



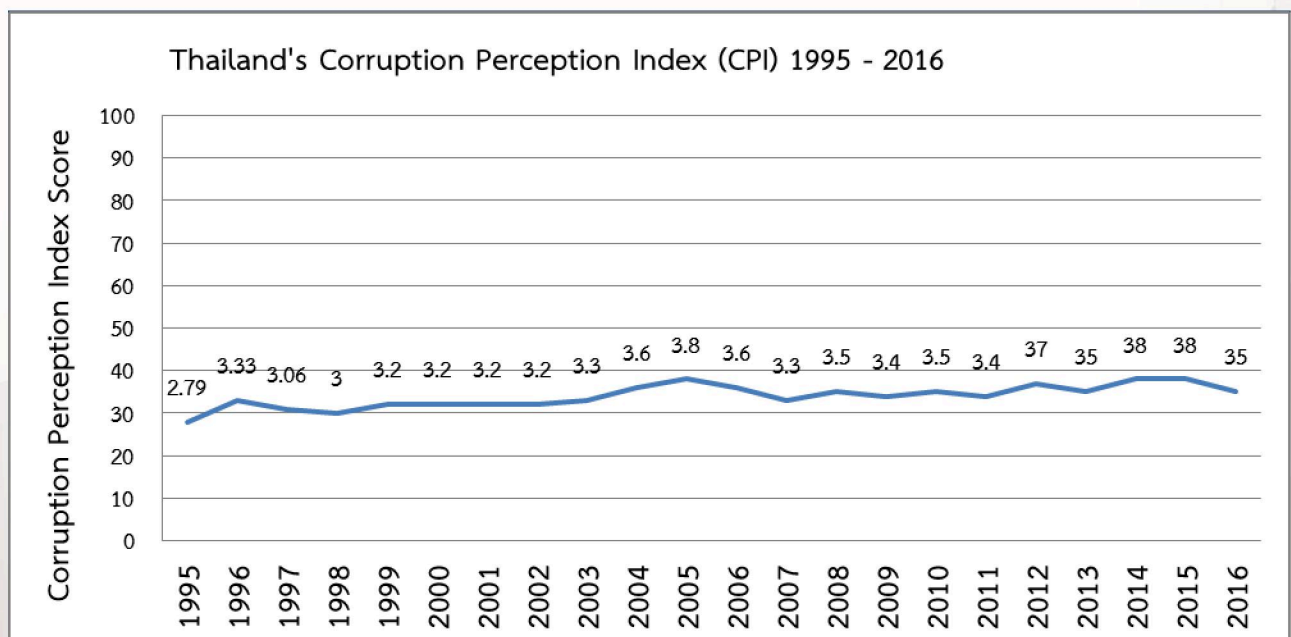
Strengthening good governance,
Decreasing public sector corruption

Analysis of Corruption Perception Index 2016

1. Ranking of Corruption Perception Index 2016

1.1 On January 25th 2017 Transparency International announced scores on Corruption Perception Index 2016. In 2016 there were 176 countries around the world participated in the assessment conducted by collecting data from 13 sources. 69 percent of 176 countries scored below 50 on a scale of 0 (highly corrupt) to 100 (very clean). While global average score was 43, Denmark and New Zealand performed best with scores of 90, followed by Finland 89 and Sweden 88. The lowest rank on the Index was Somalia with only 10 points.

1.2 Thailand was granted 35 points and ranked at 101st from 176 countries, decreasing from 38 points in 2015 when Thailand was ranked at 76th from 168 countries. In Asean, Thailand was placed at 5th place with score lower than those of 1) Singapore 84 2) Brunei 58 3) Malaysia 49 and 4) Indonesia 37. However, Thailand was perceived equally to the Philippines and Timor - Leste with the same scores as in 2013, 2010 and 2008.





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2. Scoring by Sources for Corruption Perception Index 2016

In 2016 Transparency International increased sources of data for Corruption Perception Index from 12 to 13. For Thailand, the sources for Corruption Perception Index increased from 8 to 9 which include:

1. World Economic Forum Executive Opinion Survey (EOS) 2016 : WEF
2. IMD World Competitiveness Yearbook 2016 : IMD
3. Political Risk Services International Country Risk Guide 2016 : PRS
4. Global Insight Country Risk Ratings 2015 : GI
5. Bertelsmann Foundation Transformation Index 2016 : BF (TI)
6. World Justice Project Rule of Law Index 2016 : WJP
7. Economist Intelligence Unit Country Risk Ratings 2016 : EIU
8. Political and Economic Risk Consultancy Asian Intelligence 2016 : PERC
9. Varieties of Democracy (VDEM) Project 2016 : VDEM

The scores which Thailand received from each source are as shown in the table below (comparing within 3 years).





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Comparing Thailand's Scores within 3 Years

Result	Amount	Sources	Scores			Target
			2014	2015	2016	
Higher	3	WJP (+11) The extent to which government officials use public office to private gain	44	26	37	Local experts
		IMD (+6) "Bribing and Corruption: Exist or do not exist"	33	38	44	4,300 Senior business leaders
		PRS (+1) Corruption within the political system: corruption in the form of excessive patronage and nepotism, as well as the extent of relationship between politicians and business sectors.	31	31	32	PRS staff
Stable	1	BFTI The extent that public officeholders who abuse their positions prosecuted or penalized and the extent that the government successfully contains corruption.	40	40	40	2 Experts per country
Lower	4	GI (-20) The risk that individuals/companies will face corrupt practices to carry out business.	42	42	22	Specialists and risk analysts
		WEF (-6) How common is it for firms to make undocumented extra payments or bribes connected to various business practices?	39	43	37	Local business executives
		PERC (-4) How do you grade the problem of corruption in the country in which you are working?	35	42	38	Expatriate business executives
		EIU (-1) The clear procedures and accountability governing the allocation and use of public funds as well as a tradition of a payment of bribes.	38	38	37	Risk analysts around the world
New		V-DemA new approach to measuring democracy. It reflects the complexity of the concept of democracy in the country such as electoral, liberal, participatory, majoritarian and consensual.	-	-	24	Scholars, managers, researchers around the world





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3. Thailand 's Score Comparing with Other countries

3.1 Global Analysis

1) Scoring at 35 points, Thailand was ranked at 101st place together with Gabon, Niger, Peru, the Philippines, Timor – Leste, and Trinidad and Tobago. In 2015 Thailand received 38 pointed and was ranked at 76th place with Bosnia and Herzegovina, Brazil, Burkina Faso, India, Tunisia, and Zambia.

Countries with the same score as Thailand

2015	2016
Bosnia and Herzegovina	Gabon
Brazil	Niger
Burkina Faso	Peru
India	The Philippines
Tunisia	Timor-Leste
Zambia	Trinidad and Tobago

2) Thailand was placed at 23rd out of 77 countries on the list of declining Corruption Perception Index results in 2016. Qatar was at 1st place for the biggest decline, whereas Suriname was recognized as the most improved this year (There were 9 countries who participated in 2016 but did not in 2015).

The Most Declining and Improving Countries

No.	Country	2015 result	2016 result	Change
1	Qatar	71	61	-10
2	Kuwait	49	41	-8
3	Bahrain	51	43	-8
4	Saudi Arabia	52	46	-6
22	Thailand	38	35	-3
164	Myanmar	22	28	+6
165	Timor - Leste	28	35	+7
166	Belarus	32	40	+8
167	Suriname	36	45	+9





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3.2 Asia – Pacific Regional Analysis Thailand was ranked 19th out of 30 countries, falling from 2015 when Thailand was at 12th place from 27 countries who participated in the assessment. Top 5 countries of Asia – Pacific region remained the same as in 2015, including New Zealand, Singapore, Australia, Hong Kong, and Japan.

Asia – Pacific Regional Scores and Ranking

No.	2015	Score/Ranking	2016	Score/Ranking
1	New Zealand	88/4	New Zealand	90/1
2	Singapore	85/8	Singapore	84/7
3	Australia	79/13	Australia	79/13
4	Hong Kong	75/18	Hong Kong	77/15
5	Japan	75/18	Japan	72/20
12	Thailand	38/76	Thailand	35/101

3.3 Asean Regional Analysis Thailand was at 5th place of all Asean nations in Corruption Perception Index ranking, while it was at 3rd place last year. Most countries in Asean scored higher on 2016 index: Myanmar (+6), Laos (+5), Vietnam (+2), Indonesia (+1), and Timor – Leste (+7). There were 3 countries declining on 2016 list: Singapore (-1), Malaysia (-1), and Thailand (-3), while 2 countries remaining at the same scores: the Philippines (35) and Cambodia (21).

Asean Regional Scores and Ranking

No.	2015	Score/Ranking	2016	Score/Ranking
1	Singapore	85/8	Singapore	84/7
2	Malaysia	50/54	Brunei	58/41
3	Thailand	38/76	Malaysia	49/55
4	Indonesia	36/88	Indonesia	37/90
5	Philippines	35/95	Philippines	35/101
6	Vietnam	31/112	Thailand	35/101
7	Timor-Leste	28/123	Timor-Leste	35/101
8	Laos	25/139	Vietnam	33/113
9	Myanmar	22/147	Laos	30/123
10	Cambodia	21/150	Myanmar	28/136
11	-		Cambodia	21/156





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Conclusion

Thailand was granted 35 points on Corruption Perception Index 2016 and was ranked at 101st from 176 participating countries. The result was noticed as a significant decline from 38 points and 76th place in 2015. This brings us to conclusion as follows:

1. Increasing assessment sources from 8 to 9. The new source provided data relating to democracy situation which was assessed in 76 countries around the world: 12 countries in Asia – Pacific and only 5 countries in Asean. The top 3 scorers of this new source were Bhutan (64 points), followed by Taiwan and Myanmar (50 points), and Timor – Leste (45 points). Thailand was granted only 24 points from VDEM. It can be concluded that Thailand's declining Corruption Perception Index score was partly due to the level of democracy acknowledgment, as well as, rights and freedom of its people on international views. This conclusion was clearly stated in analysis by Transparency International about Thailand.

2. The least scoring source in 2015 was the most improving in 2016. There were improvement in the assessment of 3 sources which were WJP (37 points), IMD (44 points), and PRS (32 points). These 3 sources evaluated about the extent to which government officials use public office to private gain and involve in corruption practices. The highest improvement was the score from WJP (+11), which was the lowest of all sources in 2015; thus indicated that Thailand's commitment in fighting against corruption was greatly accepted.

3. Sources relating to business facilitation were significantly declined in 2016. The 4 decreasing scores were those derived from GI (22), WEF (37), PERC (38), and EIU (37). The biggest fall were GI (-20) followed by WEF (-6), both concerning analysis about the extent that business had to involve in corruption practices and the extent that foreign investors had to pay for bribes. These scores showed that foreigners were not confident in the transparency of doing business in Thailand and bribery was still a common practice.





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4. The assessment of sources was relevant to current situation of corruption in Thailand. Before the announcement of Corruption Perception Index 2016, on January 19th, 2017 the Center for Economic and Business Forecasting, University of the Thai Chamber of Commerce had released the result of Thailand Corruption Situation (CSI). CSI was conducted every 6 months by surveying opinions of 3 sample groups comprising common people (50.1%), private sectors/entrepreneurs (24%), and public sectors/officers (25.9%), with the total of 2,400 samples. The latest CSI showed higher scores in every index and the overall score of 55 points was higher than 53 points in June 2016. The score was also the highest since CSI had been introduced. CSI was to some extent relevant to CPI as follows:

4.1 Percentage of extra payment that business sectors had to pay officials/politicians in order to secure contracts was at the average of 1 – 15%. However, samples of this part of the survey were increased from 6% in June 2015 to 18% in December 2016. Result of the survey conducted before May 22nd, 2014 indicated the average of such payment at 15 – 25%, while between May 2014 – December 2016 the average was at 1 – 15% consistently. It can be noticed that even though the Thai government has tried various measures to solve corruption problems, the percentage of extra payment is still persisted and even more severe.

4.2 The most frequent corruption practices in Thailand from recent CSI survey were 1) Excessive patronage and nepotism 2) Using legal loophole to pursue private gain and 3) Bribery, Rewards, and Incentives. All 3 patterns were consistent with Thailand's declining scores from particular sources of Corruption Perception Index.

5. Corruption situation in Asean seems to be improved. Corruption Perception Index is an assessment widely accepted internationally, especially for investors and business executives who utilize the information to decide their business ventures in any specific country. Consequently, the decline of Thailand's CPI score, while other Asean countries performed better, will not yield preferable effect on the confidence of foreign investors who have been considering to invest in Thailand in the near future.

Bureau of Policy and Strategy
Office of the Public- sector Anti-Corruption Commission
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