



# How much corruption is there in the Pacific islands? A review of different approaches to measurement

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New ways of measuring corruption are being used to assess the performance of governments in tackling the problem. The Pacific Islands Plan, for example, envisages a 'control of corruption (integrity) indicator' that could be used to assess a government's progress towards achieving good governance (Pacific Islands Forum Secretariat 2008:33). This article reviews the kinds of measures that are becoming available for the Pacific islands.

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The first difficulty in measuring corruption is defining what it is. The international community tends to follow the definition of corruption adopted by the anti-corruption non-governmental organisation (NGO) Transparency International (TI) and the World Bank: the use of public office for private gain. National anti-corruption agencies tend to follow definitions set out in the law, but local popular opinion might not agree with either approach. We will take these definitional issues into account as we look at the evidence produced by, or for, national anti-corruption agencies and international organisations.

## National figures

In most countries of the region the criminal code creates offences such as abuse of office, misappropriation, secret commissions and the bribery of public officials. The police may investigate more serious cases and a government prosecutor may take the case to court. Investigations and successful prosecutions are therefore one measure of corruption. They do not, however, really tell us how much is going on underneath. The number of cases and prosecutions reflects the competence and zeal of the justice system (and the incompetence and carelessness of those it catches). Figures are



difficult to compare, as cases proceed slowly through the justice system, often stalling. Stepping back, police and court records are rarely gathered together into statistics that can be monitored for trends.

Fortunately, there are now some specialised agencies devoted to enforcing laws against corruption, and there are some figures available about their performance. The independence constitutions of Papua New Guinea, Solomon Islands and Vanuatu provide for 'leadership codes', governing the behaviour of senior officials and politicians and insisting that they declare assets, avoid conflicts of interest in their private business dealings and generally avoid bringing the offices they hold into disrepute. These laws are administered by the Ombudsman Commission or, in Solomon Islands, a separate Leadership Code Commission. Recently, there has been a new wave of interest in anti-corruption laws and institutions. Tuvalu adopted a Leadership Code in 2007. In the same year, Fiji's interim government established the Fiji Independent Commission Against Corruption (FICAC). Tonga set up an Anti Corruption Commission in 2008.

Since 1982, 32 Members of Parliament have been charged under Papua New Guinea's leadership code and another seven under the criminal and leadership codes (Ketan 2007:Appendix 1). Nineteen of the charges involved misappropriation of funds, usually for local expenditure such as road building and school subsidies. Another three involved the receipt of payments of K100,000 from 'the Prime Minister's discretionary fund' as 'compensation for being replaced during a ministerial reshuffle' (in 1992). Two involved payments and favours from logging companies, including a Jaguar car for a minister. Two involved failures to comply with the procedures of the commission itself—submitting returns. Two MPs were charged with rape and one for

drunkenly endangering airline passengers. Of the outcomes, nine involved the leader going to prison and another 16 involved the MP being suspended or dismissed from office. Forgiving voters, however, returned three of the leaders at subsequent elections and another managed to retain his seat in the 2007 election while in prison (pending an appeal). In six cases, the leader resigned from office to avoid charges under the leadership code, although resignation provided no escape from charges under the criminal code.

About one-half (35) of the 75 reports produced by the Vanuatu Ombudsman Commission between 1996 and 2000 involved misbehaviour by ministers, ranging from the issuance of phoney letters of credit to foreign fraudsters through to awarding themselves compensation and favouring their relatives (Hill 2001). The most egregious offender was Barak Sope, who was convicted of fraud but later pardoned by the president. About 15 cases involved appointments and promotions of individuals in the public service or statutory bodies. Another 15 involved the abuse of other kinds of discretion over funding, housing, the sale of government assets or contracts. The National Provident Fund was the agency provoking most attention, including a riot in Port Vila (three reports).

Solomon Islands' Leadership Code Commission took a less aggressive approach towards politicians and was unable to come to grips with the large number of financial returns it solicited (Larmour 2000).

Fiji has recently taken a more aggressive approach. After the 2006 coup, the army removed several 'tiers' of officials it suspected of corruption (Interview with Bainimarama, *Fiji Government Online*, 19 September 2007). It invited and investigated public complaints and brought suspects into the barracks for questioning (Larmour 2008a). There were complaints about rough



treatment and lack of evidence. The interim government then established FICAC, which had been promised by its elected predecessor but not delivered. A retired soldier ran FICAC while the government searched for a suitable commissioner. Its caseload built up quickly. In June 2008, it announced that 22 public officials had been charged with corruption offences prescribed in the penal code, mostly 'abuse of office'. They included many of the chief executive officers and board members of statutory bodies targeted in the original clean-up campaign, a senior policeman and district-level officials. The former Prime Minister was charged with abuse of office during the time he had been director of Fijian Holdings Limited and, when (as Prime Minister), he had been responsible for the Native Lands Trust Board. At the time of writing, none of these post-coup cases had been decided.

Other agencies provide evidence of corruption without necessarily leading to prosecutions. The most important, after the event, have been auditors-general reports. Sua' Rimoni's audit reports on Samoa in the mid 1990s had a great impact. New to government, having worked in the private sector, he documented abuses of power and machinery by the works and agriculture ministers. He was vilified in parliament and his contract cut short. In the turmoil that followed, a minister named in the reports was assassinated.

The Solomon Islands Auditor-General, with the help of Australian officials, produced a burst of 10 audit reports in 2005 and 2006. They estimated that over the years an amount roughly equivalent to the country's annual gross domestic product (GDP) had gone missing (Government of Solomon Islands 2007:4). In the absence of record keeping, it was hard to tell where it had gone. Shortcomings included non-compliance with legislation, acting without authority and breakdowns in financial

management. Among them were acts that would come under narrower definitions of 'corruption', such as 'officials using positions of influence to assist family and friends to gain from their positions' and 'loss of revenue through poor management, corruption and fraud' (Government of Solomon Islands 2007).

In a similar way, Fiji's Auditor-General had reported on what came to be called the 'agriculture scam' that took place under the interim government created after the 2000 coup. Agricultural equipment, planting material and other items were bought and distributed to Fijian (but not Indo-Fijian) farmers. A special audit report found the expenditure was unauthorised and the equipment had been bought at inflated prices from favoured suppliers without going out to tender (Government of Fiji 2002; Mausio 2003). There had been a 'lack of forecasting and planning, poor channels of communication and co-ordination and no means of performance monitoring and control' and 'fraud and corruption cannot be ruled out' (Government of Fiji 2002:3, 23). After drawn-out police investigations, a mid ranking official was charged and convicted of falsifying invoices in 2005, and the Permanent Secretary in the Ministry of Agriculture was convicted of abuse of office in November 2006 (just before the next coup and the creation of FICAC). The ministry's principal accountant and two more junior officials were convicted in September 2008. They had been receiving kickbacks from the favoured suppliers. The owner of one of the favoured companies was also convicted.

## International figures

The anti-corruption laws and agencies described above have been national in scope, although they have looked overseas for inspiration: to Africa, in the case of the



Table 1 **Transparency International 2008 Corruption Perceptions index**

Country rank (out of 180 countries)	Country	CPI score 2008 (10 is best)	Confidence intervals	Number of surveys used
62	Samoa	4.4	3.4–4.8	3
96	Kiribati	3.1	2.5–3.4	3
109	Vanuatu	2.9	2.4–3.7	3
109	Solomon Islands	2.9	2.5–3.2	3
138	Tonga	2.4	1.9–2.6	3
151	Papua New Guinea	2.0	1.6–3.3	6

Source: [www.transparency.org](http://www.transparency.org) (accessed 10 March 2009).

Melanesian leadership codes, and Hong Kong and Malaysia in the case of FICAC. Since the mid 1990s, however, there has been an explosion of international interest in ‘good governance’, in general, and corruption in particular. The Pacific Islands Forum made several attempts to adopt a model leadership code for its members. This international interest has been precipitated and serviced by TI, the NGO founded by disaffected international civil servants in 1993. Initially resistant, the World Bank has become convinced of the risks of corruption to development. Its researchers, particularly Daniel Kaufmann, developed increasingly sophisticated measures of perceptions, and experience, of corruption. As the studies have become available—including the national integrity systems (NIS) surveys—they have gradually begun to include the Pacific islands in their calculations (Tables 1–8).

An extract from TI’s Corruption Perceptions Index (CPI) is provided (Table 1). The CPI did not survey corruption directly but relied on answers to questions about corruption in other surveys and assessments already carried out by ratings agencies, think tanks, and so on. These were processed into a score, which then could be

used to compare one country with another. The key figure in Table 1 is the country’s score, out of 10, where 10 is ‘clean’ and zero is ‘dirty’. This score is derived from the findings of at least three independent surveys. The absence of such surveys delayed the inclusion of Pacific islands until the mid 2000s. The ranking in Column 1 is of the country in relation to all the other countries covered in that year. In 2008, Samoa did best and Papua New Guinea was the worst of the Pacific island countries. The CPI is a measure of perceptions. TI was originally uneasy about adopting the CPI, proposed by academic economist Johan Lambsdorff (Galtung 2007). It feared the public rankings might antagonise the very governments they were seeking to influence. TI was established by reformers, and the index was silent about what countries should do to improve their performance. For example, when Tonga was included, the Prime Minister’s advisor complained ‘it has no meaning because the report they produced has not pointed out exactly where the corruption is’ (Radio New Zealand, 29 January 2008). Nevertheless, international league tables are irresistible to the media, even if their reports miss the distinction between perceptions and experience or


**Table 2 World Bank Control of Corruption Indicator, 2006**

Percentile rank (1–100)	Country	Governance score (–2.5 – +2.5)	Standard error
75.7	Guam	0.8	0.39
72.3	Cook Islands	0.66	0.76
63.1	Samoa	0.22	0.3
62.6	Vanuatu	0.2	0.3
59.2	Kiribati	0.08	0.3
56.3	Tuvalu	–0.07	0.37
50.0	Federated States of Micronesia	–0.27	0.43
49.0	Solomon Islands	–0.29	0.3
45.6	Fiji	–0.35	0.29
38.3	Marshall Islands	–0.53	0.43
9.2	Papua New Guinea	–1.13	0.18
5.3	Tonga	–1.29	0.3
4.4	New Caledonia	–1.33	0.57

**Source:** World Bank, 2007. *A Decade of Measuring the Quality of Governance. Governance Matters 2007. Annual indicators and underlying data*, World Bank, Washington, DC.

reality. TI stooped to conquer, but has also gone on to produce other measures that respond to criticism of the CPI and are described below: detailed country-level studies; a ranking of bribe givers (China, France, and so on); and a barometer of popular opinion, rather than opinions of business leaders. It has also provided much more detail on its web site about how the CPI is assembled (Lambsdorff 2008).

‘Control of corruption’ is only one of several governance indicators developed by Kaufmann and his colleagues at the World Bank (Table 2). As with the CPI, it is based on ‘a large number of business, citizen and expert surveys’ (World Bank 2007). Results for Pacific island countries for which such data are available are shown (Table 2). The ranking in this case is of the countries against each other, rather than the world. Among a larger group of Pacific countries than those measured by the CPI, Guam does

best and New Caledonia does worst (both, incidentally, are overseas territories of, respectively, the United States and France). Of the independent states, Cook Islands does best and Tonga the worst.

The TI and World Bank indices rely on opinion and (occasionally) experience, processed to produce a single score—or range of scores—for corruption. They have to rely on the definitions of corruption adopted by these surveys and the respondents to them. Lambsdorff (2008:5) describes how his sources use various definitions, covering different forms of corruption, but which he believes ‘can be said to aim at measuring the same broad phenomenon’. Kaufmann and his colleagues emphasise the complexity of governance, the imprecision of their measures and the limitations to comparison.

A group of economists at the University of the South Pacific (USP) (Gani et al. n.d.)



Table 3 **Rankings compared, for countries that appear in every survey**

TI CPI (2008) corruption perceptions	World Bank (2006) control of corruption	USP (1995) government effectiveness (including corruption)	USP (2005) government effectiveness (including corruption)
Samoa	Samoa	Vanuatu	Papua New Guinea
Solomon Islands	Vanuatu	Tonga	Samoa
Vanuatu	Solomon Islands	Solomon Islands	Vanuatu
Tonga	Papua New Guinea	Samoa	Tonga
Papua New Guinea	Tonga	Papua New Guinea	Solomon Islands

**Source:** [www.transparency.org](http://www.transparency.org) (accessed 10 March 2009); World Bank, 2007. *A Decade of Measuring the Quality of Governance, Governance Matters 2007. Annual indicators and underlying data*, World Bank, Washington, DC.

have tried to get around the problem of relying largely on perceptions. Like the other sponsors of the global indicators, they were interested in influencing governments and anticipated that politicians could easily shrug off negative opinions. Instead, they looked for hard data, mostly already available in official statistics that were updated each year. They used the standard definition of corruption as ‘abuse of public power for private benefit’. They mention the opportunities that price fixing, import restrictions, complicated taxes and ‘regulations about types of workers to hire’ provide for unscrupulous officials to extract bribes. So it is really a measure of risks rather than acts of corruption they are talking about. They looked for indicators of that risk and believed they had found it in the proportions of ‘economic services’ and ‘recurrent’ expenditure to total expenditure. (I wonder what counts as ‘economic services’ in each country’s budget; and might not some of those services reduce rather than exacerbate corruption? Why is capital expenditure regarded as less

risky than recurrent expenditure?) These proportions were then scaled and averaged to produce an annual index for each of the seven Pacific island countries they surveyed. This approach allows them to compare countries with each other and see trends—and find some good news stories. In aggregate, between 1995 and 2006, they found ‘substantial improvements in governance quality’ for Cook Islands, Fiji, Vanuatu and Samoa (Gani et al. n.d.:4). Solomon Islands’ governance quality, however, declined over the period. The authors suggested that the improvements were the result of the economic reform programs supported by donors.

Some comparisons are made between rankings and scores, between surveys and over time (Tables 3 and 4). There is a temptation for governments, and their critics, to grab hold of changes in the score and ranking as evidence of the success or failure of their efforts to reduce corruption. The USP’s indicators show a striking reversal in relative performance in the 10 years since 1995, with Samoa and Papua New Guinea



Table 4 CPI scores and rankings in different years

Country	2008	2007	2006	2005
	score (/10) rank (/180)	score (/10) rank (/180)	score (/10) rank (/163)	score (/10) rank (/159)
Samoa	4.4 (62)	4.5 (57)		
Fiji				4.0 (55)
Kiribati	3.1 (96)	3.3 (84)		
Solomon Islands	2.9 (109)	2.8 (111)		
Vanuatu	2.9 (109)	3.1 (98)		
Tonga	2.4 (138)	1.7 (175)		
Papua New Guinea	2.0 (151)	2.0 (162)	2.4 (130)	2.3 (130)

Source: [www.transparency.org](http://www.transparency.org) (accessed 10 March 2009)

going from worst of this group to best: it would be hard for them to resist crowing. The tables show how this temptation should be resisted, but how hard it is to resist.

The CPI is first of all a perceptions index, and perceptions can lead or lag behind changes in policy and their effects. Second, as the data on popular perceptions discussed below suggest, they could be well-embedded prejudices, favourable or unfavourable, that are impervious to policy changes. Third, the CPI is designed to move slowly. The CPI 'includes the previous two years' score in calculating this year's' (Galtung 2007). Lambsdorff (2008:3) notes that the CPI 'provides a snapshot of the views of business people and country analysts, with less of a focus on year-to-year trends'. Fourth, the rankings depend not only on a country's score but on whether other countries have joined or left the ranking above or below it. A country's ranking can go up or down whatever it

does, as other countries join or leave the table above or below it (this effect will decline as more and more countries are regularly included). Fifth, the rankings are a treadmill of reputations. It is not possible for a country to improve its ranking if all others are perceived to be improving at the same time.

Fiji was the first to be scored and ranked in the CPI (in 2005), but it has since dropped out. TI's web site mentions an insufficient number of surveys. Fiji then received a relatively high score for the region (4), lower only than Samoa in later years (Table 4), and its global ranking of 55 was shared with Bulgaria, Colombia and Seychelles. The years of the coup, the 'clean-up campaign' and FICAC are unscored, and no doubt much will be made of the figures by the interim government, and its critics, when they appear. Here it needs to be said that the local branches of TI, which tend to be victimised by governments when poor



rankings are reported in the local press, have nothing to do with the production of the CPI, which is the responsibility of the organisation's headquarters in Berlin.

### **Blaming the victim?**

Developing countries tend to cluster towards the bottom of TI's global rankings. Their governments are often tempted to throw the accusation back in the face of the West. Why blame us when it is your companies that are doing the corrupting? Corruption is a two-way street. Mindful of these objections to its CPI, TI commissioned another survey—of bribe payers rather than recipients. The latest survey, in 2006, asked 'business executives' from 125 countries about the behaviour of firms from 30 countries doing business in their country (Table 5). The question was about experience and defined what it meant by corruption: 'In your experience, to what extent do firms from the countries you have selected make undocumented extra payments or bribes?'

There was, however, a sting in the tail: those bribed by foreigners were also bribing each other: 'All the data indicated that domestically owned companies in the 15 countries surveyed have a very high propensity to pay bribes—higher than that of foreign firms' ([www.transparency.org](http://www.transparency.org), accessed 10 March 2009).

The results of the 2006 Bribe Payers Index (BPI) (Table 5) help explain the corruption in the forestry industries of Papua New Guinea and Solomon Islands. Malaysian and South Korean timber companies were involved and their countries ranked low on TI's survey (twenty-first and twenty-fifth, respectively). China and Taiwan, whose official competition for diplomatic recognition has also aggravated suspicions of corruption throughout the Pacific region, do even worse. Russia's companies (twenty-

eighth) feature in US concerns about money laundering in Nauru. Australia's interest in the matter is also explained (Table 5): Australia's companies have a reputation for cleanness that could put them at a competitive disadvantage in global trade. From being ranked top in 2002, however, Australia slipped to third in 2006.

We find another, quantifiable picture of international corruption in John Murray's (2007) memoir of his 10 years in charge of the Australian Federal Police's Pacific islands desk, published as *The Minnows of Triton*. The main problem he identifies is 'premeditated opportunism by white-collar fraudsters and widespread domestic corruption'. Of the 69 scams he describes, much the largest number (25) deal with various forms of banking and investment fraud. The iconic fraud is what is called the 'prime bank instrument' (PBI) fraud, premised on the so-called existence of a secret market within which the world's prime banks are said to trade financial instruments on a daily basis in billion-dollar volumes and at huge, irreversible and perpetual profits (NZ Serious Fraud Office, [www.sfo.govt.nz](http://www.sfo.govt.nz), accessed 29 January 2008).

Vanuatu's certificates, signed by ministers and top officials, are the best example. Passport scams come second (seven), followed by tourist hotels and resorts (six), which leave physical ruins such as the Sheraton in Cook Islands, the Royal International in Tonga and the Grand Pacific in Suva (a victim of Nauru's collapse, not Fiji's). Casinos and gambling (four), real estate (three) and shipping registers (three) were also popular. Nineteen scams targeted government officials and 22 targeted ministers. This government focus gives them their 'corrupt' inflection. Only four seemed to target local individuals; and in four cases the Pacific island was merely the base for defrauding individuals elsewhere. There is a thin and permeable line between these

Table 5 **Bribe payers index, 2006**

Rank	Country	Score	Margin of error (95 per cent confidence)
1	Switzerland	7.81	0.12
2	Sweden	7.62	0.14
3	Australia	7.59	0.14
4	Austria	7.50	0.13
5	Canada	7.46	0.12
6	United Kingdom	7.39	0.09
7	Germany	7.34	0.09
8	Netherlands	7.28	0.12
9	Belgium	7.22	0.15
10	United States	7.22	0.07
11	Japan	7.10	0.10
12	Singapore	6.78	0.17
13	Spain	6.63	0.12
14	United Arab Emirates	6.62	0.14
15	France	6.50	0.11
16	Portugal	6.47	0.18
17	Mexico	6.45	0.15
18	Hong Kong	6.01	0.16
19	Israel	6.01	0.16
20	Italy	5.94	0.12
21	South Korea	5.83	0.13
22	Saudi Arabia	5.75	0.17
23	Brazil	5.65	0.16
24	South Africa	5.61	0.16
25	Malaysia	5.59	0.17
26	Taiwan	5.41	0.15
27	Turkey	5.23	0.15
28	Russia	5.16	0.14
29	China	4.94	0.11
30	India	4.62	0.14

Source: [www.transparency.org](http://www.transparency.org) (accessed 3 July 2008).



scams and more legitimate money-spinners promoted to, and by, island governments. Among these are investment incentives, tax havens and sales of passports.

## Public opinion

However international organisations define corruption, and whatever the law says, public opinion also matters in democracies such as those in the Pacific islands (Warren 2004). Elected politicians need to be mindful of their constituents' opinions. Anti-corruption campaigns need to attract popular support. Differences between the law and public opinion can lead to changes in the law (or 'public education' campaigns to bring citizens back into line). The surveys tend to show public opinion as highly critical of corruption, finding it widespread and growing. The PNG Ombudsman Commission cited surveys in Port Moresby, Lae, Arawa and Buka in 2005 showing that between 70 and 80 per cent of the people surveyed in the Community Crime Surveys considered that corruption nationally was increasing. In fact, very few people considered it to be decreasing

(Ombudsman Commission of Papua New Guinea 2006:6).

A pilot survey carried out in Solomon Islands found 62 per cent of the sample of the rural population and 46 per cent of the sample of the urban population believed the government was corrupt. Focus groups, however, found 'no universal agreement on what constituted corruption (and some tendency to challenge the conventional Western view of it)' (Regional Assistance Mission to the Solomon Islands (RAMSI) 2006). The NIS surveys, described below, provide more evidence of the way culture affects perceptions of corruption, its seriousness, who is to blame and what should be done about it (Larmour 2008).

Before the coup in Fiji in 2006, public opinion was surveyed as part of TI's Global Corruption Barometer. Like the BPI, but unlike the CPI, the barometer is based on interviews conducted for the purpose. It asks ordinary people rather than businesspeople about their perceptions and experience of corruption in particular sectors, so answers from particular countries can be compared with responses around the world. The results were perplexing (Table 6).

Table 6 Perceptions of corruption and bribes paid, by sector, in Fiji, 2006

	Percentage who perceived the sector as 'extremely corrupt'	Percentage who paid a bribe (of those who had contact with the sector)	Percentage who paid a bribe (world-wide average including Fiji)
Tax revenue	25	3	3
Utilities	25	1	5
Registry and permits	18	4	9
Police	22	7	17
Medical services	20	2	6
Legal/judiciary	19	5	8
Education system	19	1	5

Source: Tebbutt Research, 2006. *Corruption Survey*, Transparency International, Suva.



There is a large gap between perceptions and experience (Table 6). For example, 25 per cent of people surveyed thought the tax system highly corrupt, but only 3 per cent of people who dealt with the system paid a bribe. Maybe they are under-reporting their experience, or maybe it is higher-level 'grand' corruption that they have in mind. Maybe they are reporting indirect knowledge or common knowledge in a small society. The gap, however, is not unusual. Claudio Abramo of *Transparencia Brazil* has looked at the statistical relationships between experience and opinions in the corruption barometer world-wide. He finds 'perceptions are not good predictors for experiences' and vice versa (Abramo 2007:7). Perceptions of corruption, however, correlate with other opinions about prices, poverty, the environment, and so on. Reviewing 10 years of cross-national comparisons, Daniel Treisman (2007) reaches similar conclusions. There is a strong correlation between the surveys of peoples' perceptions of corruption, but the link between perceptions and experience is much weaker, particularly in poorer countries.

In the developed democracies of Europe and North America, reported bribery is rare and the corruption level is consistently perceived to be low. But among the countries perceived to have the highest corruption, there are some (eg Paraguay and the Cameroons) where a large proportion of residents report paying bribes, whereas in others (eg Venezuela and Nicaragua) very few do so. (Treisman 2007:219)

Treisman (2007:241) suspects that the indices measure '[n]ot corruption itself but guesses about its extent in particular countries that experts or survey respondents have derived by applying conventional theories about corruption's causes. These same

conventional theories inform the hypotheses of researchers, which turn out—surprise!—to fit the data well.'

## National integrity systems surveys

TI's surveys of national integrity systems focus on a country's anti-corruption architecture, rather than corruption as such. The theory behind this approach is that a country's integrity (the opposite of corruption) is upheld by a number of 'pillars', such as the legislature, the executive and oversight agencies. It is a plausible theory that can be traced back to the designers of the US constitution, who believed that institutional checks and balances could reduce corruption. So far, 14 Pacific island countries have been surveyed. Manu Barcham and I coordinated the surveys of 12 of them (Larmour and Barcham 2006). We found widespread popular perceptions of corruption (as Abramo and Treisman would have expected among poorer countries) but our table (reproduced here as Table 7) showed most of the pillars of national integrity systems were in place. The pillars seemed to be 'hollow'. It now seems to me that the surveys were running ahead of themselves: focusing on the presumed remedies before analysing the corruption problems they were meant to solve. I later re-examined the surveys, looking at types (rather than amounts) of corruption identified in each country. I summarised 28 different types of corruption (Table 8). They can be clustered into seven broader types: general administrative corruption; vulnerable branches of government; risky distributions of cash; 'guarding the guards'; political corruption; corruption outside government; and sovereignty sales. These data, summarised in Table 8, show a richer texture and more internal variation than



Table 7 Pillars of national integrity systems in Pacific island states

Country	Legislative	Executive	Judiciary	Auditor-general	Ombudsman	Watchdog agencies	Public service	Media	Civil society	Private sector
Samoa	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Tonga	(Yes)	Yes	Yes	Yes	Yes	No	Yes	No	(Yes)	Yes
Cook Islands	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Niue	Yes	Yes	Yes	Yes (NZ)	No	No	Yes	(No)	Yes	Yes
Tuvalu	Yes	Yes	Yes	Yes	No	No	Yes	(Yes)	Yes	(No)
Palau	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Nauru	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	(Yes)
Federated States of Micronesia	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Marshall Islands	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Kiribati	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Solomon Islands	Yes	(Yes)	Yes	Yes	Yes	TI group	Yes	Yes	Yes	Yes
Vanuatu	Yes	Yes	Yes	Yes	Yes	TI group	Yes	Yes	Yes	Yes

Note: ( ) indicate the 'yes' or 'no' is qualified in some way.

Source: Larmour, P. and Barcham, M., 2006. 'National integrity systems in small Pacific island states', *Public Administration and Development*, 26:173-84.



Table 7, but many empty cells show 'don't know'. It also shows some institutions (such as courts and electoral commissions in many countries) are not seen as corrupt.

## Conclusions

Corruption is a complex, secretive phenomenon. Particular acts can be interpreted in different ways, so it is no surprise that it is hard to measure and that measures disagree. The limitations of the surveys need to be recognised if they are going to be used as a basis for withholding aid, as the Pacific Plan proposes, as arguments for economic reform or as justifications for military coups. Based on the comparisons above, I try to summarise their relative strengths and weaknesses below.

### Definitions

The national agencies use relatively clear legal definitions; the BPI was on strong ground when it explained its definition to respondents. The CPI and World Bank surveys have to skate over differences in what respondents might mean by corruption, or assume their respondents have been talking about the same thing. The NIS surveys have picked up local differences in people's understanding of corruption and the seriousness with which they regard it (Larmour 2008b). People answering public opinion surveys could be talking about wider systemic and moral failings as well as specific acts such as bribes: we do not know until we ask them more closely, as the NIS researchers have done.

### Scope

The TI/World Bank definition limits attention to 'public office'. The USP research was extremely suspicious of public sector failings. In the Pacific islands, a focus on the public sector could be apposite, as

private sectors are relatively small. The barometer found public opinion suspicious of 'business', after 'parliament' and 'political parties'. The NIS researchers were asked to look for corruption in the private sector and among NGOs. The BPI and Murray's memoir, however, turned attention to the international givers as well as the receivers of bribes. While the national agencies focus on a subgroup of leaders, or a wider group of public officers, some national legislation allows them to charge the private sector people who conspired with them, as in the agriculture scam cases in Fiji.

### Precision

Figures for confidence intervals (in Table 1) and standard errors (in Table 2) show that the range of possible scores for each country often overlaps with their neighbours. Kaufmann and his World Bank colleagues are particularly alert to the imprecision of the data and the danger of making too much of small differences in numbers. They urge readers to think of countries as falling into broad bands ('good', 'bad' and 'in-between') rather than steps on a ladder. The audit reports, carried out after the event, had a more precise, forensic style than the more discursive NIS reports, although they had difficulty in distinguishing corruption from a background noise of incompetence, mismanagement and poor record keeping.

### Aggregation

The CPI, BPI and NIS are produced by international organisations and tend to treat countries as the natural unit of analysis. This can create the impression that corruption is a characteristic of a whole population, the entire territory or the whole system of government. No wonder they provoke angry nationalist responses: 'What, all of us?' The NIS provides more sectoral detail but its theory compels it to systemic



Table 8 Types of corruption by country

Type	PNG	Fiji	Solomon Islands	Vanuatu	Samoa	Kiribati	FSM	Tonga	Marshall Islands	Palau	Cook Islands	Nauru	Tuvalu	Niue
Procurement	Yes	Yes	Yes	Yes			Yes		Yes	Yes	Yes		Yes	Yes
Nepotism/wantokism	Yes	Yes	Yes	Yes			Yes				Yes	Yes	Yes	
Travel				Yes							Yes	Yes	Yes	
Conflicts of interest	Yes		Yes	Yes	Yes						Yes	Yes	Yes	
Local government			Yes	No					Yes	Yes				
Land titles			Yes	Yes	Yes									
Natural resources	Yes	Yes	Yes									Yes		
Retirement funds	Yes		Yes	Yes			Yes							
Ex gratia/compensation	Yes		Yes	Yes										
Disaster relief			Yes	Yes										
Foreign aid			Yes	Yes										
Courts	No	Yes	No	No		No	No	No	Yes	No	No			Yes
Police	Yes	Yes	Yes		Yes					Yes				
Military	Yes	Yes	Yes											
Election office			No	Yes						No				
Slush funds	Yes		Yes											
Political appointments	Yes		Yes	Yes										Yes
Political interference	Yes	Yes	Yes	Yes									Yes	Yes
Party funding		Yes			?									
Party dominance					Yes	Yes								Yes
Vote buying	Yes		Yes	Yes	Yes	Yes			Yes			Yes	Yes	Yes
Private sector	Yes		Yes	Yes						No		Yes	Yes	Yes
Churches													Yes	
NGOs				Yes										
Process of privatisation	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes			Yes
Sovereignty sales			Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes		Yes	Yes

Source: Author's analysis of National Integrity Systems Studies on [www.transparency.org](http://www.transparency.org), (accessed 10 March 2009).



answers. It can, however, be disaggregated (as in Table 8) to show how particular sectors are more prone to corruption than others, showing more variation between and within countries, and perhaps breaking the problem down into something more manageable.

### Perceptions and experience

Some experience data are folded into the World Bank data (World Bank 2007:18). The 2002 BPI probes experience. When asked in the first such survey done in 2002 where their knowledge came from, 52 per cent of the respondents cited 'personal experience' and 34 per cent cited 'direct experience of people in your company', while others cited the media or information from colleagues and friends. In the barometer, experience and perceptions seem quite disconnected, especially in poorer countries.

### Recycled data

The CPI and World Bank data are second-hand, collected for other purposes, and some of the similarities between rankings in Table 3 probably have to do with being derived from the same data. The results are a little muffled and indirect—like a sausage, or a financial derivative—and it is not very clear how much good data are being combined with bad data. Much has to be taken on trust. The BPI and the barometer do their own survey work. The NIS studies are also based on original, though uneven fieldwork, as are the national audit reports and ombudsman commission reports. The USP governance indices rely on budget data produced for other purposes; its difficulty lies in the distance between the proxy measures it uses—ratios between types of public expenditure—and the phenomenon that it seeks to measure (corruption).

### Theoretical prejudices

Treisman's review of global studies concluded that perceptions of corruption were shaped by the observer's expectation of what could be causing it, or associated with it. Theory comes before evidence. To some extent, this is an inevitable problem of human perception: we bring prior frames to our understanding of events. We also need to be open to falsification. The CPI and USP surveys were mostly theory driven. The CPI started with an assumption that corruption was caused by the absence of a functioning 'integrity system'. The USP indices started from the idea that public expenditure created risks for corruption. Both of these theories are plausible, and well regarded, but they do not explain why corruption takes place in spite of the presence of the NIS (that is, in most of the Pacific), or in some recurrent expenditure but not others.

### Expertise

Tables 1–8 are bedevilled by problems of definition, knowledge and expertise. What do the investigators or respondents really know about corruption? The CPI assumes businessmen and financial journalists know best. It is often criticised on nationalist grounds: what do these foreigners know? Lambsdorff (2008:6) replies that the surveys he uses question foreigners and residents, and correlate well with each other. The Fijian Army has been criticised (including by myself) for acting without sufficient evidence in its 'clean-up campaign', but now FICAC is bringing evidence to court. Expertise is more professionalised in audit reports and police work, and can be tested in adversarial courtroom procedures. The barometer assumes ordinary people know best, yet Abramo and Treisman found strong opinions floating free of direct experience. When does 'common knowledge' become 'folklore' (Myrdal 1968)? The researchers



commissioned to carry out the NIS studies had local knowledge, but were not specialists in corruption and had funds for only a couple of weeks' fieldwork. Table 8 is full of 'don't knows'. A more relativistic defence of the perception indicators is that their relationship to reality is to some extent irrelevant. Business perceptions determine decisions to invest, and popular perceptions determine the legitimacy of governments. That conclusion, however, sits uneasily with the positivistic tone of the surveys.

### Reform

The new international interest in corruption is motivated by a desire for reform, hence the interest in comparisons across time, so that progress can be measured. The CPI is a poor register of change and the effects of reform. The score is deliberately damped down to avoid sharp year-on-year changes. Changes in ranking depend on what happens in other countries and whether they are surveyed, as well as what any country does itself. Rankings are potentially treadmills. The USP approach shows change most sharply (and explains it in terms of economic reforms). The Abramo/Treisman arguments about popular opinion have unsettling implications for donor-sponsored campaigns to 'raise awareness' about corruption: awareness is likely to be high anyway and related to a wider sense of injustice, but is not a good guide to where corruption is really taking place. The data produced by national anti-corruption agencies provide a depressing account of bad behaviour: in a grim kind of positive feedback, the better they are at the job the more corruption they uncover. The USP measures have some good news to tell about Samoa and Papua New Guinea, although the CPI takes a dimmer view of the latter. Murray's memoir of his Pacific experience also suggests something is working: of 69 scams he described, 36 were rebuffed or resisted.

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