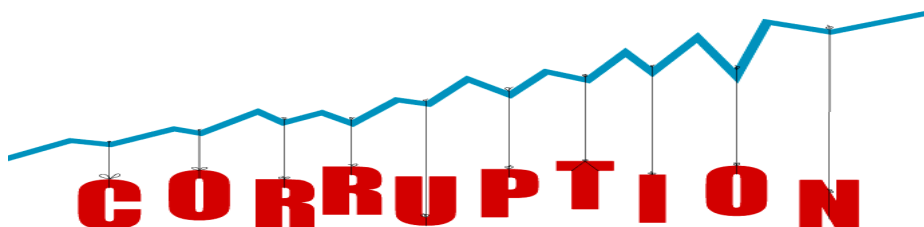




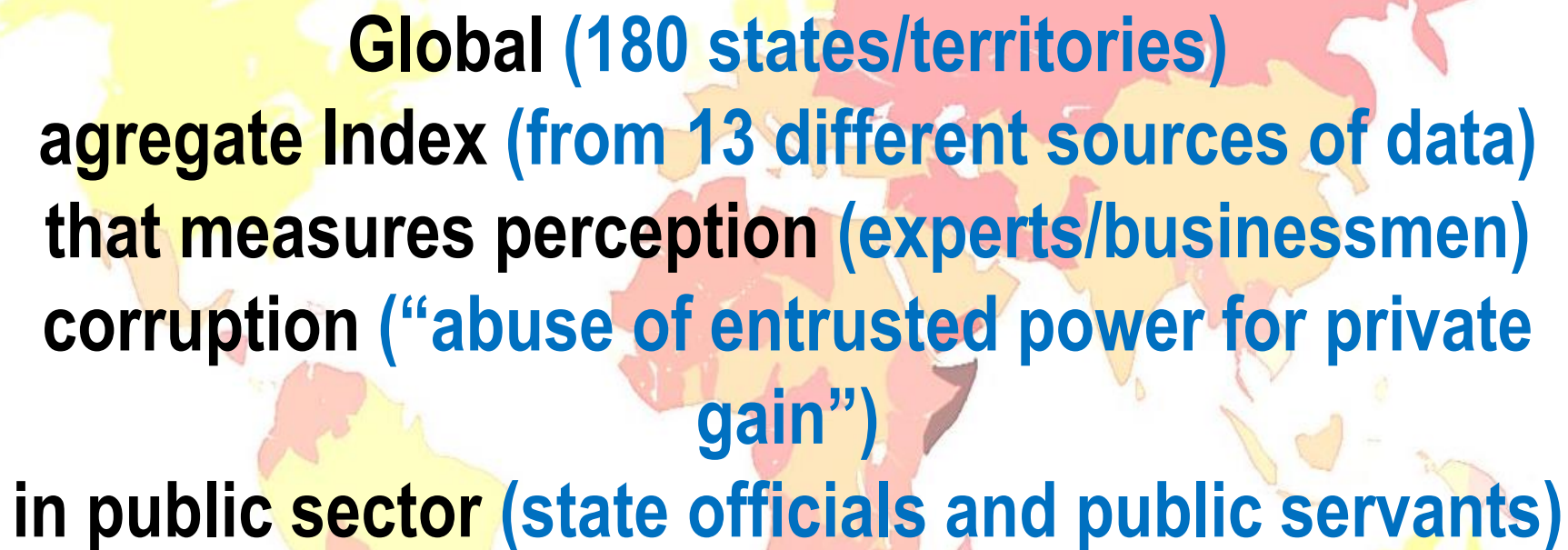
GLOBAL CORRUPTION PERCEPTION INDEX (CPI) 2017

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Corruption Perception Index for 2017



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 2017

- 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 2017 total of 180 states/territories are ranked**, four more compared to 2016



Goals of CPI

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- 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 2017

- CPI is “research of group of researches” conducted annually that provides data that could be monitored continuously.
- **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), which allows detailed classification (smaller number of countries that share the same score, unlike previous methodology (scores from 10 to 0))**
- **Perception and not the facts are being researched** (e.g. 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 place on the list** (because sometimes number of states/territories involved, changes)
- Smaller changes in the score are not necessarily consequence of significant change in corruption perception, but of the researches comprehended with sample
- **CPI 2017 is possible to compare with CPI results from previous 5 years (country's/territory's score).** Due to methodology changes, possibility of comparison of CPI 2017 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 2017



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#CPI2017



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the global coalition against corruption

Deficiencies and advantages of CPI

Advantages:

- Other tools for estimation of corruption lead to similar results as CPI
- CPI is a good chance to promote public debate on corruption
- CPI is good incentive for conducting further analysis
- CPI includes almost all the countries of the world

Deficiencies:

- Index does not reflect level of efforts invested into fight against corruption; 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 2017 - The best and the worst

Countries perceived as the less corrupted

Rank	Country	Score (0-100)
1	New Zealand	89
2	Denmark	88
3-5	Finland, Norway, Switzerland	88
6-7	Singapore, Sweden	85

Countries perceived as the most corrupted

180	Somalia	9
179	South Sudan	12
178	Syria	14
177	Afghanistan	15

Methodology remarks for Serbia CPI 2017

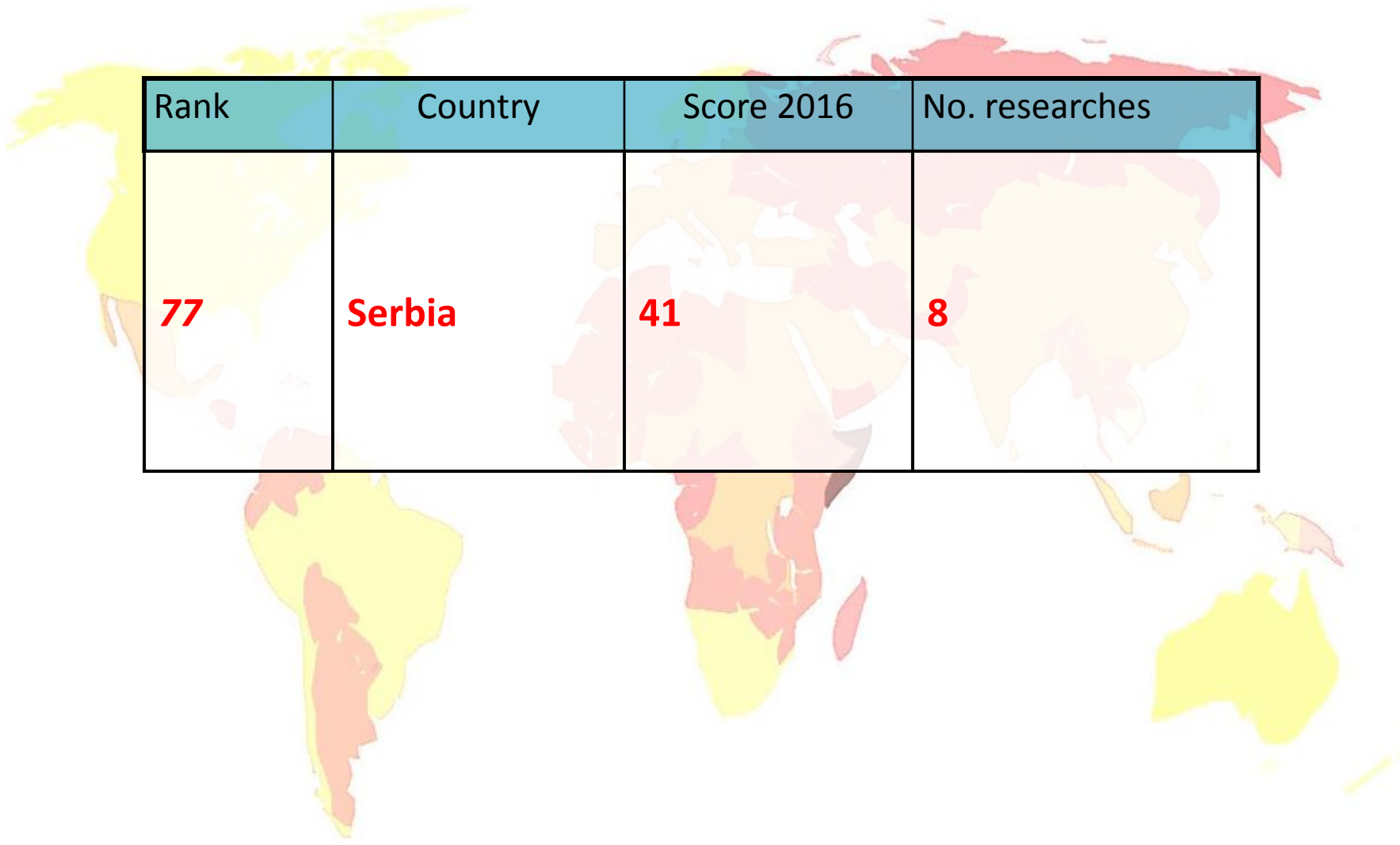
- **Serbia is included in 8 polls** that are taken into consideration when creating the Index
- Observed territory of Serbia without Kosovo and Metochy (researches on the basis of which CPI is created are separately made for that territory and reflect perception on corruption of their public services, so that Kosovo is separately ranked on this list)
- Researches that are relevant to Serbia three were implemented and published in 2017. Four comprehend data from 2016, and one of those even from previous period. Ranking by individual researches vary from 36 to 46. Standard deviation is (2.8). The difference in estimates among individual surveys is significantly lower than before (for 2016, the standard deviation was 3.69) despite the inclusion of a new source.

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	Experts hired by the bank/ institution
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	

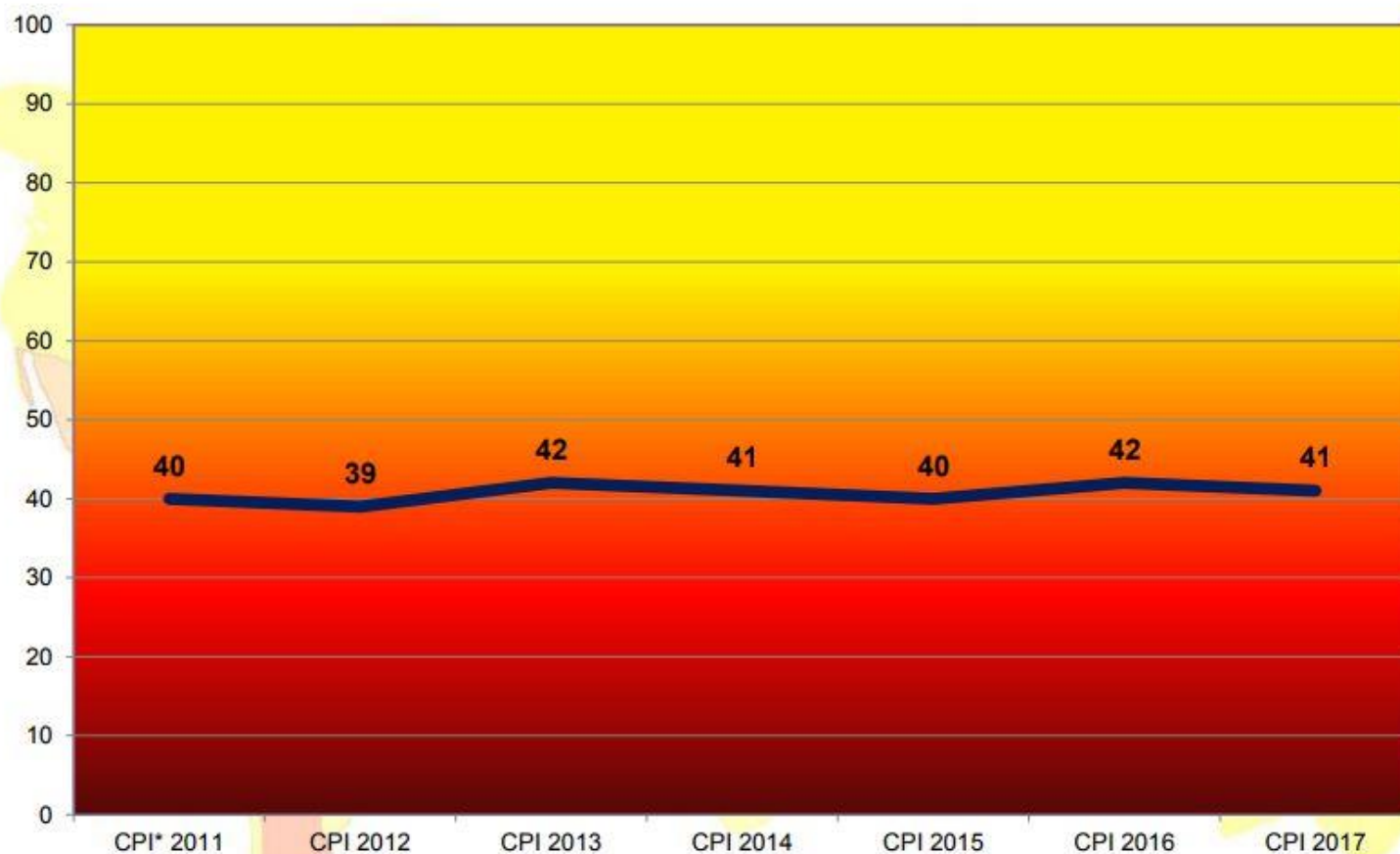
Result of Serbie in CPI 2017 TRANSPARENCY INTERNATIONAL

and comparison to previous years



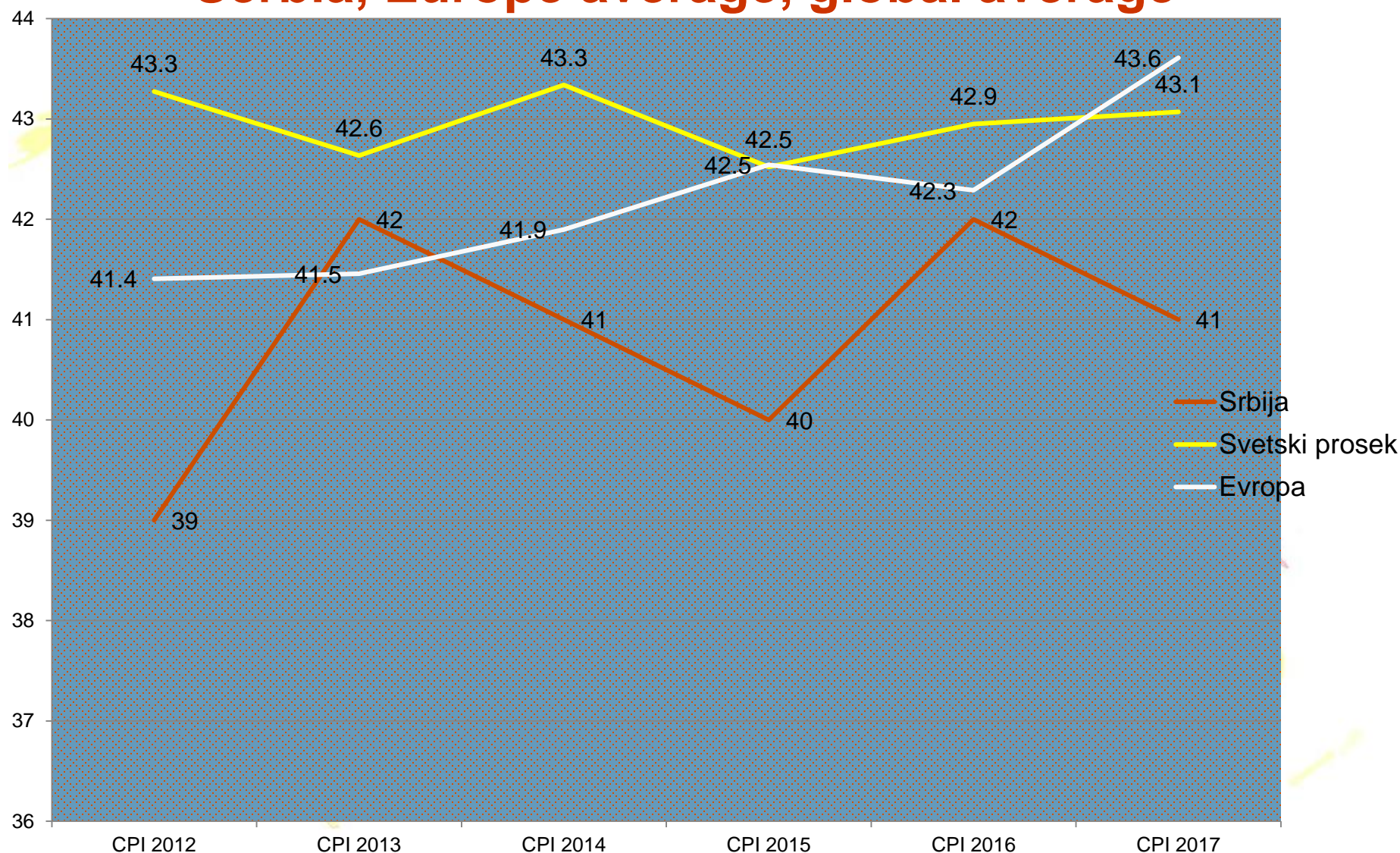
Rank	Country	Score 2016	No. researches
77	Serbia	41	8

CPI for Serbia 2011-2017



CPI 2012-2017

Serbia, Europe average, global average



CPI 2017 – States of the Former Yugoslavia

Rank	Country	Score 2017	No. researches CPI 2017
34	Slovenia	61	10
57	Croatia	49	10
64	Montenegro	46	5
77	Serbia	41	8
91	B & H	38	7
107	Macedonia	35	6

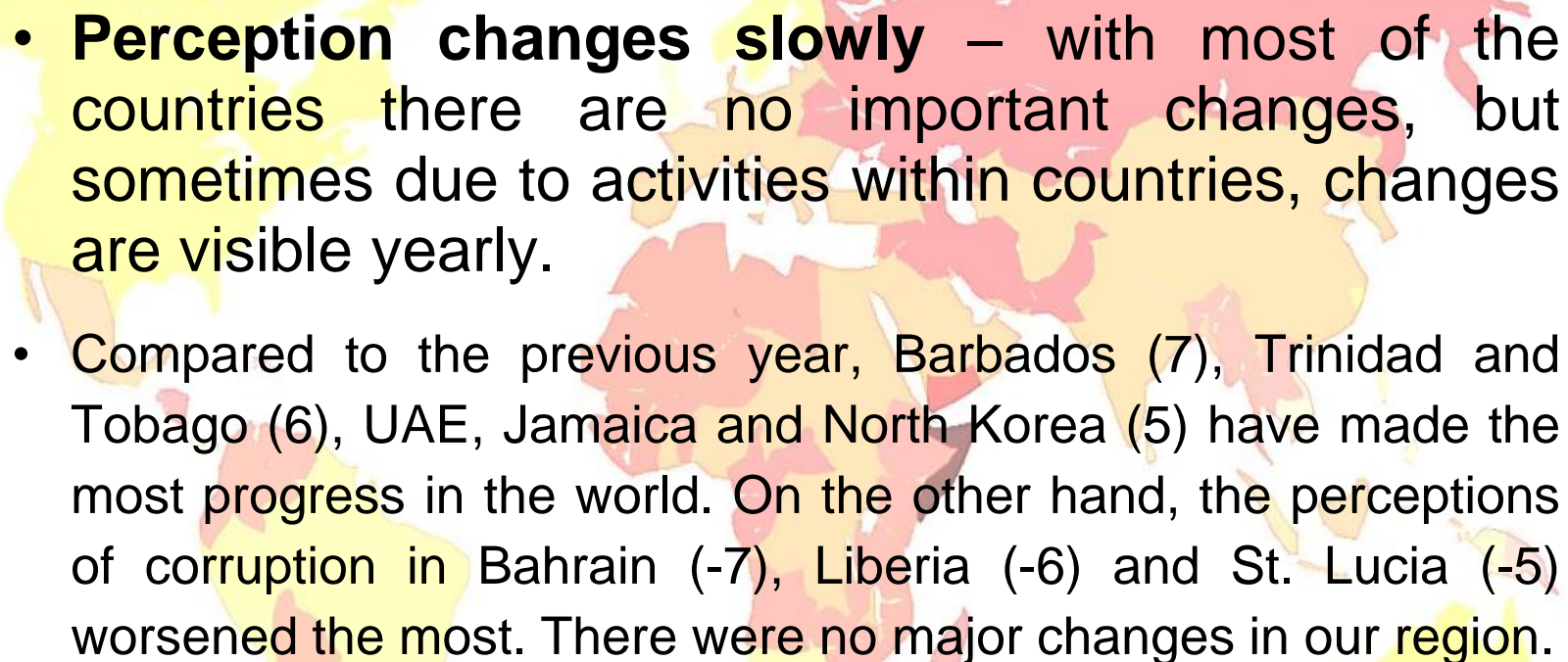
Former socialist countries of Europe

- 
- **Estonia** 71
 - **Poland** 60
 - **Slovenia** 61
 - **Lithuania** 59
 - **Letonia** 58
 - **Czech** 57
 - **Georgia** 56
 - **Slovakia** 50
 - **Croatia** 49
 - **Romania** 48
 - **Montenegro** 46
 - **Hungary** 45

- **Belarus** 44
- **Bulgaria** 43
- **Serbia** 41
- **Kosovo** 39
- **B & H** 38
- **Albania** 38
- **Macedonia** 35
- **Armenia** 35
- **Moldavia** 31
- **Azerbaijan** 31
- **Ukraine** 30
- **Russia** 29

**Marked green are countries
members of EU**

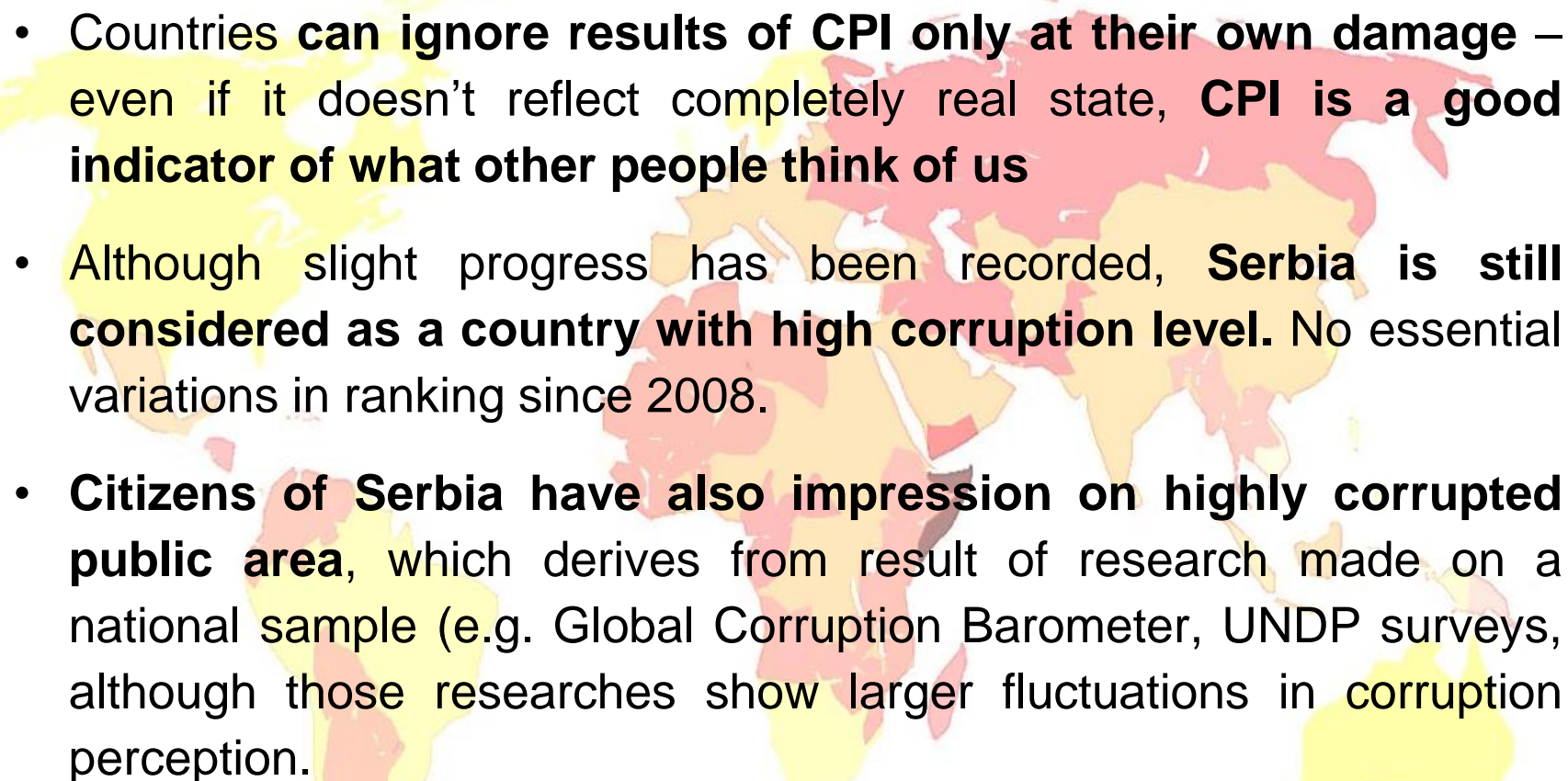
CPI 2017 and comparison to previous years

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- **Perception changes slowly** – with most of the countries there are no important changes, but sometimes due to activities within countries, changes are visible yearly.
 - Compared to the previous year, Barbados (7), Trinidad and Tobago (6), UAE, Jamaica and North Korea (5) have made the most progress in the world. On the other hand, the perceptions of corruption in Bahrain (-7), Liberia (-6) and St. Lucia (-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:** Slight fluctuations, indicator of lack of sufficient improvement, estimations of experts that there are no important changes

Results of CPI and Serbia for 2017

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- 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 18 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

Potential discussion topics

- **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

- Providing **greater transparency of state authorities' work** (including rules on public debates and lobbying, increasing transparency of Governmental, public enterprises' and of other institutions' activities),
- **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

- **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“.