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Published in:

Transparenz: Multidisziplinäre Durchsichten durch Phänomene und theorien des Undurchsichtigen

2010

[Link to publication](#)

Citation for published version (APA):

Sampson, S. (2010). Diagnostics: Indicators and transparency in the anti-corruption industry. In S. Jansen, E. Schröter, & N. Stehr (Eds.), *Transparenz: Multidisziplinäre Durchsichten durch Phänomene und theorien des Undurchsichtigen* (pp. 97-111). VS Verlag für Sozialwissenschaften.

Total number of authors:

1

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Published in In S. Jansen, E. Schröter and N. Stehr (eds.) *Transparenz: Multidisziplinäre Durchsichten durch Phänomene und Theorien des Undurchsichtigen*. Wiesbaden: VS Verlag für Sozialwissenschaften, 2010, pp. 97-111. ISBN: 978-3-53117435-8.

Diagnostics: Indicators and transparency in the anti-corruption industry

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Introduction

We are in a wave of transparency. Transparency used to be a slogan of civil society organizations, something they pressed for when confronting unresponsive governments or secretive corporations. Transparency was about compelling organizations of the state and market to reveal their secrets. It was an exercise of discovery, knowledge gathering and dissemination. Transparency was the wooden club wielded by civil society.

Times have changed. We are now being assaulted by transparency at every turn. Governments hold open hearings. The Obama White House releases its visitors list. Government agencies make documents available in such amounts that we cannot keep up. Corporations are now parading their social responsibility, informing the public of their every move. Transparency is now an obligation. Accusations that an agency, or firm, or an NGO is 'not being transparent' is tantamount to an accusation of witchcraft. In the name of efficiency, not every process can be revealed. But even the most top down institutions are now showing us how their decisions were made. Transparency, openness and accountability are now the solutions for organizational inertia, replacing corporate secrecy.

Why this wave of transparency? What are the consequences? This paper will try to shed light on the transparency phenomenon by examining one single crest in this wave: the effort to highlight the extent of corruption through statistically-based rankings. I will argue that the effort to make corruption transparent in fact changes the nature of the object, and might possibly lead to more opacity. This conclusion, that isolating an object of study tends to alter it, is hardly unique. Social scientists routinely warn us that efforts to understand, define or measure an object of study, – especially a social process -- may in fact alter its very nature. When the object in question happens to be an illicit, illegitimate, hidden or outright illegal practice, such as corruption, the efforts to illuminate it may create the reverse consequences. In trying to bring hidden knowledge to

the surface, we may instead end up masking the very nature of the phenomenon we want to understand. I believe that this has happened with the phenomenon known as 'corruption', and especially with the sub-discipline of the anticorruption industry known as 'diagnostics'. That is, the more we try to define and measure corruption, the more it slips through our fingers. The effort to turn a social transaction into a quantifiable object, the effort to make corruption transparent via numbers, indices and rankings, leads to it becoming opaque.

In order to show this, I will begin by outlining the nature of what has become a vibrant 'anticorruption industry' and the factors behind it. I will then give examples of how one feature of this industry, 'diagnostics', operates using the Transparency International Corruption Perceptions Index, one of the most well known corruption indicator. The conclusion will bring us back to the problem of trust, and particularly 'trust in numbers' (Porter 1996). There is a link, I will argue, between our trust in numbers and our faith in transparency. This link can itself help us understand regimes of knowledge-gathering, knowledge-management and knowledge dissemination as they operate to elucidate hidden social practices such as corruption. In its unintended consequences, we will see that diagnostics about corruption may also generate opacity.

The work of transparency and civil society

The work of transparency requires a transparent object, an object that is well-defined, amenable to inquiry, and static. It is there to be contemplated, analyzed and investigated. Yet social practices are constantly changing in their form and function, and this is particularly true of those practices which are hidden or illicit. A listing of such practices would be a long one, but a range of examples include organized crime, human trafficking, domestic violence, pedophilia, eating disorders and corruption. How do we bring transparency to such phenomena when we are prevented from directly observing them? This is a typical dilemma for investigative journalists, for law enforcement specialists, for social workers, and for social scientists. We resolve this dilemma by using more creative methods, such as unobtrusive measures, key informants, random samples, informed estimates or proxy measurements. These methods, if they are reliable, can help bring to the surface what is hidden. Such work constitutes the work of transparency. Like all social practices, the work of transparency has its unintended consequences and wide-ranging effects.

The work of transparency is a standard feature of modern civil society organizations, NGOs, or activist groups. Combining expertise, social mobilization and advocacy, such groups operate as moral entrepreneurs. They have a mission to better the world by effecting some kind of change. Working for either the public interest or in the interest of their members, civil society organizations push government or business to open their accounts, archives and decision-making practices. They then lobby for policy choices in light of this new information. For their part, the NGOs must make themselves an example of openness, accountability and transparency in their own decision making. Transparency is a moral imperative. It is supposed to make policies more efficient, but it is also morally uplifting. No one these days is against transparency.

In the domain of fighting corruption, the key civil society player is Transparency International (TI). With 90 national chapters and a secretariat in Berlin, the 'TI movement' as it calls itself, militates for anti-corruption and transparency in governments and firms (see www.transparency.org). However, TI itself is also supposed to be a model of transparency for other organizations. Having achieved a degree of influence in high policy-making circles in governments, in the development-aid world and in business, TI is itself accused of being nontransparent by individuals and groups who disagree with its methods or do not have such high access.

TI's transparency work is best illustrated by its most well known 'brand', the ranking of corrupt countries known as the Corruption Perceptions Index. Yet in its effort to be as transparent as possible, TI actually produces layers of opacity that need to be peeled away. The more emphasis on a transparency discourse, the more we need social science to uncover why transparency is so popular. Let me therefore begin by describing the anti-corruption industry and TI's role in it, focusing particularly on the dilemma between anti-corruption as movement and anti-corruptionism in the form of institution. I will then describe the Corruption Perceptions Index as one example of how the numbers and indices, in trying to produce a standardized ranking of corrupt countries, run the risk of undermining transparency by emptying the concept of corruption of any meaning.

The anti-corruption industry and Transparency International

Throughout the world, there is now a public concern about illicit payments given to public officials or unfair benefits given to clients or firms. In various bureaucracies, people hire their friends and relatives, or cover up while they exploit their positions for private benefit. Meanwhile, foreign and local firms pay, or are forced to pay, 'facilitation fees' to government officials in order to obtain public contracts. Trust is betrayed and power is abused. We call such practices 'bribery', 'extortion', 'fraud', 'embezzlement', 'nepotism', 'favoritism', 'speed payments' and when grouped together, we call it 'corruption'. The most frequently cited definition of corruption, used in UN, OECD, World Bank and various NGO forums, is 'the abuse of entrusted power for private benefit'. The term 'entrusted power' could mean an administrative position in a state apparatus, or a position in a private firm or NGO. 'Private benefit' could mean either financial gain (as in bribery) or the benefit of private loyalties benefiting one's family, party, or ethnic group. Bribery, nepotism and clientelism are viewed as a problem for business because they add extra costs to doing international business; for civil society activists, corruption is a problem because it undermines democracy and oppresses ordinary people; for those working in development assistance, corruption subverts development by depriving a country of much-needed investment or by diversion of funds; and for ordinary citizens, corruption is a problem because it imposes on them a hidden tax and prevents establishing trust in government.

Corruption should therefore be eliminated, or reduced, and the corrupt leaders or bureaucrats kept in check. To do this, an arsenal of anticorruption measures have been

developed with the goal of assessing, controlling or preventing corruption. Such measures include awareness campaigns aimed at the public, reform of state administration, ethical training of officials, setting up anticorruption agencies, whistleblower protection, new forms of citizen-government contact which eliminate unscrupulous middlemen or bottlenecks, and various laws and standards for encouraging transparency, openness and accountability (e.g., internet-bidding, declaration of assets).

Who pays for all this? In the emerging anti-corruption industry, national anti-corruption agencies and local campaigns by NGOs in the South are financed by aid agencies from the North, while donors from governments, international organizations, business and NGOs meet to develop new guidelines and enforce existing conventions, the most recent being the UN Convention against Corruption (Sampson 2005, 2009). Not a week goes by without a conference or meeting on preventing corruption in development aid, on integrity in international business, on standard-setting in public contracting, on advances in asset recovery or bribery convictions, on improving governance and accountability. The discourse of anti-corruptionism is everywhere. In what I have called a 'landscape of anti-corruption' (Sampson 2009), Transparency International stands out as the undisputed leading civil society organization for fighting corruption.

Fighting 'the cancer of corruption'

Transparency International was founded in 1993 by ex-World Bank staffer Peter Eigen and several colleagues with experience in international law, diplomacy, business and development. Focus at that time was on abuse of development aid in the third world and on reducing bribery as a cost of doing international business. The TI program was to raise awareness of corruption as an international issue, 'naming and shaming' the corrupt firms and third world leaders, who at that time invoked quaint 'customs' of traditional gift giving or culture to mask bribery, embezzlement and nepotism. TI sought to influence firms who insisted that 'there was no other way to do business' than to give a bribe.

TI's goal was for international donors to bring more conditionality to their aid, for citizens to demand that governments act more openly, to demand accountability from partners or aid recipients, and for firms to institute what we would now call ethical practices.

The breakthrough for TI can be said to have occurred with World Bank president James Wolfensohn's 'cancer of corruption' speech in 1996, which placed anti-corruption on the aid agenda (see Polzer 2001 on the birth of the World Bank's anti-corruption discourse). Under Eigen's leadership, and with the clever marketing campaign of the Corruption Perception Index (to be described below), TI became a leading player in the move toward 'good governance', and with it, became a key player in the anti-corruption industry (for a conceptualization of the 'anti-corruption industry' see Sampson 2010). TI organized or participated in various anticorruption forums, foremost among them being the biannual International Anticorruption Conference. Today, TI's secretariat in Berlin, with about 60 staff, has a budget of €9-10 million per year, financed mostly by West European government donors, USAID partnerships, and some foundations. The

Berlin secretariat (rather than a headquarters) cooperates with independent, affiliated national chapters or partners in about 90 countries. These chapters, which vary widely in membership, staff and funding, can be financed by these same aid organizations, by government grants, by private donations or simply by member fees.

The national TI chapters conduct awareness raising campaigns, advocacy work, cooperate with officials on drafting laws or regulations, or collect data and write reports about corruption in certain sectors (customs, contracting, health, etc.). Several chapters have now set up legal advice centers (financed by a grant through Berlin) to aid citizens victimized by corrupt practices. Chapters also provide legal expertise to governments on issues of openness, access to information and accountability. Chapters located in the South focus on issues of graft, development aid, humanitarian relief and corruption in minerals extraction. Chapters located in post-socialist states have focused on particular corruption-prone sectors and especially issues of privatization or political cronyism in contracting and infrastructure projects. Chapters in the industrialized countries deal often with information issues, media, political party financing, codes of ethics and corporate social responsibility for large exporting firms.

TI's international work emanates from its secretariat in Berlin. Besides administering projects with chapters, the Secretariat tackles what are called 'global issues' such as enforcing conventions and the forming of coalitions with other private or public actors. TI's advocacy strategy is based on 'coalition building', entering the corridors of power by cooperating with firms, business associations, governments and major NGOs. Demonstration and confrontation have no place in TI's activity. The target groups are international decision-makers, governments, and aid officials. Here the issues are enforcement of anticorruption conventions, corruption in private sector and asset recovery, and cross cutting issues of environment, foreign aid, financial reform, extractive industry, health and security. TI's secretariat develops various 'tools' and information instruments such as the Bribe Payers Index, the Corruption Perceptions Index and the Global Corruption Report for measuring and assessing corruption by sector, by issue and by region. It has also developed the 'national integrity system' for analyzing potentials for corruption in a given country, and it develops training and awareness campaigns and modules for activists, firms, and aid officials.

TI's leadership proudly attempts to maintain itself in the forefront of international civil society. TI attends key international forums, such as the annual World Economic Forum in Davos, and in 2009 was active in the follow-up meetings for the UN Convention against Corruption and in various forums for business ethics, such as the Global Compact, and in the OECD and Council of Europe anti-corruption forums. TI's executive director, in addressing the recent annual meeting of TI chapters, has insisted that TI must not only act transparently, but must be aware that TI itself is the object of scrutiny of its own transparency. As he expressed it, the goal is to make TI as well known in the corruption field as Amnesty International is in the domain of human rights.

Trust in Numbers: the Corruption Perceptions Index

Behind anti-corruption activities lies an understanding about governance, or more accurately, 'good governance'. It is assumed that governance can be defined, assessed and measured, and that the quality of governance can be improved using the 'proper tools'. Evidence of good or poor governance can be derived from assessing the presence or absence of laws and regulations, combined with expert assessments of how special interests can influence government illicitly (state capture) and the effectiveness of administration in meeting citizens needs (number of permits needed to build a house or import a container of freight). On this basis, The World Bank has listed no less than 340 data sets for use in its various governance indicators, known as 'Governance Matters' (info.worldbank.org/overnance/wgi/index.asp). Several books and manuals exist which describe the problems and techniques of measuring corruption (see www.globalintegrity.org. and Sampford et al. 2006). Corruption conferences contain workshops on 'tools' and 'diagnostics', for measuring corrupt practices, attitudes about corruption, calculating bribe giving, assessing expert opinions about corruption, and evaluating the impact of anticorruption campaigns. These surveys and data sets are artifacts of the policy process. Because corruption is so slippery as a concept, and because the impact of specific anticorruption measures is so hard to measure over the short term, the corruption diagnostic tools take on almost a magical power, or more accurately, a magical PowerPoint, when presented. The forum of these data presentations, the need to present any data as good data, is such that specific questions as to the quality of the experts, the basis of their assessments, the reliability of tools or other methodological issues are never totally brought out. Doubts may be expressed in the discussion period, but at the end of the session, life goes on, as it were.

The most well known of the tools for measuring corruption, though far less comprehensive than the World Bank index, is the TI Corruption Perceptions Index (http://www.transparency.org/policy_research/surveys_indices/cpi/2009). The Corruption Perception Index is a TI brand, 'our public relations powerhouse' as one TI staff member called it. When released in late October each year, the index, known as the CPI, is cited in the world press, and it is now used by other donors to assess the risk or feasibility of giving foreign aid or monetary credits.

The Corruption Perceptions Index provides a country corruption 'score' and a ranking of countries from the least to the most corrupt. From an original sample of 42 countries in 1995, the CPI now ranks 180 countries. In this ranking, Australia, New Zealand, Northwest Europe and Scandinavia invariably rank highest, i.e., they have the lowest level of perceived corruption. Ranking lowest (i.e., with the most perceived corruption) are a varying array of conflict-ridden, failed states or autocratic underdeveloped countries. Among these 'usual suspects' are Somalia, Iraq, Afghanistan, Haiti, Guinea, Myanmar, Azerbaijan, Bangladesh, Indonesia, Nigeria and Cameroon. Every year when the list comes out, local journalists either hail or condemn the position of their respective country. Mention of the CPI is made every single day in the world press, often in order to

add color to a government scandal or to encapsulate the state of affairs in a given country. In December 2009 and January 2010, for example, articles on the problems of Afghanistan's political system and Haiti's rebuilding after the earthquake invariably mentioned their rock bottom CPI rankings.

Befitting the status of the CPI within the anticorruption movement, the CPI also has mythical origins. The originator of the CPI, until he 'retired' in 2009, was Prof. Johann Graf Lambsdorff, a German economist who currently heads the Internet Center for the Study of Corruption at the University of Passau (<http://www.icgg.org>). Lambsdorff procured the data sets, performed the statistical operations, and derived the correlations, regressions, and standard deviation tests that generate the CPI. Almost immediately, the Corruption Perception Index assumed a central role in the public profile of TI. TI founder Peter Eigen, in its autobiography (2008), devotes a chapter to the CPI and relates the founding story of the CPI in Dr. Lambsdorff's own words:

I still remember exactly when the idea of creating the corruption index first came to me. It was on 27 March 1995, my 30th birthday. I was lying alone, on the bed of my hotel room in Milan. It was pretty depressing to spend my birthday like this, but it just so happened that TI's annual meeting was taking place in Italy that day. Somehow, I must have felt inspired by the speeches, talks and presentations of that day. The idea that you could develop a corruption index which would gather international expert opinions on corruption came to me that evening in my hotel room in a flash. All you had to do was find a way to gather the information and reduce it to a common denominator....

Lambsdorff continues:

The question was, how to gather the expert opinions? Looking into it, I stumbled onto different sources such as business surveys and the work of risk agencies that touched on corruption in certain areas. Using all these resources, I developed a draft index that I sent confidentially to some leading TI members in June 1995 [Eigen 2008: 99-100].

As it happens, a journalist from *Der Spiegel* got hold of the draft document, and a week later it appeared in the magazine, 'Suddenly,' Lambsdorff recalls, 'my phone was ringing off the hook. Journalists were calling from all over the world.' A month later, 'a reporter from *The New York Times*, who had read about the CPI on vacation in India, called me and made the CPI a headline item in the financial section.' 'We could tell we had touched a nerve' (ibid.; see Lambsdorff's more detailed description of what he calls 'the CPI's 'childhood days' at http://www.icgg.org/corruption.cpi_2008.html)

Until 2009, Lambsdorff had a contract with TI to produce the CPI. In 2005, Passau even hosted a special conference celebrating Ten Years of the Corruption Perception Index, in which Lambsdorff and Peter Eigen mutually praised each other. Missing from this gathering, and unmentioned, was Frederik Galtung, the original research director of

Transparency International, who has written a well-known critique of the CPI (2006) and who left to form his own development consulting organization, called Tiri (for other critiques of the CPI see Søreide 2006, van Hulten 2007 and de Maria 2008). Lambsdorff remained 14 years as the author of the CPI. In September 2009, however, in an e-mail to the 'movement' entitled 'Farewell to the CPI', Lambsdorff decided to cease doing the index, although he remains a supporter of TI. TI has plans to continue the CPI in some form.

The CPI attempts to illuminate the state of corruption by comparing 'corrupt countries'. The actual CPI data are in fact an aggregate of several outside surveys, most of which are based on assessments made by foreign and now local experts as to the degree of corruption in the respective countries. The CPI is, therefore, a perceptions index. It does not attempt to measure corrupt practices such as bribe-giving, or bribe-taking as such. Nor does it specify which sectors of society, e.g., customs service, political parties, or health, are more prone to corruption than others. The CPI indices distill relevant data from other surveys, so that each country is covered by 3-10 surveys (for more details, see http://www.icgg.org/corruption.cpi_2008_sources.html). In 2008, 13 surveys were used (from 11 sources). Some of these surveys are worldwide, others cover specific regions. The surveys were:

- Country Performance Assessment Ratings by the Asian Development Bank
- Country Policy and Institutional Assessment by the African Development Bank,
- Bertelsmann Transformation Index, Bertelsmann Foundation,
- Country Policy and Institutional Assessment by the World Bank
- Economist Intelligence Unit,
- Freedom House Nations in Transit,
- Global Insight (formerly World Markets Research Centre), Country Risk Ratings,
- International Institute for Management Development, Lausanne (2007 and 2008)
- Grey Area Dynamics Ratings, Merchant International Group,
- Political and Economic Risk Consultancy, Hong Kong (2007 and 2008)
- World Economic Forum.

The original samples of experts for these surveys were composed largely of foreign businessmen and bankers. Today, the expert pool includes academics, researchers, diplomats, business people, as well as an increasing number of in-country experts, journalists and business people. On the basis of these assessments, each country receives a composite score from 1 to 10 based on the aggregate of surveys. The countries are then ranked. Countries may move up or down on the ranking scale from year to year, depending on the scores. Since the scores are based on perceptions, however, they are affected by a variety of factors; e.g., media coverage of scandals, a corruption awareness campaign, or the establishment of an anticorruption agency. Hence, a prominent corruption scandal covered by the media might push a country down the ranking list, establishment of a new anti-corruption agency might move it up. In addition, adding new countries to the survey may in itself cause a country to move down in rank. That is, a higher score does not necessarily generate a higher rank if many other countries also improved. When the CPI first began, the lowest scoring countries were ranked from 31st

to 40th; In 2010, a country needs a very high score to be ranked in the top 30. A country ranked 15 in 1995 with a median score of 5 on the perceived corruption scale, can now be ranked 100 in 2009 and still have a better score.

With the increase in the number of surveys used and the methodological sophistication in calculating standard deviations, the CPI rankings actually change little from year to year. Generally, the most developed countries score highest, and the group of weak, failing or rogue states lowest, along with several sub-Saharan African (except Botswana) and some Central Asian countries. In between are various developing or post-socialist states. Countries can, of course move up or down the list from year to year: From 2007 to 2008 significant declines took place in the scores of Bulgaria, Burundi, Maldives, Norway and the United Kingdom, due largely to publicized political scandals. Similarly, statistically significant improvements in ranking are recorded for Albania, Cyprus, Georgia, Mauritius, Nigeria, Oman, Qatar, and South Korea. Nevertheless, the CPI remains an index of *which countries* are more corrupt than others. The link between the presence of corruption and a specific state formation remains.

Effect of the CPI

The CPI has been hailed as a brilliant marketing tactic for the anticorruption movement. TI has even called its 'brand'. The launching of the CPI in late October leads to thousands of hits on TI's website. Journalists and officials from dozens of countries are intensely interested in the CPI ranking, with predictable protests when their country receives a low ranking. Protests take the form of: 'How dare they judge us.' 'What about bribes given by Western firms?'

More serious effects were in Pakistan in 1996, when the CPI rating of Pakistan as second to last (next to Nigeria) led to prime minister Benazir Bhutto being confronted with the results in parliament. The corruption charges eventually led to her ouster. In Bolivia in 1999, the president threatened to bring legal action against TI for having caused his loss of election. In Argentina and in several other Latin American countries, the CPI has been criticized as being politically motivated or partisan. In Cameroun and Nigeria, leaders complained that they received low rankings not because they were corrupt but precisely because they were fighting corruption. In South Korea, the government has placed the CPI on a strategic level, making it a policy to be among the top 15 countries within five years.

The protests against the CPI are not simply complaints about bad publicity. Low CPI rankings can lead to higher risk assessments, lowered credit ratings from international banks or denial of foreign assistance by Western aid agencies. The US Millennium Challenge Account uses the CPI, along with the World Bank's 'Control of Corruption' indicator, to assess potential aid recipients. Kenya was therefore denied aid on this basis in 2004. Hence, it is no surprise that an official from Cameroon even contacted the World Bank once to see if it could get its lowest ranking removed from the list, even though the Bank has nothing to do with the CPI.

Essential to the surveys used in the CPI is that a country expert must rank the situation of 'corruption' –undefined and unspecified -- in that country as compared to other countries. An acknowledged weakness of the CPI, therefore, is that it does not deal with corruption by sector or in specific regions of a country. In addition, it indicates nothing about what conception or definition of corruption the various experts are using. This has consequences when surveys ask the respondent to evaluate the 'frequency', 'level' or 'severity' of corruption; a Gallup survey, for example, asks the respondent to assess the frequency of bribe payments on a scale from 'very common' to 'very uncommon/never'; and whether the amount of these payments are 'very significant' ranging to 'insignificant'. The informant then ranks these characteristics for up to five countries with which they are familiar (de Maria 2008 provides detailed criticism of the actual questions and response options).

The fact that the CPI is a *perception* index, and not a tally of corrupt *practices*, is a major topic of debate. Lambsdorff and other proponents of the CPI insist that perceptions are a good index that corruption exists. Yet corruption is never formally defined, while in other cases it is defined by informants in quite different ways. The World Bank experts discuss the possibility that informants might view corruption either more or less severely than would an objective specialist. Such perception bias they call by the Yiddish terms 'kvetching' and 'kvelling' (<http://www.worldbank.org/wbi/governance/pdf/measure.pdf>). Yet there remain doubts as to whether expert perceptions, colored as they are by their concepts, experiences and anecdotes, reflect the realities of corrupt practices. Razafindrakoto and Roubaud (2006) cite major discrepancies between expert and local assessments of corruption in Africa, with experts tending to overvalue the amount of corruption.

The key critique of the CPI, as Galtung (2006) notes, is that the CPI gives a scientific veneer to journalistic accounts of corruption and political critique. Hence, 'corruption ratings have entered the mainstream lexicon of descriptors for the general state of a country, frequently used in conjunction with GDP growth rates and foreign direct investment rates' (Galtung 2006, p.106).

Following Galtung and others, the popularization of the CPI and its focus on 'naming and shaming' is misplaced if the goal is to reduce corruption. Furthermore, the CPI highlights only experts' perceptions of the degree of bribe-taking. It ignores the bribe givers, many of whom come from foreign firms or Western aid agencies seeking to grease the wheels of the local bureaucracy with facilitation payments. Other criticisms of the CPI are the pro-business bias in the surveys, that the scores are purely arbitrary, and that the experts used are overwhelmingly private sector business people. In addition, no definition of corruption is specified, although it is often understood that the definition of corruption is limited to bribery of public officials. Finally, the CPI is often misused as an instrument of aid conditionality. According to Galtung, the CPI cannot measure trends and cannot capture progress through reforms. The annual measurement and the artificial 'score' lock countries in.

As a result of the CPI's being nation-oriented, TI has developed a transnational type of index, called the Bribe Payers Index. The BPI measures perceptions of the amount of transnational bribe payments from the supply side, meeting the critique of developing countries that their corruption is the result of their being corrupted by unscrupulous foreign bribe-givers. However, the BPI is not nearly as popular as the CPI. The goal of the BPI was that it may be misleading to say that *countries* are corrupt. One could just as well rank sectors, such that military procurement and petroleum might be two of the most corrupt-prone sectors, involving large, hidden payments to high government officials made by international firms seeking military contracts or extraction rights.

Conclusion: the cloud of transparency

As an end state, transparency, like socialism, is always 'on the horizon'. The problem with horizons, as we all know, is that they have this irritating tendency to retreat as we approach them. So it is with the work of transparency, especially when we try to generate transparency about this phenomenon known as 'corruption'. The Corruption Perceptions Index is an effort to quantify what are essentially hundreds of personal judgments. Quantification, writes Theodore Porter (1996) is a social technology. 'Trust in numbers' (the title of Porter's history of scientific objectivity) has everywhere replaced trust in judgment. The qualitative and contextual is replaced with ostensibly objective statistical indicators, scores and rankings. We would rather trust numbers and forget about the judgments which went into the process of classifying and assessing corruption in the first place. In the CPI, these judgments are mutually reinforcing; judgments of experts are based on their trusting of judgments by other experts, or on exaggerated media accounts of corruption scandals. The various data sources tend to reenforce each other in a circular fashion. We depend on these judgments, however, because the phenomenon of corruption is not only contextually defined; it is illegal, illicit or hidden.

Corruption was originally defined back in 1931 as the 'abuse of public office for private benefit' (Senturia, 1931, p. 449) a definition which was later co-opted by Transparency International. Recently, corruption has been redefined as the 'abuse of *entrusted power* for private gain.' Discussing the definition within the context of measuring corruption, Brown (2006) has proposed that corruption be considered simply as an 'abuse of entrusted power'. In the CPI and other surveys, the expert informants have their own visions of corruption, their own 'corruption imaginary'. The problem, therefore, is not to judge the accuracy of the surveys – numbers based on vague categories that there is 'more' or 'frequent' corruption in Country X – but to assess their social and policy effects. This is especially pertinent when policy decisions are applied to countries, and when these countries have little chance of contesting either the data base or the judgments that lay within these data.

In *Trust in Numbers*, Porter (1996) describes how *social conditions* of joblessness and crime led to aggregate statistical data such as unemployment *rates* and crime *rates*. Qualitative conditions led to the construction of abstract indicators that could be manipulated and compared in order to formulate policy. Corruption indicators are, in the same way, beginning to take on a life of their own. Corruption statistics and anti-

corruption programs are now being applied under various agendas. These include agendas to reduce costs for international business, to promote democracy, to enhance governance, and to make development aid more effective. With all these agendas, we might ask, when will we see corruption *rates*? Perhaps we can look forward to an 'index of trust', and statistically comparable 'trust rates'. As Porter writes: 'the invention of crime rates in the 1830s and of unemployment rates around 1900 hinted at ... a condition of society involving collective responsibility rather than an unfortunate or reprehensible condition of individual persons.' (p. 37). Corrupt practices are also individual acts, difficult to define, often hidden in view, varying in interpretation, but seemingly comparable on the axis of 'abuse of trust'. The Corruption Perceptions Index has been a useful tool for global institutions in building the anticorruption industry. It can also be used in local political struggles: accusations of corruption, or failure to fight corruption, have now become a standard weapon among political competitors throughout the developing world. Corruption rates and trust rates may be the next phase in which the global anti-corruption industry evolves.

There is an assumed connection between quantification and transparency. It is as if qualitative, contextual judgments are by nature opaque, while quantitative indicators – regardless of their foundation – are considered invariably more revealing, more transparent, and more 'objective'. We need to understand how such technologies of quantification relate to this wave of transparency. We need to discover how corruption, an intimate social practice in which money, favors and knowledge change hands, how corruption becomes countable. And we need to understand why more counting, more numbers, and more abstraction into 'rates' and 'indices' are considered useful in telling us about the nature of corrupt societies and corrupt transactions. We need to figure out how abstractions are re-interpreted as transparency. Perhaps then we can understand why our trust in numbers has not led to any reduction in corruption.

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