

WORLDWIDE GOVERNANCE INDICATORS: CONTROL OF CORRUPTION, 1996–2010

The Worldwide Governance Indicators (WGI) project of the World Bank reports aggregate and individual governance indicators for 213 countries and territories over the period 1996–2010, for six dimensions of governance: Voice and Accountability, Political Stability/Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption.

These aggregate indicators combine the views of a large number of enterprises, citizens and expert survey respondents in industrial and developing coun-

tries. The individual data sources underlying the aggregate indicators are drawn from a diverse variety of survey institutes, think tanks, non-governmental organisations and international organisations.

The World Bank uses an Unobserved Component Model (UCM) to aggregate the various responses in the broad six clusters. This model treats the “true” level of governance in each country as unobserved, and assumes that each of the available sources for a country provide noisy “signals” of the level of governance. The UCM then constructs a weighted average of the sources for each country as the best estimate of governance for that country. The weights are proportional to the reliability of each source. This means that more precise sources (in the sense of providing less noisy signals of governance) receive more weight in the aggregate indicators. The resulting estimates of governance have

Table

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	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	1.88	1.77	1.96	1.73	1.92	2.10	1.93	1.96	2.05	2.12	2.06	2.06
Austria	1.93	2.07	1.98	2.10	2.11	2.13	1.95	2.01	2.11	1.94	1.78	1.64
Belgium	1.31	1.32	1.49	1.45	1.37	1.34	1.34	1.25	1.30	1.34	1.44	1.50
Bulgaria	-0.78	-0.24	-0.22	-0.20	-0.07	0.10	0.06	-0.10	-0.24	-0.31	-0.22	-0.18
Canada	2.20	2.24	2.19	2.11	2.03	1.84	1.88	1.97	1.99	2.01	2.06	2.06
Croatia	-0.82	-0.72	-0.21	0.24	0.17	0.19	0.17	0.05	0.08	0.03	-0.02	0.05
Cyprus	1.80	1.29	1.22	1.27	1.21	0.88	0.89	1.09	1.08	1.25	1.01	1.07
Czech Republic	0.64	0.54	0.10	0.35	0.43	0.38	0.46	0.28	0.23	0.27	0.39	0.31
Denmark	2.37	2.36	2.51	2.40	2.44	2.49	2.30	2.55	2.51	2.50	2.48	2.37
Estonia	-0.06	0.57	0.67	0.64	0.78	0.92	0.96	0.93	0.91	0.92	0.96	0.91
Finland	2.36	2.37	2.58	2.46	2.48	2.52	2.36	2.59	2.49	2.44	2.26	2.15
France	1.26	1.40	1.30	1.24	1.35	1.38	1.37	1.49	1.44	1.40	1.42	1.39
Germany	1.99	2.16	2.04	2.01	1.95	1.87	1.86	1.80	1.70	1.76	1.71	1.70
Greece	0.33	1.06	0.83	0.44	0.42	0.49	0.38	0.36	0.26	0.10	0.05	-0.12
Hungary	0.58	0.65	0.64	0.52	0.59	0.64	0.61	0.58	0.55	0.44	0.42	0.33
Ireland	1.79	1.58	1.37	1.39	1.48	1.31	1.59	1.73	1.75	1.77	1.75	1.67
Italy	0.36	0.52	0.76	0.53	0.52	0.41	0.21	0.30	0.22	0.18	-0.01	-0.04
Japan	1.04	0.93	1.17	0.84	1.17	1.23	1.21	1.35	1.21	1.26	1.33	1.54
Latvia	-0.82	-0.03	-0.30	-0.12	0.17	0.13	0.32	0.31	0.25	0.20	0.21	0.21
Lithuania	-0.06	0.03	0.19	0.04	0.26	0.31	0.22	0.07	0.04	0.04	0.16	0.32
Luxembourg	2.04	1.98	2.10	2.07	1.70	1.87	1.66	1.90	2.02	2.05	1.99	2.06
Macedonia	-0.97	-0.67	-0.67	-0.89	-0.59	-0.49	-0.44	-0.36	-0.34	-0.20	-0.12	-0.06
Malta	0.54	0.58	0.99	0.78	0.99	0.96	0.86	1.05	1.07	1.03	0.91	0.92
Netherlands	2.21	2.27	2.33	2.19	2.08	2.00	1.95	2.08	2.22	2.18	2.14	2.15
New Zealand	2.24	2.32	2.36	2.36	2.38	2.44	2.21	2.38	2.35	2.37	2.43	2.36
Norway	2.27	2.32	2.27	2.23	2.09	1.97	1.99	2.13	1.95	1.88	1.97	2.07
Poland	0.54	0.66	0.47	0.33	0.37	0.14	0.23	0.18	0.19	0.33	0.41	0.45
Portugal	1.52	1.33	1.16	1.27	1.13	1.11	1.05	0.96	0.96	1.00	1.06	1.03
Romania	-0.22	-0.69	-0.47	-0.39	-0.31	-0.26	-0.21	-0.14	-0.17	-0.10	-0.22	-0.16
Slovak Republic	0.35	0.25	0.10	-0.11	0.30	0.38	0.49	0.37	0.30	0.31	0.27	0.27
Slovenia	1.31	1.30	0.72	0.72	0.85	1.01	0.89	0.97	0.98	0.90	1.04	0.84
Spain	1.05	1.37	1.36	1.32	1.35	1.34	1.28	1.12	1.00	1.11	1.01	1.01
Sweden	2.30	2.33	2.42	2.31	2.23	2.17	2.01	2.21	2.25	2.26	2.28	2.25
Switzerland	2.10	2.23	2.17	2.17	2.09	2.02	2.02	2.13	2.19	2.19	2.06	2.06
Turkey	-0.23	-0.59	-0.40	-0.71	-0.24	-0.20	-0.03	0.00	0.08	0.07	0.06	0.01
United Kingdom	2.12	2.23	2.17	2.13	2.07	1.95	1.90	1.80	1.72	1.68	1.54	1.48
United States	1.56	1.55	1.64	2.05	1.73	1.79	1.52	1.27	1.29	1.45	1.16	1.23

Note: Only European countries and non-European OECD countries are included.

Source: World Bank, Worldwide Governance Indicators, 1996–2010.

an expected value (across countries) of zero, and a standard deviation (across countries) of one. This implies that virtually all scores lie between -2.5 and 2.5 , with higher scores corresponding to better outcomes.¹

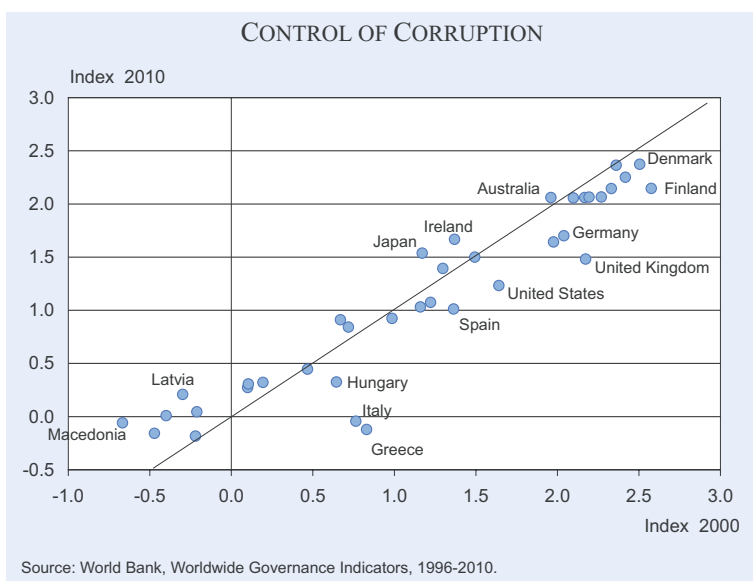
In “Control of Corruption” the World Bank includes several indicators that measure the perception of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption,² as well as “capture” of the state by elites and private interests (Kaufmann et al. 2010, 4). Despite this straightforward focus, the particular aspect of corruption measured by the various sources ranges from the frequency of “additional payments to get things done” to the effects of corruption on the business environment, the extent of “grand corruption” in the political arena and the tendency of elite forms to engage in “state capture”. The presence of corruption is often a manifestation of a lack of respect of both the corrupter (typically a private citizen or firm) and the corrupted (typically a public official or politician) for the rules which govern their interactions and hence represents a failure of governance according to our definition (Kaufmann et al. 2003).

Among European countries and non-European OECD countries Denmark, New Zealand, Sweden, Finland, the Netherlands and Norway dominate the top scores in the 2010 Control of Corruption-Indicator. The United States, France, the United Kingdom, Belgium and Japan have been classified as countries with a medium level of Control of Corruption. The countries with the lowest score are Bulgaria, Romania and Greece (Table).

¹ For more information about the methodology see Kaufmann et al. (2010).

² On the one hand, petty corruption is defined as street level, everyday corruption. It occurs when citizens interact with low- to mid-level public officials in places like hospitals, schools, police departments and other bureaucratic agencies. The scale of monetary transaction involved is small and primarily impacts individuals (and disproportionately the poor; UNDP 2008, 8). On the other hand, grand corruption takes place at the policy formulation end of politics. It refers not so much to the amount of money involved as to the level at which it occurs (where policies and rules may be unjustly influenced). The kinds of transactions that attract grand corruption are usually large in scale. Grand corruption is sometimes used synonymously with political corruption (U4 – Anti-Corruption Resource Center, Glossary).

Figure



The Figure provides a comparison over time for the changes in the Control of Corruption Indicator from 2000 to 2010. The score for 2000 is located on the horizontal axis and the score for 2010 on the vertical axis. Countries above the 45-degree line have shown improvements in Control of Corruption, while countries below the line correspond to deteriorations. The first feature of this graph is that most countries are clustered quite close to the line, indicating that changes in the Control of Corruption Indicator in most countries have been relatively small over the ten-year period covered by the graph. There have been improvements in Macedonia, Latvia, Japan, Ireland and Australia, however. In contrast Control of Corruption has declined in countries such as Greece, Italy, Hungary, Spain, the United States, the United Kingdom, Germany, Finland and Denmark.

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References

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