

Transparency International Corruption Perceptions Index 2016

An aerial night photograph of a city, likely Tokyo, featuring a prominent skyscraper (the Tokyo Skytree) illuminated in orange. The surrounding city is lit up with various lights, and a highway interchange is visible in the lower right. The image is tilted slightly to the right.

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“In too many countries, people are deprived of their most basic needs and go to bed hungry every night because of corruption, while the powerful and corrupt enjoy lavish lifestyles with impunity.”

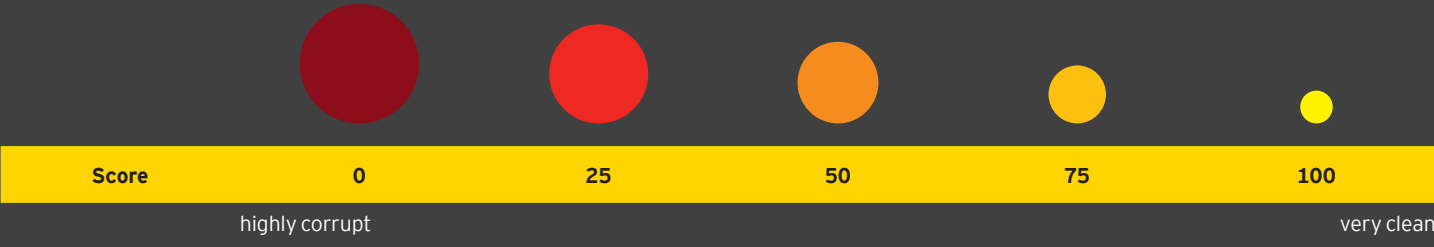
José Ugaz, Chair, Transparency International

Corruption and inequality feed off each other, creating a vicious circle between corruption, unequal distribution of power in society, and unequal distribution of wealth. As the Panama Papers showed, it is still far too easy for the rich and powerful to exploit the opaqueness of the global financial system to enrich themselves at the expense of the public good.

Based on expert opinion from around the world, the Corruption Perceptions Index measures the perceived levels of public sector corruption worldwide. The findings are less than encouraging. Not a single country comes close to top marks, while over 120 countries score below 50 on the scale of 0 (highly corrupt) to 100 (very clean). This means less than a third of countries are even above the midpoint.

Corruption hurts all countries. In our index's lower-scoring countries, people frequently face situations of bribery and extortion, rely on basic services that have been undermined by the misappropriation of funds, and confront official indifference when seeking redress from authorities that are on the take. In higher-scoring countries the situation may seem less obvious in the daily lives of citizens, but closed-door deals, illicit finance, and patchy law enforcement exacerbate many forms of corruption at home and abroad. “We do not have the luxury of time,” says Ugaz. “Corruption needs to be fought with urgency, so that the lives of people across the world improve”.

The global picture



Global

Average score

Top: Denmark, New Zealand (90)
Bottom: South Sudan (11), Somalia (10)

EU & Western Europe

Average score

Top: Denmark (90)
Bottom: Bulgaria (41)



Asia Pacific

Average score

Top: New Zealand (90)
Bottom: North Korea (12)

Americas

Average score

Top: Canada (82)
Bottom: Venezuela (17)



38



34



31

Middle East & North Africa

Average score

Top: United Arab Emirates (66)

Bottom: Syria (13)

Eastern Europe & Central Asia

Average score

Top: Georgia (57)

Bottom: Uzbekistan (21)

Sub-Saharan Africa

Average score

Top: Botswana (60)

Bottom: Somalia (10)

LESS THAN 50 = SERIOUS CORRUPTION PROBLEM

69%

of countries worldwide score below 50

58%

of G20 countries score less than 50

100%

of BRICS countries score less than 50

6 billion +

people live in countries with a serious corruption problem

Country contrast

Top scorers

Denmark

90



Lowest scorers

Somalia

10



Lowest scorers

South Sudan

11



What's changed?



Countries that have improved include

Albania

Austria

Czech Republic

Greece

Indonesia

Latvia

Senegal

Slovakia

United Kingdom



Countries that have declined include

Australia

Brazil

Gambia

Hungary

Japan

Madagascar

Malawi

Mexico

Mozambique

Spain

Sri Lanka

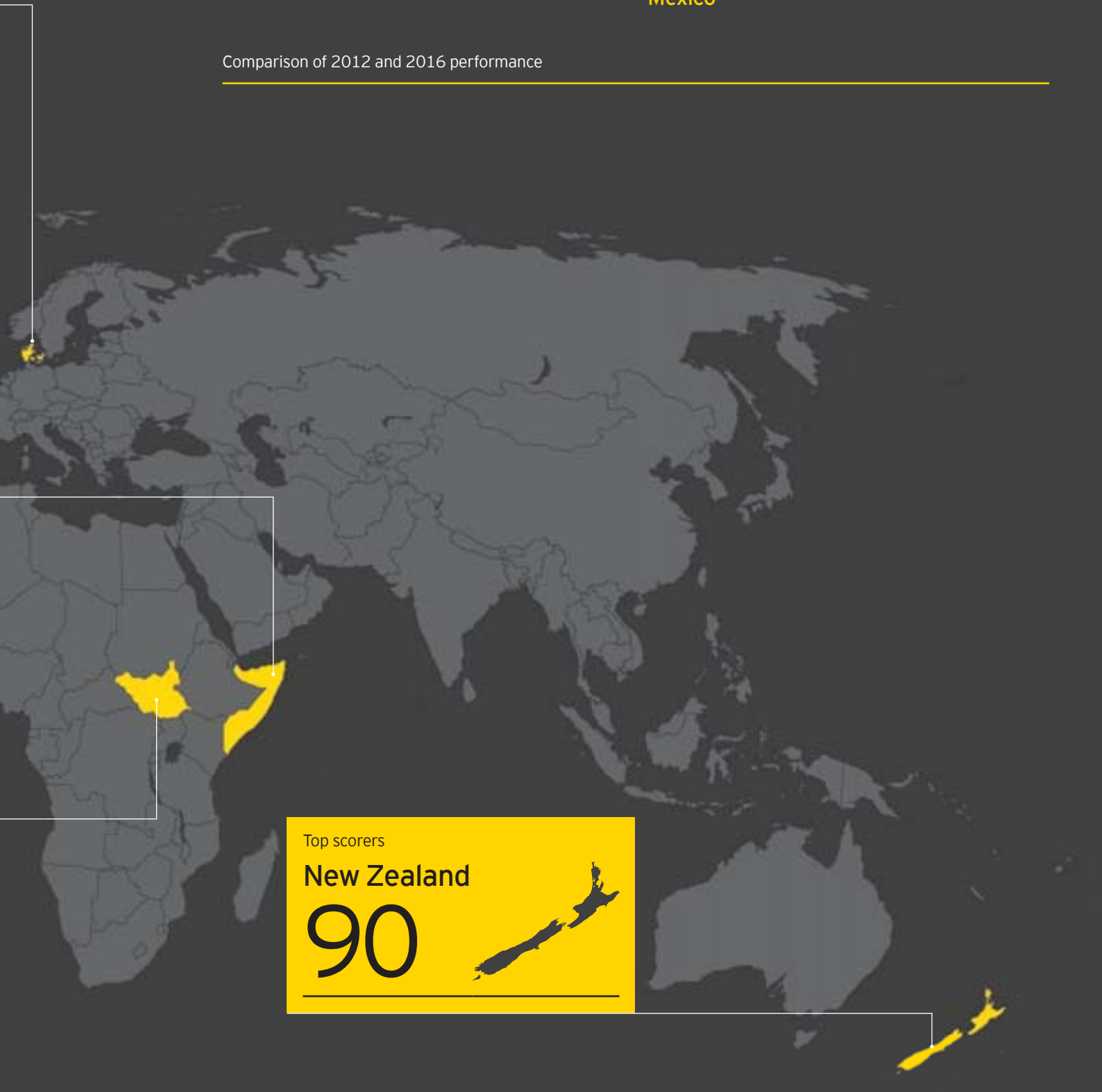
Tanzania

Turkey

Uganda

Yemen

Comparison of 2012 and 2016 performance



Top scorers

New Zealand

90



176 countries 176 scores

How does your country measure up?

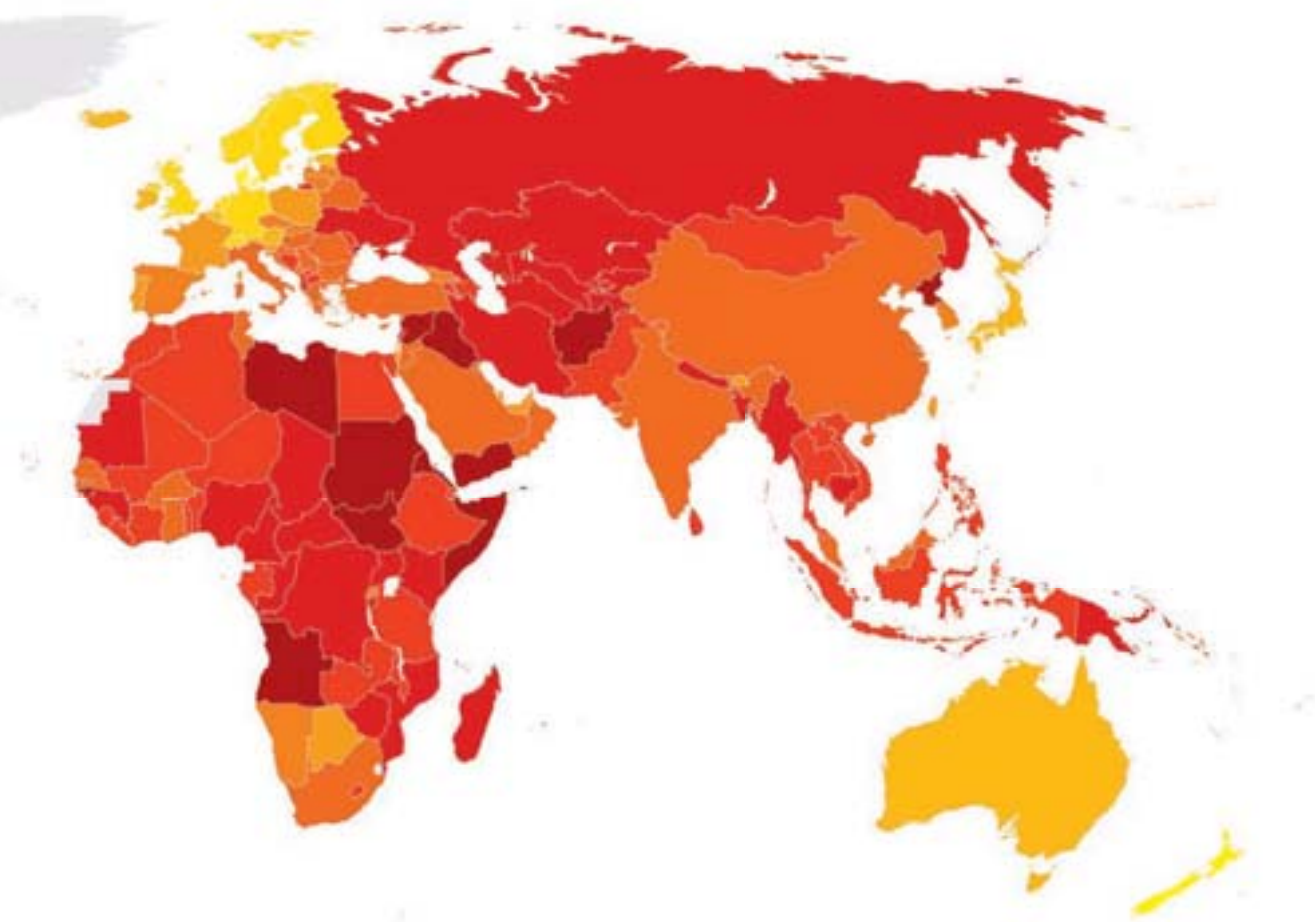
The perceived levels of public sector corruption in 176 countries/territories around the world.



SCORE



RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	90	24	Bahamas	66	46	Grenada	56
1	New Zealand	90	24	Chile	66	47	Cyprus	55
3	Finland	89	24	United Arab Emirates	66	47	Czech Republic	55
4	Sweden	88	27	Bhutan	65	47	Malta	55
5	Switzerland	86	28	Israel	64	50	Mauritius	54
6	Norway	85	29	Poland	62	50	Rwanda	54
7	Singapore	84	29	Portugal	62	52	Korea (South)	53
8	Netherlands	83	31	Barbados	61	53	Namibia	52
9	Canada	82	31	Qatar	61	54	Slovakia	51
10	Germany	81	31	Slovenia	61	55	Croatia	49
10	Luxembourg	81	31	Taiwan	61	55	Malaysia	49
10	United Kingdom	81	35	Botswana	60	57	Hungary	48
13	Australia	79	35	Saint Lucia	60	57	Jordan	48
14	Iceland	78	35	Saint Vincent and The Grenadines	60	57	Romania	48
15	Belgium	77	38	Cape Verde	59	60	Cuba	47
15	Hong Kong	77	38	Dominica	59	60	Italy	47
17	Austria	75	38	Lithuania	59	62	Sao Tome and Principe	46
18	United States	74	41	Brunei	58	62	Saudi Arabia	46
19	Ireland	73	41	Costa Rica	58	64	Montenegro	45
20	Japan	72	41	Spain	58	64	Oman	45
21	Uruguay	71	44	Georgia	57	64	Senegal	45
22	Estonia	70	44	Latvia	57	64	South Africa	45
23	France	69				64	Suriname	45
			69	Greece	44			
			70	Bahrain	43			
			70	Ghana	43			
			72	Burkina Faso	42			
			72	Serbia	42			
			72	Solomon Islands	42			
			75	Bulgaria	41			
			75	Kuwait	41			
			75	Tunisia	41			
			75	Turkey	41			
			79	Belarus	40			
			79	Brazil	40			
			79	China	40			
			79	India	40			
			83	Albania	39			
			83	Bosnia and Herzegovina	39			
			83	Jamaica	39			
			83	Lesotho	39			
			87	Mongolia	38			
			87	Panama	38			
			87	Zambia	38			
			90	Colombia	37			



90	Indonesia	37	113	Vietnam	33	136	Myanmar	28	159	Haiti	20
90	Liberia	37	116	Mali	32	136	Nigeria	28	159	Republic of Congo	20
90	Morocco	37	116	Pakistan	32	136	Papua New Guinea	28	164	Angola	18
90	The FYR of Macedonia	37	116	Tanzania	32	142	Guinea	27	164	Eritrea	18
95	Argentina	36	116	Togo	32	142	Mauritania	27	166	Iraq	17
95	Benin	36	120	Dominican Republic	31	142	Mozambique	27	166	Venezuela	17
95	El Salvador	36	120	Ecuador	31	145	Bangladesh	26	168	Guinea-Bissau	16
95	Kosovo	36	120	Malawi	31	145	Cameroon	26	169	Afghanistan	15
95	Maldives	36	123	Azerbaijan	30	145	Gambia	26	170	Libya	14
95	Sri Lanka	36	123	Djibouti	30	145	Kenya	26	170	Sudan	14
101	Gabon	35	123	Honduras	30	145	Madagascar	26	170	Yemen	14
101	Niger	35	123	Laos	30	145	Nicaragua	26	173	Syria	13
101	Peru	35	123	Mexico	30	151	Tajikistan	25	174	Korea (North)	12
101	Philippines	35	123	Moldova	30	151	Uganda	25	175	South Sudan	11
101	Thailand	35	123	Paraguay	30	153	Comoros	24	176	Somalia	10
101	Timor-Leste	35	123	Sierra Leone	30	154	Turkmenistan	22			
101	Trinidad and Tobago	35	131	Iran	29	154	Zimbabwe	22			
108	Algeria	34	131	Kazakhstan	29	156	Cambodia	21			
108	Côte d'Ivoire	34	131	Nepal	29	156	Democratic Republic of Congo	21			
108	Egypt	34	131	Russia	29	156	Uzbekistan	21			
108	Ethiopia	34	131	Ukraine	29	159	Burundi	20			
108	Guyana	34	136	Guatemala	28	159	Central African Republic	20			
113	Armenia	33	136	Kyrgyzstan	28	159	Chad	20			
113	Bolivia	33	136	Lebanon	28						

Americas



66% of countries scored less than 50

Average score:

44/100

Top scorer:

Canada

82



Lowest scorer:

Venezuela

17



In brief

It is not always bad to have headlines about corruption. From the Panama Papers in April to the record US\$3.5 billion Odebrecht settlement in Brazil in December, 2016 was a good year in the fight against corruption in the Americas.

The Panama Papers revealed that a Panamanian law firm helped set up thousands of secret shell companies, many of them used by corrupt politicians, criminals and tax abusers around the world. The Odebrecht settlement with the U.S. Department of Justice shed light on a company spending millions of dollars on bribing politicians and political parties across Latin America, as well as in two African countries in order to win business contracts.

The wealthy and powerful were also increasingly placed under the spotlight. The Chilean President's daughter-in-law was charged in a corruption case, and former Argentinian President Cristina Fernandez de Kirchner is now under investigation on corruption charges, among several other examples.

2016 was also notable in that large corruption investigations continued to jump across national borders. On cases from Odebrecht to Petrobras and FIFA, we see increasing communication and cooperation among regulators and law enforcement throughout the region and also with their counterparts in Europe and the United States.

One thing is clear though: even if 2016 marks the start of a shift towards more active enforcement by authorities in response to these public demands, there is still a long way to go.

The average score on the 2016 Corruption Perceptions Index was 44 out of 100 for the Americas. Anything below 50 indicates governments are failing to tackle corruption.

In many parts of the region, impunity continues to be a major problem. Even in countries where cases of large-scale corruption are being tackled, the risk remains that this is the result of the efforts of a small group of brave individuals rather than a long-term plan.

Venezuela, with a score of 17, is the lowest scorer in the region. Last year saw hundreds of thousands of citizens protesting against the government. In Mexico, while the government tries to clean the country's image through a series of reforms, corruption scandals continue to escalate and the President's approval rating is at its lowest ever. With a loss of 5 points in this year's index, Mexico is the region's biggest decliner.

What needs to happen

Perhaps as a consequence of the Panama Papers revealing the offshore holdings of many public officials, commitments to continue anti-corruption efforts were on display throughout the year. For instance, at the London Anti-Corruption Summit in May 2016, commitments to increase transparency around the real owners of anonymous shell companies were made by Argentina, Brazil, Colombia and Mexico.

Citizens must keep up pressure on leaders and continue to demand the transparent, accountable and functioning institutions the region needs to make sure these and similar commitments are delivered on.

As the Panama Papers showed, the combination of whistleblowers, big data and networked journalism is proving to be a powerful force for change. In coming years, governments in the Americas will have to become more transparent, or increasingly they will find transparency forced upon them.

By Jessica Ebrard, Transparency International

Asia Pacific



70% of countries scored less than 50

Average score:

44/100

Top scorer:

New Zealand

90



Lowest scorer:

North Korea

12



The majority of Asia Pacific countries sit in the bottom half of the Corruption Perceptions Index 2016. 19 out of 30 countries in the region scored 40 or less out of 100.

Poor performance can be attributed to unaccountable governments, lack of oversight, insecurity and shrinking space for civil society, pushing anti-corruption action to the margins in those countries. High-profile corruption scandals, in addition to everyday corruption issues, continue to undermine public trust in government, the benefits of democracy and the rule of law.

Who has improved?

Afghanistan has moved up four points in its score (15 out of 100). While it remains one of the 10 very corrupt countries on the index, its score is nearly the double from 2013 (8 out of 100).

The National Unity Government has made over 50 commitments to address corruption, promising change to the people of Afghanistan. There has been some progress. The Anti-Corruption Justice Centre held its first trials on large-scale and high-profile corruption cases, and the National Law on Procurement was enacted. The government must follow up on these commitments.

Timor-Leste, Laos and Myanmar continued to improve their scores in 2016. In Myanmar, the beginning of the National League for Democracy's (NLD) government in March 2016 brought much hope for change with the return to civilian rule. However, progress has been overshadowed by the deadly violence in Rakhine State. This highlights a lack of oversight of the military, which allows abuse to take place with impunity. It is therefore unsurprising, despite improvements, that Myanmar scores only 28 in the index.

Who got worse?

Cambodia, for the second year in a row, is the most corrupt South East Asian country on the list, with a score of 21. As space for civil society continues to be extremely restricted, this is not surprising.

Thailand dropped to 35 in its score this year, reinforcing the link between perceived corruption and political turmoil. Government repression, lack of independent oversight, and the deterioration of rights eroded public confidence in the country.

Thailand's new constitution, while it places significant focus on addressing corruption, entrenches military power and unaccountable government, undermining eventual return to democratic civilian rule. Free debate on the constitution was impossible; campaigning in opposition was banned and dozens of people were detained. The military junta also prohibited monitoring of the referendum. There is a clear absence of independent oversight and rigorous debate.

2017 Watch list

China increased by 3 points but remains at the poor score of 40 out of 100. In recent years, China has focused its anti-corruption efforts on catching "tigers and flies" - corrupt public officials big and small. This cannot come at the expense of transparency and independent oversight. Efforts to fight corruption must include a holistic approach involving civil society as well as the private sector.

India's ongoing poor performance with a score of 40 reiterates the state's inability to effectively deal with petty corruption as well as large-scale corruption scandals. The impact of corruption on poverty, illiteracy and police brutality shows that not only the economy is growing - but also inequality.

By Kate Hanlon, Transparency International

Europe and Central Asia



48% of countries scored less than 50

Average score:

54/100

Top scorer:

Denmark

90



Lowest scorer:

Uzbekistan

21



There are no drastic changes in Europe and Central Asia in the Corruption Perceptions Index 2016, with only a few exceptions. However, this does not mean that the region is immune from corruption. The stagnation does not indicate that the fight against corruption has improved, but quite the opposite.

High-profile scandals associated with corruption, misuse of public funds or unethical behaviour by politicians in recent years has contributed to public discontent and mistrust of the political system.

Ukraine shows a minor improvement by 2 points on this year's index. This can be attributed to the launch of the e-declaration system that allows Ukrainians to see the assets of politicians and senior civil servants, including those of the president. However, cases of Grand Corruption against former president Yanukovich and his cronies are currently stalled due to systemic problems in the judicial system.

In many countries of the region, insufficient accountability has generated a perception of quasi-impunity of political elites, and the current wave of populism over Europe seems to enable legalisation of corruption and clientelism, feeding the extreme power of wealthy individuals that steer or own the decision making power.

Corruption scandals have also hit a number of EU countries. Last year in Denmark, the top country on the index, 20 members of the Danish Parliament (11 percent of 179 members) did not declare their outside activities or financial interests in their asset declarations. In the same year, Dutch members of the Police Works Council resigned following an investigation that revealed how a significant amount of the Council's money was used to pay for expensive dinners, parties and hotels.

This is highly alarming. When core institutions in a democratic society - political parties, parliament, public administration and the

judiciary - are systematically implicated with corruption, they cease to be regarded as responsive to people's needs and problems.

Integrity in politics is key to fighting against corruption. In the Western Balkans, Transparency International's recent report attributes weaknesses in law enforcement to captured political systems in which politicians wield enormous influence on all walks of public life, while being close to wealthy private businessmen or even organised crime networks.

Capture of political decision-making is one of the most pervasive and widespread forms of political corruption in the Commonwealth of Independent States (CIS) region, where a culture of impunity prevails among politicians, prosecutors and oligarchs. In many CIS, EU accession and Eastern European countries, it is common to have MPs or local governors who are also business owners, without being questioned by the public, which perceives this as something normal. Companies, networks and individuals unduly influence laws and institutions to shape policies, the legal environment and the wider economy to their own interests.

In this case having a comprehensive legal framework is not enough. What is required is effective implementation of anti-corruption provisions.

In countries where political decision-making is not captured, it is very important that governments assess risks in everyday decision making and administrative procedures, identifying possible gaps in order to act preventively, improve controls and to regain the trust and confidence of their citizens.

By Conny Abel, Svetlana Savitskaya and Valentina Rigamonti, Transparency International

Middle East and North Africa



83% of countries scored less than 50

Average score:

38/100

Top scorer:

UAE

66



Lowest scorer:

Syria

13



Despite the political changes that shook the Arab region six years ago, the hope for Arab countries to fight corruption and end impunity has not seen any progress yet. On the contrary, the majority of Arab countries have failed to fulfil the will of the people to build democratic systems allowing for greater transparency and accountability.

The failure to fight corruption explains the sharp drop of most of Arab countries in the Corruption Perceptions Index 2016. 90 percent of these have scored below 50, which is a failing grade. The United Arab Emirates and Qatar have managed to remain above the average, in spite of their declined scores.

Five out of the ten most corrupt countries in the world are from the region: Iraq, Libya, Sudan, Yemen and Syria. These countries are also inflicted with political instability, war, internal conflicts and terrorism, stressing the fact that war and conflict fuel corruption and in particular political corruption.

The good

Tunisia is one of the very few countries that slightly improved on the index. The country took some serious anti-corruption steps last year such as passing the Access to Information law, one of the most progressive laws in the region, and adopting a national anti-corruption strategy.

Yet Tunisia has still a long road ahead in its fight against corruption. Laws on whistleblower protection, conflict of interests and illicit enrichment policies remain missing. The Tunisian judicial system should also move forward in pending corruption cases, especially those that are ongoing since the revolution six years ago.

The bad

Gulf States have dropped on the index, as ruling families continue to hold power politically and economically, public freedoms are oppressed, and an active independent civil society is absent. The military involvement of these states in regional coalitions has raised the levels of secrecy and ambiguity of public expenditure and state budgets.

Qatar had the sharpest decline in the overall index this year by 10 points. The country has been implicated with FIFA corruption scandals, especially around the votes to host the 2022 World Cup, in addition to human rights violations of migrant workers.

Jordan also dropped below 50 compared with last year, despite the adoption of a new electoral law and integrity law. Many corruption cases were investigated, but no prosecution has taken place yet.

Corruption levels in Egypt are still high in the absence of a real political will to fight it. In 2016, the government violated the independence of auditing institutions when the President Al Sisi sacked and sentenced the head of Egypt's top auditing body, Hisham Geneina, for publicly exposing how much corruption has cost Egypt in the past four years.

What are the challenges and solutions?

In order for Arab countries to improve, they must ensure effective transparent systems that allow for accountability are in place. Governments should protect freedom of expression and stop persecuting anti-corruption activists, whistleblowers, and civil society organisations. The independence of the judiciary must be respected to ensure that the corrupt are prosecuted and stolen assets are returned. All of this cannot be achieved without real and serious political will from governments to follow up on their commitments.

By Kinda Hattar, Transparency International

Sub-Saharan Africa



89% of countries scored less than 50

Average score:

31/100

Top scorer:

Botswana

60



Lowest scorer:

Somalia

10



The elections held across Africa in 2016 provide a good reflection of corruption trends in the region. In countries like Ghana, which is the second worst decliner in the 2016 Corruption Perceptions Index in the region, the dissatisfaction of citizens with the government's corruption record was reflected in their voting at the polls. South Africa, which continues to stagnate this year, has witnessed the same. Joseph Kabila's Democratic Republic of Congo and Yahya Jammeh's Gambia, which both declined, demonstrate how electoral democracy is tremendously challenged in African countries because of corruption.

The good

Cape Verde and São Tomé and Príncipe are the most improved African countries in the 2016 index. Both countries held democratic presidential elections in 2016. It is no surprise that the independent electoral observer teams labelled the Cape Verde elections for 2016 as "exemplary". This election that saw Jorge Carlos Fonseca re-elected, was held in a framework of a continuously improving integrity system, as observed by various African governance reviews.

In São Tomé and Príncipe elections held in July 2016 led to a smooth change of government, which is increasingly a challenge in the African region.

The bad

Despite being a model for stability in the region, Ghana, together with another six African countries, has significantly declined. The rampant corruption in Ghana led citizens to voice their frustrations through the election, resulting in an incumbent president losing for the first time in Ghana's history.

Some other large African countries have failed to improve their scores on the index. These include South Africa, Nigeria, Tanzania and Kenya. South African President Jacob Zuma was in court and in the media for corruption scandals. This included his own appeal against findings in a report by the Public Prosecutor Thuli Madonsela, regarding undue public spending in his private homestead in Nkandla.

Kenya - despite the adoption of a few anti-corruption measures including passing a law on the right to information - has a long way to go. President Uhuru expressed frustration that all his anti-corruption efforts were not yielding much. He may need new strategies as Kenyan citizens go to the polls in 2017.

Right at the bottom of the list is Somalia, whose parliamentary elections were marred by malpractice and corruption, and whose presidential elections were postponed three times last year and are yet to be held.

What needs to happen

African leaders that come to office on an "anti-corruption ticket" will need to live up to their pledges to deliver corruption-free services to their citizens. They must implement their commitments to the principles of governance, democracy and human rights. This includes strengthening the institutions that hold their governments accountable, as well as the electoral systems that allow citizens to either re-elect them or freely choose an alternative.

By Paul Banoba, Transparency International

www.transparency.org

Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of January 2017. Nevertheless, Transparency International cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

Source: Transparency International, Corruption Perceptions Index 2016

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