

## CORRUPTION PERCEPTIONS INDEX – 2016

### Transparency International

The Corruption Perceptions Index (CPI) is created by Transparency International, the global civic coalition against corruption, in 1995 as a complex indicator for evaluation of corruption in the public sector in the different countries worldwide. It is based on information obtained from research of respectable international institutions and organizations. The index established at Transparency International measures the level of political and administrative corruption in a given country in the same way it is understood by the representatives of business, analysts from the world as a whole who assess the political and economic risk, including consulted experts from the states under research. Its value ranges from 100 – indicator for a low level of corruption, to 0 – indicator for a high level of corruption.

The information of the Index is submitted to TI free of charge, while within the frames of the current year research a new source has been included - Varieties of Democracy. The institutions providing information for CPI are: The World Bank, Economist Intelligence Unit, Freedom House, World Economic Forum, Institute for Management Development – Center for Global Competitiveness, Consultancy Group for Political and Economic Risk Survey, Bertelsmann Foundation, Bank of Development of Africa, Global Insight – Center for Global markets Research, Group for Political Risk Evaluation, Global Legislation project and V-Dem Institute of the University of Göteborg (whose study “Varieties of Democracy” evaluates basic principles and institutions the democratic process in the states is grounded upon).

The Corruption Perceptions Index for 2016 assesses the level of corruption in a **record number of countries – 176**. It is based on **13 surveys held by 12 independent institutions**. The research covers the dynamics of perceptions for the corruption level registered within the last 24 months.

#### **CORRUPTION PERCEPTIONS INDEX FOR 2016**

Two thirds of the countries studied in the Corruption Perceptions Index for 2016 have scores below 50 points (limit below which the values indicate a systematic problem in the fight against corruption). That tendency brings again to the fore the necessity of systematic efforts application towards opposing corruption at a significant number of states worldwide. **The average value of the index globally is 42.94**, while it is relatively lower than the average value assessed in 2014 and 2015 – 43.

In the current Corruption Perceptions Index the first place is occupied by Denmark and New Zealand which have 90 points as a result, followed from Finland with a result of 89 points, Sweden (89) and Switzerland (86). The index values analysis of the leading five countries indicates that their high scores are obtained owing to the transparent and accountably functioning institutions, the effective systems for access to information established there, the functioning codes of conduct of the public officials and the adequately applied mechanisms for public accountability and control.

#### **THE INDEX OF BULGARIA: CONTINUOUSLY IN THE HIGH CORRUPTION RISK ZONE**

**The Corruption Perceptions Index in Bulgaria for 2016 is 41 points, thus positioning the country at 75<sup>th</sup> place in the global ranking.** The index value is the same as in 2015 while

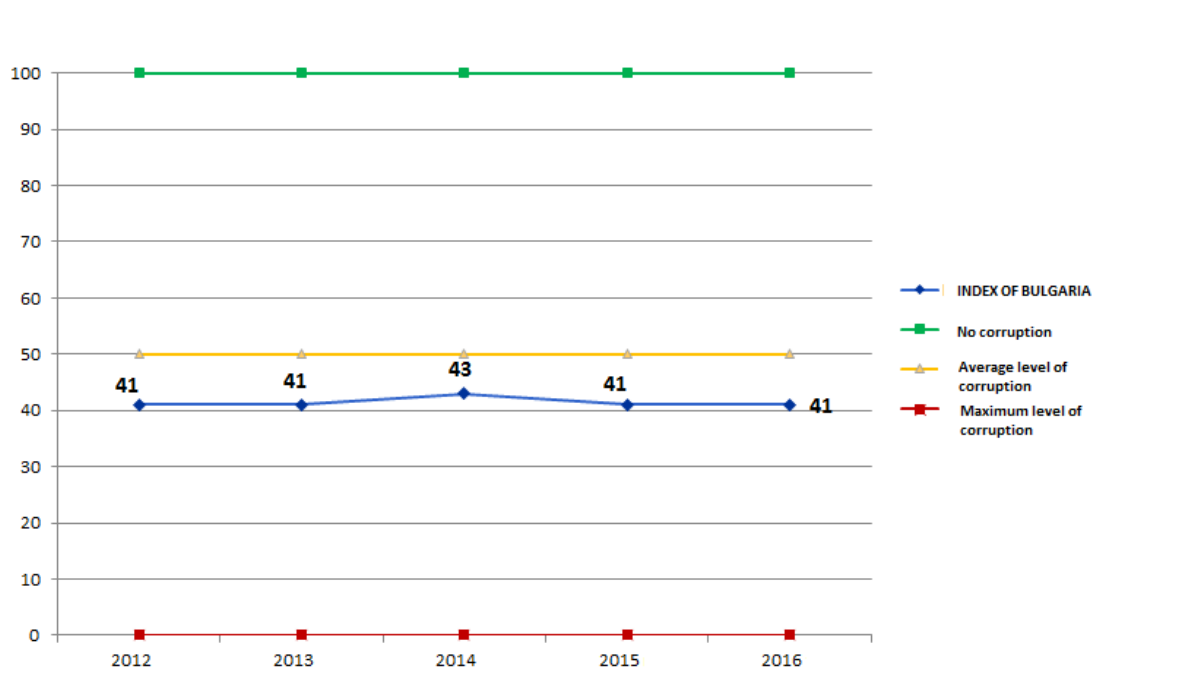
due to the progress of other countries it moves backwards in the global classification from place 69 (in 2015) to place 75 in 2016. Thus the country occupies the last place in the classification of the countries-members of the European Union (for comparison, the average value of the index for EU is 65.36). Within the frames of the sub-regional classification of the countries for Southeastern Europe our country occupies an intermediate position, at that its index is lower than the average one for the Balkan region (41.91). The comparison with the common average value of the index globally (42.94) is also indicative for a substantial problem in the fight against corruption in the country.

The value of the index for Bulgaria regarding 2016 indicates not only a lack of development within a relatively long period – **having in mind the other Member States of EU the index highlights a tendency for a drastic backlog.**

The analysis of the results within the 19-year long period where Bulgaria is a part of the survey give ground for a critical assessment that counteraction to corruption is in a standstill condition. **The comparative data for the index of Bulgaria within the last five years demonstrate a lack of any progress whatsoever: the index of Bulgaria remains far below the critical value of 50 points which is an indicator for a systematic failure to oppose corruption.**

The comparative results from the research for Bulgaria underline **the acute necessity** for a **change in the politics of counteracting corruption** while in this respect **the formal approach in the fight against corruption is to be discarded** and **a clear engagement for profound reforms in the basic institutions within this area should be expressed.**

Graphics No.1: Tendencies at the Corruption Perceptions Index of Bulgaria 2012-2016



Among the basic reasons for the declining performance of Bulgaria are the problems with compliance with the rule of law principle, the ineffective criminal policy and the lack of timely and efficient sanctioning of high-level corruption. The common institutional environment and conditions for business are significant preconditions for the low estimates in the research regarding corruption of the Bulgarian economics. In this respect the data from the survey of the Global Economic Forum and the Report for Global Competitiveness form a connection between the “rule of law”, the ineffective management of public resources (incl. the utilization of resources through public procurement orders) and decrease of the competitiveness of the Bulgarian economy.

**The backlog of Bulgaria is highlighted furthermore in comparison with the solid**

**tendency for increase of the indexes of the countries from Central and Eastern Europe** (the so-called new EU members to which our country is compared traditionally) of the indexes of a number of other countries from the Balkan region. In 2016 Bulgaria lose ground regarding the states she used to share the last positions in the European Union region – Romania (48), Italy (47) and Greece (44). Moreover – Bulgaria remains behind Montenegro (45) and Serbia (42), whose indexes increase solidly within the last several years.

### **SURVEYS FORMING THE INDEX OF BULGARIA**

Bulgaria is included for the first time in the Corruption Perceptions Index in 1998. Nine studies by 8 independent institutions have been used to gather the core data for 2016 (see Table No. 1).

Table No. 1: Sources of formation of the index of Bulgaria

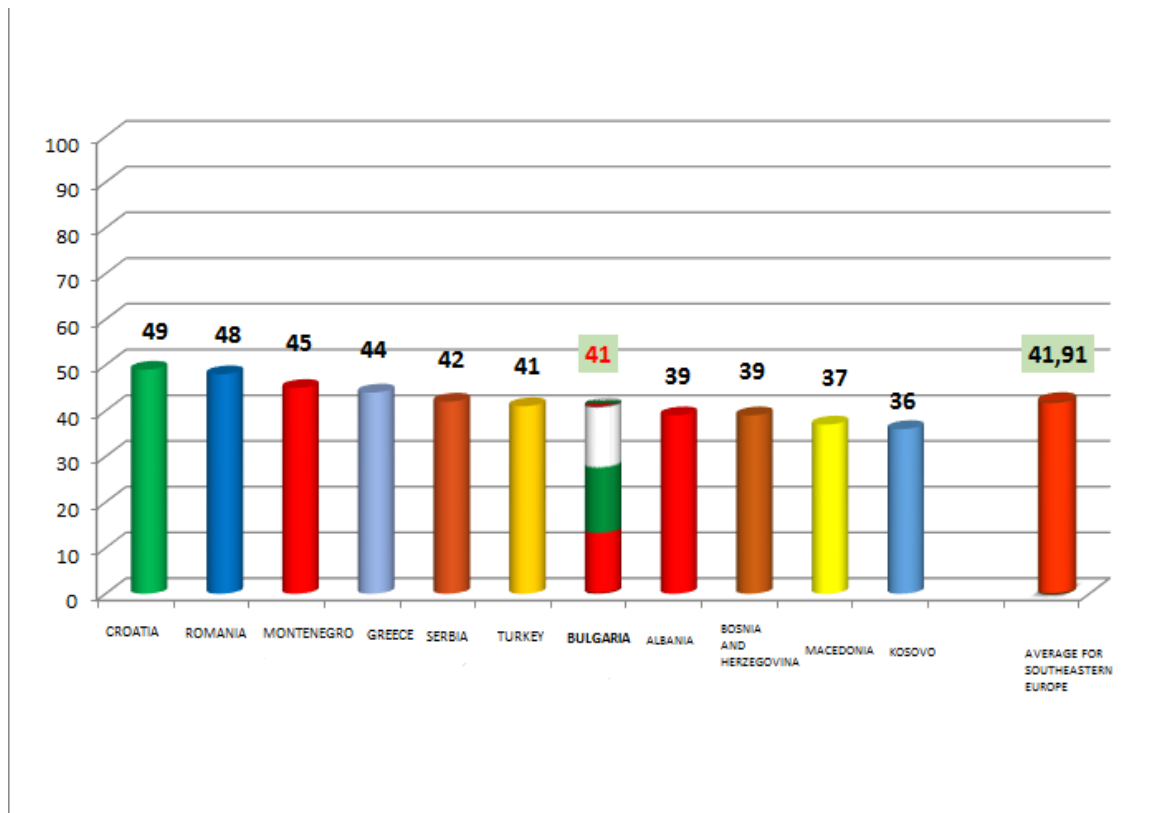
<b>1. Bertelsmann Foundation Sustainable Governance Indicators 2016</b>
<b>2. Bertelsmann Foundation Transformation Index 2016</b>
<b>3. Economist Intelligence Unit Country Risk Ratings 2016</b>
<b>4. Freedom House Nations in Transit 2016</b>
<b>5. Global Insight Country Risk Ratings 2015</b>
<b>6. IMD World Competitiveness Yearbook 2016</b>
<b>7. Political Risk Services International Country Risk Guide 2016</b>
<b>8. World Economic Forum Executive Opinion Survey (EOS) 2016</b>
<b>9. World Justice Project Rule of Law Index 2016</b>

### **CORRUPTION PERCEPTIONS INDEX- 2016 REGIONAL ASPECTS: SOUTHEASTERN EUROPE**

In 2016 **Bulgaria occupies sixth place in the regional classification for Southeastern Europe**. The comparison of the country with the other countries in the region shows backlog of two places (in 2014 Bulgaria occupied fourth place with an index value of 43 points), while on the ground of the progress of a part of them (Romania, Greece, Montenegro, Serbia, Bosnia and Herzegovina, Albania and Kosovo) in fact the country is lagging behind and moves to the second part of that sub-regional classification.

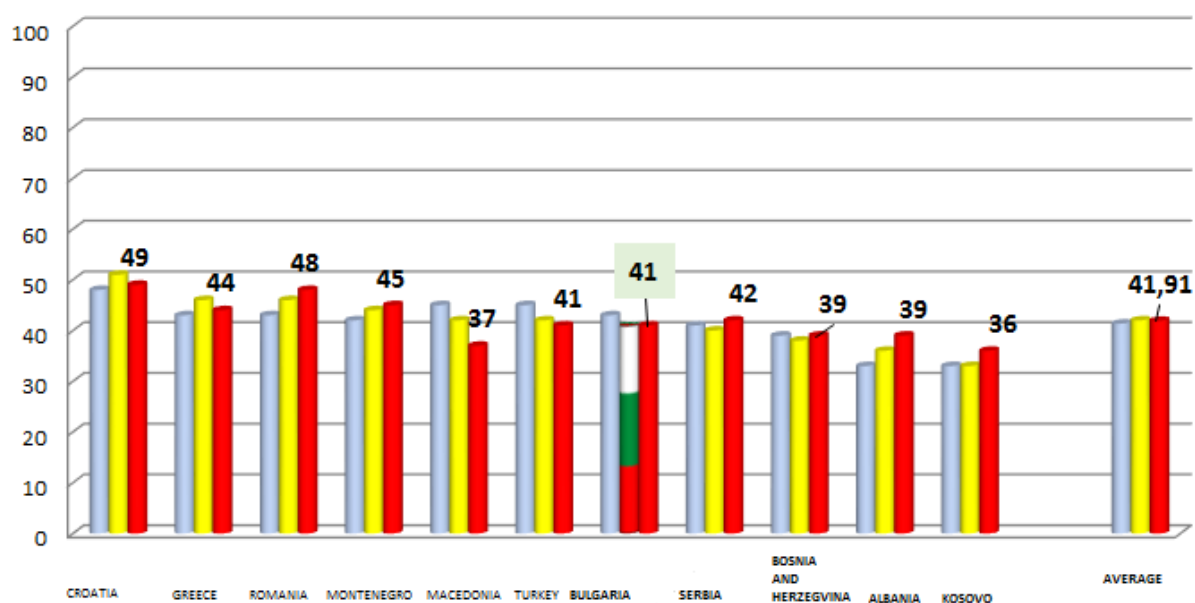
The comparative survey of the data for the past five years indicates a tendency for a relative improvement of total regional estimation – from 40.7 in 2012 to 41.91 points in 2016. In this connection it is necessary to note that in 2016 **the index value of Bulgaria is already lower than the total regional value**.

Graphics No. 2: Corruption Perceptions Index 2016 in Southeast Europe



The comparison with the data from the last five years describe a **consistent trend for increase of the indexes of Serbia and Montenegro** where EU-integration processes have a strong positive impact in the fight against corruption. A positive trend is to be noted for Albania and Kosovo as well. Two countries in the same region demonstrate a **negative tendency in the movement of indexes within the past years - Turkey (41) and Macedonia (37)**. A basic influence for the decrease of the index of Turkey have the poorer estimations regarding the political risk, the stability at the institutions functioning and the rule of law, and the competitiveness of economics. As already remarked, Macedonia decrease its index from 42 (in the last year) to 37 in 2016, while these data could be evaluated as a breakdown in its index within the last 5 years. The main factors for the worrying trend are the political instability, the crisis at institutional functioning and the non-functioning economics of the state.

Graphics No. 3: Tendencies for the index at Southeastern Europe (2014 – 2016)



#### REGIONAL ASPECTS: CENTRAL AND EASTERN EUROPE (NEW MEMBERS OF THE EUROPEAN UNION)

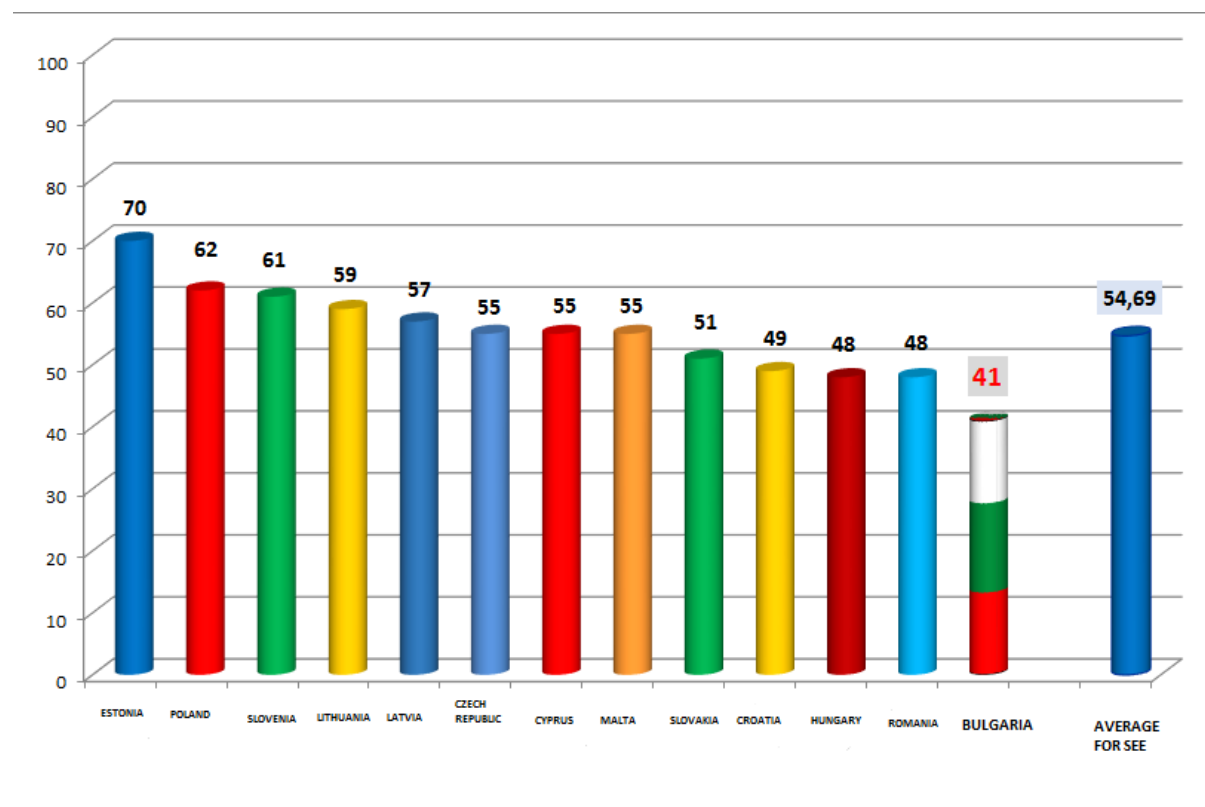
**Bulgaria occupies the last place in the classification of the countries-members of the EU which joined the union after 2004.** The tendency is especially disturbing in view of the fact that the best part of the states from Central and Eastern Europe note a trend of relatively solid increase of their indexes which is an indicator for a progress in the fight against corruption and modernization of institutions. **The total regional score of the Index for these countries is 54.69, while the comparison between the value of Bulgaria and the other countries is indicative for the opposing tendencies the country is moving through, on one part, and the region as a whole – on the other.**

A leader in the regional classification is still Estonia (70), where the stable value of its index within the past years is an indicator for consistently achieved progress in opposing corruption and for effectively functioning public institutions. In this regard it is necessary to underline the positive influence of the functioning electronic government and the effective application of the principles of transparency and accountability in management. Immediately below are Poland (with an index of 62) and Slovenia (with an index of 61).

The rest of the countries with index values surpassing the critical “threshold” of 50 points in the region are: Lithuania (59), Latvia (57), Czech Republic, Cyprus and Malta (with identical index value of 55 points) and Slovakia (51).

The states whose index is below 50 points (indicator for ineffectively functioning institutional environment which does not possess an adequate capacity for opposing corruption) are: Croatia (49), Hungary and Romania (with an identical score of 48 points) and Bulgaria (41).

Graphics No. 4: Corruption Perceptions Index in Central and Eastern Europe (new states-members of EU)



The comparative results from research throughout the past decade indicate an increase of the total value of the Index of the members which joined the EU since 2004. While in 2013 the total value is 50.3, in 2015 the average value marks a peak with a score of 55.46 points. In 2016 a minimal decrease has been noted and the average value decreases to 54.69.

**The comparative analysis of the data of the indexes for 2015 and 2016 highlights three tendencies in the region:**

1) **Upward trend in counteracting corruption and a process of establishment of effectively functioning institutions** – Latvia (which increases its index from 55 to 57), Slovenia (which increase its index from 60 to 61) and Romania (which increase its index value from 46 to 48). Regarding Romania it is necessary to note the visible positive trend within the last 5 years which is expressed by a total increase of 5 points. On that background the data for Bulgaria underline the worrying evaluation that the country not only mark a lack of progress but is moving backwards in fact.

2) **Trend of a standstill and lack of substantial progress in the fight against corruption** – expressed by keeping the values of the indexes of Slovakia and Bulgaria.

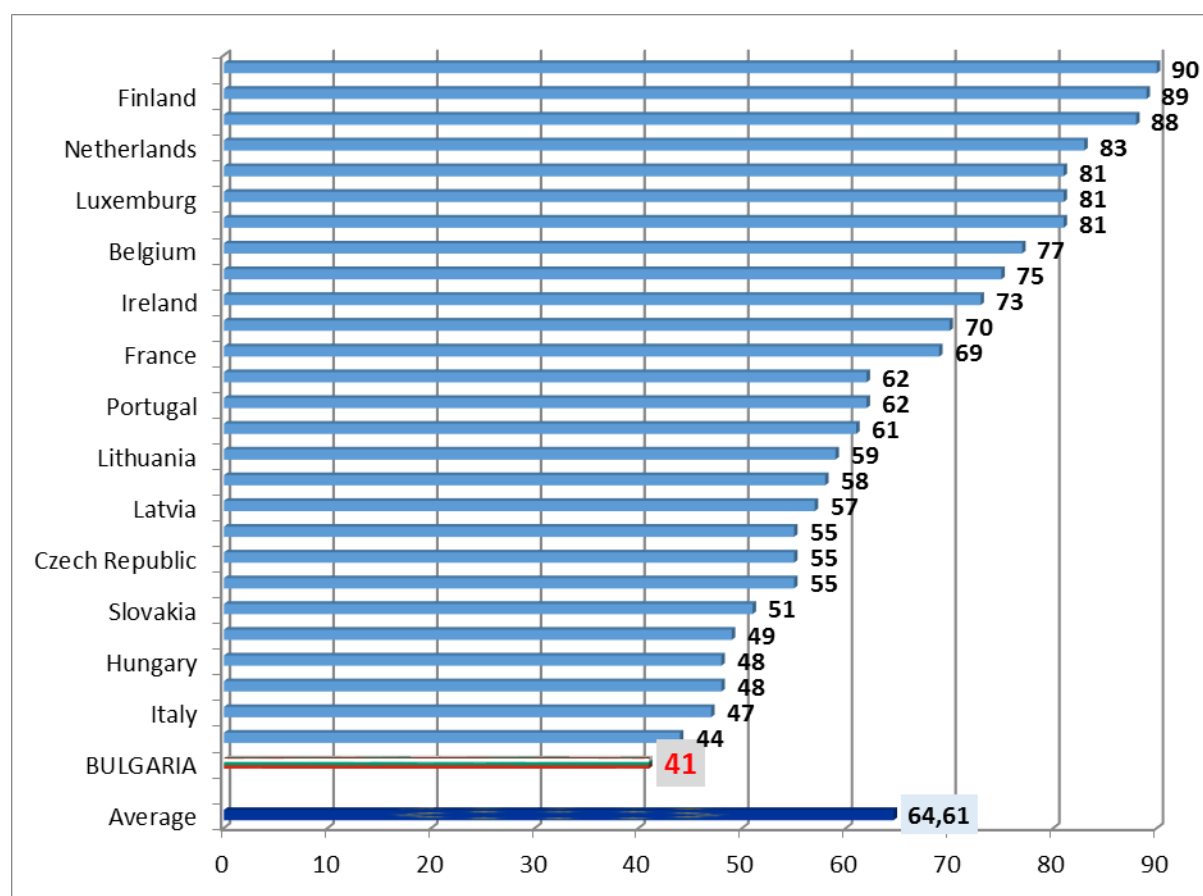
3) **Trend for an index decrease and fallback in opposing corruption** – Cyprus (from 61 to 55), Lithuania (from 61 to 59), Czech Republic and Malta (from 56 to 55). Within the frames of that category is necessary to point out the solidly negative trend for Cyprus which falls back with 15 positions with the frames of the global classification. The reasons for that are to be sought in two directions: decrease of the economic competitiveness of the country and fallback with reference to the indicators of sound management of the public institutions.

## REGIONAL ASPECTS: EUROPEAN UNION

**In 2016 Bulgaria still occupies the last position at the bottom of the European classification.** It is situated at the last place, while in comparison with the previous years when it shared the last place together with Greece, Italy and Romania, in 2016 it falls back considerably from these states.

**The average value of the index of the members of the European Union for 2016 is 64.61**, as in comparison with the previous year it marks a relative decline (in 2015 it is 65.36).

Graphics No. 6: Corruption Perceptions Index - 2016 in the European Union



The results from the research indicate that the Scandinavian countries take the leading positions in the regional classification once again. The first place in the European and in the global classification is occupied by Denmark with 90 points. Finland occupies the second place in the European classification (89), followed by Sweden (88). The estimations of these countries within the nineteen years of existence of the Corruption Perceptions Index indicate for effective application of rules regulating the conduct of the state officials and for the existence of stable systems providing broad access to information and transparency at the function of institutions.

The comparative data from the surveys for 2015 and 2016 show dynamics in the classification: in 2016 a substantial decrease of the index values is observed about Cyprus (-6), Netherlands (-4), Hungary (-3), Ireland and Croatia (-2).

A lack of change is stated in Germany, Luxemburg, United Kingdom, Belgium, Estonia, Poland, Spain, Slovakia and Bulgaria which keep the index values from the previous year.

The comparative analysis highlights a progress by several European countries: Italy (whose index is increased by 3 points – from 44 in the previous year to 47 points in 2016), Romania (which keeps increasing its index for yet another year with 2 points – from 46 in 2015 to 48 points in 2016), Latvia (increasing its index with 2 points as well) and Slovenia (which recover its good positions in the classification while reaching an index value of 61 points).

### **GLOBAL ASPECTS OF THE INDEX: WHICH COUNTRIES ARE AT THE BOTTOM OF THE CLASSIFICATION?**

At the bottom of the classification for yet another year are placed Somalia (with index value of 10), South Sudan (11) and North Korea (13). Right beside them are situated Syria (13), Yemen, Sudan and Libya (all of them with an index value of 14 points).

The analysis of the results from the CPI for 2016 underlines **the destructive impact of the military, civil, ethnic and religious conflicts in number of countries and regions worldwide**. That has caused destruction of the institutional infrastructure of the societies, impossibility of compliance with the rule of law and non-respect of human rights.

**The most serious negative trend globally is observed in the states of Middle East and in some states in Africa**. The research in 2016 clearly highlights the decrease of the index in the countries of Middle East, while this refers not only to the states with civil and military conflicts but to the states with rich petrol sources where **a risk for destabilization of the institutions, increase of the insecurity and non-compliance with the international standards for human right protection exists**. One of the most prominent negative trends is observed in Qatar where the index is decreased with 10 points. Bahrain and Kuwait decline their indexes with 8 points respectively. An identical negative trend is found in Yemen and Syria whose societies are lastingly destabilized due to the protracted conflicts.

In number of **states in Africa processes are under way as well which are a proof for institutional crisis and inability of the societies to counteract corruption**. The comparative analysis of the data for 2015 and 2016 highlights negative trends in Djibouti (-4), Mali (-3), Algeria and Egypt (-2). A substantial decrease in the index value is observed in Central African Republic, Lesotho, Mozambique, Malawi and Mauritania (-4).

The comparative analysis highlights several other countries as well whose index value for 2016 indicates a serious institutional crisis – these are Cyprus, Macedonia and Mexico, which substantially decrease their indexes. Cyprus declines its index with 6 points (from 61 to 55). Macedonia decreases its index from 42 (in 2015) to 37 in 2016, thus moving 24 places downwards in the global ranking.

The comparative data from the ranking of 2016 bring to fore a number of positive examples too. In some states, like Surinam (+9), Belarus (+8), Georgia (+5) and Argentina (+4), the integrated efforts of institutions, civil organizations and single activists deliver a progress. In other countries the positive results from the fight against corruption represent the fruits of the fairly slow but consistent recovery from the long-lasting military and civil conflicts (Myanmar (+6), East Timor (+7), Afganistan (+4)).



TRANSPARENCY INTERNATIONAL  
**CORRUPTION PERCEPTIONS INDEX - 2016**  
 COUNTRY RANKING

<b>Ranking</b>	<b>Country / Territory</b>	<b>Index 2016</b>	<b>Number of Sources Used</b>
1	Denmark	90	7
1	New Zealand	90	7
3	Finland	89	7
4	Sweden	88	7
5	Switzerland	86	6
6	Norway	85	7
7	Singapore	84	8
8	Netherlands	83	7
9	Canada	82	7
10	Germany	81	7
10	Luxembourg	81	6
10	United Kingdom	81	7
13	Australia	79	8
14	Iceland	78	6
15	Belgium	77	7
15	Hong Kong	77	7
17	Austria	75	7
18	The United States of America	74	9
19	Ireland	73	6
20	Japan	72	8
21	Uruguay	71	6
22	Estonia	70	10
23	France	69	7
24	Bahamas	66	3
24	Chile	66	8
24	United Arab Emirates	66	7
27	Bhutan	65	5
28	Israel	64	6
29	Poland	62	10
29	Portugal	62	8
31	Barbados	61	3
31	Qatar	61	7
31	Slovenia	61	10

31	Taiwan	61	8
35	Botswana	60	6
35	Saint Lucia	60	3
35	Saint Vincent and The Grenadines	60	3
38	Cape Verde	59	3
38	Dominica	59	3
38	Lithuania	59	9
41	Brunei	58	3
41	Costa Rica	58	7
41	Spain	58	7
44	Georgia	57	6
44	Latvia	57	9
46	Grenada	56	3
47	Cyprus	55	5
47	Czech Republic	55	9
47	Malta	55	5
50	Mauritius	54	4
50	Rwanda	54	6
52	Korea (South)	53	9
53	Namibia	52	5
54	Slovakia	51	8
55	Croatia	49	9
55	Malaysia	49	8
57	Hungary	48	9
57	Jordan	48	8
57	Romania	48	10
60	Cuba	47	5
60	Italy	47	7
62	Sao Tome and Principe	46	3
62	Saudi Arabia	46	5
64	Montenegro	45	4
64	Oman	45	5
64	Senegal	45	8
64	South Africa	45	7
64	Suriname	45	4
69	Greece	44	7
70	Bahrain	43	5
70	Ghana	43	9
72	Burkina Faso	42	7
72	Serbia	42	7
72	Solomon Islands	42	3
75	Bulgaria	41	9
75	Kuwait	41	5
75	Tunisia	41	7

75	<b>Turkey</b>	<b>41</b>	9
79	<b>Belarus</b>	<b>40</b>	7
79	<b>Brazil</b>	<b>40</b>	8
79	<b>China</b>	<b>40</b>	8
79	<b>India</b>	<b>40</b>	8
83	<b>Albania</b>	<b>39</b>	7
83	<b>Bosnia and Herzegovina</b>	<b>39</b>	7
83	<b>Jamaica</b>	<b>39</b>	6
83	<b>Lesotho</b>	<b>39</b>	5
87	<b>Mongolia</b>	<b>38</b>	9
87	<b>Panama</b>	<b>38</b>	6
87	<b>Zambia</b>	<b>38</b>	9
90	<b>Colombia</b>	<b>37</b>	8
90	<b>Indonesia</b>	<b>37</b>	8
90	<b>Liberia</b>	<b>37</b>	7
90	<b>Morocco</b>	<b>37</b>	7
90	<b>The FYR of Macedonia</b>	<b>37</b>	7
95	<b>Argentina</b>	<b>36</b>	8
95	<b>Benin</b>	<b>36</b>	6
95	<b>El Salvador</b>	<b>36</b>	7
95	<b>Kosovo</b>	<b>36</b>	5
95	<b>Maldives</b>	<b>36</b>	3
95	<b>Sri Lanka</b>	<b>36</b>	7
101	<b>Gabon</b>	<b>35</b>	4
101	<b>Niger</b>	<b>35</b>	5
101	<b>Peru</b>	<b>35</b>	7
101	<b>Philippines</b>	<b>35</b>	9
101	<b>Thailand</b>	<b>35</b>	9
101	<b>Timor-Leste</b>	<b>35</b>	3
101	<b>Trinidad and Tobago</b>	<b>35</b>	5
108	<b>Algeria</b>	<b>34</b>	6
108	<b>Côte d'Ivoire</b>	<b>34</b>	8
108	<b>Egypt</b>	<b>34</b>	6
108	<b>Ethiopia</b>	<b>34</b>	9
108	<b>Guyana</b>	<b>34</b>	6
113	<b>Armenia</b>	<b>33</b>	6
113	<b>Bolivia</b>	<b>33</b>	8
113	<b>Vietnam</b>	<b>33</b>	8
116	<b>Mali</b>	<b>32</b>	6
116	<b>Pakistan</b>	<b>32</b>	7
116	<b>Tanzania</b>	<b>32</b>	9
116	<b>Togo</b>	<b>32</b>	5
120	<b>Dominican Republic</b>	<b>31</b>	6
120	<b>Ecuador</b>	<b>31</b>	6

120	Malawi	31	9
123	Azerbaijan	30	7
123	Djibouti	30	3
123	Honduras	30	7
123	Laos	30	6
123	Mexico	30	4
123	Moldova	30	8
123	Paraguay	30	9
123	Sierra Leone	30	6
131	Iran	29	8
131	Kazakhstan	29	7
131	Nepal	29	9
131	Russia	29	6
131	Ukraine	29	9
136	Guatemala	28	9
136	Kyrgyzstan	28	6
136	Lebanon	28	7
136	Myanmar	28	7
136	Nigeria	28	8
136	Papua New Guinea	28	9
142	Guinea	27	5
142	Mauritania	27	5
142	Mozambique	27	5
145	Bangladesh	26	8
145	Cameroon	26	7
145	Gambia	26	9
145	Kenya	26	5
145	Madagascar	26	9
145	Nicaragua	26	7
151	Tajikistan	25	7
151	Uganda	25	6
153	Comoros	24	9
154	Turkmenistan	22	3
154	Zimbabwe	22	4
156	Cambodia	21	9
156	The Democratic Republic of Congo	21	8
156	Uzbekistan	21	7
159	Burundi	20	7
159	Central African Republic	20	6
159	Chad	20	4
159	Haiti	20	5
159	Republic of Congo	20	5
164	Angola	18	5
164	Eritrea	18	4

166	<b>Iraq</b>	<b>17</b>	5
166	<b>Venezuela</b>	<b>17</b>	5
168	<b>Guinea-Bissau</b>	<b>16</b>	7
169	<b>Afghanistan</b>	<b>15</b>	4
170	<b>Libya</b>	<b>14</b>	5
170	<b>Sudan</b>	<b>14</b>	4
170	<b>Yemen</b>	<b>14</b>	7
173	<b>Syria</b>	<b>13</b>	7
174	<b>Korea (North)</b>	<b>12</b>	5
175	<b>South Sudan</b>	<b>11</b>	3
176	<b>Somalia</b>	<b>10</b>	5