In Brief: Political

Problems of perception

A glum-looking bunch of anti-graft activists gathered on September 26 to share the bad news: corruption in Indonesia is not improving. Clutching the latest edition of the Transparency International Corruption Perceptions Index (CPI), each speaker waited their turn to lambaste the government for its failure to fight the scourge.

Despite numerous promises made by President Yudhoyono and his administration to tackle the problem, Indonesia's CPI score has barely moved from previous years, and has slightly worsened from 2006.

Corruption Perceptions Index
(Indonesia, 2001-2007)

Year	Score	Rank
2007	2.3	143
2006	2.4	130
2005	2.2	140
2004	2.0	133
2003	1.9	122
2002	1.9	96
2001	1.9	88

As the single most-recognised measure of relative global corruption, the CPI has become extremely influential since it was first published in the mid-1990s. It is cited by financial ratings companies in assessments of country risk and is used by aid agencies to fund good governance projects. But is it a fair indication of graft? Two of the indices' creators think not.

Because of the secretive nature of corruption, any attempt to quantify it will always be vulnerable to criticism. Transparency International is open about the limitations of the CPI: it does not collect hard "objective data" on the *actual* incidence of corruption, but rather soft "subjective data" on respondents' *perception* of the degree of corruption. That idea is well-understood—at least among academics and anti-graft activists.

However, two former members of Transparency International who helped develop the CPI, have gone further in their criticism. In a chapter written for the book *Measuring Corruption*, Fredrik Galtung questions the reliability of some of the sources on which the CPI is based. He argues that because the respondents are overwhelmingly from the international business sector, only certain forms of corruption are reflected in the index. If progress is made on eradicating corruption in the provision of driving licenses, for example, this will not be taken into account.

Galtung also argues that the CPI should not be used to make international investment decisions. In the 2007 CPI, China, Mexico, Morocco and Peru were all given the same score. Yet, judging from the levels of foreign investment in China, the type of corruption there is not intolerable to investors, whereas it *is* considered an impediment to investment in countries with similar levels of corruption. This point is borne out from Indonesia's experience, where the widespread corruption under former president Soeharto did not prove the disincentive to international investment that it apparently does today. CPI scores cannot tell investors whether corruption will help or hinder business.

But Galtung's most damning critique is reserved for the CPI's inability to assess the impact of government reforms on corruption over time. In his words, "[the index] cannot answer the basic question: 'After four years, are reforms making any difference?'"

This is a particular problem for countries like Indonesia, given the general perception that stagnant scores from year to year indicate a lack of progress on fighting corruption. Indeed, the publication of the index itself influences perceptions, generating headlines like the one that recently appeared in *The Jakarta Post*: "RI losing ground in graft battle."

To its credit, Transparency International warns against using the index to compare the level of corruption from year to year. This is because it is not unusual for different questions to be asked of different people over time, as samples and methodologies change. The organisation says the CPI should be considered more as an "annual snapshot" than a tool to assess trends.

Galtung goes further on this point. Because the index is based on perceptions, even if significant improvements are made, there is likely to be a time lag before people realise this—especially if governments do not advertise these changes. Year-on-year changes to a country's rank are also meaningless because the number of countries included in the index does not remain static.

Meanwhile, positive anti-graft efforts usually bring corruption more out into the open, creating a negative feedback loop and further tarnishing a country's image. It is therefore possible that a country's momentum for reform is undermined by the CPI at the precise time when it needs support for greater change.

All this does not ignore that Indonesia has an enormous problem with corruption. Neither is the CPI useless: it does an excellent job of raising awareness about graft worldwide. However, if experts want to discover how the government is progressing in its efforts to fight corruption, the CPI is not the place they should look.

The Sutiyoso show

If there is one thing true about Sutiyoso, it is that he doesn't waste time. In his final days as Jakarta governor, the wily political operator has elbowed his way back into the political limelight - this time to bid for the highest job in the land.

Suityoso's presidential operation began at the time Megawati Soekarnoputri accepted her party's nomination. As the Indonesian Democratic Party of Struggle (PDI-P) leader rallied her troops for battle, delegates began to notice unusual movement down the front of the hall.

"Just from his body language, people realised something was up," a source told the *Report*. "He was grinning and clapping so strongly, I thought he was going to faint," said another.

Sutiyoso's keen interest in Megawati's speech may have bemused some