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CORRUPTION PERCEPTIONS INDEX 2021

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PRESIDENT TI- MALAYSIA**

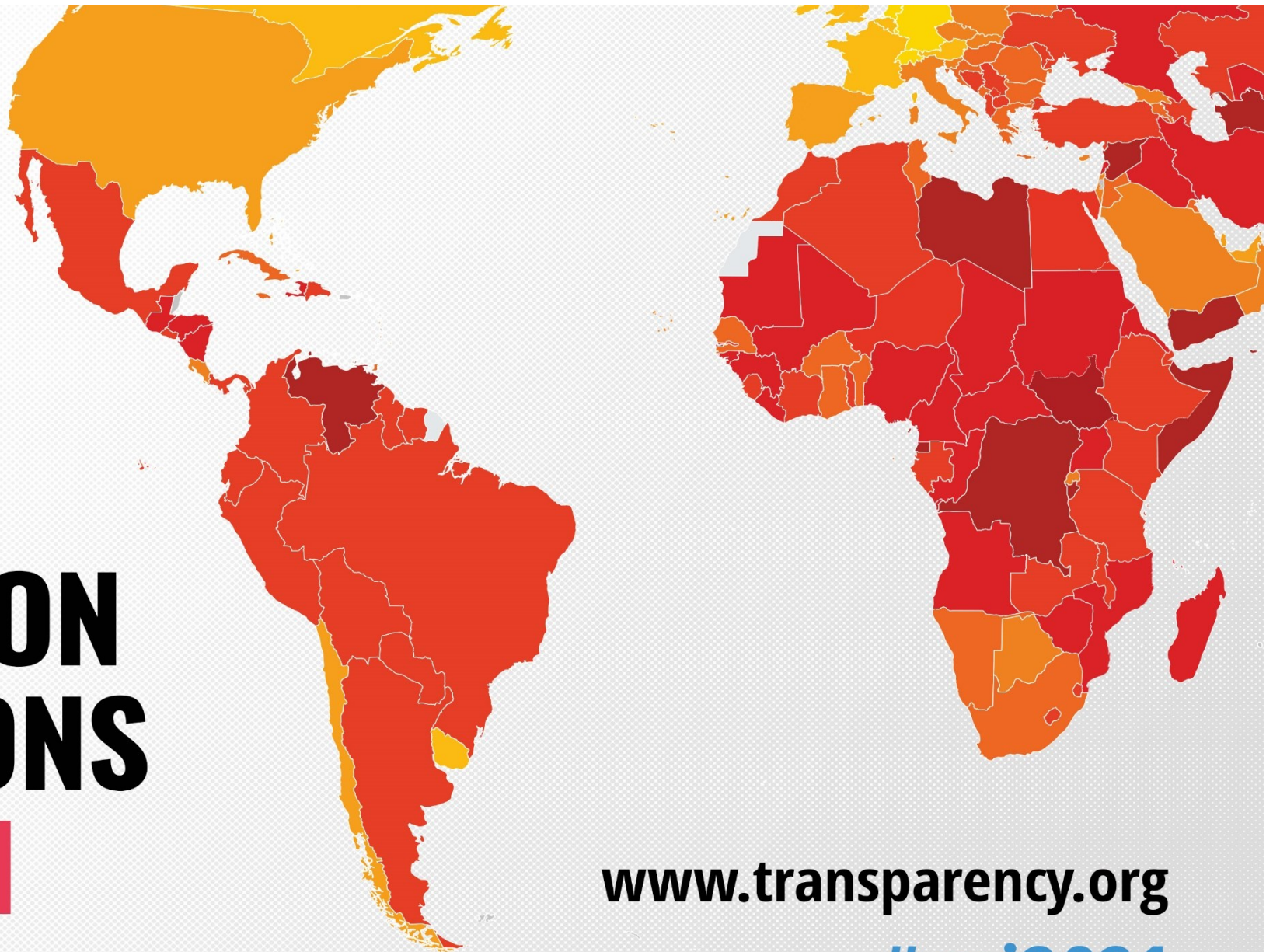
25 JANUARY 2022



CORRUPTION PERCEPTIONS INDEX 2021

www.transparency.org

#cpi2021





WHAT IS CPI ?

A global (180 countries/territories)
aggregate Index (up to 13 different data sources)
capturing perceptions (experts/business people) of
corruption (abuse of power for private gain)
in the public sector (public officials and institutions)



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**All of our sources
measure public sector
corruption, or certain
aspects of public sector
corruption, including:**

- Bribery
- Embezzlement/ Diversion of public funds
- The government's ability to enforce integrity mechanisms
- The government's commitment to fight corruption
- Disproportionate restriction on freedom of expression, association and assembly
- Use of public office for private gain
- Access for Civil Society to information on public affairs
- State capture by narrow vested interest
- The effective prosecution of corrupt officials
- Red tape and excessive bureaucratic burden
- Adequate laws on financial disclosure, conflict of interest prevention and access to information
- Legal protection for whistleblowers, journalists and investigators

WHAT DOES THE CPI MEASURE?



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CPI DOES NOT CAPTURE:

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

- ❖ Citizens' perceptions or experience on 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



SURVEY SOURCES



1. Bertelsmann Stiftung Transformation Index
2. Economist Intelligence Unit Country Risk Service
3. Global Insight Country Risk Ratings
4. IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey
5. Political and Economic Risk Consultancy Asian Intelligence
6. The PRS Group International Country Risk Guide
7. World Economic Forum Executive Opinion Survey
8. World Justice Project Rule of Law Index Expert Survey
9. Varieties of Democracy (V-Dem)
10. African Development Bank Country Policy and Institutional Assessment
11. Bertelsmann Stiftung Sustainable Governance Indicators
12. Freedom House Nations in Transit
13. World Bank Country Policy and Institutional Assessment



METHODOLOGY – 4 STEPS

STEP 1

Select Data Sources

STEP 2

Rescale & Standardise Data Sources

STEP 3

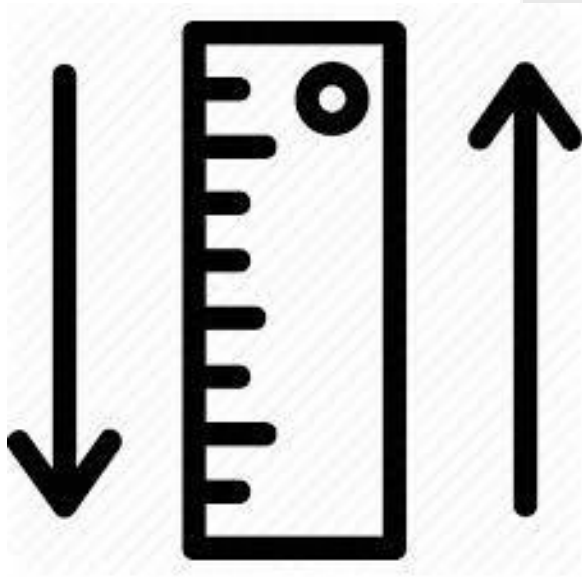
Calculate the Average

STEP 4

Report Uncertainty



RESCALING SOURCES



Reverse the data (if necessary)

- Low number = Highly corrupt
- High number = Very clean

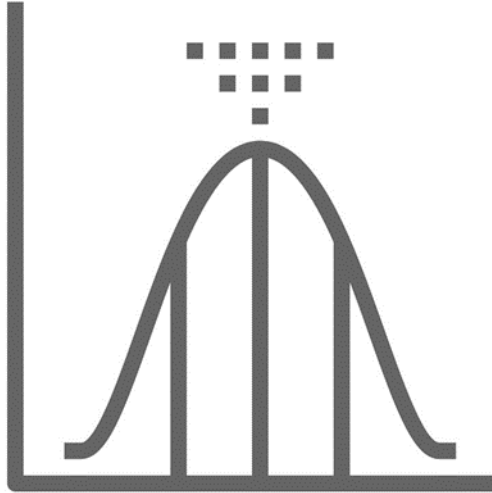
Standardise original data to z scores

Standardise data to CPI scale (0-100)

- Transform Z scores to 0-100 scale
- Fix the spread of data to have a max 100, min 0



CALCULATING THE AVERAGE



- At least three **data sources** for each country
- Simple average of scores
- Each CPI score is accompanied by a Confidence Interval & Standard Error



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EXTERNAL AUDIT

Conducted by European Commission
Joint Research Centre

"the Corruption Perceptions Index (CPI), besides being appealing for reasons of transparency and replicability, is also conceptually and statistically coherent and with a balanced structure (i.e. the CPI is not dominated by any of the individual sources)"

Results also provided statistical justification for the use of simple average across the sources.

MAIN RECOMMENDATION:

Update formula for calculation of standard errors



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SOURCES



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP



The
Economist

INTELLIGENCE
UNIT



IMD WORLD
COMPETITIVENESS
CENTER



World Justice
Project

WORLD
ECONOMIC
FORUM

| Bertelsmann Stiftung

What makes a valid source?

- ✓ Methodological reliability and institutional reputation
- ✓ Conceptual alignment of the data
- ✓ Cross country comparability
- ✓ Multi year data availability



WHY DO WE STILL NEED THE CPI?

The external audit re-iterated that the CPI is an important global indicator for the following reasons:

Coverage: The CPI covers more countries than any of the individual sources alone

Statistical reliability: The CPI is better than the sum of its parts as it compensates for eventual errors among sources by taking the average of at least 3 different sources and as many as 13

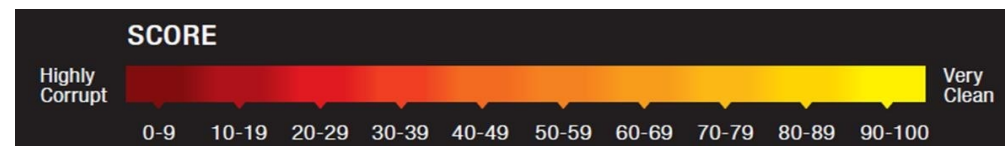
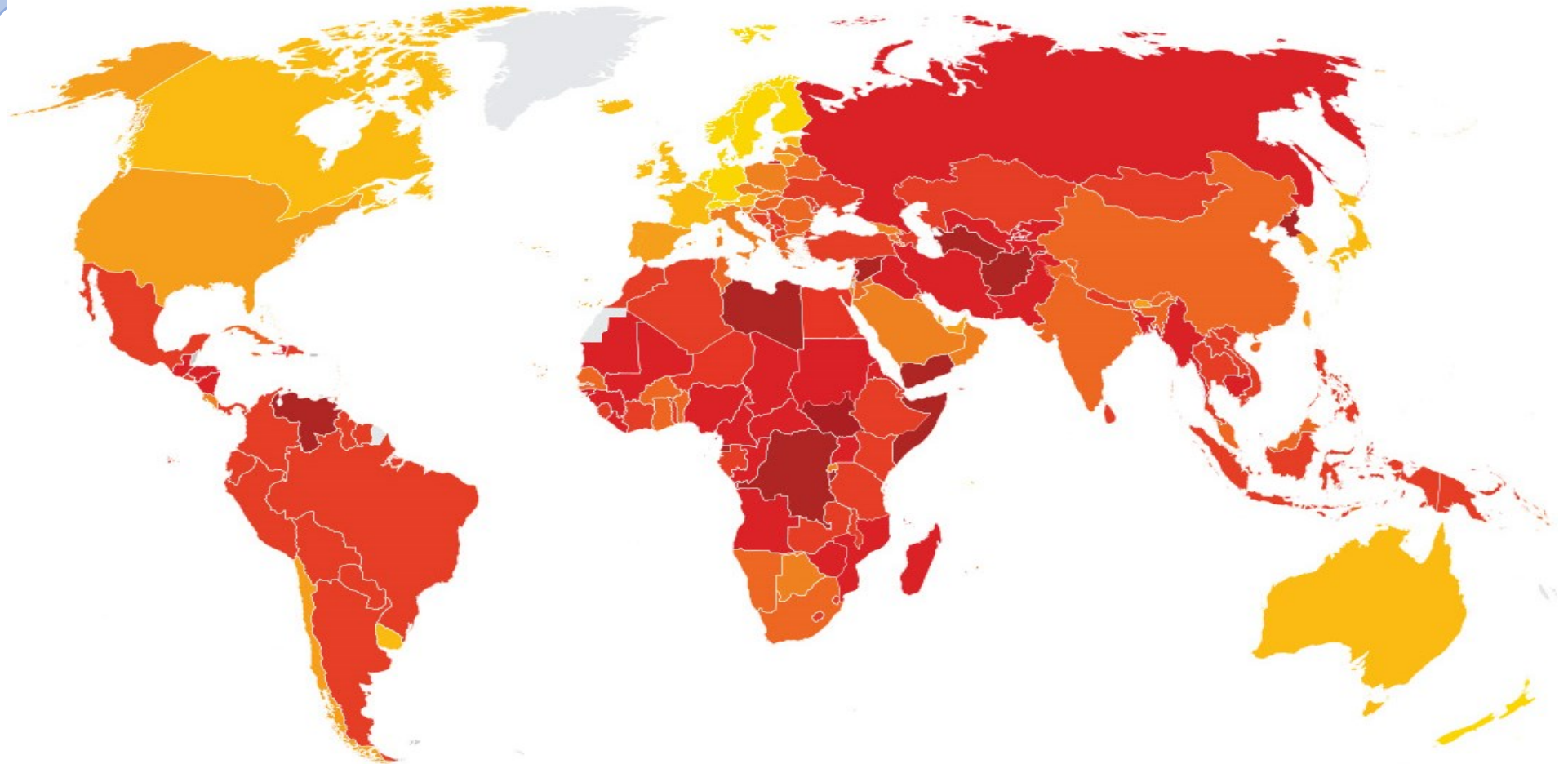
Precision: The CPI's scale (0-100) introduces more precision in comparison to other sources that may have scales of 1-5 or 1-7 (and where many countries are equally ranked)

Neutrality: The CPI reconciles different view points on the issue of public sector corruption, it is also more neutral when handling different political regimes



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CPI 2021 MAP



2021 CPI RESULTS

A Nation without Corruption; A Society with Integrity



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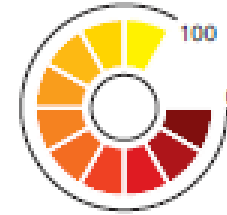
Global Highlights

180 COUNTRIES SCORED

The CPI scores 180 countries and territories by their perceived levels of public sector corruption, according to experts and business people.

2/3 OF COUNTRIES SCORE BELOW

50/100



THE CPI USES A SCALE
FROM **0** TO **100**

100 is very clean and 0 is highly corrupt

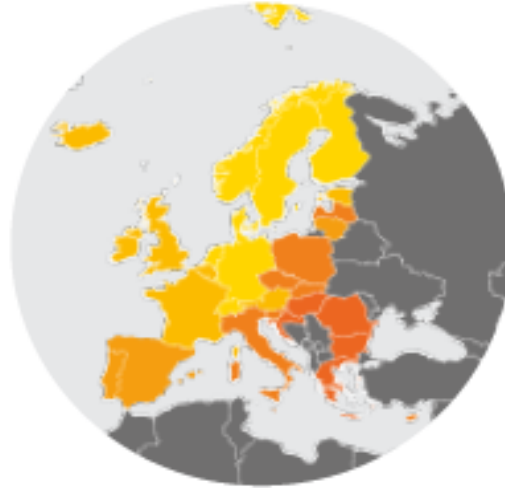
THE AVERAGE SCORE IS

43/100



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Global Highlights

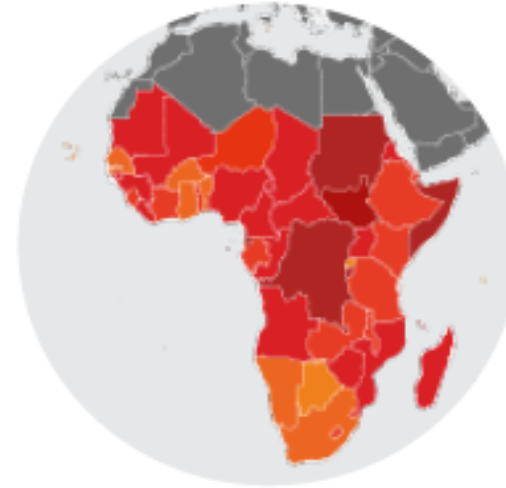


HIGHEST SCORING REGION

**WESTERN EUROPE &
EUROPEAN UNION**

66/100

AVERAGE REGIONAL SCORE



LOWEST SCORING REGION

**SUB-SAHARAN
AFRICA**

33/100

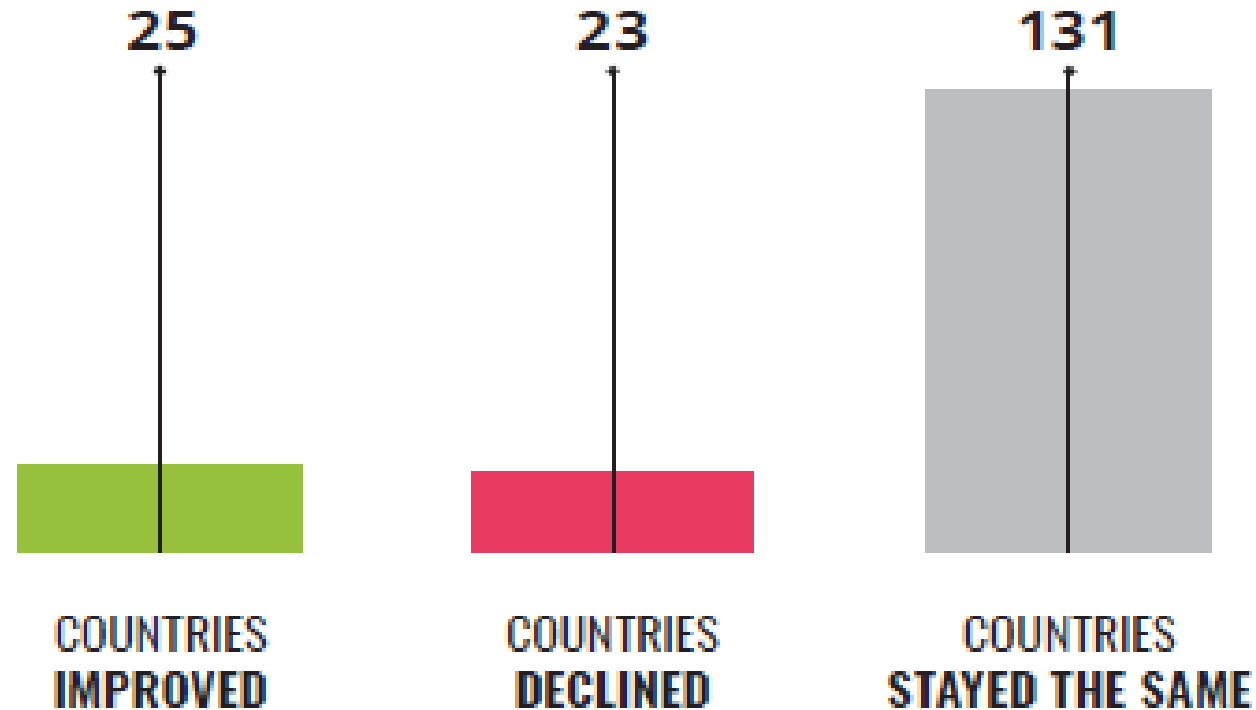
AVERAGE REGIONAL SCORE



Global Highlights

CPI SCORE CHANGES, 2012-2021

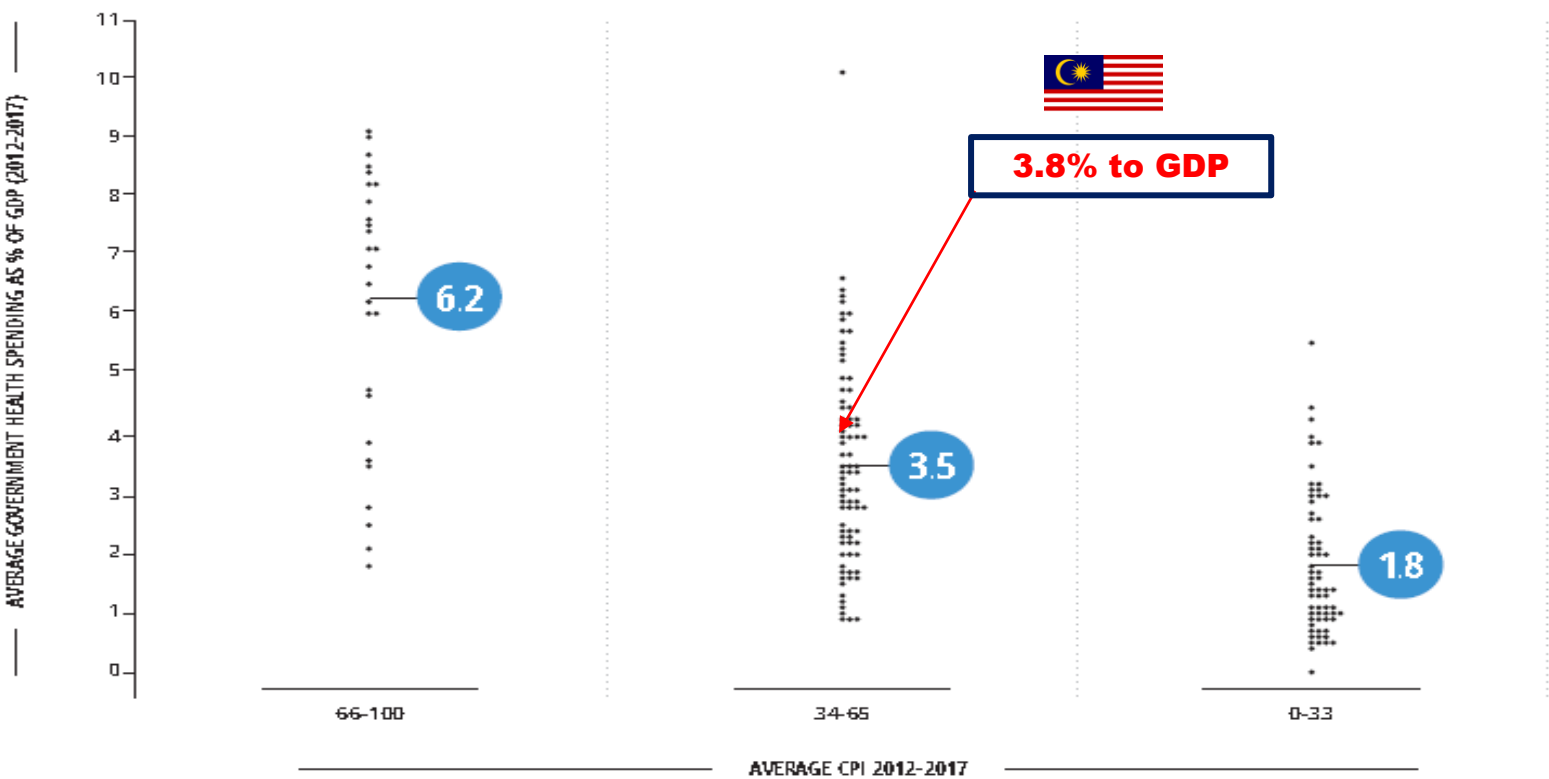
Number of countries that the underlying data sources largely agree improved or declined, over the period 2012 to 2021, for all 179 countries with data available.



Healthcare Spending to GDP & CPI Score-Malaysia

CORRUPTION AND HEALTH SPENDING

Lower investment in public health is associated with higher levels of corruption. Each dot represents a country's average CPI score (2012-2017) compared to average health expenditures as a percentage of GDP (2012-2017).¹³



Source: Transparency International

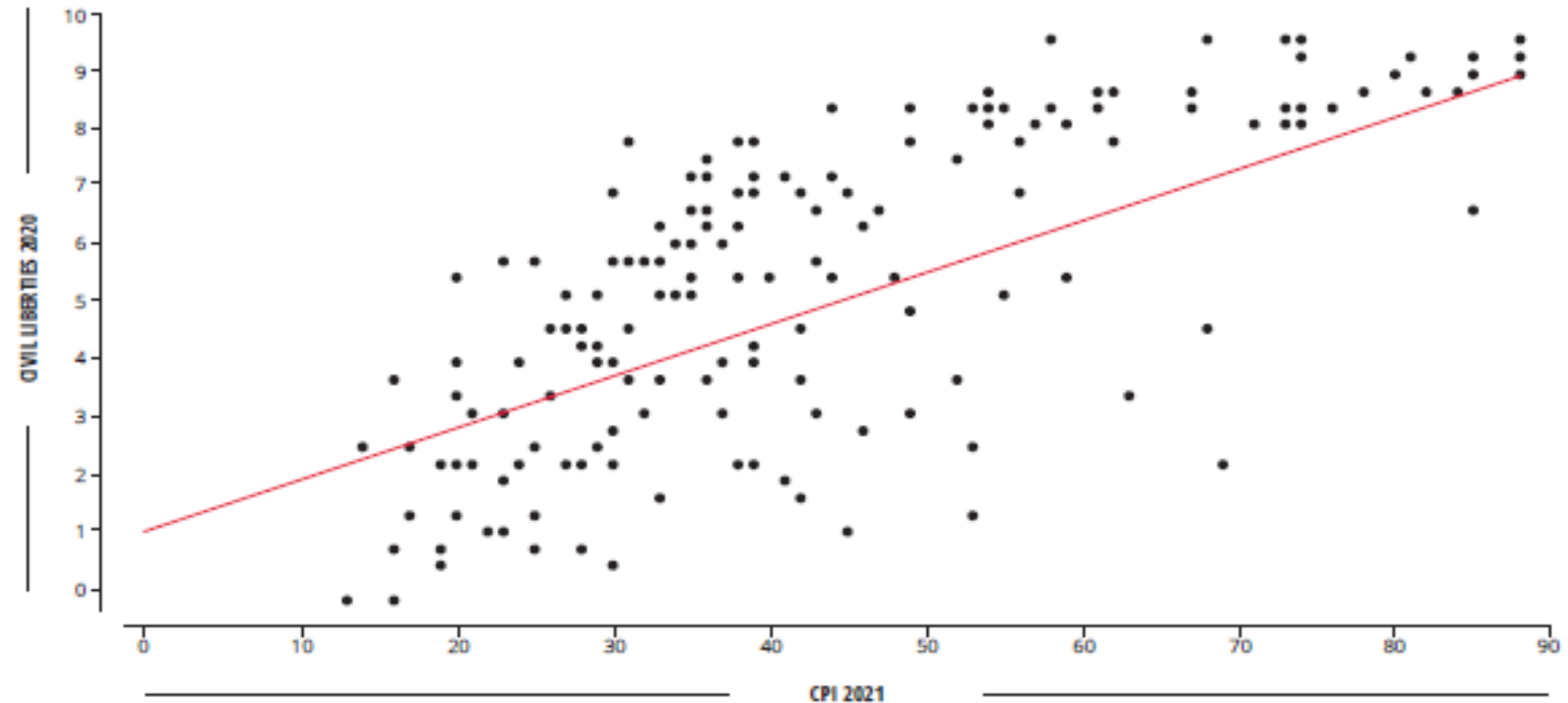


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Corruption & Human Rights

CORRUPTION AND BREACHES OF CIVIL LIBERTIES

Higher levels of corruption, as measured by the CPI, are strongly associated with breaches of civil liberties. Outliers exist, but in most cases the relationship is causal in both directions: more corruption can lead to restrictions on civil liberties, while having fewer civil liberties makes it harder to fight corruption.²¹





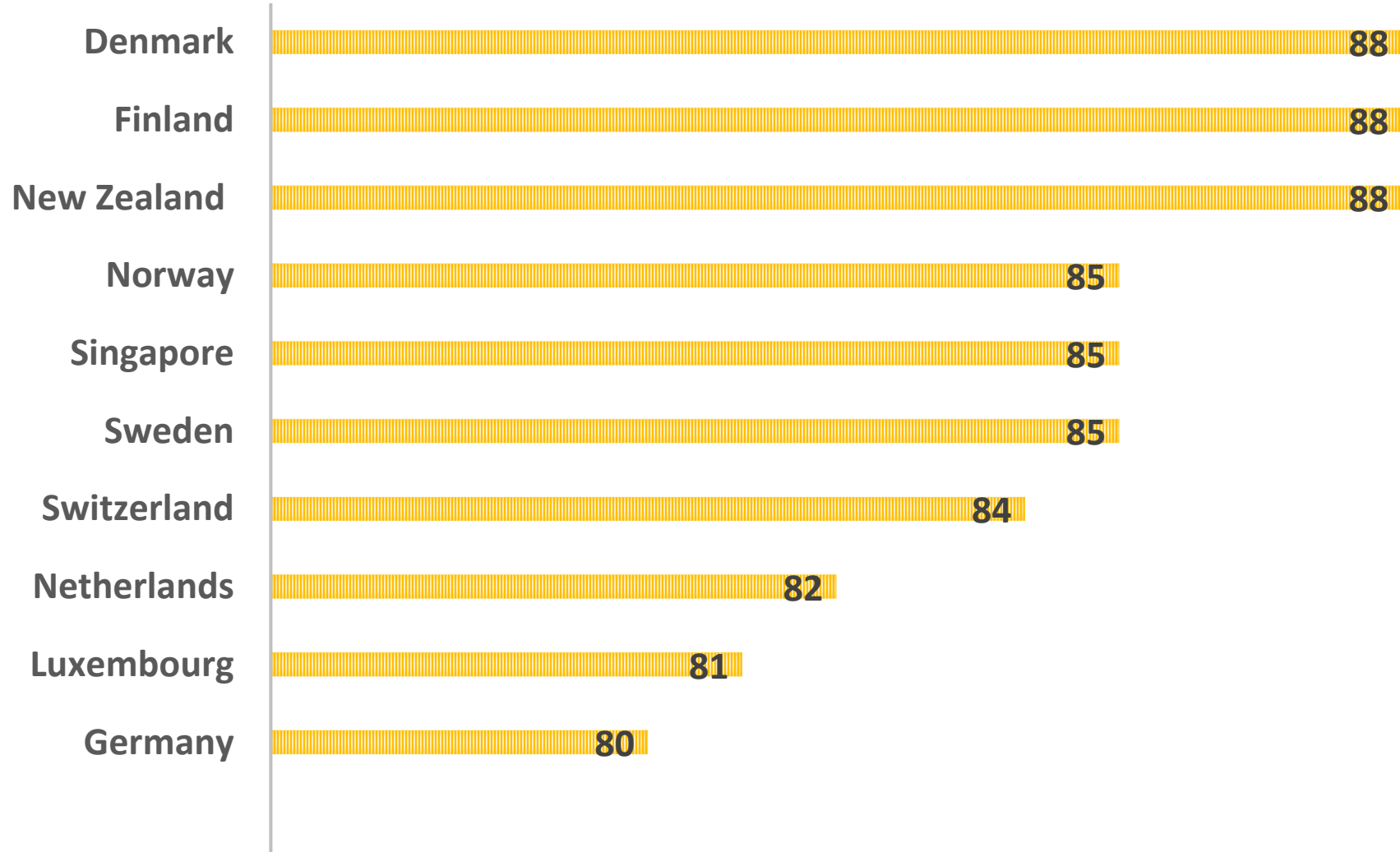
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CPI RESULTS



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TOP 10 COUNTRIES





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BOTTOM 10 COUNTRIES





Regional Highlights

ASIA PACIFIC

While the Asia Pacific region has made great strides in controlling petty corruption over the last decade, a failure to address grand corruption has kept the average score stalled at 45 out of 100 for the third year running. Some higher-scoring countries have dropped down the index, amid the erosion of the very freedoms that once facilitated successful mass movements against corruption in the region.

31

COUNTRIES ASSESSED

TOP SCORERS

NEW ZEALAND

88/100

SINGAPORE

85/100

HONG KONG

76/100

BOTTOM SCORERS

CAMBODIA

23/100

AFGHANISTAN

16/100

NORTH KOREA

16/100





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2019 – 2021

MALAYSIA's SCORE

YEAR	SCORE ¹	RANK ²
2019	53	51
2020	51 ↓	57 ↓
2021	48 ↓	62 ↓

Notes: 1. 100 (very clean) to 0 (highly corrupt)
2. 180 countries ranked for all 3 years



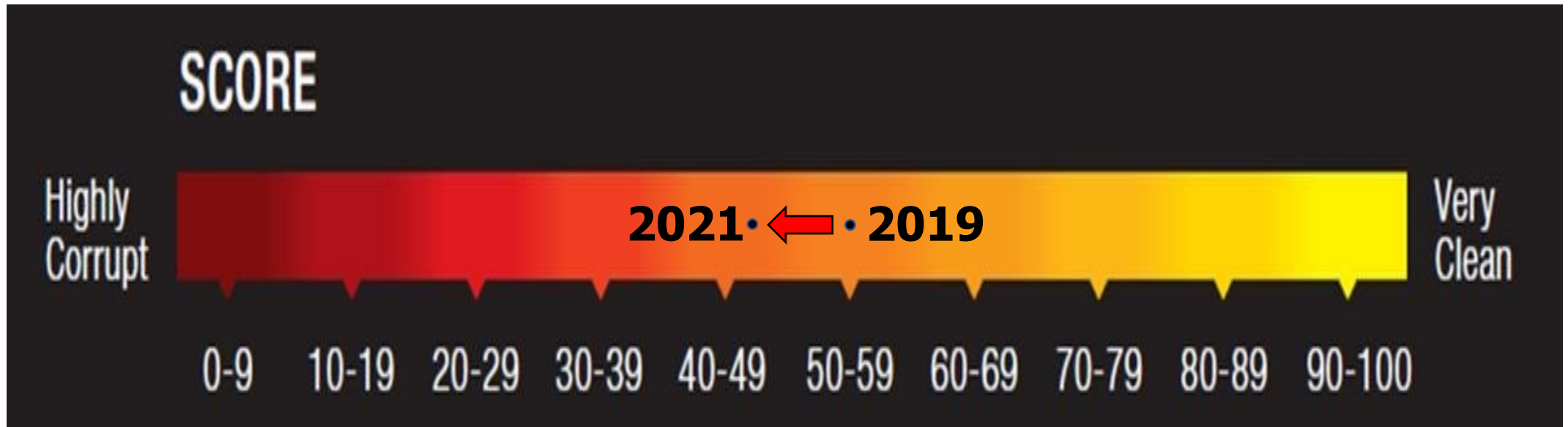
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Result Analysis



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CPI BAROMETER



Drop of 5 points in 3 years



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SURVEYS USED

NO.	SOURCE	2021		2020
1	Bertelsmann Stiftung Transformation Index	49	↓	53
2	Economist Intelligence Unit Country Risk Service	55	—	55
3	Global Insight Country Risk Ratings	59	—	59
4	IMD World Competitiveness Center World Competitiveness Yearbook Executive Opinion Survey	43	↓	51
5	Political and Economic Risk Consultancy Asian Intelligence	38	↑	35
6	The PRS Group International Country Risk Guide	41	—	41
7	World Economic Forum Executive Opinion Survey	54	↓	62
8	World Justice Project Rule of Law Index Expert Survey	48	↓	52
9	Varieties of Democracy (V-Dem)	49	↓	54

Total:

436

462

Aggregate:

48

51





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ASEAN COUNTRIES



COUNTRY	Country Score		Rank	
	2021	2020	2021	2020
Singapore	85 —	85	4 ↓	3
Brunei	-	60	-	35
Malaysia	48 ↓	51	62 ↓	57
Indonesia	38 ↑	37	96 ↑	102
Thailand	35 ↓	36	110 ↓	104
Philippines	33 ↓	34	117 ↓	115
Vietnam	39 ↑	36	87 ↑	104
Myanmar	28 —	28	140 ↓	137
Laos	30 ↑	29	128 ↑	134
Cambodia	23 ↑	21	157 ↑	160



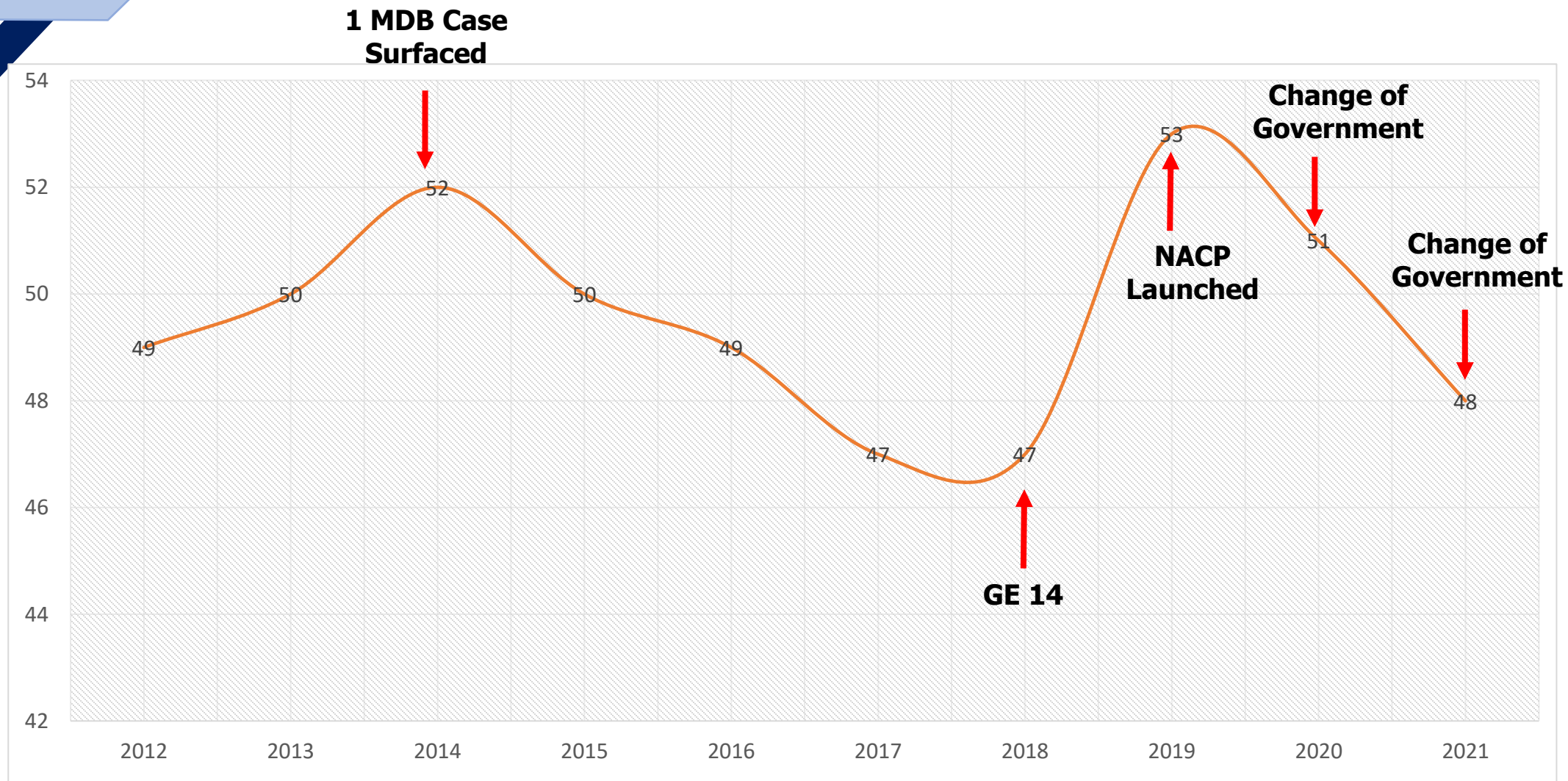
SELECTED ISLAMIC COUNTRIES

COUNTRY	Country Score		Rank	
	2021	2020	2021	2020
UAE	69	71	24	21
Qatar	63	63	31	30
Brunei Darussalam	-	60	-	35
Oman	52	54	56	49
Saudi Arabia	53	53	52	52
Malaysia	48	51	62	57
Jordan	49	49	58	60
Senegal	43	45	73	67
Tunisia	44	44	70	69
Maldives	40	43	85	75



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MALAYSIA'S SCORE – 2012 to 2021



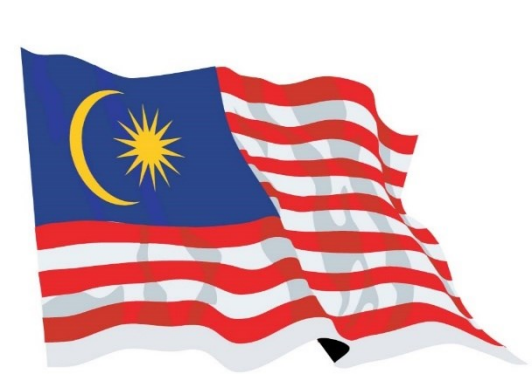
Positive Developments

- ☐ Signing of an MOU between the Government & Pakatan Harapan which includes:
 - Reducing the minimum voting age to 18 and automatic voter registration
 - Malaysia Agreement (MA) 63
 - Anti-Hopping Law or Recall Elections
 - Parliamentary Reforms
 - Limiting the tenure of the PM in office to 10 years
- ☐ Judicial independence on corruption cases



Why has Malaysia's Score Digressed?

- ❖ Institutional reforms have stalled
 - ❖ Last 4 governments have lacked political will to table the **Political Financing Bill**. As a result **money politics** is still rampant, both during elections and as a scheme for corruption
 - ❖ **Proposed IPCMC Bill** was revised to a watered down, ineffective IPCC Bill
 - ❖ No progress on **reforms to MACC** recommended in 2015
- ❖ Acquittal or **Discharge Not Amounting to Acquittal (DNAA)** to high profile personalities in several corruption cases with no clear clarification from the AG's Office
- ❖ No closure yet on the two cases of high impact to the country – **SRC & 1 MDB**
- ❖ Suspension of Parliament during the MCO. **Huge stimulus** packages were pushed through without **parliamentary debate and scrutiny**
- ❖ **Continued lack of political will** from various administrations in fighting institutional corruption



Why has Malaysia's Score Digressed?

- ❖ Appointment of politicians without experience to head GLCs/GLICs
- ❖ Limited progress or public update on high profile cases
 - ❖ Wang Kelian Sabah Water Littoral Combat Ship (LCS)
- ❖ Government Procurement Bill is yet to be tabled in Parliament
- ❖ Lack of progress on amendments to the Whistle Blower Protection Act 2010
- ❖ Continued adverse findings and repeated governance failures observed in the Auditor General's annual report
- ❖ Lack of action against public officials found to have abused their position
- ❖ Slow progress on the various initiatives within the National Anti-Corruption Plan's (NACP)



TI-M's RECOMMENDATIONS

For improved Transparency and Governance practice the government should:

- ❖ **Narrow the scope of the Official Secrets Act** so that matters of public interest e.g. directly negotiated contracts can be released and only matters related to **national security** are protected
- ❖ Share information transparently including **uploading data on all public contracts** and providing **regular updates on** the status of pending **high profile** cases
- ❖ Monitor implementation of the **National Anti-Corruption Plan** and disclose progress on the 115 initiatives via a public dashboard
- ❖ **Empower KSN** to be responsible for the public service's role in the successful implementation and achievement of the NACP's goals. This was highlighted last year
- ❖ Adopt **International Standards on Integrity Pact** in Government Procurement for transparency and good governance. Latest government circular failed to address this issue
- ❖ Improve the power and independence of the **Enforcement Agency Integrity Commission (EAIC)**





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TI-M's RECOMMENDATIONS

- ❖ Reform MACC to make it truly **independent and report to Parliament**. Will require amendment to the MACC Act and the Federal Constitution (as proposed by Civil Society in 2015)
- ❖ **Amend the Whistleblower Protection Act 2010** to provide wider reporting channels for the public and strengthen protection for whistle blowers
- ❖ Enactment of an **Asset Declaration law** to compel all politicians and high ranking public officials to declare their assets and make it accessible to the public
- ❖ **Reduce large off budget projects** that use public funds. Mandate that they have **publicly disclosed Cost Benefit reports** and require parliamentary approval before commencing
- ❖ **Amend Election Offences Act 1954** to include sanctions against corruption
- ❖ **Compel public officials** found guilty of corruption **to vacate their official positions**, even while they exhaust their appeal process
- ❖ Include **Misconduct in Public Office** as a provision in the MACC Act to hold public officials accountable for their decisions
- ❖ Enact a new **Ombudsman law** to investigate complaints involving public interest



Urgently Calls For:

1. Full Implementation of the NACP
2. Accelerate the tabling of the Political Financing Act
3. Independence & Transparency of key institutions:
 - MACC
 - AG's Chambers
4. Anti-Hopping Law or Recall Elections to stop party hopping
5. Implementing & Empowering Undi 18
6. Implementing Parliamentary Reforms



Menyeru Dengan Segera:

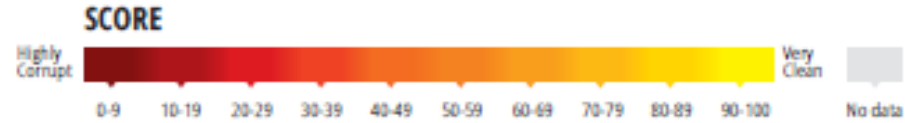
1. Pelaksanaan penuh Pelan Antirasuah Nasional (NACP)
2. Mempercepatkan Pembentangan Akta Pembiayaan Dana Politik
3. Kebebasan & Ketelusan Institusi Utama:
 - SPRM
 - Jabatan Peguam Negara
4. Akta Anti-Lompat Parti atau Mengadakan Pilihan Raya Pecat
5. Pelaksanaan dan Pemerkasaan Undi 18
6. Melaksanakan Reformasi Parliamen

(Terjemahan)





Scores By Country



SCORE COUNTRY/TERRITORY

88	Denmark
88	Finland
88	New Zealand
85	Norway
85	Singapore
85	Sweden
84	Switzerland
82	Netherlands
81	Luxembourg
80	Germany
78	United Kingdom
76	Hong Kong
74	Canada
74	Iceland
74	Ireland
74	Estonia
74	Austria
73	Australia
73	Belgium
73	Japan
73	Uruguay
71	France
70	Seychelles

69	United Arab Emirates
68	Bhutan
68	Taiwan
67	Chile
67	United States of America
65	Barbados
64	Bahamas
63	Qatar
62	Korea, South
62	Portugal
61	Lithuania
61	Spain
59	Israel
59	Latvia
59	Saint Vincent and the Grenadines
58	Cabo Verde
58	Costa Rica
57	Slovenia
56	Italy
56	Poland
56	Saint Lucia
55	Botswana

55	Dominica
55	Fiji
55	Georgia
54	Czechia
54	Malta
54	Mauritius
53	Grenada
53	Cyprus
53	Rwanda
53	Saudi Arabia
52	Oman
52	Slovakia
49	Armenia
49	Greece
49	Jordan
49	Namibia
48	Malaysia
47	Croatia
46	Cuba
46	Montenegro
45	China
45	Romania
45	Sao Tome and Principe

45	Vanuatu
44	Jamaica
44	South Africa
44	Tunisia
43	Ghana
43	Hungary
43	Kuwait
43	Senegal
43	Solomon Islands
42	Bahrain
42	Benin
42	Burkina Faso
42	Bulgaria
41	Timor-Leste
41	Belarus
41	Trinidad and Tobago
40	India
40	Maldives
39	Kosovo
39	Colombia
39	Ethiopia
39	Guyana
39	Morocco



Scores By Country (Con't)

39	North Macedonia
39	Suriname
39	Tanzania
39	Vietnam
38	Argentina
38	Brazil
38	Indonesia
38	Lesotho
38	Serbia
38	Turkey
37	Gambia
37	Kazakhstan
37	Sri Lanka
36	Cote d'Ivoire
36	Ecuador
36	Moldova
36	Panama
36	Peru
35	Albania
35	Bosnia and Herzegovina
35	Malawi
35	Mongolia
35	Thailand

34	El Salvador
34	Sierra Leone
33	Egypt
33	Nepal
33	Philippines
33	Zambia
33	Algeria
32	Eswatini
32	Ukraine
31	Gabon
31	Mexico
31	Niger
31	Papua New Guinea
30	Azerbaijan
30	Bolivia
30	Djibouti
30	Dominican Republic
30	Laos
30	Paraguay
30	Togo
30	Kenya
29	Angola

29	Liberia
29	Mali
29	Russia
28	Mauritania
28	Myanmar
28	Pakistan
28	Uzbekistan
27	Cameroon
27	Kyrgyzstan
27	Uganda
26	Bangladesh
26	Madagascar
26	Mozambique
25	Guatemala
25	Guinea
25	Iran
25	Tajikistan
24	Lebanon
24	Nigeria
24	Central African Republic
23	Cambodia
23	Honduras
23	Iraq

23	Zimbabwe
22	Eritrea
21	Congo
21	Guinea Bissau
20	Chad
20	Comoros
20	Haiti
20	Nicaragua
20	Sudan
19	Burundi
19	Democratic Republic of the Congo
19	Turkmenistan
17	Equatorial Guinea
17	Libya
16	Afghanistan
16	Korea, North
16	Yemen
14	Venezuela
13	Somalia
13	Syria
11	South Sudan



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THANK YOU

Please don't hesitate to contact us if you have any questions

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