

# World Corruption Perception Index Analysis

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## Abstract

Although corruption is measured and defined by different institutions yet there is no agreement on one perfect definition. In this study attempt to analyze the results of corruption index using the definition and the index of Transparency International and the standard deviation of the scores of its corruption perception index. The study investigates the behavior of the index over time for all countries included in the CPI for the period of 2000-2014. Using a Hierarchical Classification Method, we grouped the countries into high, medium and low corrupt countries and then we investigate the volatility of perception of corruption among the same group and the different groups. We find that countries with low and high CPI are less volatile in terms of perception of corruption while countries with medium score are relatively stable in term of perception of corruption.

**Keywords:** Corruption, Hierarchical Classification Method, Corruption Perception Index

## 1. Introduction

Corruption is seen as a major bottleneck for economic development. However, empirical research on corruption is limited because of the difficulty of measuring corruption among countries (Treisman, 2000). Moreover, it is difficult to obtain accurate data on actual levels of corruption (Reinikka & Svensson, 2005). Actual data measuring corruption depend on some kind of efficiency and capacity of the legal system of the country in the prosecution and punishment of corruption (Lambsdorff & Cornelius, 2000). Objective data of corruption mainly reflects the success of anti-corruption initiatives rather than the actual levels of corruption. (Al Qudah, 2009; Azzouz Zouaoui 2017; Badawi & AlQudah, 2014) Several international organizations, including corporate risk analysts and polling organizations, have attempted to measure the level of corruption on the basis of various perceptions. The indices of perception of corruption are built on the basis of survey responses by business people, academics, and residents. However, each of the many different definitions of corruption has its shortcomings.

Corruption Perception Index (CPI), published by "Transparency International" (TI), is considered the index most used in measuring corruption although it is described by some researchers as a subjective index (Abramo, 2008; Razafindrakoto & Roubaud, 2010; Rose & Mishler, 2010). The CPI ranks countries according to the degree of corruption perceived vis-a-vis civil servants and politicians. Note also an important feature of the TI CPI is providing the variance (standard deviation) of the its classification.

Measuring the degree of consensus among the various surveys provides an opportunity to test if consensus evolves over time or not since the values of standard deviation of CPI ranking outline the corruption perceptions that merit deeper analysis.

This study will attempt to analyze the results of the CPI and the standard deviation of the scores in the CPI. The study objective is to study the behavior of the index over time for all countries included in the CPI. For this, the paper will attempt the following:

- First proceeding with the grouping of countries based on their CPI scores over time.
- Then examining the trend of CPI scores over time (upward or downward) through the estimated standard deviations of the CPI.

We will initially define the CPI as it was published by TI; then, we will present the methodology and results.

## 2. CPI: Index of Corruption Perception

The TI CPI is a composite index taking into account the surveys that reflect the perceptions of business people, academics, country analysts, and the general public, including residents and non-residents. The score in the CPI 1995 for each country takes into consideration a minimum of two sources and they have since increased to 18 sources to reflect reality. A brief overview of the construction of the CPI and the standard deviation of CPI ranking highlights the main issues to be discussed in this paper. The use of the TI CPI as it began in 1995 included the classification of 41 countries and was extended to 175 countries in 2014. The CPI scores countries on a scale from 0 to 10 (International, 2017).

A country with a score of 0 indicates a high level of perceived corruption in which commercial transactions are entirely dominated by corruption, bribery, and extortion, while a CPI score equal to 10 indicates that the country is quite clean. The CPI each year combines assessments of the past two years to reduce abrupt variations in scoring. In addition, the strong correlation between the sources also tends to reduce the differences between the changes of sources (International, 2017).

### 3. Methodology

The study focuses on IT database for the period 2000-2014. To meet our goal, we will proceed to calculate the mean and standard deviation of the CPI over the above period for all countries included in the index. Then, we will proceed to country grouping into three categories using hierarchical classification method.

#### 3.1 Setting the Hierarchical Classification Method (Clusters)

The main idea of classification methods is to group the elements of a well-defined group, so it is to make a partition of this set. Several constraints are then imposed, each group must be as homogeneous as possible, and groups should be as different as possible between them (Arabie, Hubert, & De Soete, 1996). The methodology is therefore to seek possible partitions and make a hierarchy of parts which represents a binary tree called dendrogram. Some basic definitions are essential to proceed. A is considered here as a finite set:

$$A = \{a_1, a_2, \dots, a_n\} \Leftrightarrow a_n \in A \text{ For } 1 \leq j \leq n \quad (1)$$

B is a subset of A:

$$B = \{b_1, b_2, \dots, b_p\} \subseteq A \Leftrightarrow b_k \in A \text{ For } 1 \leq k \leq p \quad (2)$$

If we consider the empty portion and the entire assembly, A includes  $2^n$  portions. The set of all A portions is noted P(A). If A is formed of a, b, c, and d, then P(A) includes sixteen (16) elements (empty subgroup included too) which are:  $\{a\} \{b\} \{c\} \{d\}; \{a,b\} \{a,c\} \{a,d\} \{b,c\} \{b,d\} \{c,d\}; \{a,b,c\} \{a,b,d\} \{a,c,d\} \{b,c,d\}; \{a,b,c,d\}$

All parties are provided with the partial order and follow the following relationship:

$$X \subseteq Y \Leftrightarrow (x \in X \Rightarrow x \in Y) \quad (3)$$

The order is partial if and only if

$$\{a,d\} \subseteq \{a,c,d\} \quad (4)$$

Four situations are then possible for two parts of the same group; they are either overlapping (not equal and non-null intersection) or disjoint (no common element, null intersection) or one included in the other or equal.

A partition is a subgroup two parts twice disjointed, and their union constitutes the whole group.

$A_1, A_2, A_3$  subgroup of A

$$i \neq j \Rightarrow A_i \cap A_j = \emptyset$$

$$\bigcup_{k=1}^K A_k = A$$

A partition is then a qualitative variable or a factor set of all elements of the group.

The components of a list are the parties; the names of the components are the levels of the factor in question. The ordination techniques provide an ordination of individuals studied and they summarize the data in numerical score. Classification methods summarize the variable data. Finally, partition is obtained.

Hierarchical parts of A are defined as group which respects the following four conditions:

- The empty group is included in A
- The reduced groups into one element are also included in A
- The total set of group belongs to A.
- If X and Y are involved, then either X or Y is disjoint or Y contains X or Y contains X.

For example, the set  $\{\{a, b, c, d, e\}, \{a, b\}, \{e, d\}, \{a, b, c, d, e\}\}$  is a hierarchy of parts or a n-sized tree. A tree is represented by a marbled graph: the leaves are represented by the parties to a single element (belonging to a hierarchy); the root is the entire assembly (belonging to a hierarchy). Each part has one ancestor, excluding the root that does not have one. In the case of binary tree, each part has two descendants, excluding only the leaves that do not have. The hierarchy is also said completely resolved. The hierarchy is assessed if each part can associate a numerical value that satisfies the following definition:

$$X \subseteq Y \Leftrightarrow f(x) \leq f(Y).$$

The search for a valued hierarchy is a hierarchical classification (hierarchical clustering). The method relies on the calculation of distances between individuals resulting in a measure of the heterogeneity of a part based on the distance between individuals who are in and a measure of similarity between two said parts based on the distance between individuals of each part one by one.

### 4. Results and Analysis

After building the database of all countries based on the Corruption Perceptions Index of "Transparency International" for the period 2000-2014, we have been able to identify the existence of three different classes by method of hierarchical classification and using the software R. Figure 1 shows the dendrogram obtained.

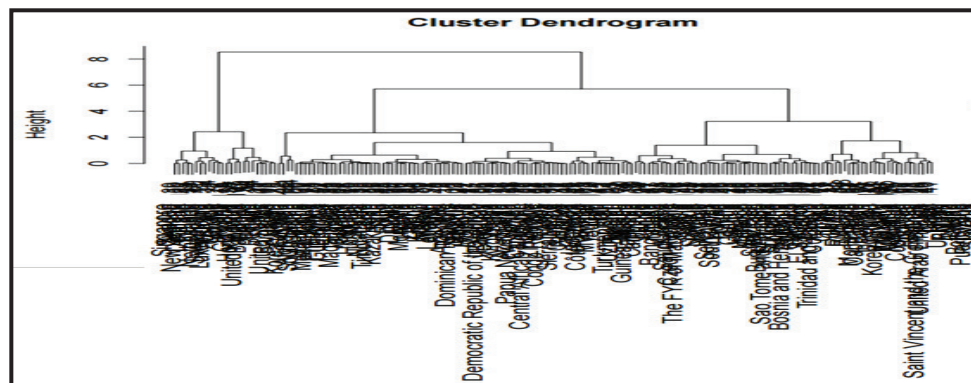


Figure 1: Dendrogram

As per Table 1, the classification done has led us to identify three different groups corresponding to levels of corruption; high, medium, and low for which we have calculated in the second step the standard deviation of the CPI over the period 2000-2014 (Table 2) in order to assess whether there is a particular trend of improvement or deterioration in the perception of corruption over time.

From Table 1, Group 1 is the highest corrupted; we can see that the CPI low values are between 0.85 and 3.2, which point out that in all of these countries the perception of corruption is high. Group 2 combines the highest CPI score to country and between 3.34 and 6.55; otherwise the group is perceived as moderately corrupt. The last group contains all weakly perceived corrupt countries. As we can see the scores awarded have a value between 6.96 and 8.57.

Table 1: Countries Ranking by CPI Average

| Group 1                    | CPI  | Group 1            | CPI  | Group 2                | CPI  | Group 2                      | CPI  | Group3            | CPI  |
|----------------------------|------|--------------------|------|------------------------|------|------------------------------|------|-------------------|------|
| North Korea                | 0.85 | Ecuador            | 2.52 | Senegal                | 3.34 | Poland                       | 4.59 | France            | 6.96 |
| Somalia                    | 0.86 | Nepal              | 2.56 | Switzerland            | 3.37 | Kuwait                       | 4.61 | Bahamas           | 7.13 |
| Southern Sudan             | 1.15 | Iran               | 2.59 | Sao Tome and principle | 3.37 | Seychelles                   | 4.71 | Belgium           | 7.22 |
| Afghanistan                | 1.41 | Kazakhstan         | 2.59 | Burkina                | 3.37 | Italy                        | 4.71 | Chile             | 7.23 |
| Sudan                      | 1.60 | Nicaragua          | 2.60 | Sri Lanka              | 3.39 | Namibia                      | 4.73 | The United States | 7.23 |
| Myanmar                    | 1.62 | Togo               | 2.61 | Suriname               | 3.41 | Jordan                       | 4.82 | Barbados          | 7.29 |
| Iraq                       | 1.73 | Syria              | 2.63 | Thailand               | 3.41 | Costa Rica                   | 4.86 | Japan             | 7.33 |
| Turkmenistan               | 1.78 | Guyana             | 2.65 | Panama                 | 3.42 | Lithuania                    | 4.91 | Ireland           | 7.43 |
| Haiti                      | 1.78 | Viet Nam           | 2.68 | Mexico City            | 3.43 | Malaysia                     | 4.91 | Germany           | 7.79 |
| Chad                       | 1.86 | Mauritania         | 2.74 | Romania                | 3.43 | Mauritius                    | 4.91 | Ostrich           | 7.82 |
| Bangladesh                 | 1.95 | Mozambique         | 2.75 | Bosnia and Herzegovina | 3.46 | Hungry                       | 5.08 | Hong Kong         | 8.01 |
| Angola                     | 1.96 | Philippines        | 2.75 | China                  | 3.51 | Bahrain                      | 5.32 | Great Britain     | 8.13 |
| Uzbekistan                 | 2.02 | Bolivia            | 2.75 | Georgia                | 3.52 | Oman                         | 5.33 | Luxembourg        | 8.43 |
| Nigeria                    | 2.05 | Gambia             | 2.76 | Morocco                | 3.55 | Cape Verde                   | 5.38 | Australia         | 8.57 |
| Burundi                    | 2.06 | Ethiopia           | 2.81 | Jamaica                | 3.56 | South Korea                  | 5.45 | Canada            | 8.63 |
| Guinea                     | 2.07 | Niger              | 2.81 | Serbia                 | 3.58 | Dominican Republic           | 5.52 | Norway            | 8.66 |
| Cambodia                   | 2.07 | Madagascar         | 2.82 | Colombia               | 3.67 | Bhutan                       | 5.72 | Netherlands       | 8.72 |
| Tajikistan                 | 2.07 | Tanzania           | 2.83 | Peru                   | 3.71 | Malta                        | 5.77 | Switzerland       | 8.73 |
| Guinea-Bissau              | 2.08 | Guatemala          | 2.85 | Trinidad and Tobago    | 3.75 | Taiwan                       | 5.81 | Ireland           | 8.88 |
| Congo                      | 2.13 | Lebanon            | 2.89 | Lesotho                | 3.75 | Puerto Rico                  | 5.93 | Singapore         | 9.12 |
| Paraguay                   | 2.15 | Mali               | 2.93 | El Salvador            | 3.77 | Botswana                     | 5.94 | Sweden            | 9.13 |
| Kyrgyzstan                 | 2.17 | Albania            | 2.93 | Ghana                  | 3.83 | Slovenia                     | 6.04 | New Zealand       | 9.33 |
| Kenya                      | 2.17 | Moldova            | 2.95 | Brazil                 | 3.86 | Cyprus                       | 6.12 | Finland           | 9.38 |
| Venezuela                  | 2.18 | Zambia             | 2.96 | Montenegro             | 3.86 | Emirates                     | 6.19 | Denmark           | 9.38 |
| Libya                      | 2.20 | Armenia            | 2.98 | Bulgaria               | 3.87 | Saint Vincent and Grenadines | 6.21 |                   |      |
| Azerbaijan                 | 2.21 | Dominican Republic | 3.03 | Telecentre             | 3.90 | Estonia                      | 6.24 |                   |      |
| New Guinea                 | 2.23 | Argentina          | 3.03 | Turkey                 | 3.99 | Portugal                     | 6.31 |                   |      |
| Republic of Central Africa | 2.24 | Belarusian         | 3.04 | Croatia                | 4.03 | Uruguay                      | 6.38 |                   |      |
| Cameroon                   | 2.25 | Algeria            | 3.04 | Saudi Arabia           | 4.13 | Israel                       | 6.38 |                   |      |
| Yemen                      | 2.28 | Benin              | 3.10 | Greece                 | 4.16 | Qatar                        | 6.45 |                   |      |
| Zimbabwe                   | 2.32 | Liberia            | 3.10 | Cuba                   | 4.27 | Spain                        | 6.55 |                   |      |
| Congo                      | 2.33 | Mongolia           | 3.12 | Latvia                 | 4.37 |                              |      |                   |      |
| Laos                       | 2.33 | Kosovo             | 3.14 | Samoa                  | 4.42 |                              |      |                   |      |

| Group 1      | CPI  | Group 1  | CPI  | Group 2        | CPI  | Group 2 | CPI | Group3 | CPI |
|--------------|------|----------|------|----------------|------|---------|-----|--------|-----|
| Ukraine      | 2.37 | Malawi   | 3.14 | Slovakia       | 4.43 |         |     |        |     |
| Russia       | 2.43 | Gabon    | 3.16 | Czech Republic | 4.47 |         |     |        |     |
| Uganda       | 2.44 | India    | 3.18 | Tunisia        | 4.49 |         |     |        |     |
| Sierra Leone | 2.44 | Djibouti | 3.19 | Macedonia      | 4.50 |         |     |        |     |
| Indonesia    | 2.47 | Egypt    | 3.20 | South Africa   | 4.56 |         |     |        |     |
| Coast ivory  | 2.47 |          |      |                |      |         |     |        |     |
| Pakistan     | 2.47 |          |      |                |      |         |     |        |     |
| Eretia       | 2.49 |          |      |                |      |         |     |        |     |
| Comoros      | 2.51 |          |      |                |      |         |     |        |     |

We attempt to assess the trend of the CPI scores for all the countries among time and to explore its movement between groups. The estimated results for the trend of scores in the CPI for the three groups, namely, FAICOR (slightly corrupt) FORCOR (most corrupt), and MOYCOR (moderately corrupt), are presented in Table 2.

A high value of the standard deviation of the CPI in a given country means a significant change in the perception of corruption in the country, while a low value of the standard deviation means that the perception of corruption in this country is relatively stable over time. Table 2 presents the standard deviation of the CPI, which are arranged in increasing order for each group of countries, thus describing a rating from a steady perception of corruption to a more volatile perception.

Table 2: Standard Deviation of the CPI for the period 2000-2014

| Group 1                    | SD    | Group 1            | SD     | Group 2                | SD    | Group 2             | SD    | Group 3       | SD     |
|----------------------------|-------|--------------------|--------|------------------------|-------|---------------------|-------|---------------|--------|
| Congo                      | 0.058 | Venezuela          | 0.326  | Cape Verde             | 0.055 | South Korea         | 0.476 | France        | 0.126  |
| Southern Sudan             | 0.071 | Yemen              | 0.327  | Malta                  | 0.179 | Tunisia             | 0.484 | Chile         | 0.151  |
| North Korea                | 0.100 | Tanzania           | 0.333  | Suriname               | 0.188 | Slovakia            | 0.484 | Finland       | 0.204  |
| Cambodia                   | 0.134 | Eretia             | 0.338  | Panama                 | 0.198 | Czech Republic      | 0.485 | Belgium       | 0.225s |
| Nicaragua                  | 0.141 | Dominican Republic | 0.347  | Serbia                 | 0.199 | Hungary             | 0.486 | Ireland       | 0.237  |
| Tajikistan                 | 0.156 | Belarus            | 0.348  | Thailand               | 0.222 | Jordan              | 0.495 | Sweden        | 0.258  |
| Guyana                     | 0.158 | Zimbabwe           | 0.355s | Bosnia and Herzegovina | 0.233 | Romania             | 0.505 | Singapore     | 0.271  |
| Honduras                   | 0.173 | Iran               | 0.355s | Taiwan                 | 0.236 | S.V and Grenadines  | 0.508 | Netherlands   | 0.272  |
| Angola                     | 0.183 | Gabon              | 0.373  | Estonia                | 0.237 | Senegal             | 0.517 | Luxembourg    | 0.272  |
| Papua New Guinea           | 0.186 | Zambia             | 0.376  | Lesotho                | 0.255 | Seychelles          | 0.536 | Canada        | 0.282  |
| Congo                      | 0.189 | Mali               | 0.377  | Emirates               | 0.261 | Dominica            | 0.547 | Norway        | 0.305  |
| Turkmenistan               | 0.193 | Libya              | 0.379  | Mauritius              | 0.268 | Kuwait              | 0.557 | England       | 0.324  |
| Chad                       | 0.201 | Azerbaijan         | 0.398  | Montenegro             | 0.269 | Croatia             | 0.561 | Australia     | 0.333  |
| Armenia                    | 0.205 | Niger              | 0.401  | Burkina Faso           | 0.272 | Uruguay             | 0.577 | Japan         | 0.337  |
| Lebanon                    | 0.205 | Sierra Leone       | 0.408  | Sri Lanka              | 0.276 | Cyprus              | 0.588 | Australia     | 0.344  |
| Pakistan                   | 0.216 | Egypt              | 0.417  | Colombia               | 0.285 | Telecentre          | 0.603 | Denmark       | 0.346  |
| Guinea-Bissau              | 0.219 | Madagascar         | 0.419  | Lithuania              | 0.292 | Mexico City         | 0.609 | Iceland       | 0.355s |
| Togo                       | 0.232 | Ethiopia           | 0.423  | Spain                  | 0.300 | Israel              | 0.659 | Barbados      | 0.388  |
| Republic of Central Africa | 0.235 | Laos               | 0.427  | Ghana                  | 0.301 | Cuba                | 0.664 | United States | 0.09 S |
| Kyrgyzstan                 | 0.239 | Kosovo             | 0.429  | Macedonia              | 0.318 | Trinidad and Tobago | 0.675 | New Zealand   | 0.406  |
| Viet Nam                   | 0.241 | Bolivia            | 0.450  | Morocco                | 0.320 | Bahrain             | 0.686 | Bahamas       | 0.411  |
| Russia                     | 0.241 | Moldova            | 0.452  | Puerto Rico            | 0.327 | Swaziland           | 0.720 | Germany       | 0.524  |
| Comoros                    | 0.242 | Algeria            | 0.452  | Namibia                | 0.347 | Portugal            | 0.795 | Hong Kong     | 0.532  |
| Mozambique                 | 0.244 | Uzbekistan         | 0.452  | Sao Tome and principle | 0.350 | South Africa        | 0.921 | Switzerland   | 0.699  |
| Haiti                      | 0.244 | Albania            | 0.455  | Brazil                 | 0.366 | Bulgaria            | 1.084 |               |        |
| Kenya                      | 0.246 | Philippines        | 0.460  | Jamaica                | 0.380 | China               | 1,212 |               |        |
| Burundi                    | 0.255 | Coast ivory        | 0.461  | Georgia                | 0.386 |                     |       |               |        |
| Uganda                     | 0.259 | Gambia             | 0.462  | Oman                   | 0.388 |                     |       |               |        |
| Kazakhstan                 | 0.266 | Ecuador            | 0.465  | Slovenia               | 0.095 |                     |       |               |        |
| Cameroon                   | 0.270 | Liberia            | 0.469  | Po Moor                | 0.394 |                     |       |               |        |
| Mongolia                   | 0.270 | Afghanistan        | 0.525  | Greece                 | 0.408 |                     |       |               |        |

| Group 1     | SD    | Group 1    | SD    | Group 2      | SD    | Group 2 | SD | Group 3 | SD |
|-------------|-------|------------|-------|--------------|-------|---------|----|---------|----|
| Djibouti    | 0.273 | Indonesia  | 0.543 | Latvia       | 0.412 |         |    |         |    |
| Myanmar     | 0.292 | Sudan      | 0.553 | Costa Rica   | 0.422 |         |    |         |    |
| Nepal       | 0.295 | Syria      | 0.572 | Bhutan       | 0.424 |         |    |         |    |
| Malawi      | 0.299 | Nigeria    | 0.589 | Botswana     | 0.439 |         |    |         |    |
| Ukraine     | 0.302 | Bangladesh | 0.688 | Saudi Arabia | 0.439 |         |    |         |    |
| Mauritania  | 0.305 | Benin      | 0.725 | Samoa        | 0.443 |         |    |         |    |
| Guinea      | 0.308 | Somalia    | 0.725 | Italy        | 0.450 |         |    |         |    |
| India       | 0.314 | Argentina  | 0.924 | Turkey       | 0.451 |         |    |         |    |
| Guatemala   | 0.318 |            |       | Malaysia     | 0.456 |         |    |         |    |
| Timor-Leste | 0.322 |            |       | Qatar        | 0.456 |         |    |         |    |
| Iraq        | 0.323 |            |       | El Salvador  | 0.462 |         |    |         |    |
| Paraguay    | 0.323 |            |       | Peru         | 0.474 |         |    |         |    |

A first glimpse of Table 2 shows that the CPI varies for all groups over the period 2000-2014 with a different intensity. Countries with certain stability are the Democratic Republic of Congo, South Sudan, and Cape Verde having respective standard deviation values of 5.8%, 7.1%, and 5.5%; while those who experienced strong variability in the perception of corruption are primarily China and Bulgaria and the respective standard deviations are 121.2% and 108.4%. Note also that the average standard deviations for the three groups are, respectively, 34%, 44.3%, and 33.3%, which leads us to believe that countries with low and high CPI are less volatile in terms of perception of corruption. However, within each group we find some disparity that leaves us to assume that there are effects of migration and this is more pronounced in the second group. This is what we will attempt to explore in the next stage.

The movement between groups of countries for the period 2000-2014 is described in Table 3 and it appears that the CPI has improved in time for the following countries: Saudi Arabia, Morocco, Romania, Gabon, Algeria, Bolivia, Benin, Djibouti, Liberia, Moldova, Mongolia, Ecuador, and the Philippines and the moving of the most corrupt countries group (FORCOR) to moderately corrupt countries group (MOYCOR). Other countries have showed a deterioration due to their migration from MOYCOR group and FORCOR group such as Belarus, Sri Lanka, Uruguay, and Niger.

Other countries have showed improvement rather than deterioration in the CPI, and move from FORCOR group to MOYCOR group, or from MOYCOR group to FORCOR group, more than one time such as Panama, Burkina Faso, Senegal, Trinidad, Swaziland, Malawi, Mexico, Bosnia, Argentina, India, Madagascar, China, Ghana, and Peru.

Table 3: The most / least Volatile Countries According to the Standard Deviation of the CPI

|               | Group 1                       |                         | Group 2                        |                         | Group 3     |       |
|---------------|-------------------------------|-------------------------|--------------------------------|-------------------------|-------------|-------|
|               | Country                       | SD                      | Country                        | SD                      | Country     | SD    |
| Less volatile | Congo<br>South Sudan          | 0.058<br>0.071          | Cape Verde                     | 0.05                    | France      | 0.126 |
| More volatile | Argentina<br>Somalia<br>Benin | 0.924<br>0.725<br>0.725 | China<br>Bulgaria<br>S. Africa | 1.212<br>1.084<br>0.921 | Switzerland | 0.699 |
| Average       |                               | 34%                     |                                | 44.3%                   |             | 33.3% |

What is also remarkable is that Estonia has recorded three movements during the period 2000-2014 from group MOYCOR and group FAICOR between 2005 and 2006 and then in the opposite direction between 2006 and 2007, to regain the group FAICOR between 2011 and 2012. The improvement experienced by India, for example, between 2006 and 2007 to switch from Group 1 to Group 2, turned into deterioration between 2009 and 2010 to regain Group 1. The same thing happened with Sri Lanka but in the opposite direction (Group 2 to Group 1) between 2011 and 2012. The other group of countries (MOYCOR) left group FAICOR, thus achieving an improvement in the CPI as Japan, Belgium, and UAE, while the other group of countries (FAICOR) showed a worsening CPI such as France, Israel, Spain, and Slovenia.

By analyzing the movements of all the groups in terms of movements between groups of numbers for the period 2000-2014, we find that the countries belonging to group MOYCOR are more volatile than the other two and FORCOR and FAICOR groups. This is consistent with the calculation result of the average and standard deviations in Table 3

To better examine the direction of movement of the least stable countries between the groups in time we opted for the estimation of an auto-regressive model AR (1), for all countries and for the period 2000-2014.

The autoregressive model p ordered, denoted by AR (p), is given by the following:

$$AR(p): X_t = c + 1 + \phi_1 X_{t-1} + \phi_2 X_{t-2} + \dots + \phi_p X_{t-p} + \epsilon_t, \quad (5)$$

where  $\phi_1, \dots, \phi_p$  are the model parameters, c is a constant, and  $\epsilon_t$  is white noise.

A  $\epsilon_t$  process is called white noise if

$$E(\varepsilon_t) = 0$$

$$E(\varepsilon_{t+2}) = 0$$

$$E(\varepsilon_t \varepsilon_{t+1}) = 0$$

Using the operator delays, we can write

$$(1 - \phi_1 L - \phi_2 L^2 - \dots - \phi_p L^p) X_t = c + \varepsilon_t \quad (6)$$

Autoregressive process of order 1 is

$$X_t = c + 1 + \phi_1 X_{t-1} + \varepsilon_t \quad (7)$$

The model is as follows:

$$IPC_{it} = \delta_0 + \delta_1 t + \mu_{it}$$

$$\text{With } \mu_{it} = \theta \mu_{it-1} + \varepsilon_{it}$$

where i is the country and t is the period from 2000 to 2014.

Table 4: Results of the Regression (Deterioration of the CPI)

| Countries with deterioration of the CPI | Coefficient |
|-----------------------------------------|-------------|
| Thailand <sup>2</sup>                   | -0.074      |
| Panama <sup>2</sup>                     | -0.147      |
| Trinidad <sup>2</sup>                   | -0.086      |

Table 5: Results of the Regression (Improvement of the CPI)

| Countries with improvement of the CPI | Coefficient | Countries with improvement of the CPI | Coefficient |
|---------------------------------------|-------------|---------------------------------------|-------------|
| France <sup>3</sup>                   | 0.51        | Tunisia <sup>2</sup>                  | 0.837       |
| Japan <sup>3</sup>                    | 0.485       | Bosnia <sup>2</sup>                   | 0.665       |
| Belgium <sup>3</sup>                  | 0.516       | Georgia <sup>2</sup>                  | 0.975       |
| China <sup>2</sup>                    | 1.033       | Uruguay <sup>2</sup>                  | 0.896       |
| Mexico <sup>2</sup>                   | 0.458       | Russia <sup>1</sup>                   | 0.577       |
| Senegal <sup>2</sup>                  | 0.836       | Niger <sup>1</sup>                    | 0.722       |
| Swaziland <sup>2</sup>                | 0.708       | Madagascar <sup>1</sup>               | 0.325       |
| Burkina-Fasso <sup>2</sup>            | 0.325       | Moldova <sup>1</sup>                  | 0.538       |
| Sri Lanka <sup>2</sup>                | 0.582       | Zambia                                | 0.875       |
| Romania <sup>2</sup>                  | 0.933       | Argentina <sup>1</sup>                | 0.662       |
| Morocco <sup>2</sup>                  | 0.551       | Belarusian                            | 0.626       |
| Peru <sup>2</sup>                     | 0.578       | Mongolia <sup>1</sup>                 | 0.892       |
| Ghana <sup>2</sup>                    | 0.843       | Philippine <sup>1</sup>               | 1.123       |
| Turkey <sup>2</sup>                   | 0.863       | Malaoui <sup>1</sup>                  | 0.413       |
| Saudi Arabia <sup>2</sup>             | 0.677       | Gabon <sup>1</sup>                    | 0.729       |
| Emirates <sup>2</sup>                 | 0.648       | India <sup>1</sup>                    | 0.917       |
| Estonia <sup>2</sup>                  | 0.84        | Djibouti <sup>1</sup>                 | 0.484       |
| Spain <sup>2</sup>                    | 0.951       | Egypt <sup>1</sup>                    | 0.561       |
| Telecentre <sup>2</sup>               | 0.923       | Benin <sup>1</sup>                    | 0.945       |
| Israel <sup>2</sup>                   | 0.783       | Ecuador <sup>1</sup>                  | 0.968       |
| Slovenia <sup>2</sup>                 | 0.668       | Bolivia <sup>1</sup>                  | 0.89        |

According to the results presented in Tables 4 and 5, a positive sign/negative trend of the coefficient, respectively, indicates an improvement/deterioration in perceived corruption over time. A negative sign of the coefficient shows a significant drop in the CPI for these countries such as Panama, Trinidad, and Thailand. On the contrary, a positive sign of the coefficient reflects an improvement in the CPI, as in the case of China, Mexico, Niger, and so forth.

Based on the results of the estimation of equation (1) we find that the greatest negative amplitude is that of Panama and that the greatest positive amplitude is that of the Philippines. For this purpose, we can show that Panama has experienced the highest level in terms of deterioration while the Philippines presents the greatest improvement in the CPI over time, among all countries. These results are consistent with the results of calculating the standard deviation of the CPI (Table 3) for both countries (Panama and the Philippines). Significant changes to these two countries (Table 4) suggest that the perception of corruption is very volatile. The results in Table 5 also confirm the hypothesis that the group of countries belonging to the class MOYCOR are relatively more volatile than those of FAICOR and FORCOR group. The number of countries with significant changes in scores is higher for MOYCOR group and the trends of the coefficients values of these countries are relatively high

compared to the other two groups.

## 5. Conclusion

This paper explored the relevant literature review that is giving several different definitions and forms of corruption. The definition of corruption is therefore very complicated and depends on the time and space in which acts of corruption have been undertaken. Several international organizations are also interested in the phenomenon and gave themselves different definitions (World Bank, IMF, IT).

Subsequently the paper developed a reading in the corruption quantification tools internationally. In this respect, a number of tools have treated the quantization problem of corruption such as the CPI, the index of the World Bank, and CGRI. This paper conducted a descriptive quantitative analysis of the CPI and succeeded to classify countries into three groups, strongly, medium, and less corrupted. Then, the paper calculated the standard deviation of the CPI over the period 2000-2014 (Table 2) and found particular trend of improvement or deterioration in the perception of corruption over time for each group. We found that countries with low and high CPI are less volatile in terms of perception of corruption while countries with medium score are relatively stable in term of perception of corruption. The results lead to the next stage of hypotheses to be tested if the scores in the CPI reflect a movement leading to a general consensus of perception of corruption over time.

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