

An Analytical Study of Transparency International's Indicators and Their Role in Monitoring Corruption

دراسة تحليلية لمؤشرات منظمة الشفافية الدولية ودورها في مراقبة الفساد

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Received: 18/07/2024

Accepted: 03/12/2024

Published: 03/02/2025

Abstract :

The spread of the phenomenon of corruption, with its profoundly negative repercussions on individuals and communities, has transformed into a global issue that transcends the boundaries of individual states. What was once a national and regional concern has now become a global obsession, with its impacts and consequences multiplying. This has necessitated the unification of efforts to combat this negative phenomenon, including the involvement of international non-governmental organizations like Transparency International, which is considered one of the most prominent organizations in this field. Thus, through this study, we aimed to highlight the significance of Transparency International in monitoring and combating corruption through the various indicators it issues and its effective role in exposing different manifestations and methods of corruption.

key words: Corruption; Transparency International; Corruption Indicators; Corruption Perceptions.

الملخص:

إن تفشي ظاهرة الفساد بما لها من انعكاسات سلبية عميقة على الأفراد والمجتمعات، وتحولها لظاهرة عالمية تتجاوز إقليم الدولة الواحدة، بحيث تحولت من قضية وطنية وإقليمية إلى هاجس عالمي تضاعفت آثاره وازدادت تداعياته، وهو ما استوجب ضرورة توحيد الجهود لمواجهة هذه الظاهرة السلبية، بما في ذلك المنظمات الدولية غير الحكومية على شاكلة منظمة الشفافية الدولية التي تعد من أبرز المنظمات في هذا المجال، لذا حاولنا من خلال هذه الدراسة تبيان مدى أهمية منظمة الشفافية الدولية في رصد ومكافحة الفساد من خلال مختلف المؤشرات التي تصدرها ودورها الفعال في كشف مختلف مظاهر وأساليب الفساد.

الكلمات المفتاحية: الفساد؛ منظمة الشفافية الدولية؛ مؤشرات الفساد؛ مدركات الفساد.

1. Introduction:

The prevalence of corruption and its spread within societies lead to the obstruction of economic and social development processes and, in other cases, undermine political legitimacy. This contributes to the intensification of poverty, increased economic and political instability, and exacerbation of class disparities within societies. Generally, corruption is driven and encouraged by various factors that create conducive conditions for its entrenchment and proliferation, which can be political, economic, social, or cultural, and may be internal or external. Consequently, all experts and researchers agree on the necessity of combating corruption as a top priority if countries wish to pursue the path of development for their people and make the most of their capabilities and potential. However, this endeavor faces numerous difficulties and obstacles, especially in light of technological advancements and the expanding effects of globalization. This necessitates increased cooperation and coordination among countries, as well as with governmental and non-governmental international organizations, to establish a common ground that contributes to uprooting the phenomenon of corruption from its roots.

Transparency International is one of the foremost international non-governmental organizations dedicated to monitoring and diagnosing the phenomenon of corruption in most countries around the world. To form a practical and scientifically objective picture, Transparency International relies on a comprehensive set of indicators to measure the extent of corruption in each country individually. This, in turn, facilitates decision-makers in these countries, should there be the political will, to develop means to eradicate and uproot this negative phenomenon.

In this context, efforts aimed at combating corruption and driving the development process, along with achieving social justice in all its dimensions and requirements, may fail if not supported by mechanisms for oversight and fighting corruption.

Research questions:

Thus, this study will attempt to answer the following question:

To what extent do Transparency International's indicators contribute to monitoring and combating corruption?

Sub-questions:

- What is meant by Transparency International?
- What are the key indicators used by Transparency International to measure corruption?
- What are the main sources relied upon to build these corruption indicators?

Hypotheses:

To answer the posed question, the study starts from the hypotheses that:

- The success of Transparency International's indicators is linked to the extent of their objectivity and the accuracy and impartiality of their sources.

From this perspective, the study draws its importance from the sharp escalation of the corruption problem, which has in turn impacted poverty rates, directly affecting individuals' living conditions. Additionally, the various real reasons behind the exacerbation of the phenomenon and its link to issues of distributive justice in many Arab countries are considered, as these reasons vary according to the political, economic, and social environment of each country. The absence of decisive resolutions to find solutions to these issues, in light of the lack of consensus on formulas to address such matters, also contributes to this importance.

Methodology:

In our study, we relied on the descriptive-analytical method, which allows the researcher to study the phenomenon comprehensively by addressing all the variables associated with it through complete description and analysis. Among the advantages of this method is that it enables the researcher to provide a comprehensive, integrated, and in-depth study of the phenomenon under investigation. Additionally, it helps the researcher to provide detailed and thorough information.

2. Transparency International Organization :

This organization is considered one of the largest and most active and effective international non-governmental organizations in monitoring and combating corruption globally. It embodies the institutional expression of a global movement against corruption, which has become a global phenomenon impeding the achievement of international cooperation goals in all fields. Therefore, it must be fought and resisted in every possible way to eliminate it.

The idea of establishing an international organization to combat corruption can be traced back to the German Peter Eigen, the former director of the World Bank. His extensive experience working in Africa and South America gave him a special sensitivity and awareness of the destructive impact of corruption. Thus, he attempted to highlight its dangers through the World Bank. However, he faced numerous obstacles and difficulties, especially from major countries dominating the international financial institution, which strive to maintain and even increase their influence in developing countries under the pretext of non-interference in the internal affairs of states. Consequently, donor countries must accept the status quo without questioning or tracking the fate of the funds, merely acknowledging the accomplishment of development projects (britannica).

Due to his inability to combat corruption through the World Bank platform, Peter Eigen resigned from the international financial institution in 1993 and decided to establish Transparency International with the help of a group of like-minded friends with extensive international experience, such as Fritz Heimann, the legal advisor to General Electric, and Kamal Hossain, a former minister in Bangladesh, among others, in the same year. The German capital, Berlin, was chosen as the permanent headquarters for its general secretariat, raising the slogan "Global Coalition Against Corruption" (governance-platforme).

Despite its relatively recent establishment, Transparency International grew rapidly. The Argentine organization Poder Ciudadano joined it in 1995, and by the end of 1997, it had 38 branches worldwide. By 2002, the number had exceeded 100 branches, making it the largest international non-governmental organization. This organization has taken on the responsibility of developing tools and mechanisms aimed at creating a world free of corruption by focusing on finding technical solutions to corruption problems. According to Peter Eigen, corruption is the biggest obstacle to economic and democratic development in the world. In this context, Transparency International relies on two fundamental principles:

- **Integrity:** An ethical value that must be upheld while performing public duties.
- **Transparency:** The availability of accurate information in a timely and clear manner to allow for easy oversight.

In all its annual reports, Transparency International has emphasized that its concern with the phenomenon of corruption stems from several reasons, the most important of which are:

- **Human Dimension:** Corruption violates human rights and threatens efforts towards economic and social development.
- **Ethical Dimension:** Corruption undermines societal values and impedes its holistic moral integration and interaction.
- **Practical Reasons:** Corruption, in reality, hinders market operations and activities, preventing those who deserve benefits and rights from receiving them.

Based on the above, Transparency International seeks to achieve several goals, the most important of which can be summarized as follows:

- **Breaking the Silence Surrounding Corruption Issues:** Corruption often involves the political system, making matters more sensitive.
- **Forming Coalitions Against Corruption:** Bringing together various parties and mobilizing all necessary resources to combat it.
- **Promoting Principles of Democracy, Participation, Decentralization, Transparency, and Accountability:** Especially at the local level, and moving beyond narrow partisan affiliations in administration and governance.
- **Raising Public Awareness:** Due to the spread of corruption and the resulting damages that delay development in all fields, especially education, healthcare, and infrastructure.
- **Understanding the Reality of Corruption Globally:** By forming a global alliance to combat it.
- **Drawing Media Attention to Corruption Issues:** Enlightening local and global public opinion through transparency, integrity, and highlighting the economic impacts of corruption
- **Educating Businessmen about the Investment Climate in Different Countries:** Ensuring equal opportunities and raising awareness among countries to achieve sustainable development.

- **Increasing Central Oversight at the Local and Global Levels:** To eradicate corruption, which can only be achieved through civil society. Ordinary citizens cannot perform this role without a high degree of transparency in handling public funds and integrity in managing and spending them for public interests rather than personal gain.

2.1 Guidelines of Transparency International:

In its relentless pursuit to combat corruption in all its forms, Transparency International collaborates with companies, individuals, and international non-governmental organizations engaged in fighting corruption, according to the policies and priorities set by its governing body. The organization is committed to openness, honesty, and accountability in its dealings with all its collaborators and among its members. Additionally, the organization stands in solidarity with citizens, devoid of any sectarian or partisan affiliations.

Transparency International condemns corruption in all its forms and manifestations. Its stances are based on objective and professional analysis adhering to strict standards. In this context, the organization does not accept any funding that could undermine its ability to study issues freely and objectively. The organization provides accurate and timely reports on corruption to its stakeholders concerning its activities. Furthermore, it respects and promotes the respect of fundamental rights and freedoms.

2.2 Transparency International's Classifications of Types of Corruption and Their Specifics:

After a five-year study (from 1996 to 2000), Transparency International developed its own classification of international corruption based on several criteria: source and comprehensiveness of impact, ease of detection, speed of handling and its cost, in addition to measuring the degree of transparency.

3. Mechanisms of Transparency International:

Transparency International issues annual periodic reports on global corruption, relying on a distinguished set of indicators. These indicators are monitored and results are gathered through specialized surveys and opinion polls

provided by various independent institutions. These indicators can be clarified as follows:

3.1 Corruption Perceptions Index (CPI) :

Transparency International has been publishing the Corruption Perceptions Index (CPI) since 1995. This index evaluates and ranks countries based on the perceived level of corruption among public officials and politicians (cpib.gov). It is a composite index relying on corruption-related data collected through specialized surveys conducted by various reputable and independent institutions. The index reflects the opinions of businesspeople and analysts worldwide, including experts from the country being evaluated. For a country to be included in the index, Transparency International requires data from at least three different sources.

According to the organization, the CPI focuses on public sector corruption. The data is converted into a unified scale within the CPI's score range of 0 to 10, with 0 representing the highest perceived level of corruption and 10 representing the lowest. Transparency International defines corruption as "the misuse of public power for private benefit." Consequently, the information sources concentrate on issues related to this definition, such as government officials accepting bribes or embezzling public funds, and the efforts made by the state to combat corruption (International . T. 2017).

Although there are thirteen other sources measuring public sector corruption, the CPI issued by Transparency International has four characteristics that make it a valuable governance indicator:

- It covers the largest number of countries compared to other individual sources.
- The CPI has greater credibility than individual sources because it corrects potential errors by averaging results from at least three different sources and up to thirteen sources.
- The CPI, which operates on a scale of 0 to 100, provides more detailed differentiation of perceived corruption levels compared to sources using scales between 1 and 7 or 1 and 10, as it assigns a complete number to each country.

- Since each source assesses different aspects and manifestations of public sector corruption, the CPI combines all these aspects into a single index.

The CPI covers the following aspects of corruption, according to its data sources (transparency.org/2021):

- Bribery.
- Embezzlement of public funds.
- The prevalence of officials exploiting public offices for personal gain with impunity.
- The ability of governments to contain corruption and enforce effective mechanisms for public sector integrity.
- The burden of excessive bureaucratic procedures, which can increase opportunities for corruption.
- The disparity between merit-based appointments and nepotism in public service.
- Genuine criminal prosecutions of corrupt officials.
- Adequate laws regarding asset declarations and conflict of interest prevention among public officials.
- Legal protection for whistleblowers, journalists, and investigators reporting bribery and corruption.
- State control by narrow personal interests.
- Civil society's access to information on public affairs.

Despite addressing these aspects, the CPI does not provide a complete picture of corruption in the assessed countries. It reflects the perceived spread of public sector corruption from the perspective of businesspeople and country experts, based on the aforementioned points. Thus, it does not cover the following corruption aspects:

- Citizen perceptions or experiences of corruption.
- Tax evasion.
- Illicit financial flows.
- Corruption facilitators (lawyers, accountants, financial consultants).
- Money laundering.
- Private sector corruption.

- Unregulated economies and markets.

The CPI was developed as a composite index to measure perceptions of public sector corruption because corruption cannot be empirically observed; it occurs covertly and is not directly observable. Composite indices are the most commonly used tools for measuring trends in social sciences. Expert opinions and business leader perceptions on various corruption aspects are surveyed to create the corruption measure. Data from different corruption evaluations are collected using questionnaires with multiple scales and several items addressing different forms of corruption. The total scores of these indices are then calculated for survey participants. Corruption indicators relate to various aspects, such as the frequency of corruption acts, the scope of corruption, the importance of corruption, the amounts paid as bribes, the damages caused by corruption, the gains from corruption, and whether participants were asked for or offered bribes to receive certain services.

The CPI sources include thirteen survey and assessment studies on corruption conducted by twelve prestigious, independent, and specialized institutions in governance and business climate analysis. These sources focus on information used during the previous two years before publication. All sources calculate the overall perception of corruption by considering the frequency and amount of bribes in the public and political sectors. These sources include the latest surveys prepared by specialized entities, which are reviewed to ensure alignment with Transparency International's quality standards.

Transparency International relies on several specific sources for the CPI:

- Bertelsmann Stiftung's Transformation Index.
- Global Insight's Country Risk and Economic Forecasts.
- Freedom House's Nations in Transit.
- The Political Risk Services' International Country Risk Guide.
- The World Economic Forum's Executive Opinion Survey.
- The Economist Intelligence Unit's Country Risk Service.

Due to the diverse sources and multiple aspects of corruption being measured with various scales across different countries, the data needs to be standardized

before calculating the average for use in the CPI. Ultimately, the CPI is estimated through the simple arithmetic mean of standardized scores from all sources, indicating the subjective perceptions of foreign experts and local businesspeople from the assessed country. Countries are then ranked on a 100-point scale, where 0 indicates total corruption absence and 100 indicates pervasive corruption.

Reports and indices from Transparency International show that their indicators result from precise global surveys. Countries are ranked in Transparency International's Corruption Perceptions Index using a color-graded map from yellow to orange to red, dividing the world into three main regions:

- Yellow: Represents the least corrupt countries with a CPI score between 7 and 10, including around thirty countries.
- Orange: Includes countries with a moderate corruption level, scoring between 4 and 6, comprising about thirty countries.
- Red: Consists of countries with a noticeable corruption spread, scoring below 4 to 0, including over 100 countries, among them Algeria.

Criticisms of the CPI:

Due to the covert and unobservable nature of corruption, the CPI is based on an impressionistic, indirect methodology. The index assumes that a sound economic, financial, and commercial environment deters corruption and promotes transparency, which, although logical, lacks realism in the relationship between sub-indicators and the main composite index. The composite index includes impressionistic sub-indicators measuring the quality of the economic and business environment, linking corruption presence to this quality level.

It's important to note that data availability varies by country, and a statistical method is used to estimate missing values, reducing the index's accuracy. In response to these criticisms, Transparency International recently published another index measuring corruption levels, the Corruption Barometer, based on public surveys about bribery for public services. However, most of its results do not align with the CPI data.

3.2 Bribe Payers Index (BPI) :

Transparency International has been publishing this index since 1999. The BPI is not an annual index; it was released in the years 1999, 2002, 2006, 2008, and 2011. This index focuses on ranking the most prominent exporting countries based on the likelihood of their foreign partners engaging in bribery. The BPI relies on surveys of executives, emphasizing the business practices of foreign companies in their home countries. Therefore, it ranks countries rather than the companies operating within them. Transparency International selects the countries included in the index based on the following criteria (Bribe Payers Index 2008):

- **Trade Openness:** Measured by the flow of foreign direct investments and the volume of exports.
- **Inclusion in the Latest Edition:** Whether the country was included in the latest edition of the index to compare opinions over time.
- **Membership in the G20:** Being a member of the Group of Twenty.
- **Commercial Importance in the Region or Continent:** The commercial significance of the country within its geographical scope.

The BPI methodology involves surveying business sector executives about the extent to which companies they have business relationships with in one of the concerned countries are involved in bribery. The survey questions may change from year to year to obtain more credible responses. The data is translated into a scale ranging from 10 to 0, where a score of 10 represents the view that companies from that country did not engage in bribery, while a score of 0 represents the view that companies from that country engaged in bribery continuously. Accordingly, countries are ranked based on their likelihood of engaging in bribery abroad.

3.3 The Global Corruption Report (GCR):

was first issued in 2001 and is an annual index, with exceptions in the years 2002, 2010, and 2012. This report details corruption issues in a specific sector or governance issue. The report provides research and analysis from specialists and includes case studies, compiling practical results from leading researchers across various aspects of corruption. Each report covers a twelve-month period from July to June of the following year and is designed to benefit a wide range of readers, including policymakers, journalists, educators, students, and the general public. Transparency International states that the primary function of the annual Global

Corruption Report is to highlight the importance of keeping the media and civil society vigilant.

3.4 The Global Corruption Barometer (GCB):

First launched in 2003, the Global Corruption Barometer (GCB) is an annual measure, with exceptions in 2008 and 2012. It surveys citizens' opinions on corruption, their experiences with bribery, their assessment of corruption levels in major service institutions, and the efforts their governments are making to combat corruption. The GCB is a public opinion survey, meaning it polls the general public rather than experts in each country included in the measure.

The GCB relies on a questionnaire designed by Transparency International, which includes multiple questions to gauge public perception of corruption in their country. Transparency International updates the questionnaire annually, which means that country scores cannot be compared from one year to the next. Transparency International commissions a specialized survey company in each country to conduct this survey, based on specific criteria set by Transparency International. This indicator measures the perceptions of both the public and experts regarding corruption, providing a credible assessment of the situation through a wide range of respondents ([transparency/gcb](http://transparency.org/gcb))

In preparing the GCB, Transparency International collaborates with Gallup, a highly credible institution in public polling, as well as with its own branches in most countries around the world. Additionally, it commissions other international and local organizations in countries not covered by Gallup. Some of the questions included in the GCB survey are, for example:

- In your opinion, has the level of corruption in your country increased, decreased, or remained the same over the past year?
- How would you rate the current government's performance in dealing with corruption, or do you not have enough information to form an opinion?
- How many of the following individuals do you think are involved in corruption, or do you not have enough information to form an opinion?
- Can ordinary people make a difference in the fight against corruption?
- How does corruption affect citizens?

3.5 National Integrity System (NIS):

First introduced in 2001, the National Integrity System (NIS) is a series of country studies that provide a thorough assessment of the strengths and weaknesses of key institutions responsible for promoting good governance and integrity within a state. These studies aim to evaluate the national integrity system of a country theoretically at both the legal (laws and regulatory texts) and practical (implementation) levels. For Transparency International, the NIS report is an essential measurement tool, complementing the global indicators the organization follows. The report also aims to facilitate the transition from the system of public accountability prevalent in authoritarian states to a horizontal accountability system based on multiple oversight and accountability bodies (parliament, public oversight bodies, judiciary, media, administrative oversight...), enabling a comprehensive fight against corruption (rasheed. P 14).

The NIS represents a holistic vision for combating corruption through the reform of institutional and legal frameworks and work procedures. It is based on a gradual approach involving community participation, including civil society institutions, the private sector, media, and religious institutions. This system is built on an overarching reform program that addresses all issues and fields related to governance, including:

- **Institutional Framework:** Governmental bodies and administrations.
- **Legal Framework:** Legislation protecting citizens from the abuse of power and preventing the spread of corruption.
- **Public Policies:** Development strategies that consider the interests of all public segments.

The NIS can be visualized as a Greek temple consisting of three components:

- **Public Awareness and Societal Values:** Representing the foundation or base upon which the temple stands.
- **Elements of the NIS:** Representing the columns supporting the roof of the temple.

- **National Integrity:** Representing the roof of the temple on which the goals of the NIS (better quality of life, rule of law, sustainable development) rest, illustrated by three domes on the roof (A.J. Brown. FinnHeinrich. P 286).

Despite variations across different societies in the architectural styles of columns symbolizing the foundational elements of the national integrity framework, these columns serve as essential pillars of the national integrity system and present a significant model for diverse societies.

4. Conclusion:

Corruption limits sustainable development and its dimensions, hindering the achievement of social justice and its requirements through its negative impacts on growth, distribution, and opportunities. Therefore, it has become essential for countries, especially those known for widespread corruption, to benefit from international transparency indicators in their management. These indicators play an effective role in prevention, protection, and combating the rampant pathological manifestations in institutions and societies due to illicit transactions. Furthermore, countries should enhance efforts to implement effective and continuous plans and reforms that increase integrity and control, along with adopting policies based on the participation of the majority of citizens. The principle and goal at the same time are how to ensure social justice.

Based on the above, international transparency indicators enjoy a high degree of credibility and objectivity. They rely on reliable and independent sources, making them capable of detecting and monitoring corruption with complete impartiality and objectivity.

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