
Transparency International Publishes Its 2018 Corruption Perceptions Index, UK Falls Out of Top 10

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Anti-corruption watchdog Transparency International has published its 2018 Corruption Perceptions Index (“CPI”)¹. The CPI analyses perceptions of public sector corruption in 180 countries and territories, and ranks each country based on a score out of a possible 100, with 0 being the highest level of perceived corruption, and 100 the lowest.

The note from Transparency International this year is not a positive one. Globally, more countries declined in their CPI scores than improved, and most improvements were small. Transparency International has interpreted this trend as an indication that most countries are *“failing to make serious inroads against corruption”*. The UK is apparently no exception, falling this year to its lowest score since 2014 with 80 points, and dropping outside the top 10. Robert Barrington, Executive Director of Transparency International UK, cautioned that *“[s]candals in this past year such as an MP being found guilty of taking undeclared holidays paid for by a foreign state, as well as serious questions over the provenance of money used in the EU referendum, should send an early warning signal to the government – but we are not sure they are listening.”*

Although this year’s CPI represents a drop in the overall rankings for the UK, this must be considered in the context of what the CPI actually demonstrates, and the methodology behind it. The CPI only measures perceptions of corruption, rather than absolute levels of corruption. As for the methodology, the CPI is calculated using 13 data sources from 12 different institutions, capturing perceptions of corruption within the last two years. Contributing sources are instructed to assess a number of corrupt behaviours in the public sector, including bribery, diversion of public funds, use of public office for private gain, nepotism in the civil service, and state capture. Contributors are also asked to look at the mechanisms available to prevent corruption in a country, such as the effectiveness of prosecution of corrupt public officials, red tape and bureaucratic burden, and the adequacy of laws on financial disclosure, conflict of interest and access to information. Studies have generally shown a strong correlation between the CPI and other more quantifiable proxies for corruption, such as black market activity². However, it is still an imperfect exercise. As one commentator points out, *“perceptions are not facts, and in this case they may be an unhelpfully distorted reflection of the truth”*³. The placement of countries within a global ranking can also sometimes mask commendable long-term improvements in overall scores (the UK for

example has seen a significant overall increase in terms of raw points since 2012, moving from 74 points to 80 points).

What then should we take from this year's UK ranking? Given the CPI is based on perceptions of corruption, it makes sense that the CPI will broadly track a government's visible, public commitment to tackling corruption over time. For the UK, CPI scores have generally been on an upward trajectory since the coming into force of the Bribery Act in 2011. This legislative model has since been replicated in other jurisdictions keen to demonstrate their anti-corruption efforts, such as India. The UK also hosted the 2016 Global Anti-Corruption Summit, at which it pledged to "*expose corruption... punish the corrupt...[and] drive out the culture of corruption, wherever it exists*"⁴. The drop in the UK's CPI score this year may in part reflect the fact that Brexit has dominated political headlines over the past two years. However, prosecutions for corruption, which command public attention, have been relatively limited in number. The CPI scoring system will inevitably be imperfect: it does not measure tangible legislative efforts in this area or, for example, funding for pipeline corruption investigations. Nonetheless it remains an important indicator and, as Robert Barrington describes it an "*important warning to the UK against complacency in tackling corruption*".

¹ 2018 Corruption Perceptions Index (<https://www.transparency.org/cpi2018>)

² See for example Wilhelm, Paul G "*International Validation of the Corruption Perceptions Index: Implications for Business Ethics and Entrepreneurship Education*" (2002, Journal of Business Ethics, 35 (3): 177–189).

³ Cobham, Alex "*Corrupting Perceptions: Why Transparency International's Flagship Corruption Index Falls Short*" (<https://www.cgdev.org/blog/corrupting-perceptions-why-transparency-international%E2%80%99s-flagship-corruption-index-falls-short>)

⁴ HM Government, *UK Country Statement, Anti-Corruption Summit – London 2016* (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/522749/United_Kingdom_Country_Statement_Anti-Corruption_Summit_London_2016.pdf)