CORRUPTION MEASUREMENT
Briefing by the Delegation of Italy

Buenos Aires, 1 March 2018

G20 ACWG Meeting
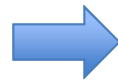
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HIGH LEVEL WORKSHOP ON CORRUPTION MEASUREMENT

G7 - Italian Presidency, Ministry of Foreign Affairs and International Cooperation, 27th of October 2017.
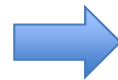
Flagship event on a technical issue ➡ Possible impact on policy
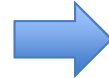
Open and constructive debate ➡ Search for concrete solutions, such as

- Avoiding paradoxical consequences of the perception-based approach
- Clear distinction between corruption and cultural deviation

CORRUPTION MEASUREMENT

RATIONALE ➡ **PARADOX**

⬇

The more institutions, including the judiciary, counter corruption and expose it, the more the perception of corruption increases in the public opinion

Several inputs of detection such as
- mandatory prosecution
- judiciary independent from Government
- freedom of information leading to resounding exposure of corruption by media

may negatively affect the perception insofar they hint that corruption is much more widespread than it actually is

NEED FOR ➡ experimental researches and statistical surveys on more effective and reliable corruption measurements—at national and international levels

"INNOVATIVE DISCUSSION ON AN EMERGING ISSUE"
(Executive Director of UNODC, Vienna 2017)

HOW TO

- Obtain an **accurate** and **reliable** representation of the effective **levels** of **corruption**

- Scientifically trace the **nexus** with economic and social variables

- Fine-tune **prevention** and **repression** strategies

- Better assess **policies** and establish a more complete and effective **monitoring** both on national and international level

KEY NOTE SPEECHES: ISTAT, WB, OECD

- Importance of measuring corruption and its **impact** in order to create a socio-economic environment against corruption

- Importance of **data** and analysis **based on the experience** ("victimization") to effectively define policies and monitor the progresses in the fight against corruption

- The **difficulties** related to the measuring of corruption, including its scope, impact and the fight against it

- The need of a collective, **multi-stakeholder approach** to guarantee an effective measuring, able to produce real and sustainable effects

World Bank intervention

- **Multifaceted dimension** of corruption and its impact on sustainable development

- *Quiet corruption*

  - A type of **maladministration** that is not illegal

  - It shows the **inability of public bodies** to achieve the goal for which they were entrusted

OECD intervention

TRANSNATIONAL ASPECT OF CORRUPTION
closely linked to globalization and to the SDGs

Need of **shared criteria** for the measurement of corruption

Accuracy in defining the term "corruption" is <u>not as important as</u> the understanding of:

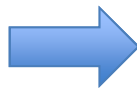- **what** to measure
- **how** to identify it
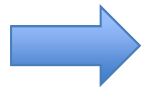
UNODC intervention

- Link between corruption and **sustainable development**

- Corruption measurement ➡ Measurement of the progresses and improvements towards **SDG's**

- Need for ➡
  Improved **coordination** between different authorities

  Multistakeholder approach to counter corruption

Two Round-Tables

The definition of relevant dimensions in order to adequately measure corruption towards a composite approach

Addressing risk prevention management within national anticorruption strategies

FIRST ROUND TABLE

THE DEFINITION OF RELEVANT DIMENSIONS TO ADEQUATELY MEASURE CORRUPTION, TOWARDS A COMPOSITE APPROACH

"What" to measure

Different measures for the national and international level

"How" to measure

International common framework to measure corruption on the basis of more objective indicators, experience-sharing and cross-country analysis

Traditional perception indicators do not diagnose in depth or analyze the key factors and the costs of corruption; moreover, it is generally difficult to compare their variation over time.

Objective measurements are needed for better policies to combat corruption and increase trust in the institutions.

FROM:
perception measurement

TO:
effective measurement

BECAUSE

Data based on perception may alter the results

- Risk of *"cumulative"* effect of perceived corruption (INEGI)
- may **undermine** the ability of the States to effectively react to corruptive phenomenon

SECOND ROUND TABLE

ADDRESSING RISK PREVENTION MANAGEMENT WITHIN NATIONAL ANTICORRUPTION STRATEGIES

To identify:

- **effective indicators** to support prevention and repression strategies
- symptomatic-pathological cases (*red flags*) and **risk measurement**

adoption of targeted anti-corruption and control interventions

Difficulties in 3 areas:
1. Management of foreign aid
2. Adjudication of public procurements
3. Developing Countries

A common framework to measure corruption that takes into account the European and international institutional experience, creates policies that can be implemented and monitored at all levels.

WORKSHOP AS A STARTING POINT

First step towards the development of an effective index of corruption

JUDICIAL STATISTICS
Partial <u>BUT</u> **certain** and **objective** data

BUT

PROBLEMS
- Numbers and quantification of judgements
- Sanctions usually occur years later

Taken alone they are **not enough** to make prevention effective

SO

Additional indicators necessary to integrate **more reliable** classifications

CPI – CORRUPTION PERCEPTIONS INDEX
the only existing tool for measuring corruption

BEFORE (20-30 years ago)

- Bad need to **raise awareness** on corruption, because the fight against it wasn't a priority
- **Overcomes the shadow** that often hides corruption

NOW

- Perception itself is <u>not</u> a relevant data
- **Distorting effect** linked to the use of the perception-based index
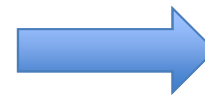
Necessary to go beyond CPI→ Need for mixed measurement of corruption that includes other relevant dimensions (<u>criminal law standards</u>, <u>prevention strategies</u>, <u>freedom of media</u>)

CORRUPTION

- repercussions on the country's economy
- affects investment
- directly linked to citizens' trust in the Institutions

Crucial **not to mix up** the perception of corruption with the phenomenon itself

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CONCLUSIONS

(Chair's Summary)

→ Challenge of **defining corruption** as a manifold and wide phenomenon to better fight it

→ Need to **overcome the sole use of perception-based approaches** to corruption measurement because of their **misleading impact**

→ Understanding the reasons for which corruption measurement is necessary from the **risk based perspective** (risk assessment/risk management)

→ Spurring an **international debate to deepen the analysis and the knowledge** of "what" needs to be measured and "why", in order to fight corruption through shared methodology and mixed indicators able to capture all relevant aspects

NEXT STEPS

↳ Enhanced efforts of economic and statistical analysis and assessment by the II.OO. (UNODC, OECD, WB)

↳ High Level Event at the UN Statistical Commission (March 6th)