereby encompassing both administrative and political 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 2007 CPI ranks 180 countries. In 2006, the CPI included 163 countries.

**Why are some new countries included in the CPI?**
The change in country coverage in the 2007 CPI relates to the fact that three new sources have been included: the Asian Development Bank's Country Performance Assessment Ratings, the African Development Bank's Country Policy and Institutional Assessments and the Bertelsmann Transformation Index. This allowed for the inclusion of Afghanistan, Cape Verde, Comoros, Djibouti, Guinea-Bissau, Kiribati, Liberia, Maldives, Montenegro, Samoa, Sao Tome and Principe, Solomon Islands, Somalia, Saint Lucia, Saint Vincent and the Grenadines, Tonga and Vanuatu.

**Which countries might be included in future CPIs?**
Countries or territories with two sets of data are: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bermuda, Cayman Islands, Fiji, Micronesia (Federated States of), Netherlands Antilles, North Korea, Palestine, Puerto Rico, St Kitts and Nevis, Tuvalu and Virgin Islands (US). For all of the above countries / territories, at least one more set of data is necessary for inclusion in the CPI.

Countries or territories with only one set of data are: American Samoa, Andorra, Brunei, Cook Islands, French Guiana, Guadeloupe, Guam, Kosovo, Liechtenstein, Marshall Islands, Martinique, Reunion, Turks and Caicos Islands and Virgin Islands (British). For all of these countries / territories, at least two more sets of data are necessary for inclusion in the CPI.

**What are the sources of data for the CPI?**
The 2007 CPI draws on 14 different polls and surveys from 12 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.

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 2007 CPI, please visit: www.transparency.org/policy_research/surveys_indices/cpi/2007/methodology or 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. Surveys are carried out among business people and country analysts. The surveys used in the CPI use two types of samples, both non-resident and resident. 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.

Has the methodology of the 2007 CPI changed?
The methodology of the CPI changed this year to take more fully into account the information provided by the various sources of the index. The CPI now better recognises and reflects the relative changes in the scores in the original sources. While final CPI scores of individual countries are more informative about changes from last year with this modification, the ranking of countries remained virtually unaffected.

A more detailed description can be obtained from the document on the CPI methodology at: www.transparency.org/policy_research/surveys_indices/cpi/2007/methodology or www.ICGG.org.

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 used. The latest list of members of the Index Advisory Committee and their organisational affiliation can be found at www.transparency.org/policy_research/surveys_indices/about.

Interpreting the CPI

How should the CPI scores be interpreted?
The CPI should be interpreted as a ranking of countries with scores ranging from 0 (highly corrupt) to 10 (highly clean).

Which matters more, a country's rank or its score?
While ranking countries enables TI to build an index, 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 2007 CPI 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 2007 CPI?
Corruption in Somalia has been perceived to be the highest in the 2007 CPI. This does not, however, indicate that Somalia is the ‘most corrupt country’ or that Somalians are the ‘most corrupt people’. While corruption is one of the most formidable challenges to good governance, development and poverty reduction in Somalia, the vast majority of the people are only victims of corruption. Corruption by a limited number of 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 2007 CPI 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 2007 CPI is based on data 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 2006 and 2007

Which countries’ scores deteriorated most between 2006 and 2007?
Making comparisons from one year to another is problematic, for the reasons highlighted above. However, to the extent that changes can be traced back to individual sources, trends can be cautiously identified. Noteworthy examples of deteriorations from the 2006 CPI to the 2007 CPI are Austria, Bahrain, Belize, Bhutan, Jordan, Laos, Macau, Malta, Mauritius, Oman, Papua New Guinea and Thailand. In these cases, actual changes in perceptions occurred during the last two years.
Which countries’ scores improved most?

With the same caveats applied, on the basis of data from sources that have been consistently used for the index, improvements can be observed from 2006 to 2007 for Costa Rica, Croatia, Cuba, Czech Republic, Dominica, Italy, Macedonia, Namibia, Romania, Seychelles, South Africa, Suriname and Swaziland.

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 perception 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 the CPI to 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. And 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 set up.

Transparency International’s fight against corruption and the CPI

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.

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) 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.

What is the difference between the CPI and TI’s Global Corruption Report (GCR)?

The Transparency International Corruption Perceptions Index is a ranking of countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. The Global Corruption Report (GCR) presents an in-depth-assessment of the state of corruption around the world. It brings together contributions from experts and activists to explore corruption issues in a specific sector, to present a review of corruption trends and issues in a series of country reviews and to showcase the latest research findings with regard to corruption and anti-corruption reform. The most recent Global Corruption Report was published in May 2007 and focuses on corruption in judicial systems (it can be downloaded from: www.transparency.org/publications/gcr/download_gcr).

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