Measuring Corruption Workshop

Report

Merida, Mexico, 7th- 9th December 2003

Transparencia Mexicana

Transparency International

Written by Lauren Knott

Preface

Transparencia Mexicana, the Mexican Chapter of Transparency International, in collaboration with the Americas Department of Transparency International Secretariat, organised a workshop on the subject of measuring corruption. The workshop took place between the 7th and the 9th of December, 2003. Attendees came from over twenty countries representing TI National Chapters, other development organisations, academia and national governments.

The objective of the workshop was to improve understanding of the existing methods employed to measure corruption in its various manifestations. It also aimed to uncover the major challenges involved in conducting corruption surveys and the strengths and weaknesses of the different known methods. Measurement tools were to be evaluated from the perspective of the end-user: the journalist, the policy-maker, the citizen, in an attempt to improve the tools' potential for making positive change. A further underlying motive behind the workshop was to create discussion on possible synergies and future coordination of efforts in this field.

The workshop helped in identifying challenges still to be faced, including: the cost of developing the instruments; the adaptability of tools to different areas and countries; the conceptual clarity in the criteria to select the adequate tool to obtain the desired results; the institutional capacity needed by local organisations to undertake complex tasks, and; the difficulties in adequately communicating results and methods.

Also, the discussions provided ideas for future developments, mainly:

- Replicate/adapt successful experiences in other countries in the region.
- Collaborate with international development agencies and government institutions in the monitoring and evaluation of programs.
- Promote partnerships and lead efforts for improved information processing and dissemination.
- Evaluation of current measurement tools to inform the development of future efforts.
- Generate more specific information about causes of corruption furthering the debate about possible solutions.

This report summarises the presentations made and the major issues arising from the event.

Measuring Corruption Workshop

Report

Table of Contents

Introduction

The Measuring Corruption Workshop was hosted by Transparencia Mexicana, the Mexican Chapter of Transparency International (TI) along with the Americas Department of Transparency International Secretariat (TI-S), based in Berlin.

The aim of the workshop was to consider the following:

1) Measurement tools currently employed nationally and internationally
2) Strengths and weaknesses of the different methods, which tools serve which purpose
3) The practical challenges faced in the process of designing and carrying out a measure
4) The impact of tools in policy making and advocacy
5) How tools can be improved from the perspective of the end-user
6) What possibilities exist for future cooperation and convergence on this issue?

Those present at the workshop included researchers, ministries of state, bilateral aid agencies, head of police as well as representatives of over ten TI 'National Chapters' working in this field throughout the world. (See Appendix 2 for Participant List)

This report looks to collate the large quantity of information that came out of the workshop, highlighting the key findings and suggestions for future steps.

The report will follow the order of the workshop's agenda, which can be found in Appendix 1.

Session 1: Opening the workshop: The official inauguration of the meeting

In the past, it was questioned whether corruption could realistically be measured – any attempt at measurement was crude and was largely based on newspaper reports. Today the question is not whether corruption can be measured empirically, rather: 'In which way shall we measure it?'

On the occasion of the tenth anniversary year of the formation of TI, the focus on the effective measurement of corruption has intensified. Corruption measurement is now one of TI's global strategic priorities, as identified in a consultation process with the organisation's 90 National Chapters worldwide.

For this reason TI has gathered international experts in the Mexican city of Merida at the historic time of the signing of the United Nations Convention against Corruption to further advance the debate about how measurement can be used in the eradication of corruption.

Session 2: Measuring Corruption: An Overview

The objective of this session was to identify the main trends in the field of measuring corruption, from traditional opinion polls to statistical tools of governments. The overview provided an opportunity for defining these tendencies from an international perspective and to learn about measurement attempts from the different organizations.

At present most of the key corruption measurement tools are based on 'perceptions', that is, the feelings and opinions of certain groups in society about the incidence of corruption. The tools may use the perception of the general public or that of a specific target group focused on one type of corruption occurrence in which they have specialist knowledge. Issues associated with these types of measures include how to distinguish between actual experiences and perceptions and whether perceptions are related to or even affect the measured level of corruption themselves, that is, whether they become endogenous to their own measure. Other concerns question whose perception is valid, and what exactly constitutes an expert of the matter in a particular field.

In response to questions regarding the value of perception measures some innovative objective measurement tools have been developed in recent years. In the past it was thought that the only objective data available about corruption was that of criminal convictions of corrupt activity, although the flaws associated with this type of data are obvious. The development of measures that consider government spending, price differentiations and levels of transparency in information provision, to name a few, show that there is no need to rely on conviction data to gain a more objective feel for corruption levels and that a broader understanding of what constitutes corruption can be useful in understanding the phenomenon.

Whether measures rely on perception or more objective (hard) data, it is widely recognised that certain features contribute towards a good corruption measurement tool. These were identified as: reliability, meaning that the tool will generate consistent results through time; validity, the tool measures what it says it will measure, and precision, permitting an accurate interpretation of the results and identification of what the results imply. The degree of error must also be controlled.

Session 3: Current tools employed for measuring Corruption: International Experiences

The purpose of this session was to analyse tools currently employed to compare corruption levels on an international basis. This was an opportunity for (1) reviewing what has been developed in recent years in the field, (2) identify the main strengths and weaknesses of the empirical tools and (3) discussing the criteria for selecting tools. The focus of the discussion was not to learn about the findings of the surveys, rather it was important to discover the different objectives, approaches and eventual impacts of the tools. A brief synopsis of the tools presented is included here plus a summary of the main issues discussed in relation to them.

The Latin American Index of Budget Transparency 2003 (Gloria Labastida)

Objective: To make budget systems more responsive to the needs of society and, accordingly, to make these systems more transparent and accountable to the public.

Abstract: This region wide comparative report is made up of a survey of the perceptions of individuals knowledgeable of the budget and budget processes of each country. These experts include legislators, academics and other experts, civil society organizations and journalists. Questionnaires, distributed via the internet, referred to the budget process itself as well as the legal framework of each country. The report also includes a series of country specific recommendations – these were very concrete due to the use of national experts. Ten different organisations in the Latin American region were involved in the elaboration of the year long study

resulting in the production of an index of transparency in national budgets.

Impact: The publication of the Index received wide press coverage and results were consistent with the political realities of the countries.

TI's measurement tools: Corruption Perception Index (CPI), Bribe Payer's Index (BPI) and Global Corruption Barometer. (Alejandro Salas)

Objective: Raising awareness, advocacy, capturing public opinion and from there prioritising for future work.

Abstract: Current international TI indices are perception based. The CPI and BPI are formed using 'expert' opinion of corruption levels in particular areas such as business transactions. The Global Barometer asks members of the public for their perception of levels of corruption in society as a whole and asks questions about which institutions are most corrupt. In this way, TI maintains a 'grass roots' measurement tool which complements its other tools that look at a more 'elite' population. The responses obtained from the Barometer help TI identify priority action areas.

The CPI had been criticised for looking solely at the 'demand' side of the corrupt transaction, with the private sector commenting on the corruption propensity of governments. This resulted in many of the poor countries coming out as the most corrupt. In response to this the BPI looks at the propensity of industrialised countries to supply bribes in these developing economies which compliments the CPI. In this way the BPI can be used to judge the application of the OECD convention and gives a more detailed picture of the nature of corruption.

Impact: The CPI has had the largest impact of all measurement tools and is widely recognised as the global measure of corruption par excellence. In Honduras, for example, a low classification of the CPI spurred President Ricardo Maduro to ask TI to visit and collaborate with the government to try and improve. Another achievement of the CPI is to have spurred further research about corruption in an attempt to understand the results it generates. All TI tools ambitiously compare countries. This in turn has generated some controversy amongst those who do not consider it possible to compare due to the different economic and cultural conditions of the country.

At the same time, the CPI is a highly valid tool; it is based on perceptions and therefore measures what it claims to. It is also highly reliable, delivering consistent results over the years in spite of changes in methodology. In terms of precision however, there are limitations to the data in explaining causes, effects and corruption processes. These considerations also apply to the BPI. The Barometer however is less technical and asks more general questions about aspirations and expectations amongst the general population. Again this is a valid measure but does not generate particularly precise information and may be subject to fluctuations of public opinion.

The BPI has made less media impact and there is less understanding of its purpose. The Barometer has been particularly popular however, and questions such as 'If you could wave a magic wand, where would you eliminate corruption?' received a great deal of attention, although technically there was little value to the question.

Global Access Index, The Centre for Public Integrity. (Jonathan Werve)

Objective: To evaluate countries' institutions and anti-corruption programmes to signal where these can be improved.

Abstract: These country reports do not attempt to measure corruption, rather they look at the effectiveness of the anti-corruption institutions of a country. Countries that are evaluates are democracies or near democracies. Whilst the report is compiled by someone with a specific knowledge of these institutions, an investigative journalist writes an introductory passage to provide a 'human side' to the report. National context is provided to aid the reader. Questions in the survey are factually verifiable (relating to legal framework for example) and then qualified according to the actual practice. Each response is scored. Whilst the score is not entirely useful alone (many are yes/no or percentage responses), the commentaries made can supplement the information to give a more detailed picture. The index is yet to be completed and it is not yet possible to talk about impact.

The World Bank measurement tools: World Governance Indicators, The Business Environment and Enterprise Performance Survey (BEEPS) (Daniel Kaufmann)

Objective: To inform bank lending decisions and improve governance in borrowing countries. (BEEPS) To generate a measure of the investment climate related to business behaviour and sustainability.

Abstract: A corruption indicator forms part of the wider World Governance Indicators compiled by the World Bank on an international basis. Governance is a broader concept than corruption, but it is highly related to it. The Indicators ask questions related to corruption such as the number of days it takes to open a business in a certain country. They have a high predictive-validity as they can forecast other variables such as corruption to which they are linked, The World Business Environment survey has recorded data on bribe payments by the private sector for over 80 countries. Data is broken down to differentiate between size of firm: the classifications of small, medium and large firms are used, which is decided according to number of employees.

Discussion points from Session 3:

The usefulness of running correlations between the various measurement tools was discussed following the presentation of this range of tools. Correlations were considered important because they would lead to a greater understanding of the data produced by and from there indicate the reliability of the different tools.

Another consideration concerned the possibility of linking tools such as the CPI to a greater extent with the development of policy. As an abstract concept, corruption is already a difficult concept for many people to grasp. This is not aided by the production of a numeric score. In this way, the relation of the score to other development indicators would allow end-users to perceive how corruption is linked to wider developmental concerns such as infant mortality for example. This may improve the effectiveness of the measures for generating change, increasing their impact.

The possibility that persistently negative results generate disaffection amongst governments and population was also considered. This is particularly the case when new governments who have adopted anti-corruption positions and promote values of transparency and accountability, score low in surveys such as the CPI. The value of the CPI to open the initial debate about corruption was recognised but it was suggested that other tools would be necessary to gain a more complete (and useful) understanding of the phenomena.

The question of the possibility of repeating some of the surveys discussed in the presentations was considered, particularly the case of the Italian survey by Picci and Goldman. Expense, time concerns and availability of data were perceived as limitations to carrying out certain surveys in different countries. These observations lead to questions concerning the standardisation and organisation of the recording of statistical data.

Session 4: Available tools for measuring corruption: National Experiences

The object of the sessions of national or 'micro' level studies is to discover the type of work that had been carried out in different countries in recent years. From here the main strengths and weaknesses of the tools could be discussed as well as the criteria for selecting tools in countries looking to employ a measurement tool for the first time. Again an emphasis was placed upon the impact of the tools rather than on the results they obtained.

The Public Integrity Index, Transparencia por Colombia. (Marcela Rozo)

Objective: To produce an institutional analysis of state entities identifying the risks of corruption occurring within them on an annual basis. The measure will improve access to information, enhance understanding about corrupt practices and inform anti-corruption policy. The ratings will allow institutions to monitor the effect of their policies on the risk of corrupt activity.

Abstract: The Index is a mixture of objective and subjective data, the source of the former being the control agencies and observation by Transparencia por Colombia. Three elements of integrity are rated: Transparency, Investigation and Sanctioning and Institutionality and Efficiency. 143 state entities came under scrutiny in this year's index (88 in 2002).

Impact: Results are sent individually to all institutions and interviews can be arranged between the chapter and the institution to discuss the results. Wide press coverage informs the public about the work. The Colombian government is now supporting the development of the Index. Transparencia por Colombia is now recognised as a serious voice and partner in the fight against corruption in the country.

Household and Private Sector Surveys in Morocco, 2001 (Marie Wolkers)

Objective: Awareness raising, advocacy: more factual information regarding the cost that corruption poses to the country as well as the public and private institutions that are most affected than is presented by the CPI as necessary to help civil society design anti-corruption strategies.

Abstract: The survey looked at 22 institutions to discover where the corruption risk was perceived as highest. Public trust in sanction methods and complaint mechanisms was investigated and the general feeling toward corrupt behaviour. Perception-based, households were asked about their feelings on these matters as well as their experience of corruption in the electoral process. The survey was carried out across the country in both urban and rural areas (thereby capturing responses from both the formal and informal sectors). The survey was very costly and this is considered a serious limitation for a civil society organisation.

Impact: The National Chapter organisation has used the data to prioritise activities and to raise awareness about corruption, through a series of seminars and briefings which rely on the data obtained. The findings are also used to accompany statements made by the Chapter when corruption cases come to the attention of the media. In terms of policy change however, the initial support from the government for the data did not translate into action and no cooperative partnerships were built. Media interest was high however.

The survey was particularly useful as it could be replicated in similar countries and has been carried out in Madagascar and Senegal. It will soon take place in Niger. Clearly some adaptations to reflect the particular country situation will be necessary. One criticism was that is reflected perceptions to a greater extent than actual experience, which was deemed less useful. The usefulness of the survey could be greater if it was subject to secondary analysis and desegregation - looking at press coverage or correlations according to sociological factors (gender, age) for example.

The Kenyan Bribery Index, 2001-2002 (Marie Wolkers)

Objective: Awareness-raising, advocacy, the establishment of a 'corruption benchmark', which could be referred to in relation to policy changes and used to set targets,

Abstract: The tool is experienced based, asking respondents (the general public) about the bribe payments they have made, how much they paid, how frequently they paid them and for what, both in the public and private arenas. From here, findings were classified into five categories of bribe payment according to the purpose of the payment, these were: law enforcement, regulatory (e.g. trade licenses), services (e.g. health, education, utilities) business and employment. The questions were then broken down into six indicators of bribe payment, providing further categorisation of the data. These were: severity, financial cost, incidence, prevalence, bribe cost and frequency. The survey was carried out in both urban and rural areas. In total, 52 (50 in 2002) organisations were rated, each being attributed a score between 0 (no bribery) and 100.

Impact: The tool's validity has been confirmed as further studies have reinforced its results. Its success, relative low cost and replicability has meant that civil society organisations in countries such as Botswana, Ghana and Zimbabwe are interested in carrying out the survey. Public interest in the tool was very high and this spurred the formation of cooperative relationships with several public sector institutions including the Kenya Port Authority and Traffic police.

Although media coverage was substantial (national and international), it is important to thoroughly prepare responses and explications for the media at the time of publication of the results.

Corruption Indices for Russian Regions, 2003. Transparency International – Russia. (Elena Chirkova)

Objective: To gain a more complete picture of the nature of corruption in Russia and allow regional comparability. The tool was also designed to enable the public authorities to monitor changes in the level and structure of corruption. The regional information would be used by the Chapter to formulate concrete policy recommendations that related to the social, political and economic characteristics of the different areas.

Background: The CPI did not capture the complex nature of corrupt practices across a country with such regional diversity as is the case of Russia. As a result a more detailed survey was required that highlighted the diverse regional conditions. The survey looked at corruption perceptions amongst the general population as well as that of the small and medium enterprise in the 40 Russian regions. A measure of public trust was also taken at the same time of the survey as it was believed that the level of trust in institutions would affect their perceptions of corruption. A relation between the two factors was indeed found to exist. A thorough analysis of the results that compared findings with sociological, political and economic factors pertaining to each region would allow for more precise information of the nature of corruption in the country. This information would be used to make recommendations to the authorities.

Impact: The media were warned when the data was published that the results demonstrated only part of the 'corruption picture' in Russia, acknowledging the limitations of the findings. The indices were useful in influencing anti-corruption policy and received wide attention in all regions.

National Survey on Corruption and Good Governance, Transparencia Mexicana (Eduardo Bohórquez)

Objective: To obtain region-specific data that could effect real change and move the debate on from discussing corruption in general at the national or international level.

Abstract: The NSCG is an analytical tool that enables household experiences and perceptions of corruption to be measured in a single instrument. . The survey permits to register, among other things, the frequency on which concrete acts (experiences) of corruption were recorded in requesting or receiving 38 public services over the course of one year for each of the 32 federal states in Mexico. Using the NSCG, Transparencia Mexicana built 2 indices related to the frequency of corruption, one for services, and other for states. The survey measures experiences of corruption by recording the payment of a bribe in order to speed up, modify the result of, or hinder the provision of a public service. Homes were selected at random although the total number of interviews was equally divided between the different Mexican regions. Questionnaires looked at the amount of bribes paid, the frequency of their payment and to whom they were paid, for which service. The tool can also be used as a proxy variable for good governance as questions mostly treated the relationship between the household and the state. This highlights the importance of not treating the population as a monolithic group. Each state receives a ranking in an attempt to shame low-scorers into action.

Impact: The Mexican government showed a great interest in the survey and prompted several agencies, at different levels of government, to act on its findings The results highlighted the financial impact of corruption, particularly on the poor, generating a deeper understanding of the effects of the phenomenon. To maintain independence the survey will be funded by different entities each year. The sample size of the survey means that it is a highly expensive endeavour and the Chapter intends to share the knowledge gained with other civil society organisations working in governance in order to avoid cost and effort-duplication.

National Survey on Corruption and Good Governance and the Corruption Risk Map, Proetica, Peru (Samuel Rotta)

Objective: To gain a deeper understanding of the problem by: collecting data on corruption perception; measuring tolerance levels towards corruption; identifying procedures and institutions in which corruption is more likely to develop, and the amounts paid in bribes,.

Abstract: The initial survey carried out in Peru was a national survey inspired in Transparencia Mexicana's National Survey on Corruption and Good Governance. This is a clear example of the cross fertilization between National Chapters. It looks at experiences and corruption perceptions at urban areas rather than the country's rural areas. Following this, a more in-depth diagnostic study was carried out in one particular region (Lambayeque).

The National Chapter had begun to work with the president of a regional state to fight corruption and they designed this tool to ensure that civil society's opinions formed the basis for their future work. They required a tool that took into account the specific socio-cultural and economic factors of the country rather than borrowing a tool that had been employed in another country. They developed the risk map, a qualitative analysis of politics, policies and institutions mostly based in interviews, focus groups and revision of documentation.

Impact: The survey was presented during the II National Conference Against Corruption (Lima, December 2002) organised by Proetica. As a result, the data received mass media coverage which concentrated on key points such as the relationship between Peruvians and corruption, institutional inefficiency and the high national tolerance of corruption.

The regional risk map constituted the base for the design of the Regional Plan Against Corruption.

Political Finance in Brazil, Transparencia Brazil (Bruno Speck)

Objective: The identification of the risk associated with political financing in relation to future corruption. Possible risks include: financing from one source (indicating dependency), or largely from one source, illegal sources, and anonymous sources. In this way the tool aims to improve transparency in political candidates' accounting and improve public awareness about the risks concerned.

Through publication on the internet it is hoped that the public will be able to make a more informed voting decision and be able to detect how donations link to the behaviour of elected candidates.

Abstract: This web based tool publishes detailed information on the financing of all candidates for election into all three levels of government in Brazil. The tool improves access to information concerning political party financing and allows civil society to monitor political behaviour. Political financing is partially linked to corruption through the concept of 'state capture'. It is also related insofar lack of transparency concerning financing reduces accountability and the possibility of monitoring by civil society, both of which are linked to corruption. Although Brazil has complete legislation regulating political party financing, the data was largely not available in a form that the public could use. The publication of a website with over 10,000 candidates' financial sources has greatly improved transparency.

Impact: There have been a high number of visitors to the site. The use of graphs and other visual on the website has improved understanding of the tool. There was limited press coverage due to a greater interest by the media in corruption scandals, whereas this tool looks at the risk of corrupt activity. The website was released only after the election and so had a limited impact.

A new version of the tool with data on campaign finance during the municipal elections in October 2004 is being prepared. Data will be published months before the election takes place, allowing voters to gather information on candidates and their municipalities.

Political Party Financing in Bulgaria, Transparency Bulgaria. (Aleksandra Vicheva)

Objective: To promote integrity in political party financing; increasing transparency and promoting best practice. To improve civil participation in the democratic process. To identify those parties that consistently violate the party political financing law and provide positive publicity to those who do comply.

Abstract: This tool looks at the perception of different societal groups (NGO's, media, private sector and parliament) of corruption levels in political party financing. Six different cities in Bulgaria were studied looking at 180 representatives from each group. Objective measures were also considered. The tool was developed for monitoring the elections of the country's president and vice-president.

Impact: Communication began between the National Chapter and the public regarding political financing of parties. All political parties agreed that further legislation regulating the formation of political parties was required. It was established that there is not enough information regarding how political parties are financed – the public showed little awareness of the issue.

The National Integrity System (NIS), Transparency International (Peter Rooke)

Objective: The promotion of good government and good governance. The NIS also forms the basis for an approach to anti-corruption reform programmes.

Abstract: The NIS is applied to different country conditions and situations to form NIS Country Studies which look at both the notion of integrity and corruption. The idea is to look at different 'pillars' (institutions, the media, the judiciary, the private sector etc) to get an overall picture of the integrity of a country. The NIS provides audit criteria for an evaluation of a country's various pillars; the risks they present for corrupt activity and their overall contribution to national integrity.

Impact: The studies have been useful in indicating where a country needs to act to implement new legislation for example.

Quality of acquisitions by the Mexican Federal Government Index (Antonio Azuela)

Objective: To develop good practice indicators on procurement which will allow entities to evaluate their performance and make improvements.

Abstract: The tool will produce a rank of the different branches of the federal government according to their procurement practices. Corruption itself will not be measured, rather the presence of conditions that stimulate corruption. The findings will aim to focus upon good practice recommendations rather than making final judgements about behaviour. Twelve indicators will be developed in three phases. An example of an indicator is the presence of significant differences in the purchasing price paid by different agencies for similar goods or services. As the tool is not completed it is impossible to talk about impact at this stage.

This measurement tool is currently being developed and its methodology under revision. Practical outcomes from its application are pending.

Discussion points for Session 4:

The importance of generating comprehensible information was considered. In relation to tools that produce indices or scores it was mentioned that the value of 'a 1 point improvement' was very difficult to understand or indeed attribute to one particular cause. There was a call for surveys to provide data that is more meaningful to improve impact and usefulness.

From here it was suggested that tools should be designed that take into account the type of policy changes that they want to generate and how they may be useful benchmarks that can measure the effect of change. (This point was returned to at the end of the workshop and a summary of related points can be found under 'Language' in the 'Future' section).

Session 5: Getting the best from measurement tools: The stakeholders perspective

The objective of this session was to evaluate the impact of tools from the perspective of those who actively use the information they provide, these being national governments, the media and the citizen. Having understood these perspectives, an attempt was made to learn from the needs of end-users in the design of future tools.

The presentation from the Mexican Secretary of the Public Function revealed that TI's CPI has been understood as a useful tool for the national government, and as an incentive to improve transparency. It was clear, however, that more detailed, country- and institution-specific diagnostic tools were required to accurately target action as well as understand which measures would be effective. There was also a comment by the public servant expressing the need to highlight positive changes in order to have the public encouraged from the efforts that are being carried out, even if the initial reaction to the ranking is negative.

Measures that have been taken as a result of the publication of tools such as Transparencia Mexicana's National Survey on Corruption and Good Governance include the employment of experts to advise on how to improve this aspect of governance, the introduction of internal control mechanisms and the commissioning of further studies.

Session 6: Towards the future: Exploring new issues and tools for the years to come

The session considered possible future issues concerning the measurement of corruption. These were viewed to be the following:

Divergence vs. Convergence:
The benefits to be derived from converging on certain aspects regarding measurement tools were cost reduction and the avoidance of duplication of effort. At the same time the benefits of divergence were discussed; namely the design of tools that take into account the specific conditions and realities of different countries and sectors. As such, it was suggested that in the future convergence should occur but only for certain basic aspects related to measuring corruption. These were thought to be methods of sample selection, construction of questionnaires (which questions to ask, how to ask them) and knowledge-sharing on employment of data.

It was felt that convergence should occur more often in the way that data is organised and collected in different countries to facilitate the comparison and replication of tools. This issue was particularly clear in the case of the political party financing tool which would be difficult to develop in other countries because the data is not available elsewhere (other than the United States).

There was also mention of the need of diversity of organisational bodies working in this field to ensure distinct approaches. At present TI and the World Bank are the key players although very interesting work is being carried out by other entities such as CIET and Coalition 2000 for example. These efforts should be encouraged and learnt from.

Periodicity:
The question of how often surveys should be conducted was a controversial point. A time period that allowed the full processing of data and analysis of the results was necessary. This often depends on the ability of the institutions the information is targeted towards to deal with the information.

The timing of the measure should allow enough time for the institutions in question to take action to improve to avoid creating disincentives for action. There will be a reduction in the incentive to improve if the institution sees it will be rated the following year as this does not allow enough time for real change to occur.

Subjectivity vs. Objectivity:
The dichotomy between subjective and objective data was considered a false one. In fact, subjective and objective measures are becoming increasingly integrated and correlations run between them indicate that both types of measures are valid and can inform each other. The combination of both types of data contributes to achieving a more complete picture of how corruption presents itself.

Simplicity and theory:
The need for simple, communicable data to maximise impact of the statistics and reduce confusion was highlighted. At the same time, the growing need to base corruption measurement methods on some kind of theory was highlighted. In order to interpret findings as they become more complex over time, tools need to be related to an underlying theory. Koopmans (1947) suggested that there should be 'no measurement without a theory' and thus this should form the basis of the development of all future tools.

It was suggested that the anti-corruption movement is in danger of creating its own theory and ignoring other social explanations for the phenomenon in question. At present economic theory dominates in the explanation of why corruption arises and yet other social theories, such as the cultural explanations in anthropology for example, are possibly equally valid. It is important to take different branches of theory into account when elaborating corruption research.

This point relates to the need for credibility. Indices need to have strong theoretical and empirical foundations if they are to be respected and taken seriously. If end-users question the methodology of the tool or its reliability or precision this harms the credibility of the data generated.

Language:
The type of results produced from the various tools should be convertible into language that decision makers understand. This may involve the quantification of poor governance for example.

It is also important to complement the tool with other developmental statistics such as that of infant mortality. This allows people to form relationships between corruption and other such indicators to make associations about the real impact of corruption and learn about cause and effect.

Complementing the measurement tool:

It was suggested that a tool would have a limited capacity if during its design process thought had not been given to its potential impact: the possibility of coalition building and the dialogue generated once the data has been published for example. An action plan needs to be in place before carrying out the survey to maximise the potential for change.

It is also important to consider what is being measured for example, whether you are considering quantity of the bribe or the frequency of it. This will affect the resulting prioritisation of action.

The use of technology:
The recent proliferation of e-government tools is a useful resource in the construction of transparency indices, which can be evaluated for the amount of information they provide.

The internet can also be used to disseminate information regarding the measurement of corruption in a more effective way. The World Bank Institute offers to host a portal for all efforts in this field to enhance future cooperation, further understanding and improve logistical integration. Sharing information on tools is important and is related to transparency; a concept that the movement promotes.

Proposal for a new measure of corruption: a test using Italian data, (Lucio Picci and Miriam Golden)

<u>Objective</u>: To show that corruption can be measured using objective data.

<u>Abstract</u>: The tool captures the difference between a measure of the physical quantities of public infrastructure and a measure of the cumulative value of public capital stocks. Where the difference between the value of existing infrastructure and the actual physical infrastructure is larger, more money is being siphoned off in mismanagement, fraud, bribes, kickbacks, and embezzlement; that is, corruption is greater.

The measure is created for Italy's 20 regions as of the mid-1990s, controlling for possible regional differences in the costs of public construction. The proposed measure exhibits a strong statistically significant, inverse relationship with Putnam's measure of government performance, suggesting that as corruption increases, government performance deteriorates. Suggestions are offered for constructing a similar measure for other countries.

Session 7: Conclusions from the meeting

Key findings and issues emerging from the three days of discussion were considered in this closing session. The following are the salient points from this gathering:

Future work:
Attendees of the workshop felt they had gained a greater insight into the work being carried out in different countries in terms of measuring corruption; they were able to see the kind of tools employed, learn about their elaboration, the ways they were employed and the challenges associated with them. As a result many representatives from different countries that had not carried out a survey could return with the knowledge to be able to use these tools and adapt them to their particular country's conditions.

Need for greater cooperation and integration:
Cooperation is required to avoid duplication of (possibly unsuccessful) previous efforts. Particular types of data pass the media/government/public's acid-test and therefore it is useful to be aware of the success of other tools to avoid replication of unsuccessful tools and to learn from mistakes.

The identified need for Macro, Mezzo and Micro level corruption surveys require the cooperative efforts of different types of organisations. The Macro level or international comparison surveys require the resources and scope of international organisations, whereas micro level (country/industry/sector studies) requires national organisations with local expertise. Having generated these different types of data, t is important to correlate them to gain a deeper understanding of the problem

The cooperative relationship that exists between the Latin American chapters of Transparency International was highlighted as an example of the way that this work can be carried out.

The need for secondary analysis of data:

To understand firstly how end-users employ the data and secondly how the data relates to modes of prevention.

The need for evaluation of the role of the CPI:

The focus on the ranking of countries has produced perverse results which may mean that the use of the CPI is limited. One example is that countries feel if that if they top the rank in their region then their work is complete; this can generate complacency. This reduces the linkage of corruption with development. Now that the awareness-raising objective has been achieved there is a need to develop tools which look to the effectiveness of the various reforms introduced to reduce corruption.

The importance of the media: The need to develop comprehensive communication campaigns to accompany the publication of data of this nature. This task can be enhanced through cooperation and knowledge sharing.

Appendix 1: Workshop Agenda

Official Inauguration of the Meeting
Silke Pfeiffer, Regional Director, the Americas, Transparency International
Humberto Murrieta, Executive President, Transparencia Mexicana

Measuring Corruption: An Overview
Lucio Picci, University of Bologna
Arturo del Castillo, Researcher on Measuring Corruption
Session moderated by Antonio Azuela, National University of Mexico Corruption Lab

Available tools for measuring Corruption: International Experiences

Jonathan Werve, The Center for Public Integrity, Global Access Index
Gloria Labastida, Latin American Budget Transparency Index
Alejandro Salas, TI-Secretariat, Corruption Perception Index and Bribe Payers Index
Daniel Kaufmann, The World Bank Institute, The WBI role in measuring corruption: comparing experiences among countries
Session moderated by Silke Pfeiffer, TI-Secretariat

Available tools for measuring corruption: National Experiences

Marcela Rozo, Transparencia por Colombia, Public Entities Integrity Index
Marie Wolkers, TI-Secretariat, Kenyan and Moroccan Experiences in Measuring Corruption
Elena Chirkova, TI-Russia, Russian Experience in Measuring Corruption
Eduardo Bohórquez, Transparencia Mexicana, National Survey on Corruption and Good Governance
Session moderated by Phyllis Dininio, Transnational Crime and Corruption Center at the American University

Available tools for measuring corruption: National Experiences

Samuel Rotta, Proética (Transparency International-Peru), National Survey on Corruption and The Risk Map of Corruption (making a balance on the importance of these tools).
Bruno Speck, Transparencia Brazil, Corruption and the Private Sector – a survey conducted in Brazil.
Aleksandra Vicheva, TI-Bulgaria, Political Finance Transparency Index
Peter Rooke, TI-Australia, National Integrity Systems (The Australian Case)
Antonio Azuela, National University of Mexico Corruption Lab, Acquisitions' Quality of the Mexican Federal Government Index
Session moderated by Octavio Díaz, National Statistics Bureau, Mexico

Getting the best of measuring tools: focusing on stakeholders

How to improve the use of surveys and indexes by orienting them to support strategies or policies. This is also an opportunity for assessing possible convergence among tools. This panel will focus on the final user perspective.

Eduardo Romero Ramos, Minister, Public Administration Secretariat, México
Marcelo Ebrard Casaubon, Secretary of Public Security, Mexico City Government
Session moderated by Federico Reyes Heroles, President of the Board, Transparencia Mexicana

Towards the future: exploring new issues and tools for the following years

This panel will allow to discuss: (i) New techniques and methods in measuring corruption, (ii) foreseeable appearance of new indexes and surveys (both national and international), (iii) theoretical possibilities for convergence among the available tools. This panel will also allow to identify (i) possible strategies to face the future, (ii) how to better share knowledge and experiences, (iii) coordination of international and national tools, (iv) the possibility of building an international task force for coordinating current and future efforts

Daniel Kaufmann, The World Bank Institute, Measuring Corruption and Governance: Towards the Future
Edmundo Berumen, Berumen y Asociados, Theoretical Opportunities for Convergence among Tools
Lucio Picci, University of Bologna, Alternative Methods for Measuring Corruption
Session moderated by Marcela Rozo, Transparencia por Colombia

Conclusions from the meeting
An opportunity for identify key issues and ideas from the meeting.

Federico Reyes Heroles, President of the Board, Transparencia Mexicana
Edmundo Berumen, Berumen y Asociados
Silke Pfeiffer, TI-Secretariat
Jonathan Werve, The Center for Public Integrity
Bruno Speck, Transparencia Brazil
Aleksandra Vicheva, TI-Bulgaria

Appendix 2
Participant list

Antonio Azuela, Universidad Nacional de Mexico

Sandra Belder, Ministry of Foreign Affairs, The Netherlands

Edmundo Berumen, Berumen y Asociados, México

Eduardo Bohórquez, Transparencia Mexicana

Pilar Callizo, Transparencia Paraguay

Elena Chirkova, Transparency International-Russia

Mercedes de Freitas, Mirador Democrático, Venezuela

Dennis De Jong, Ministry of Foreign Affairs, The Netherlands

Arturo del Castillo, senior researcher CIDE, Mexico

Octavio Díaz, National Statistics Bureau, Mexico

Phyllis Dininio, Transnational Crime and Corruption Center at the American University

Andrea Fernández, Chile Transparente

Walter García Torres, Uruguay Transparente

Daniel Kaufmann, Head of Governance, World Bank Institute, Washington

Lauren Knott, Assistant, Americas Department, Transparency International

Gloria Labastida, Latin American Budget Transparency Index, Mexico

Alvaro Martín de Vega, UCA, El Salvador

Angélica Maytín, Transparencia Panamá

Violeta Mazariegos, Acción Ciudadana, Guatemala

William Méndez, Transparencia Costa Rica

Manuel Mondragón, Undersecretary Citizen Participation, Mexico City Public Security Secretariat, Mexico

Humberto Murrieta, Executive President, Transparencia Mexicana

Silke Pfeiffer, Director, Americas Department, Transparency International

Lucio Picci, Department of Economics, University of Bologna.

Mario Rejtman Farah, Poder Ciudadano, Buenos Aires, Argentina,

Federico Reyes Heroles, President of the Board, Transparencia Mexicana,

Eduardo Romero Ramos, Minister, Public Administration, Mexico,

Peter Rooke, Transparency International Australia

Samuel Rotta, Proetica, Peru

Marcela Rozo, Transparencia por Colombia,

Alejandro Salas, Programme Officer, Transparency International

Gabriel Solórzano, Etica y Transparencia, Nicaragua

Bruno Speck, Head of Research, Transparencia Brazil, Sao Paolo, Brazil

Andrés Tobar, CLD, Ecuador

Aleksandra Vicheva, Transparency Bulgaria

Marie Wolkers, Programme Officer, Africa, Transparency International

Jonathon Werve, Public Integrity Project, Washington,