

Corruption Perceptions Index 2009 *Short methodological note*

- 1. The 2009 Corruption Perceptions Index (CPI) gathers data from sources that cover the past two years. For the 2009 CPI, this includes surveys from 2008 and 2009.
- 2. The 2009 CPI is calculated using data from 13 sources from 10 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 past two years is 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/territories is done by two groups: country experts, both residents and non-residents, and business leaders. In the 2009 CPI, the following seven sources provided data based on expert analysis: African Development Bank, Asian Development Bank, Bertelsmann Foundation, Economist Intelligence Unit, Freedom House, Global Insight and the World Bank. Three sources for the 2009 CPI reflect the evaluations by resident business leaders of their own country, 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, i.e., 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 a five per cent probability that the value is below and a five per cent probability that the value is below and a five per cent probability that the value is above this confidence range.

For a detailed explanation of the CPI method please visit <u>www.transparency.org/cpi</u>