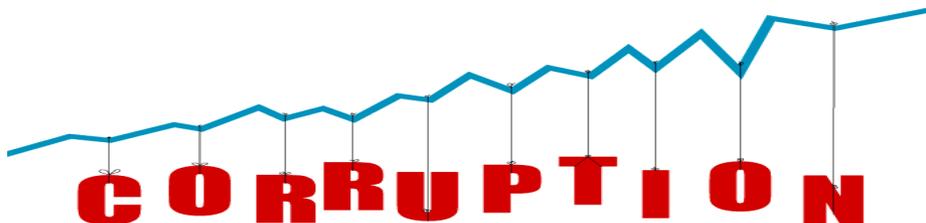




GLOBAL CORRUPTION PERCEPTION INDEX (CPI) 2018

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Corruption Perception Index for 2018



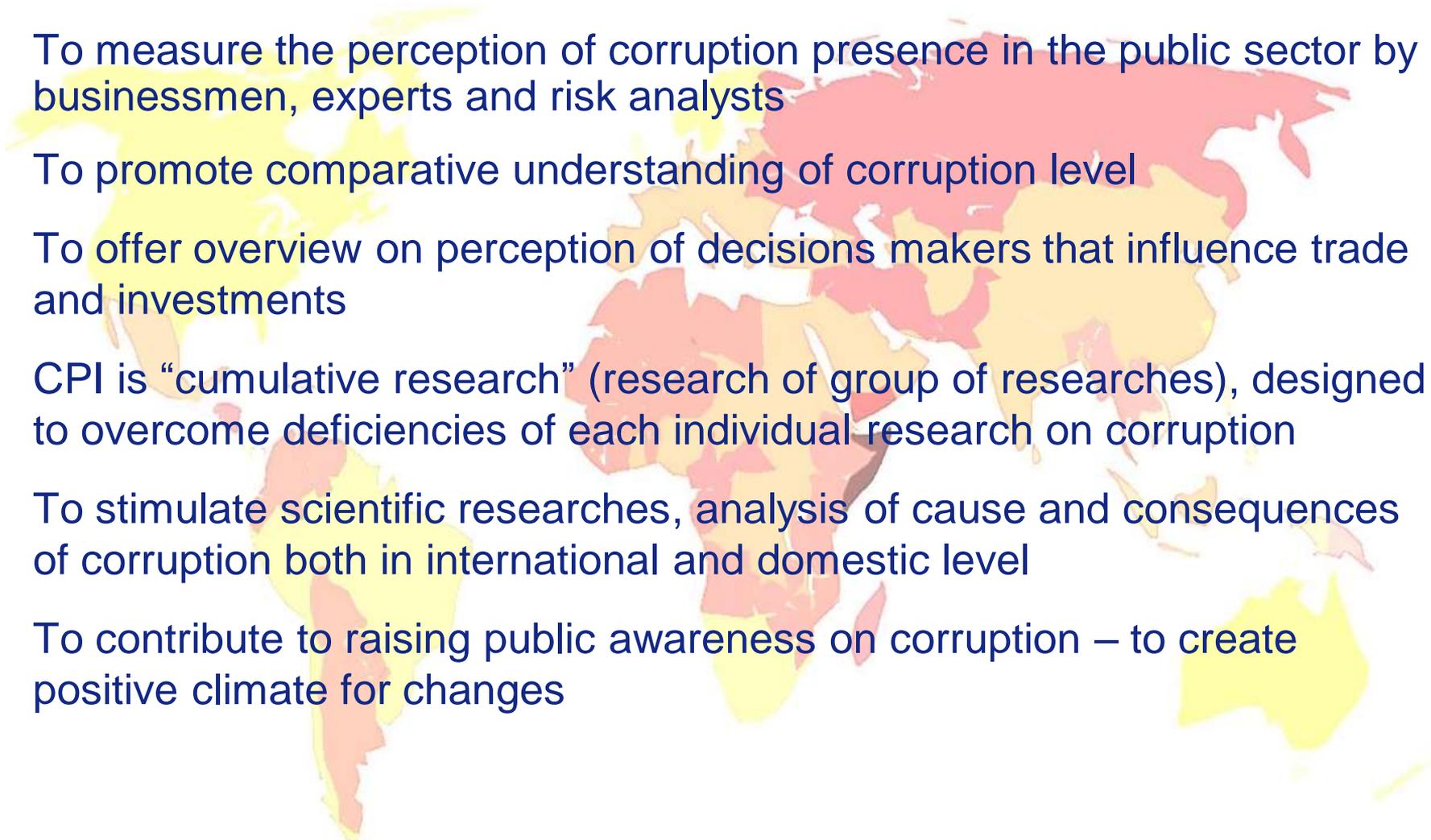
**Global (180 states/territories)
agregate Index (from 13 different sources of data)
that measures perception (experts/businessmen)
corruption (“abuse of entrusted power for private
gain”)
in public sector (state officials and public servants)**

Corruption Perception Index for 2018

- Measures the level of how corrupt public sector is perceived to be (corruption among state officials and public servants)
- Index is created on the basis of **13 different researches and studies**, conducted by institutions, questioning entrepreneurs, analysts and local experts
- **In 2018 total of 180 states/territories are ranked**, the same as in 2017



Goals of CPI

- 
- To measure the perception of corruption presence in the public sector by businessmen, experts and risk analysts
 - To promote comparative understanding of corruption level
 - To offer overview on perception of decisions makers that influence trade and investments
 - CPI is “cumulative research” (research of group of researches), designed to overcome deficiencies of each individual research on corruption
 - To stimulate scientific researches, analysis of cause and consequences of corruption both in international and domestic level
 - To contribute to raising public awareness on corruption – to create positive climate for changes

Corruption Perception Index for 2018

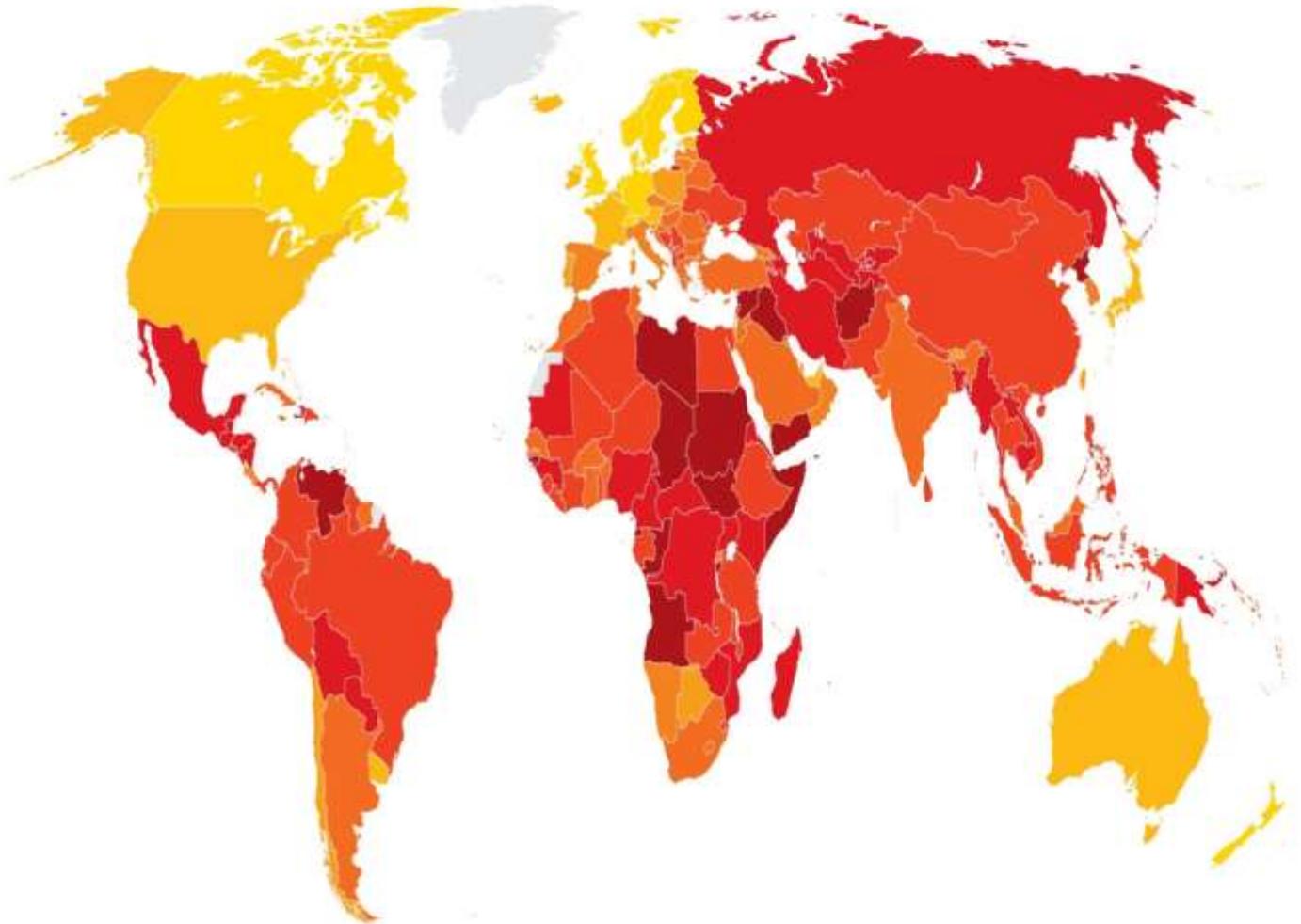
- CPI is a consecutive research that repeats annually and provides data that could be monitored continuously. CPI 2018 is 24th.
- **Minimum 3 researches per country/territory to be included in the list**
- **Research covers the period of previous 24 months**
- **Countries are ranked on a scale from 100 (very 'clean') to 0 (very corrupted)**
- **Research evaluates perception and not the facts, plan and potential** (e.g. number of reported cases, number of convictions, number of media releases, adopted laws, announcements)



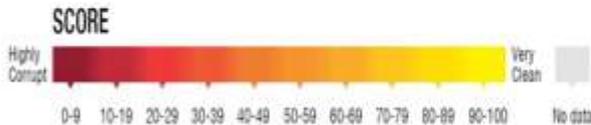
Possibility of comparison

- Index represents overview of businessmen and analysts' perceptions on situations in certain countries and doesn't necessarily reflect certain annual trends, but **actual impressions**
- **Score is more relevant than the rank on the list** (because sometimes number of states/territories involved, changes)
- Changes in the score of some countries may occur due to changing of the sample - researches taken into consideration for index calculation
- **Current CPI is possible to compare with CPI results from 2012 (country's/territory's score)**. Due to methodology changes in 2012, possibility of comparison of current CPI with previous years (prior to 2012) is limited: ranking in the list can be compared (taking into consideration changes of number of countries in the sample), comparing with development of other countries or comparing of the results by individual researches; it is not methodologically correct to multiply score from previous years with 10 or to share current one with 10! Comparison by certain sources should be taken with caution because CPI 2017 comprehends 13 (previously 12) initial researches, which affected method of calculation of score.

CORRUPTION PERCEPTIONS INDEX 2018



The perceived levels of public sector corruption in 180 countries/territories around the world.



#cpi2018

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Notes of deficiencies and advantages of CPI

Advantages/Notes:

- CPI provides baseground to improve debate about corruption in public
- CPI is a good impetus for implementation of further analysis
- CPI enables comparability – comprehends almost all the countries of the world

Deficiencies/Notes:

- Index does not always reflect on results in fight against corruption, as long as they result in changes of practice that are possible to record, which that reflects to perception of interviewees; Changes in score are slow, since they are made on the basis of two years' research
- Developing countries can be shown in worst light due to impartiality and prejudices of foreign observers. That's why there are other means for measuring corruption (e.g. Bribe Payers Index)

CPI 2018 - The best and the worst

Countries perceived as the least corrupted

Rank	Country	Score (0-100)	No. researches
1	Denmark	88	8
2	New Zealand	87	8
3	Finland	85	8
	Singapore		9
	Sweden		8
	Switzerland		7

Countries perceived as the most corrupted

180	Somalia	10	6
178	Syria	13	5
	South Sudan		7
176	Jemen	14	4
	North Korea		7

Methodology remarks for Serbia CPI 2018

- **Serbia is included in 8 polls** that are taken into consideration when creating the Index. Sources are the same as in last year, when one new was added, while the rest remained the same for seven years in a row, which provides high reliability of comparison of data.
- Observed territory of Serbia without Kosovo and Metochy (researches on the basis of which CPI is created are separately made for that territory and reflect perception on corruption of their public services, so that Kosovo is separately ranked on this list)
- Out of researches that are relevant to Serbia, seven were published in 2018, and one in 2017 (some were implemented during 2017).

Source of data in initial researches relevant to Serbia

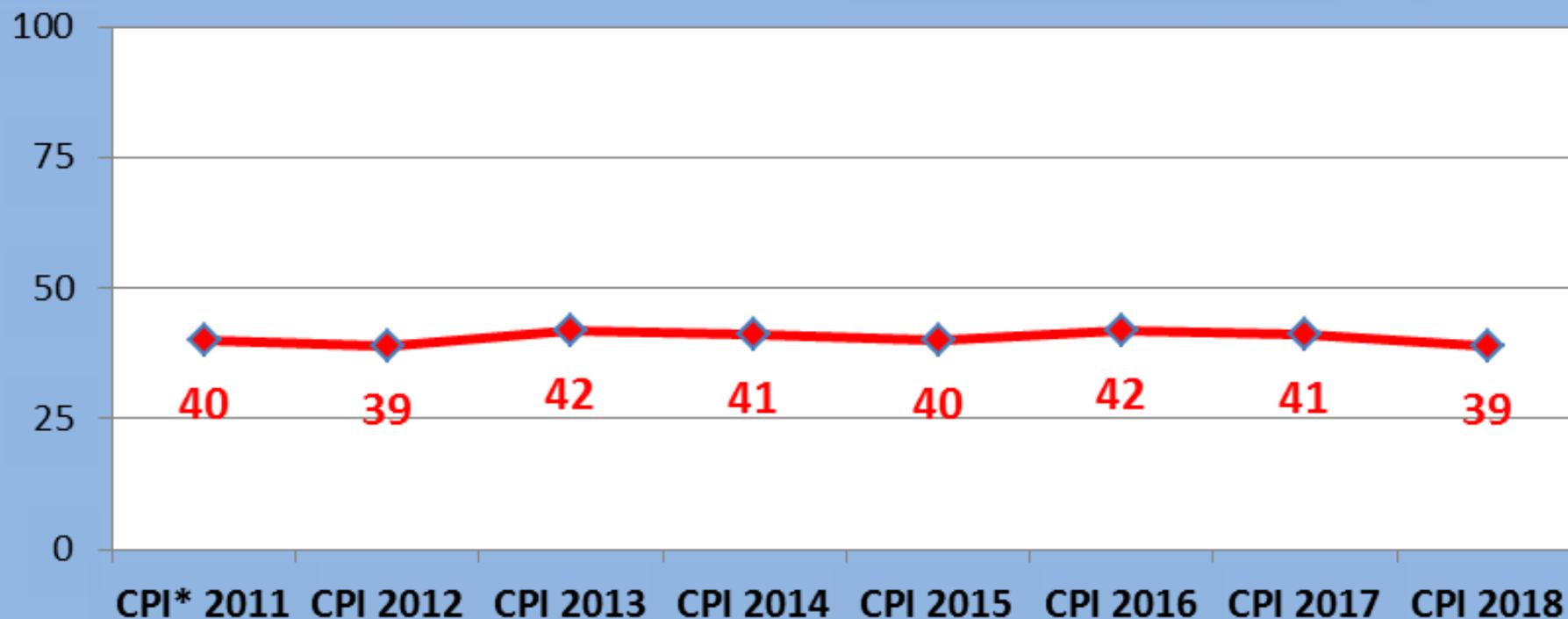
	Source	Sample
1	FH (Freedom House, Nations in Transit) 2017	Perception of nonresidents; examinees come mainly from developed countries.
2	BF (Bertelsmann Foundation) Transformation Index 2017	Experts hired by the bank/ institution
3	EIU (Economist Intelligence Unit) 2017	
4	GI (Global Insight Country Risk Ratings) 2016	
5	PRS ICRG (Political Risk Services International Country Risk Guide) 2017	
6	WEF (Report of the World Economic Forum, Executive Opinion Survey) 2017	Perception of residents; examinees are mostly local experts, local businessmen and multinational companies
7	WJP (World Justice Project Rule of Law Index) 2017-2017	Local experts and general population
8	Varieties of Democracy Project 2016	

Result of Serbia in CPI 2018

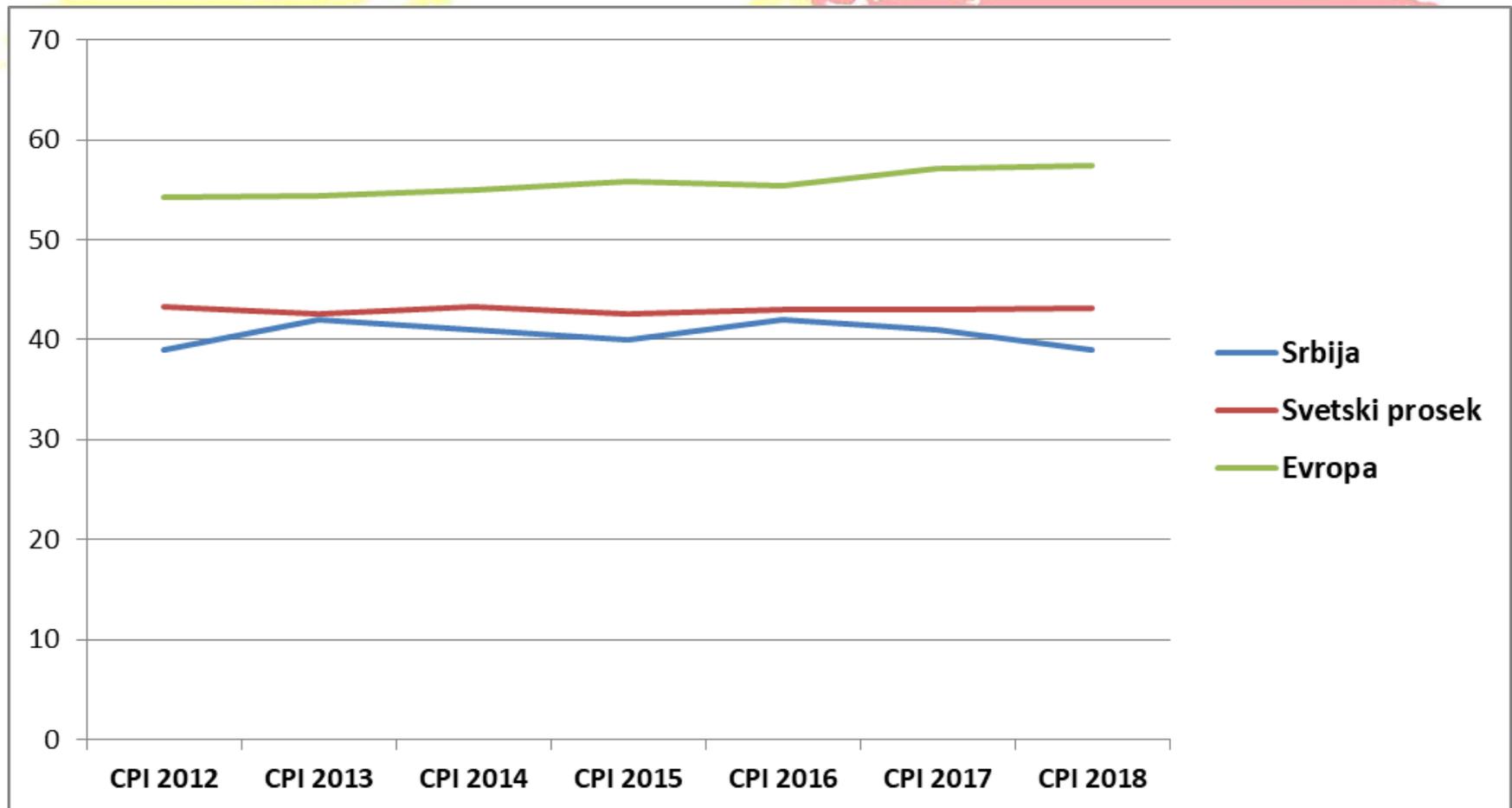
This year Serbia is ranked in 87 position (out of 180 in total), with the score of 39 (out of 100 the most). This rank we share with China

Rank	Country	Score 2016	No. researches
87	Serbia	39	8

Changes of the score of Serbia since 2011



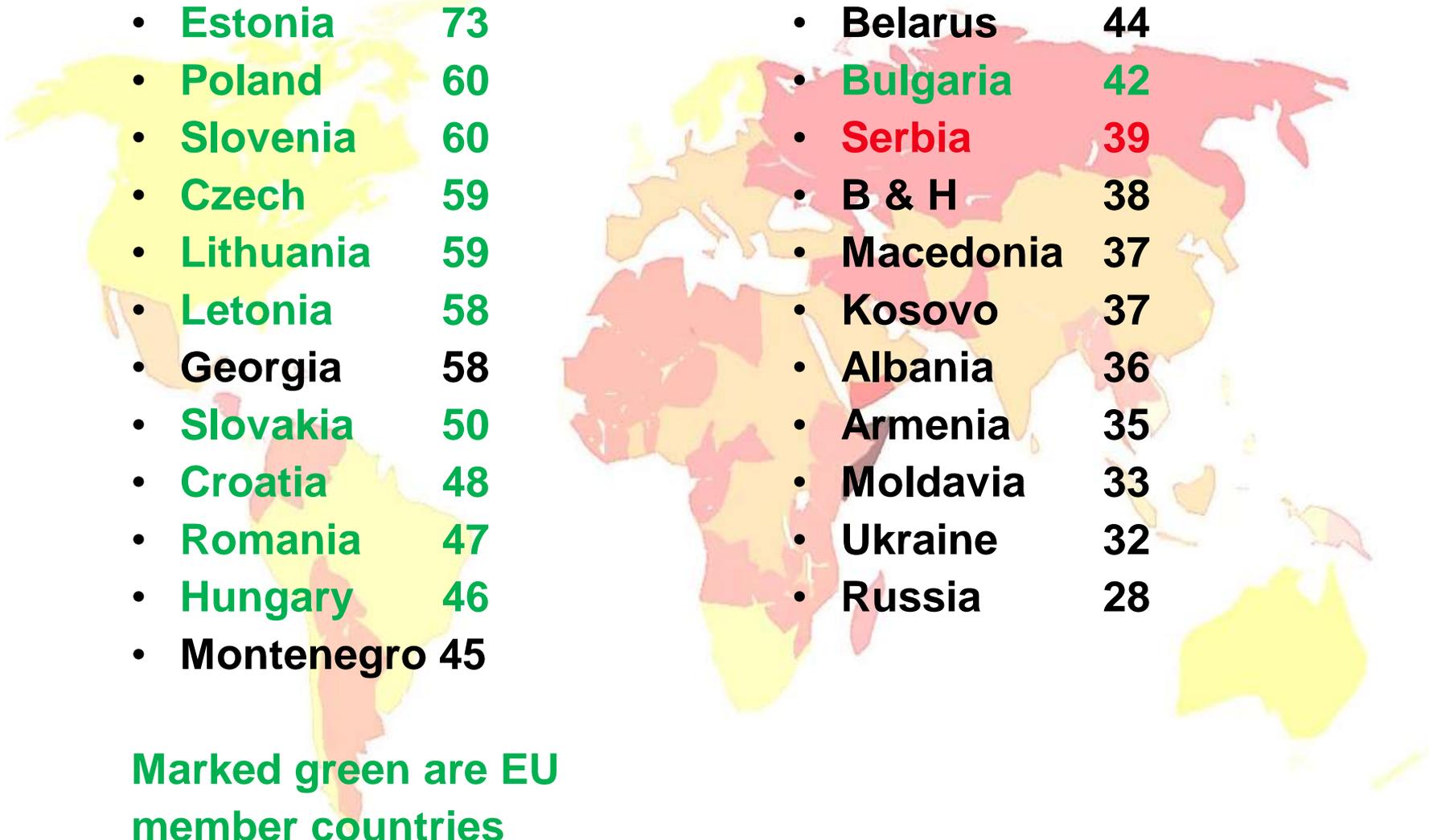
CPI score changes for Serbia, Europe and the world



CPI 2018 – Former Yugoslav Republics

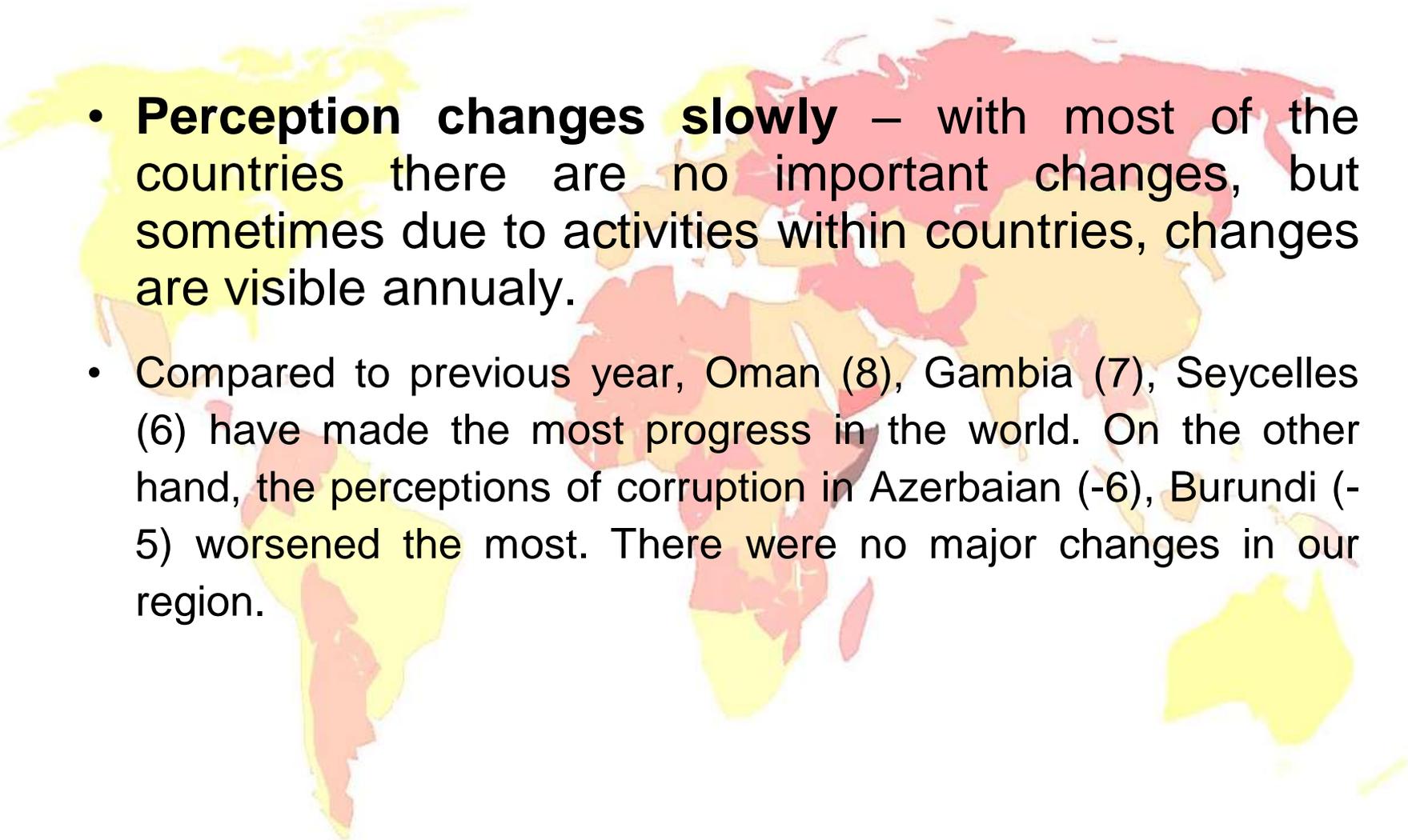
Rank	Country	Score 2017	Score 2018	No. researches CPI 2018
36	Slovenia	61	60 ↓	10
60	Croatia	49	48 ↓	9
67	Montenegro	45	45 =	5
87	Serbia	42	39 ↓	8
89	B & H	39	38 ↓	7
93	Macedonia	37	37 =	7

Former socialist countries of Europe

- 
- | | | | |
|--------------|----|-------------|----|
| • Estonia | 73 | • Belarus | 44 |
| • Poland | 60 | • Bulgaria | 42 |
| • Slovenia | 60 | • Serbia | 39 |
| • Czech | 59 | • B & H | 38 |
| • Lithuania | 59 | • Macedonia | 37 |
| • Letonia | 58 | • Kosovo | 37 |
| • Georgia | 58 | • Albania | 36 |
| • Slovakia | 50 | • Armenia | 35 |
| • Croatia | 48 | • Moldavia | 33 |
| • Romania | 47 | • Ukraine | 32 |
| • Hungary | 46 | • Russia | 28 |
| • Montenegro | 45 | | |

Marked green are EU member countries

CPI 2018 and comparison to previous years

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- The map shows a color-coded world map where countries are shaded in various colors representing their CPI scores. Darker red indicates lower scores, while yellow and light orange indicate higher scores. The map shows that most countries in the world have scores between 4 and 8, with some outliers in the lower range (Azerbaijan and Burundi) and others in the higher range (Oman, Gambia, Seychelles).
- **Perception changes slowly** – with most of the countries there are no important changes, but sometimes due to activities within countries, changes are visible annually.
 - Compared to previous year, Oman (8), Gambia (7), Seychelles (6) have made the most progress in the world. On the other hand, the perceptions of corruption in Azerbaijan (-6), Burundi (-5) worsened the most. There were no major changes in our region.

Reactions to recent rankings

- **Data from 2000:** facing the disastrous picture of Serbia
- **2003:** Larger progress on a scale was expected, but perception slowly changes
- **2004:** New breakthrough – approaching to realistic view of the situation
- **2005, 2006 and 2007:** Minimum progress trend maintained – no radical changes that would lead to fast change in corruption perception
- **2008:** Stagnation – first time not even minimal progress, other countries catching up or even outpacing
- **2009:** Symbolical progress
- **2010:** Stagnation and expectation that improving of legal framework will bring future progress
- **2011:** decline of score and regressing on the list
- **2012:** same reactions as in previous year
- **2013:** Mild progress, expectation for continuation of such, linking with repressive actions
- **2014, 2015, 2016, 2017, 2018:** Slight fluctuations, indicator of lack of sufficient improvement

Results of CPI and Serbia for 2018

- Countries can ignore results of CPI only at their own damage – even if it doesn't reflect completely real state, **CPI is a good indicator of what other people think of us**
- Although slight progress has been recorded, **Serbia is still considered as a country with high corruption level.** No essential variations in ranking since 2008.
- **Citizens of Serbia have also impression on highly corrupted public area,** which derives from result of research made on a national sample (e.g. Global Corruption Barometer, UNDP surveys, although those researches show larger fluctuations in corruption perception.

Corruption perception and its real level

- **What is the ration between the perception and real level of corruption?** When corruption is current topic it can lead to increase of perception on corruption, especially when there is conviction that nothing can be done without corruption, which has been the problem of Serbia in the past 19 years. On the other hand, if the promises of fighting corruption were always followed by concrete actions to address the systemic problems behind individual cases, but also all publicly known cases in which corruption is suspected, this could, in the long run, also affect reducing the actual level of corruption, and then corruption perceptions

Decreasing level of corruption perception

- **Is it possible to decrease the corruption perception?**

It certainly is in certain level, through isolated anti-corruption measures and campaigns and their proper media promotion. However, such measures have limited influence to these kind of researches.

Besides, **priority of state organs should be prevention, discovering and punishing of on-going corruption, rather than changing perception.**

Main problems in Serbia

- **Violation of adopted anticorruption laws** as the result of absence of “political will” (access to information, public enterprises)
- **Insufficient capacities of supervising and controlling organs** who perform control over implementation of the law; discretion authorities in determining subject of verification
- **Insufficient legal framework** (necessary: amendments of many laws and more stronger constitutional guarantees; violation of legal safety by adopting contradictory or vague provisions)
- **Failure to draw a lesson** on the basis of discovered corruption cases and revealed forms of corruptive behavior
- **Non institutional power** of political parties and individuals which reflects the work of complete public sector
- **Insufficiently transparent process of decision making**, impossibility of citizens to influence it and unorganized lobbying
- **Unnecessary procedures and state interventions** that increase number of situations for corruption to occur

Insufficiently used opportunities to fight corruption

- **European perspective** and determination of EU to monitor progress in chapter 23 from the beginning to the end of negotiations process; level of interest of international organizations was not properly used – poor quality of draft AP for chapter 23, tendency towards receiving “positive opinions” instead of resolving long-term existing problems, using of opinions on “harmonization” as excuse for refusing domestic recommendations....
- **Concentrated political power** –Government was strong enough to implement reforms, there was no “blackmailing capacity” of coalition partners (less chances for those corrupted to seek protection inside authorities). Chances to use that power for establishing of full institutional fight against corruption system remained unused.
- **Civil support** – besides general support, citizens were willing to reward politically what was presented as fight against corruption; citizens’ expectations have increased but still remain unsatisfied.

Priorities of Serbia in fight against corruption

- **Keeping the constitution of legal order**
- **Changes of Constitution** for more efficient fight against corruption
- **Decrease of regulatory and financial state interventions** (e.g. license, approvals, subsidies) that create corruption risks, especially when implemented without previous criteria
- Thorough **reform of public sector organization**
- Respecting and strengthening the **role of independent state authorities** and providing implementation of their decisions and recommendations
- Providing **transparency of media ownership** and media financing. Creating conditions for the undisturbed work of the media, breaking the circles around the media that comprise politics, business and marketing companies

Priorities of Serbia in fight against corruption

- **Strategic approach to fight against corruption:** Parliament should adopt new National Anticorruption Strategy as soon as possible, and to determine reasons for non fulfilling of the previous Strategy (valid for the period 2013-2018) goals. Parliament should monitor regularly implementation of Action Plan for Chapter 23 of negotiations with the EU, and other strategic acts
- Providing of full implementation and improvement of the **Public Procurement Law**
- Clear and comprehensive **work plans, reports on work and their consideration**
- Clear **division of authorities and jurisdiction of the state organs too fight corruption**

Priorities of Serbia in fight against corruption

- **Independent, efficient and accountable judiciary**
- Protection of **whistleblowers and witnesses of corruption**, **proactive approach** in investigating corruption and measures for **control of public officials' and servants' property**
- **Strict control of accuracy and completeness of reports on campaign and political party financing**, investigating of suspicions and claims on buying votes and public resources abuse in election campaigns
- Resolving of all cases with suspicion to corruption **from previous years and establishing state oppressive apparatus** that will allow discovering and punishing of such actions later on, independently from the „political will“.