The Perception Of Corruption Index And Its Assessment Methodology

Inakov Qodir Qudratovich[1], Khojiev Tunis Nurkosimovich[2], Toshov Khurshid Ilhomovich[3]

[1]*National University of Uzbekistan, Dean of the Faculty of Social Sciences, PhD*
[2]*National University of Uzbekistan, Senior Lecturer at the Department of "Civil society and law education" of the Faculty of Social Sciences, PhD*
[3]*National University of Uzbekistan, Senior Lecturer at the Department of "Philosophy and Logics" of the Faculty of Social Sciences, PhD*

Abstract. The article analyzes the methodology of calculation of Corruption Perceptions Index which is formed by the Transparency International. It also seeks to substantiate the recommendations about formation of conceptual and methodical bases of national system of assessment of the level of corruption as the universal standardized tools for carrying out systematic monitoring of anti-corruption activity in the Uzbekistan.

Keywords: corruption, Corruption Perceptions Index, Transparency International, national system of assessment of corruption, anti-corruption policy

1. INTRODUCTION

Corruption has been an integral part of the social relations in every society around the world and this feature is quite ubiquitous for the development of world countries. Now this phenomenon is being considered as a result of either economic crises, or the moral unscrupulousness of humanity. At the present time, corruption is on the rise as a mechanism for the functioning of the underground economy, interpersonal favoritism, protectionism, nepotism. Therefore, the importance of improving international cooperation in the fight against corruption cannot be overstated.

The assessment of corruption enables us to effectively solve the problems of the absence of resources in official circulation, and to see the problematic spheres of administrative governance. In addition to calculating the amount of money lost from the state treasury, information about corruption on the problematic areas of public administration, such as the quality of the legislative system requires special attention of state and public institutions, law enforcement in certain areas, the effectiveness of public policy reports.

Due to its relatively accurate knowledge of corruption, the government can develop more effective policy and regulatory tools to address a number of issues, such as loopholes in the funding system, inequality, poverty and isolation in the provision of public services, as well as money laundering, tax evasion and bribery.

The review of literature on the topic
Corruption issues in Uzbekistan have been extensively studied in the works of Q.R. Abdurasulova, R. Kabulov, B.J. Ahrarov, R.A. Zufarov, M.H. Rustambaev, P. Bakunov, F. Tahirov, A.G. Zakirova, Sh.Y. Abduqodirov, N.S. Salaev, U.M. Mirzaev, T.H. Khasanov, H.R. Ochilov and others. The risks of corruption on culture and its impact on the development of society are also analyzed in depth in the works of I.Saifnazarov,

S.Otamurodov, A.Muzaffarov. Sh.R.Kobilov[1], B.Khamidov[2], and also in the works of philosophers such as N.A. Shermuhamedova[3], J.Y. Yahshilikov[4], N.E. Muhammadiev.

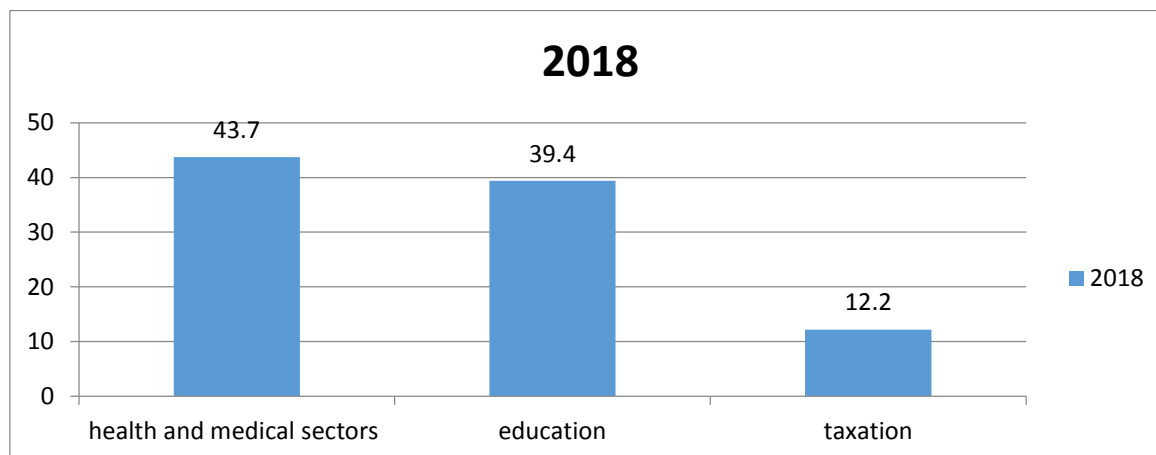**The methods and methodology used in the research**

The character of the present problem requires the implementation of systematic, historical and comparative approaches. Additionally, the article uses a wide spectrum of scientific and logical methods such as analysis, synthesis, formalization, conceptualization, classification, abstraction, generalization, induction, deduction, analogy. Methodological principles are based on the formal logic, which offers opportunity of proof through understanding, argumentation, conclusion, and on the laws of identity, non-contradiction, excluded middle and just cause.

2. ANALYSIS AND RESULTS

According to the data obtained through international organizations, Uzbekistan is among the top 16 countries which show a positive dynamics in fighting the corruption in long-term basis. According to Transparency International's Corruption Perceptions Index, Uzbekistan has been improving its position every year since 2010. In 2019, Uzbekistan ranked 153rd out of 180 countries with 25 points, while in 2010 it ranked 172nd with 16 points. According to Transparency International's 2016 anti-corruption indicator, only 18 percent of respondents in Uzbekistan reported bribery, and only 23 percent cited corruption as one of the country's three most serious problems. According to opinion polls, the most corrupt sectors are road patrol officers (17% of respondents admitted to paying bribes), education and medical workers (16% of respondents admitted to bribery). When asked what prevents respondents from reporting corruption, 39% said they did not know the answer to the question, and the second most common answer was "because of fear of negative consequences" (17%).

There have been attempts by the World Bank of assessing the situations in which firms are offered six different transactions, including paying taxes, obtaining permits or licenses, and paying bribes to access public services. According to this particular survey, the situation in Uzbekistan is better than the world average and in Europe and Central Asia. In Uzbekistan, for example, only 6 percent of all surveyed firms reported bribery in their practice, compared with 17 percent worldwide and 11 percent in Europe and Central Asia.

According to public opinion polls, the Center for Public Opinion found high levels of corruption and bribery in some areas. For example, according to respondents, in 2018, the health and medical sectors were the most prone to corruption and bribery - this was noted by 43.7% of respondents. The next areas are education (39.4%) and taxation (12.2%).

2018

According to a survey conducted by the same center "Fighting Corruption in the Mirror of Public Opinion", in 2018 the health care system, the recruitment process, higher and public education are included in the list of the most corrupt spheres in Uzbekistan. Then there are the courts, the prosecutor's office, the Interior Ministry, the tax authorities and the sanitary-epidemiological control.

Corruption offenses in Uzbekistan show that state-owned enterprises and institutions, law enforcement agencies and banks are the most corrupt. Most of these locations are identified by locals during the survey. At the same time, the number of corruption crimes committed by officials from 2013 to 2017 decreased by 43%, and from 2015 to 2017 the number of corruption crimes cases conducted by prosecutors increased to 8572 criminal cases (in 2015 – 3778 cases, in 2016 – 2860 cases, in 2017 – 1934 cases) against 14,171 citizens (in 2015 – 6853 citizens, in 2016 – 4524 citizens, in 2017 – 2794 citizens) for various corruption-related offenses[5].

In response to questions from Salim Doniyorov, editor-in-chief of the New Uzbekistan newspaper, President Shavkat Mirziyoyev cited the following facts on corruption: In 2020, 1723 people were prosecuted for crimes committed by officials at various levels. The damage caused by them amounted to 500 billion soums. In the first five months of 2021, criminal cases were opened against 1,696 officials. The damage amounted to 450 billion soums[6].

There are five major ways to measure the level of corruption in the world today. Each of these methods has certain disadvantages and advantages. Getting accurate information about corruption is a complicated process. Because none of the people involved in this activity want to be identified.

The Corruption Perceptions Index is the most common of these measurement methods. This method involves conducting a survey among experts and the public about the state of corruption in the country. At the same time, the openness and quality of the information they provide to the public and the opinions of experts, which vary from country to country and from time to time, can be seen as a disadvantage of this method.

A survey to assess corruption is also a common way to measure it (take for example, Transparency International's Global Corruption Barometer and the World Bank's Business Survey). It involves conducting a survey among firms and the public about the country's experience in dealing with corruption. One of the shortcomings of this method is that some respondents are interested in corruption in government. Therefore, such respondents may often find it necessary not to report corruption.

Today in Uzbekistan, a single system for assessing the level of corruption, in particular, specific methods for calculating the level of corruption in various spheres of public life, is

poorly studied in practice. This situation makes it necessary to create such a system, as it makes it difficult to formulate and implement anti-corruption policies. World experience shows that there are two main directions in solving the problem of methodology for assessing corruption at the national level:

- Integration of the results of international comparative research into a national anti-corruption policy;
- Conducting national sociological (diagnostic) research.

There is also an approach to assessing corruption based on information provided by law enforcement. However, such data are insufficient to provide an overview of the level of corruption in a particular area. This type of information will only refer to acts of corruption revealed by a court decision.

In this article, we will look at the methodological shortcomings of creating a corruption awareness index, drawing on international experience.

The Corruption Perception Index (CPI) is the most widely used method of assessing corruption in the world. The index is based on a survey conducted by Transparency International (TI)[7] among experts and the business community.

The country must have at least 3 sources of information to be included in the Corruption Perception Index. The source of information is not any general organization information, but an independent expert organization that analyzes the government or business environment. Transparency International experts evaluate their methodology to make sure each information source meets quality standards. Based on this data, the countries of the world are evaluated on a scale from 0 to 100 points. At the same time, 0 indicates the highest level of understanding of corruption, and 100 – the lowest level. *The Corruption Perceptions Index has been calculated and published annually worldwide since 1995.[8]* The goal of Transparency International is to increase the transparency and accountability of the government in all countries. According to Transparency International staff, the transparency of any activity leads to less corruption in society, which makes it significantly easier to combat the phenomenon of corruption[9].

Let us now look at a brief methodological guide to the 2020 Corruption Perception Index, citing the original source. The Corruption Perception Index summarizes data from a variety of sources that provide insights into the level of corruption in the public sector from the perspective of entrepreneurs and experts across the country.

The process of calculating the Corruption Perceptions Index involves the following steps.

1. Selection of information sources. Each source of information used to compile the Corruption Perceptions Index must meet the following criteria to be considered reliable:

- Quantifying the level of awareness of corruption in the public sector is;
- Availability of a reliable methodology for assessing the rating of different countries on a single scale;
- The rating is compiled by organizations that have always gained credibility;
- The use of a wide rating scale that allows showing the differences between the positions of individual countries.
- Identifying a sufficient number of countries to study at the research site
- Identifying whether such an assessment was made by an expert or an entrepreneur in a particular country
- Re-evaluation of the rating agency at least once every two years.

The Corruption Perceptions Index for 2020 was calculated based on 13 different data sources provided by 12 different organizations, which recorded data on corruption

perceptions over the past two years. These resources are provided separately for more information[10].

2. Standardization of information sources. On a scale of 0 to 100, where 0 is a very high level of corruption and 100 is very low. This standardization is done by subtracting the arithmetic mean value of each source from the score obtained by each country in the first year and then dividing by the mean square deviation value within such a source in the current year. After these calculations, the normalized results in scores are multiplied by the mean square deviation within the Corruption Perception Index in 2012 (20) and added to the arithmetic mean of the Corruption Perception Index in 2012 (45). The Corruption Perception Index is scaled, after which all available data can be represented on a Corruption Perception Index scale from 0 to 100.

3. Calculate the average value. For a country or region to be included in the Corruption Perception Index, there must be at least 3 sources that assess such country / region. The Corruption Perception Index score for a country is calculated as the average of all standardized assessments that can be applied to that country. Points are rounded to whole numbers.

4. Uncertainty Report. When compiling the Corruption Perception Index, the square error amount and the confidence interval for the country's rating are displayed. This in turn reflects the difference in results provided by the available information sources for such country / region[11].

There are important methodological problems in developing the Corruption Perceptions Index, which call into question the possibility of using it as an integrated assessment of the corruption situation in Uzbekistan. For several years, Uzbekistan has been one of the countries with the highest levels of corruption due to the lack of open sources that clearly show the level of corruption.

1. The problem of determining individual indices. The technology for creating the final Corruption Perception Index is very transparent, but the mechanisms for accurately identifying various aspects of corruption when determining individual indices are seriously flawed. Access to reliable information on the sources of the formation of individual indicators of corruption is somewhat limited. Sometimes it is impossible to explain exactly how an individual measure of corruption is measured and on what basis it is based. Therefore, it must be acknowledged that the integral index is reliable and reasonable.

2. Limitations in the selection of respondent categories. The Corruption Perceptions Index is based on a survey of experts living in the country where the study is being conducted, as well as entrepreneurs and analysts from around the world. The survey excludes survey results from the population. In our opinion, this limits the completeness of the collected data and, accordingly, leads to a change in the index of corruption indicators, because in assessing the amount and level of corruption the actual experience of the population directly involved in corruption incidents are not taken into consideration. This problem is also related to the involvement of the results of expert research conducted by other research organizations. Each study used by Transparency International to create the index has its own methodology, its own interpretation of the definition of corruption, its forms and criteria for assessing its level, and its own procedure for calculating integral indicators. Moreover, the selection of experts and their amount will undoubtedly affect the outcome of the assessment of corruption in a particular country, while increasing the role of the subjective factor.

3. The problem of the lack of a clear definition of the concept of corruption. Transparency International develops Corruption Perceptions Index based on average data

over a period of time, using a series of social surveys in which the content of corruption is understood differently. This means that the calculation of the Corruption Perceptions Index takes into account the indicators of corruption associated with different interpretations of corruption and its manifestations, obtained using different assessment methodologies. In addition, this problem is manifested in the selection of different categories of respondents, the use of different research tools, the use of different scales of measuring corruption.

4. Conformity of indicators. The correctness of combining different individual corruption indicators in determining the Corruption Perceptions Index is explained by the high level of correlation between the corruption assessments identified by the results of various studies. The higher the correlation between the corruption indicators, the more consistent the results of the various studies, and accordingly, the corruption awareness index is more reliably measured (the reliability of the data, along with a high degree of correlation, indicates a low level of error in the standard indicators). However, this assumption is only fully valid when the sources of the various indicators of corruption are independent. The point is that different expert groups often develop their calculations based on the assessments of other experts, and even use the same source of evaluation of the same indicators. They also pay attention to the level of the Corruption Perceptions Index when developing their personal assessments. There are even cases where experts from several expert groups are involved in the process of assessing the level of corruption. Of course, this can also lead to an increase in error by reducing the objectivity of the evaluation process.

5. Monitoring of changes over time. Until 2012, the methodology for calculating the Corruption Perceptions Index did not provide for a comparison of the country's new index with previous figures. After 2012, when Transparency International updated its calculation methodology, it became possible to analyze the indicators over the years. However, the new methodology is not without some problems. This methodology for creating the Corruption Perceptions Index aims to combine the results of research conducted over the past 3 years. However, the results of the survey for each individual year are collected by different organizations based on different indicators of corruption according to different methodologies, which is not always the case for organizations alone. Therefore, changes in the sources of data in the formation of individual corruption indices, which constitute the Corruption Perceptions Index, naturally lead to changes in the overall Corruption Perceptions Index. As a result, it is impossible to make a comparative analysis of indicators between different years and countries. In other words, this approach to the Corruption Perceptions Index ignores dynamic corruption indicators and trends in corruption. The fact that the scores change from year to year does not mean that the real situation with corruption has changed. The variability of the country's corruption indicators is explained not only by changes in perceptions of the level of corruption, but also by changes in selection methods and methodology.

6. The impact of the principles of country-wide scope of consideration. It is known that the composition of the ranking of countries, which is usually an index of corruption perception, varies. Adding new countries to the Transparency International rating and excluding other countries at different times will lead to an expansion or narrowing of the boundaries of the rating table. This leads to the error of a country changing its position in the rankings over the years. As a result, it will be impossible to make a comparative analysis of not only the value of the Corruption Perceptions Index, but also the ranking of countries. In this sense, a change in a country's ranking does not mean that its level of corruption has increased or decreased. The country's position in the ranking also depends on changes in the number of countries in the development of the Corruption Perception Index.

7. Similarity of the set of indicators. Inclusion of the country in the Transparency International rating according to the Corruption Perception Index requires that data on corruption be based on at least 3 reliable sources. At the same time, the results of an unlimited number of studies can be used to determine the country's overall corruption awareness index, which is included in the Transparency International ranking. Naturally, it is more reliable to have the same index based on multiple sources than the English Corruption Perceptions Index, which is measured on the basis of at least 3 sources. This is primarily due to the uniformity of the data set.

8. Consideration of national characteristics. Due to the fact that the national characteristics of the corruption phenomenon are not taken into account in the calculation of the Corruption Perceptions Index, their impact on the level of the overall Corruption Perceptions Index in the country is neglected. For a given group of countries, indices calculated based on data showing high correlations are very important to them.

3. CONCLUSIONS AND RECOMMENDATIONS

All in all, we see that there is no universal methodology for compiling this index or determining the position of a country in the world rankings, but this does not mean that it is impossible to develop a national system for measuring the level of corruption. In this regard, a number of recommendations can be made, taking into account the shortcomings identified.

1. It is expedient to create an organizational framework for a national system for measuring and assessing the level of corruption - to improve the powers of the competent state bodies that prepare annual reports on the state of corruption and anti-corruption activities in the country. However, such information should be relevant and reliable only if it is obtained on the basis of a single methodology based on the forms of corruption and the legal definitions of its participants.

2. Elimination of the problem of corruption from the realm of ideological pressure and political manipulation by developing real means of measuring corruption, eliminating the process of forming mass myths in the public consciousness through the media and political propaganda.

3. In the study of the level of corruption, it is necessary to distinguish between the concepts of "measurement" and "assessment". Corruption is measured using social indicators or indices. Assessment is the process of summarizing the results of a measurement and providing relevant information on corruption and drawing conclusions accordingly.

4. The description of corruption should be made by evaluating the following positions: relations between countries, in one country, should be classified separately in each sphere of social life of the country, i.e. global, state and local dimensions.

5. The real state of corruption; the level of awareness of corruption by the population; and the effectiveness of anti-corruption measures.

6. The methodology for measuring corruption should be transparent and open to the public. This will not only achieve unification and standardization at the instrumental level, but also increase confidence in public anti-corruption policy, as well as ensure the coherence of state and civil society efforts in this regard.

7. Information on the status of corruption in terms of its indicators and methods of detection should be as close as possible to the quality standards of information used by the state for regulatory needs in other areas.

Development of a national system for assessing the level of corruption as a tool of public administration in the fight against corruption and provides an information basis for

decision-making and evaluation of the effectiveness and efficiency of their implementation. World experience shows that the realization of the goals of anti-corruption policy can lead to positive changes in limiting the scale of corruption in countries where the government and society have access to information about the real anti-corruption situation in the country.

4. BIBLIOGRAPHY:

[1] Кобилов. Ш.Р. Миллий хавфсизликнинг иқтисодий муаммолари: Монография. — Т., 2006; Коррупция: келиб чикиш сабаблари ва унга қарши курашнинг жахон тажрибаси. — Т., 2011. Қобилов Ш .Р. Коррупцияга қарши кураш : иқтисодий, маънавий-маърифий чоралари ва йўллари: Монография. — Т.: Ўзбекистон Республикаси ИИВ Академияси 2015. — 160 б.

[2] Бахтишод Хамидов. Экономическое обозрение №4 (244) 2020 https://review.uz/oz/post/ozbekistonda-korrupciya-dinamikasi

[3] Шермухамедова Н.А. Коррупциянинг турлари ва шакллари. Формирование антикоррупционной культуры в республике Казахстан и в странах центральной Азии: состояние, тенденции и перспективы развития посвящается 20 летию факультета Юриспруденции МО ЮКГУ. Казахстана, Шимкент . 2018–с.67.

[4] Яхшиликов Ж., Н.Е.Муҳаммадиев. "Миллий ғоя - тараққиёт стратегияси". Тошкент: Фан. 2017. — б.322.

[5] https://review.uz/oz/post/ozbekistonda-korrupciya-dinamikasi

[6] https://yuz.uz/news/yangi-ozbekiston-demokratik-ozgarishlar-keng-imkoniyatlar-va-amaliy-ishlar-mamlakatiga-aylanmoqda?view=turkiya-prezidentiga-hamdardlik

[7] Transparency International is an organization set up to fight corruption, study the level of corruption around the world, and conduct research in this area. The international movement Transparency International was founded in 1993 in Berlin by Peter Eigen, the former World Bank Country Director for East Africa. The organization currently has branches in more than 100 countries around the world

[8] http://transparency.org.ru/indeks-vospriiatiia-korruptcii/blog (Data accessed on August 06, 2021).

[9] http://www.transparency.kg/o-nas/o-transperensi-interneshnl.html (Data accessed on August 08, 2021).

[10] https://www.transparency.org/en/cpi/2020/index/nzl

[11] https://www.transparency.org/en/cpi/2020/index/nzl