

Corruption Perceptions in North Cyprus

2023 Report

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Preface

Dear Readers,

Across the world, an increase in corruption poses an enormous threat to the well-being of communities and good governance. Both minor and major incidents, such as the distribution of public funds as rent and traditions of payment of bribes, challenge anti-corruption forces in many countries worldwide. Corrupt governments with little opposition and a trend to tolerate or even engage in corruption within the public sector thereby cause growing frustration towards the government, decision-makers and politics overall within the population. It not only causes massive damage to societies as a whole and the common good but it also prevents civil society forces from reaching their full potential in supporting their communities.

Especially in Cyprus, where the Cyprus Problem is omnipresent to the extent that public debate on other issues is often underdeveloped or severely limited, the strengthening of democracy is vital to the well-being of both entities. In both parts of the island, corruption poses serious problems for the respective societies, though the situation is worse north of the divide as last year's report clearly showed. Moreover, the fight against corruption is by no means an end in itself: A less corrupt and better governed north is not only beneficial to those living there but it is also necessary to increase the political, social and economic viability of a hopefully reunified Cyprus.

In the fight against corruption in Cyprus, the publication of the 'Corruption Perceptions in North Cyprus: 2017 Report', by the Friedrich-Ebert-Stiftung, was a milestone. Its successors proved to be even more successful, receiving widespread media coverage and making an important contribution to the public debate in the north. The most common reference for anyone analyzing corruption worldwide is the Corruption Perceptions Index, annually published by Berlin-based Transparency International. While the index offers relevant and significant data for countless countries across the globe, including the Republic of Cyprus, it does not include the internationally unrecognized entity in the

northern part of the island, the Turkish Republic of Northern Cyprus (TRNC)¹. Our vision of filling the gap and encouraging decision makers to fight corruption by providing them with scientific findings and much necessary information brought about the study which then led to the publication of the 2017 report. Thanks to the excellent work of its two authors, Omer Gokcekus and Sertac Sonan, it was able not only to draw attention to actors, mechanisms and characteristics of corruption in the northern part of Cyprus, but also to put the findings into the right context by calculating corruption perception scores that can be compared to those of countries such as the Republic of Cyprus, Greece, Turkey and Malta. Moreover, the report contributed to a wider debate on the issue on both sides of the divide and the need for reforms and policies that will combat corruption for the benefit of the citizens of Cyprus.

Despite all efforts, the challenges remain: As the previous reports showed, corruption is indeed a significant problem in the north, which is overall confronted by a lack of good governance. The 2017 report understood itself as a pilot study and a starting point for a long-term endeavor of annual reporting about corruption in the north. Therefore, we, as the Friedrich-Ebert-Stiftung in Cyprus, are proud to be able to publish now the seventh report covering 2023, which again provides important insights into how the level of corruption was perceived by important stakeholders during the past year. It is the seventh step on a rather long journey, and in our view it is an important contribution towards better governance and a stronger civil society in the north for the sake of all of Cyprus. The Friedrich-Ebert-Stiftung in Cyprus remains committed to support the important work of Sertac Sonan and Omer Gokcekus in the years to come.

Hubert Faustmann

Director of the Office of the Friedrich-Ebert-Stiftung in Cyprus

1 The Turkish Republic of Northern Cyprus (TRNC) is only recognised by the Republic of Turkey. As the government of the Republic of Cyprus remains internationally recognised as the government of the whole of the island, the entire island is now considered to be a member of the European Union. However, the *acquis communautaire* is suspended in northern Cyprus pending a political settlement to the Cyprus problem (see Protocol no. 10 of the Accession Treaty).

Executive Summary

Our Corruption Perceptions in North Cyprus studies have five main purposes, which can be listed as follows: (1) to measure the perception of corruption in TRNC using an internationally accepted method; (2) to determine where our country stands compared to the rest of the world in the fight against corruption; (3) to gauge the changes in perception of corruption compared to the previous year; (4) to keep the pulse of businesspeople on corruption in general; and (5) to create public awareness about corruption based on the findings of the study.

To achieve the first three objectives particularly, this study is based on the Corruption Perceptions Index (CPI) methodology of Transparency International (TI), which is published annually but does not cover the northern part of Cyprus. As with the TI-CPI, our study is also based on the opinions of businesspeople and experts.

As in previous years, the survey, which we designed based on the TI-CPI methodology and expanded with questions from different studies, was applied to 324 participants who hold managerial positions in companies registered in the TRNC. The survey with businesspeople was completed in the last month of 2023 and in the first month of 2024 using Computer-Assisted Telephone Interviewing (CATI) and Computer-Assisted Self-Interviewing (CASI) survey methods. The survey was conducted by Lipa Consultancy. The selection of the sample was made to represent the business community in terms of regional, sectoral, number of employees, period of operation of the company and similar issues. The confidence level and margin of error of the survey results is 5%.

The opinions of the experts were also collected by using the CASI method at the beginning of 2024, with a survey we designed using the methodology developed by Transparency International. As in previous years, a small group of senior retired civil servants with extensive experience in the functioning of the state mechanism in our country answered the expert survey.

Based on the answers of the two groups, we calculated the TRNC's corruption perception score as 27 out of 100. On a scale of 0–100, zero indicates very high corruption and 100 indicates no corruption. Our score is below the average score of 180 countries, which is 43, in the 2023 list published by Transparency International at the beginning of 2024, placing us in the 140th position.

Compared to the previous year, the score of TRNC did not change; there was no change in the ranking either. Our country's score last year was 9 points behind that of Turkey; this year the gap is 7 points. The TRNC's score is also well behind our southern neighbor's score of 53, which went up by one point last year.

As stated above, the report goes beyond calculating a score and delves into businesspeople's perceptions and experiences of corruption in 2023. In this context, besides the questions used by Transparency International in different studies, businesspeople were also asked questions specific to our country, and the answers to these questions were shared in detail in the report. It is possible to summarize the survey results under twelve headings.

1. Corruption is very common and a very serious problem

73% of the businesspeople who participated in the survey think that bribery and corruption are very common in the TRNC. Moreover, 80% think that corruption is a “very serious problem”.

2. Corruption increased compared to the previous year

Two out of three businesspeople think that corruption has increased in the country compared to a year ago. Only 3% of the respondents think that corruption has decreased in 2023.

3. Corruption is most common in the awarding of public contracts and licenses

The survey revealed “bribery or undocumented extra payments” to be most prevalent in awarding public contracts and licenses (59% of respondents considered it “very common”). Land registry (58%), and

allocation/leasing of public land and buildings (also 58%) followed closely behind. The areas where bribery is the least common are as follows: The rate of those who say that there is “no bribery” connected with obtaining favorable judicial decisions is 31% while 20% of the respondents think that there is ‘no bribery’ in transactions involving public utilities, and public banks.

4. One in four businesspeople have paid a bribe in the last year

As a follow-up to the previous question, we asked the participants the following question: “Did you or someone in your circle have to give a bribe, gift or do a favor to the official concerned in the last year to receive any of the above services?” 25% of the participants answered “Yes,” while 14% did not answer. The three most common reasons given for this were: to speed up the procedure (43%); to make it possible to finalize the procedure (26%); and to receive better treatment (17%).

5. Public resources are abused by politicians and senior public officials

62% of the respondents think that misuse of public resources by ministers/officials for personal or party purposes is “very common”; only 6% think that this does not happen at all. According to 58% of the respondents, corruption is very common at the cabinet level, i.e., Prime Minister and Ministers, which is considered the most corrupt group. Following that group are senior civil servants; 54% think that corruption among them is very common. The groups perceived by respondents to be least involved in corruption are the police, prosecutors and judges: 27% of businesspeople surveyed think that corruption is “very common” among Police, 26% among prosecutors, and 22% among judges.

6. Those who are expected to deter corruption are not successful

When asked “how successful/effective do you think the following institutions which are supposed to fight or expose corruption?”, the rate of those who answered the question “very successful/effective” is very low. The most effective are the Police, which were rated as “very successful” by 22% of respondents. Courts, and Attorney General’s Office

share the second place (21%). At the bottom of the list is the Parliament: 59% of the participants said it is “not successful at all”. The rate of those who say that they find the government “not successful at all” is 57%.

7. The Government is not successful in fighting money laundering

This year, for the first time, businesspeople were also asked two questions about money laundering: The majority of respondents (53%) believe that money laundering is common in TRNC. In addition, 69% do not consider the Government to be at all successful in combating money laundering.

8. Offering voters money or a special favor in elections is common

The participants were asked questions about political corruption too. 58% of the participants stated that vote-buying and offering special favors in election periods is common. In addition, 38% think that threatening to punish the voters in case they do not vote in a certain way is common.

9. The relationship between business and politics is concerning

The rate of those who said that large companies avoid paying their taxes is a common situation is 55%. Similarly, the rate of those who said that the TRNC government is mostly run by a few big interests looking out for themselves is 55%.

10. Those who are involved in corruption are not held accountable

38% of respondents said that corrupt officials were “never” punished, while 26% said that this was a “very rare” occurrence. In total, only 12% said that corrupt officials are “often” or “very often” held to account.

11. There is an increase in tolerance for corruption

The percentage of respondents who agree with the statement “it is acceptable to use relationships and contacts in public institutions in order

to speed up business-related procedures” has increased from 5% last year to 17% this year; the percentage of respondents who agree with the statement “it is acceptable for the government to engage in corruption as long as it delivers good results” has increased from 3% to 9%.

12. Bribery is a very big obstacle to doing business

The rate of those who think that corruption is a major obstacle to doing business reaches 68%, while the rate is only 7% for those who say that it is not an obstacle at all.

Chapter 1:

Introduction

Corruption has always been an important problem in the northern part of Cyprus. Successive scandals in recent years indicate that this situation has worsened. One of the most prominent reference sources for corruption around the world is the Corruption Perceptions Index, which has been annually prepared by Berlin-based international non-governmental organization Transparency International since 1995.²

The northern part of Cyprus is not included in this index that ranks 180 countries and regions around the world based on the corruption perceptions in the public sector; therefore, until recently we did not have any comprehensive data with regard to the corruption perception in the northern part of Cyprus. To fill this gap and facilitate a public debate on corruption based on scientific findings, we started conducting

² <https://www.transparency.org/research/cpi/2023>

research on the corruption perceptions in the northern part of Cyprus in 2017 with the support of the Friedrich Ebert Stiftung. This report is the seventh product of this collaboration.

The study is planned to be conducted on an annual basis in the future too. In the first study published in 2018, we said, ‘this study should be seen as the first step or even a pilot study of a long-term endeavor’. We stated that our aim for the future studies was to improve our methodology and analysis. Therefore, we acknowledged that the feedback and recommendations of readers and stakeholders is important to reach more accurate results, which will in turn, render it possible to make better policy recommendations. Accordingly, as in the past studies, this year too, we have made some slight changes in the survey form based on our experience during the preparation of previous reports, as well as based on the feedback from the parties that we shared the report with. We aimed to keep these changes as limited as possible in order to maintain the year-by-year comparability of our findings. Furthermore, to ensure a more comprehensive perspective, we broadened the survey sample. Initially focused on members of the Chamber of Commerce, it was later extended to incorporate representatives from the Chamber of Industry, Chamber of Shopkeepers and Artisans, Building Contractors Association, and Hoteliers Association.

Aim of the research

The main aim of this research is measuring the level of corruption in the northern part of Cyprus, which is not covered by Transparency International. TI-CPI not only makes it possible to compare different countries’ corruption scores but also provides the opportunity to observe changes in corruption perceptions over time in the countries studied. Therefore, the absence of a study on corruption perceptions in the northern part of Cyprus deprived us of the chance to see how the country fared compared to the rest of the world and how corruption perceptions have changed over time. This report aims to fill this gap and to provide scientific findings to the decision makers as well as to the wider public on corruption and good governance. It also has the objective to raise awareness about corruption and combatting corrup-

tion, and to make policy proposals.

Transparency International uses a composite index with 13 different data sources when it ranks countries based on their corruption perception scores. These sources do not cover all countries and therefore the score of a country can be calculated if data from [at least] three sources are available.³ None of these data sources cover the northern part of Cyprus. Therefore, while preparing our first report for 2017, we had chosen three of these sources and used their methodology and survey questions to form our own questionnaire. We added a fourth source (IMD World Competitiveness Yearbook) to calculate the score in the second study. In this seventh report too, we use questions from the following four sources:

- 1- IMD World Competitiveness Yearbook (IMD)
- 2- World Economic Forum (WEF) Executive Opinion Survey
- 3- Economist Intelligence Unit (EIU) Country Risk Ratings
- 4- Bertelsmann Foundation Sustainable Governance Indicators (SGI)

There is only one question from IMD. This question, which is asked to business executives is straight forward: “Bribery and corruption: Exist or do not exist”. The questionnaire used by WEF consists of questions that are designed to identify and measure in which specific areas corruption takes place, and, similar to the question from IMD, they are only asked to business executives. Bertelsmann SGI and EIU’s questions, on the other hand, gauge the effectiveness of institutions and the mechanisms designed to prevent corruption. These questions are asked to experts. The aggregate TI-CPI country score is the average of the scores coming from these four sets of questions.

Our report goes beyond calculating a score and provides insights about the business community’s perceptions and experiences of corruption. The questionnaire (for the business executives) includes some follow-up questions and questions formulated to reflect the specific conditions

³ See Transparency International Corruption Perceptions Index 2023, available at <https://www.transparency.org/en/cpi/2023> for the methodology that was followed.

in the northern part of Cyprus. Furthermore, we asked some of the questions coming from SGI and EIU not only to experts but also to the business executives. In addition, we included questions from Transparency International's Global Corruption Barometer, a survey given to ordinary citizens. The responses to these questions are included in the report. However, it is important to note that while calculating the corruption scores, the answers given by the business executives to the SGI, EIU, and Global Corruption Barometer questions were not taken into account.

Methodology

Lipa Consultancy administered the questionnaire we created to 324 managers in companies belonging to the Chamber of Commerce, Chamber of Industry, Chamber of Shopkeepers and Artisans, Building Contractors Association, and Hoteliers Association. They used CATI and (online) CASI methods for data collection. The selection of the 324 people in the sample was made to ensure that they are representative of regional, sectoral, number of employees, company age, and similar issues. The fieldwork was held in December 2023 and January 2024. The survey results' confidence level and margin of error are 5%.

As we did in the previous studies, once we finished the administration of the questionnaire with the business executives, we asked experts to answer the questions on the effectiveness of the country's institutional framework in deterring corruption (EIU and SGI). This group included retired senior public officials who had previously served in various ministries, the parliament, the judiciary, and various independent bodies. We also used the online survey (CASI) method to administer this survey.

As we will explore in detail in the remainder of the report, the results from the questionnaire with both business executives and experts showed that there is a clear perception that corruption is widespread and the institutional framework designed to prevent it is insufficient. The responses to the follow-up questions support this negative image too.

When the answers of business executives and experts to our questions were brought together, the TI-CPI 2023 score of the northern part of Cyprus was calculated as 27 out of 100. On a scale of 0–100, zero indicates very high corruption and 100 indicates no corruption. This score is below the average of 180 countries in the 2023 list published by Transparency International at the beginning of 2024, placing the northern part of Cyprus at 140th.

The report comprises five chapters. Following the introduction, a brief general theoretical discussion on corruption is given in the second chapter. In the third chapter, the components of the corruption perception score and the composite score are presented, and this score is compared with the rest of the world. In the fourth chapter, the responses to the survey conducted with business executives are reported in detail. In the last chapter, a brief general evaluation of the results covering 2017-2023 reports is provided, and four specific policy proposals are made based on the findings of the study. The questionnaire administered to the business executives is provided in the annex.

Chapter 2:

About Corruption

In a wide spectrum, from the Pope at the Vatican—the highest authority for the Catholics—to the head of the ruling Communist Party of China in Beijing, authorities across the globe recognize corruption as perilous to the well-being of their communities.⁴

Several international institutions, non-governmental organizations, and even government offices have made eradicating corruption their top priority. Yet, it appears that all their efforts may have been in vain. The indicators that track the level of corruption all draw the same dismal picture: The world is becoming a more corrupt place!

⁴ This chapter is mainly from O. Gokcekus (with K. Bengyak). Peculiar Dynamics of Corruption: Religion, Gender, EU Membership, and Others (Singapore: World Scientific, 2014).

If corruption is increasing despite growing attention and condemnation, should we even care? Is corruption actually a problem worth combatting in a world filled with problems? Simply put, yes. Corruption has a widespread negative impact that reverberates throughout society. Scholars studying the social, economic and political impacts of corruption showed that, among other things, corruption leads to the reduction of income for poor people, efficiency losses, misallocation of resources, and it deters potential investors from making new investments in the country. Some of such studies are listed in the selected bibliography.

As concerns the economic, social and political aspects of corruption, two negative points stand out: Corruption affects the efficient allocation of resources and significantly deteriorates the social justice. Corruption distorts relative prices, which in turn leads to efficiency losses due to the misallocation of resources. The relative prices are used as a benchmark by the producers and consumers in making production and consumption decisions. Hence, by distorting relative prices, corruption leads to resource allocation inefficiencies in both production and consumption. This indicates that corruption has a high cost even when we push aside its harmful social and income distribution effects and just focus on only economic considerations.

Moreover, study after study have shown that corruption disproportionately hurts people who are economically disadvantaged and, in doing so, deepens inequality and social injustice. This is particularly true in education and health where corruption prevents these groups from getting the proper education and health services they need and deserve. In return, this denial of service restricts their ability to improve their human capital and their chances to advance in life by limiting upward social mobility and poverty reduction. An environment where rich people become richer and poor people become much poorer is created where the social fabric is damaged.

In addition to the negative impacts of corruption, the experts also

conducted detailed studies on the conditions and circumstances that increase corruption. In the countries with a high corruption level, the public sector is relatively large, governance is weak; the level and quality of transparency are low, the markets are unstable, the legal system is fragile and the political and individual rights are weak.

In the related literature, there is detailed information on the ways that can be used to mitigate corruption. However, there is no consensus on the definition of corruption. The definition of corruption is important as it will help determine how to tackle it. For example, if corruption is only the money paid to the public officers to access public services and goods that cannot be obtained via legal means, in other words if it is bribery, then reducing the level of corruption would be equal to reducing bribery. If corruption is defined from a broader perspective as the “use of public service for private gain”, then the things required for its prevention would be more comprehensive. Some argue that corruption is changing rules by the people with economic and political power for their own personal interests. Similarly, such definition of corruption would require a different type of prevention against it.

In addition to the disagreements over the definition of corruption, another significant challenge for the students of corruption is measuring it. As it is, by definition, unrecorded, it is not easy to quantify corruption through official statistics. Therefore, researches generally try to capture “corruption perception” by using the survey method, which was the method adopted in this study. The alternative to measuring corruption perception is looking into the number of corruption convictions and comparing it with different regions in the same country. Both approaches have their strengths and weaknesses. However, there is no other generally accepted methodology in the literature.

Indeed, various organizations have conducted a number of surveys conducted to determine the level of corruption perception. Some of these surveys measure the perceived level of corruption or the change in the perceived level of corruption over time. Other surveys determine in which sectors or transactions the perceived level of corruption

is higher. There are also surveys examining the presence of rules and regulations that make corruption more difficult, or the effectiveness of existing rules and regulations. As is explained earlier in the introduction section, we conducted a comprehensive survey to capture different aspects of corruption in the northern part of Cyprus. We present the findings of this survey in the next chapter.

Chapter 3:

North Cyprus Corruption Perceptions Score

As mentioned earlier, Transparency International's Corruption Perceptions Index (TI-CPI) is a composite index that collects corruption-related data from studies prepared by different institutions. Unfortunately, none of these studies cover the northern part of Cyprus.⁵

In the absence of independent data sources, we decided to come up with two separate surveys with questions from IMD, WEF, EIU and Bertelsmann SGI, which are among the sources used by Transparency International. In this section, the scores calculated based on questions from these four sources will be given separately. Then, we will show where each score places our country in the ranking, and, finally, we will evaluate where our composite index score puts us.

Based on the respondents' answers to the first question in the survey,

⁵ Except for the results for north Cyprus, all scores shared in this section come from Transparency International's report published in 2024. For the full report, see <https://images.transparencycdn.org/images/CPI-2023-Report.pdf>

the TRNC's 2023 IMD score was calculated as 27. As with Transparency International's methodology, our score is based on the survey conducted with business executives. The RoC's score is 45, which is well below the European Union average of 66. The scores of Turkey and Greece are 44 and 47, respectively. This score is not available for Malta.

Based on questions 2 and 6 in the questionnaire conducted with the business executives, the 2023 WEF score of northern part of Cyprus was calculated as 40. This score indicates an improvement of 4 points. In line with Transparency International's methodology, this score also comes from a survey of businesspeople only.

Table 1: North Cyprus-WEF score and the components used in the calculation of the score

| Question | Scale | Average Score | Average Score (Out of 100) |
|--|--|---------------|----------------------------|
| How common is diversion of public funds to companies, individuals or groups due to corruption? | 1,2,3,4,5,6,7 1: Very Common 7: Does not exist | 2.38 | 34 |
| How common is it for firms to make undocumented extra payments or bribes connected with the following? | 1,2,3,4,5,6,7 1: Very Common 7: Does not exist | 3.18 | 45 |
| Imports and exports | | 2.95 | |
| Public utilities | | 3.31 | |
| Annual tax payments | | 3.11 | |
| Public contracts | | 2.71 | |
| Obtaining favourable judicial decisions | | 3.83 | |
| North Cyprus - WEF Score = | | | 40 |

Among countries with similar characteristics to us, our southern neighbor has a WEF score of 57, while Malta's score is 40. When we look at our close neighbors, Greece's score was 47, and Turkey's score was 36. The average score of European Union countries was 60. Compared to these scores, the score of northern Cyprus is dismal.

According to the document in which Transparency International (2024) identifies the resources and questions used in creating the composite index, the EIU determines this score based on ‘teams of experts based primarily in London (but also in New York, Hong Kong, Beijing and Shanghai) who are supported by a global network of in-country specialists’. Therefore, we used only the answers from the experts to calculate this score. Using the responses from the experts, the EIU score of north Cyprus was calculated as 23. This score is well behind RoC and Malta, which have EIU scores of 55. The TRNC’s score was also far behind the EU average of 65. It also lags behind the scores of Greece and Turkey, which is 37.

Table 2: North Cyprus-EIU score and components used in calculating the score

| Question | Average Score (Out of 100) |
|--|-------------------------------|
| Is there a tradition of payment of bribes to secure contracts and gain favours? | 20 |
| Are public funds misappropriated by ministers/public officials for private or party political purposes? | 20 |
| Do authorities have unregulated private funds that they can use without fear of accountability? | 40 |
| Are there general abuses of public resources? | 10 |
| Are there clear procedures and accountability governing the allocation and use of public funds? | 40 |
| In addition to the appointments made at the top level (undersecretary and director) in the public sector, to what extent are the appointments made to the boards of directors of public institutions and organizations based on merit? | 10 |
| North Cyprus – EIU 2023 Score = 23 | |

Finally, when we look at the Bertelsmann SGI score calculated from the answers given by the experts, it is seen that we are faced with a dire picture again: Our Bertelsmann SGI score is 19. That is, the mechanisms established to ensure that public officials do their job honestly

are far from being effective in practice. This score decreased by two points compared to the previous year. The RoC's score is 35, while Malta's score is 53 and Greece's score is 62. While the average score of EU countries is 65, Turkey's score is 26. The overall CPI score of the TRNC for 2023 is 27.

Table 3: North Cyprus-Bertelsmann SGI score and components used in calculating the score

| Question | Average Score (Out of 100) |
|---|-------------------------------|
| To what extent do the media and citizens have access to official information? | 35 |
| Is there an effective and independent financial audit unit? | 10 |
| Is there an effective and independent Attorney General's Office in the context of bringing a detected corruption to the judiciary? | 15 |
| In the context of bringing a detected corruption to the judiciary, is there an effective and independent Police Service? | 10 |
| To what extent do independent courts check whether government and public administration are acting in accordance with the law? | 35 |
| Is there an effective and independent central procurement system/unit? | 15 |
| To what extent is party and campaign finance transparent; effectively supervised and subject to proportionate and dissuasive sanctions for violations of the rules? | 20 |
| Are there measures to increase the accountability of public authorities (e.g., declaration of assets; professional ethics rules, measures to prevent the conflict of public and private interests)? | 15 |
| North Cyprus – Bertelsmann – SGI 2023 Score = | |
| | 19 |

Table 4: North Cyprus-Corruption Perceptions Score and its components

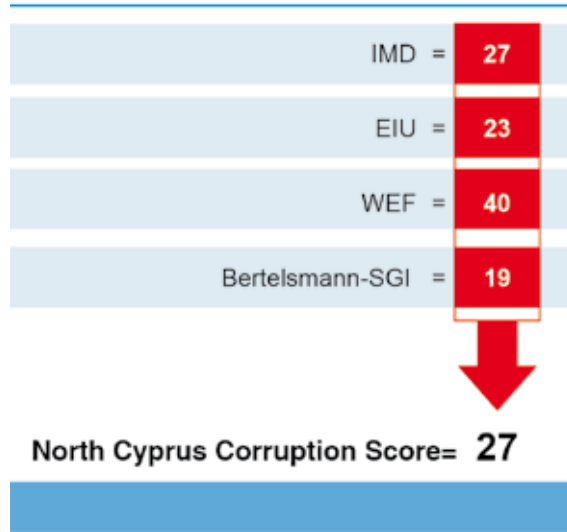


Table 5: Comparison of the 2023 corruption perceptions scores of north Cyprus with the scores of selected countries

| | North Cyprus | Republic of Cyprus | Malta | Greece | Türkiye | EU/W. Europe |
|-----------------|--------------|--------------------|-------|--------|---------|--------------|
| IMD | 27 | 45 | | 47 | 44 | 66 |
| WEF | 40 | 57 | 40 | 47 | 36 | 60 |
| EIU | 23 | 55 | 55 | 37 | 37 | 65 |
| Bertelsmann SGI | 19 | 35 | 53 | 62 | 26 | 65 |
| TI-CPI | 27 | 53 | 51 | 49 | 34 | 65 |
| Ranking | 140 | 49 | 55 | 59 | 115 | 31 |

On a scale of 0–100, 0 indicates very high corruption, while 100 indicates no corruption. This year, the three cleanest countries were Denmark, Finland, and New Zealand. The scores of these countries are 90, 87 and 85, respectively. The countries with the highest level of corruption were Venezuela (13), South Sudan (13), Syria (13), and Somalia (11).

Of the 180 countries and territories for which a TI-CPI score was calculated, a score of 27 places us in 140th place, just behind Gabon, Laos, Mali and Paraguay, along with Cameroon. This score puts us behind all the countries we used for comparison and way behind the Western Europe and EU average. The RoC ranks 49th, Malta 55th and Greece 59th. Turkey is ranked 115th, 25 places ahead of us. Another alarming point is that our score is also drastically below the world average, which is 43.

Table 6: The best and worst performers in TI-CPI 2023

| Ülke | Score | Ranking |
|---------------------|-------|---------|
| The best 10 | | |
| Denmark | 90 | 1 |
| Finland | 87 | 2 |
| New Zealand | 85 | 3 |
| Norway | 84 | 4 |
| Singapore | 83 | 5 |
| Sweden | 82 | 6 |
| Switzerland | 82 | 6 |
| Netherlands | 79 | 8 |
| Germany | 78 | 9 |
| Luxembourg | 78 | 9 |
| The worst 10 | | |
| Turkmenistan | 18 | 170 |
| Libya | 18 | 170 |
| Haiti | 17 | 172 |
| Nicaragua | 17 | 172 |
| Korea, North | 17 | 172 |
| Equatorial Guinea | 17 | 172 |
| Yemen | 16 | 176 |
| Venezuela | 13 | 177 |
| Syria | 13 | 177 |
| South Sudan | 13 | 177 |
| Somalia | 11 | 180 |

Table 7: North Cyprus' ranking in the TI-CPI 2023

| Country | Score | Ranking |
|---------------------|-----------|------------|
| Djibouti | 30 | 130 |
| Eswatini | 30 | 130 |
| Mauritania | 30 | 130 |
| Bolivia | 29 | 133 |
| Pakistan | 29 | 133 |
| Papua New Guinea | 29 | 133 |
| Paraguay | 28 | 136 |
| Laos | 28 | 136 |
| Gabon | 28 | 136 |
| Mali | 28 | 136 |
| North Cyprus | 27 | 140 |
| Cameroon | 27 | 140 |
| Kyrgyzstan | 26 | 141 |
| Russia | 26 | 141 |
| Guinea | 26 | 141 |
| Uganda | 26 | 141 |
| Liberia | 25 | 145 |
| Madagascar | 25 | 145 |
| Mozambique | 25 | 145 |
| Nigeria | 25 | 145 |

Chapter 4:

Detailed Results of the Survey Conducted with Business Executives

The survey that was conducted with the business community representatives comprised 13 questions. Some of these questions are the same as those used by Transparency International in its Corruption Perceptions Index.

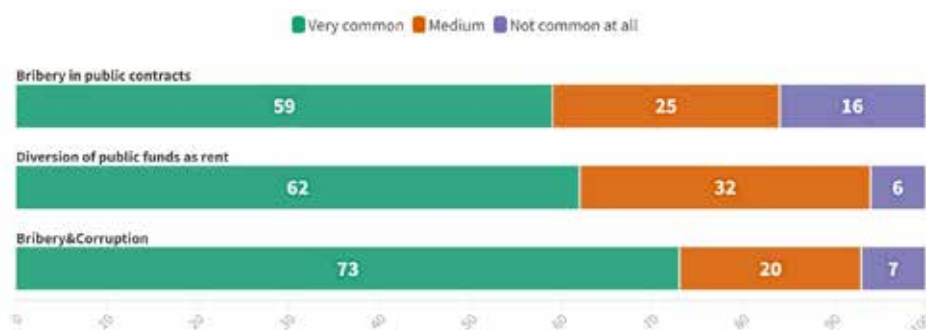
Some of them are questions that are asked only to experts in the sources used by Transparency International and some of them are from Transparency International's Global Corruption Barometer. The rest are questions that we have specifically formulated to address problems in the northern part of Cyprus. In this chapter, the business executives' answers are reported in detail.

For most questions, the respondents were asked to give their answers on a scale between 1 and 7. When evaluating the responses and preparing the graphs, we considered the ranges of 1-2 and 6-7 as clear responses, and we placed the responses between 3-5 under a separate category. For example, if the question is about the effectiveness of a given institution in the prevention of corruption, “1-2” was considered “very effective”, “3,4,5” was “average” and “6-7” was considered “not effective at all”. The numerical values were directly used for the responses used in the calculation of the scores.

A. What was the level of corruption and how did it change compared to the year before?

The questionnaire begins with a question from IMD asking whether corruption and bribery exist in the northern part of Cyprus. While 73% of the respondents think that corruption and bribery are “very common” in the TRNC, 7% think that corruption does not exist at all. In other words, 93% of the respondents think that corruption exists, albeit to varying degrees. When asked, “how common is diversion of public funds to companies, individuals or groups due to corruption?”, 62% of the participants said, “very common”, while only 6% answered, “not common at all”.

Figure 1: Bribery, corruption and rent-seeking



In response to the question “how do you grade the problem of corruption?” (Question 2), 80% of the respondents answered that it is a “very

serious problem”, while 3% stated that it is not a problem at all.

The answers given to the question (3) “to what extent does corruption represent an obstacle for doing good business?” also support the findings of the previous question. While 68% of the respondents stated that corruption is a “very big obstacle” for doing good business, only 7% stated that it is “not an obstacle at all”.

In the fifth question, respondents were asked to evaluate whether corruption had increased, decreased or remained the same compared to the previous year. Around 30% of the respondents think that corruption has remained the same over the past year. A big majority of respondents (67%), on the other hand, believe that corruption has increased; 3% believe that corruption has decreased.

Figure 2.1: Is corruption a serious problem?

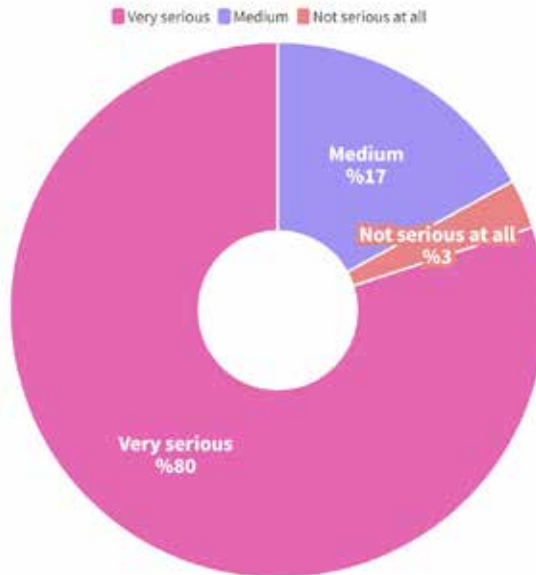


Figure 2.2: Is corruption an obstacle for doing good business?

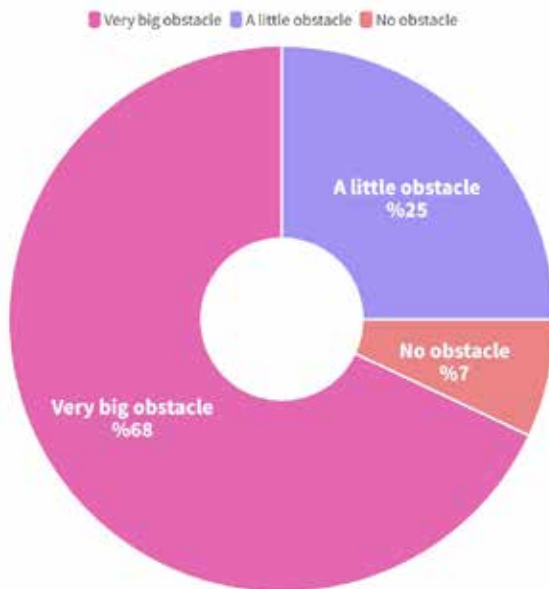
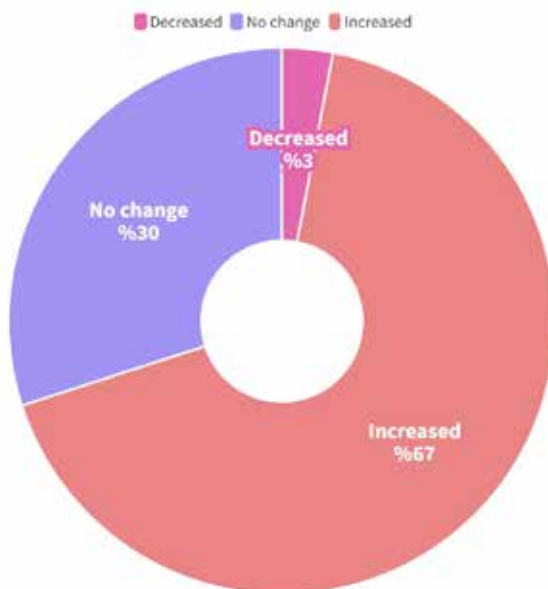


Figure 2.3: Has its level changed compared to the year before?



B. In which specific situations is corruption most common?

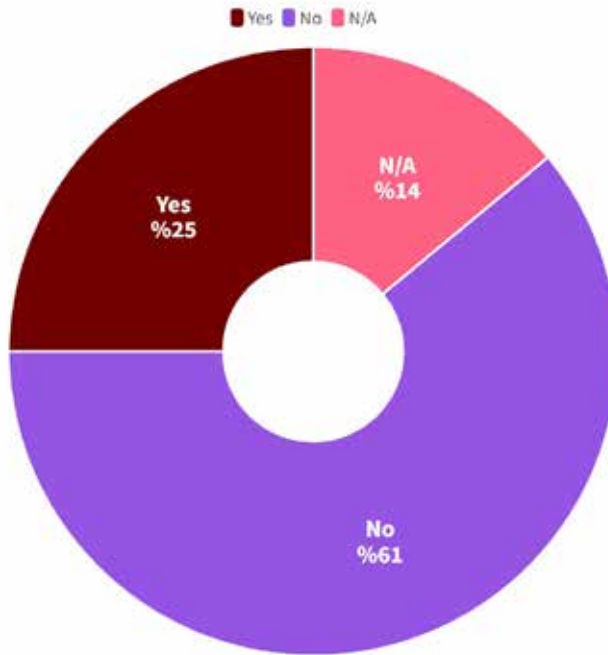
Question 6 asks, “how common is it for firms to make undocumented extra payments or bribes connected to the following situations?” In our first report, we had added two additional situations to this question from WEF to better reflect the specific context in north Cyprus. These were “allocation and leasing of public land and buildings” and “when taking loans from public banks”. After receiving feedback from those with whom we shared the findings of the study, in the second study we added “government incentives”, “title deed procedures/land registry”, “customs clearance” and “town planning permits” to the survey. In the third study, in addition to all these, we added “municipal services” to the list of questions. Last year, again according to the feedback received, “leasing of property belonging to Evkaf (pious foundations)” was added. However, these country-specific questions were not used in the calculation of the index score, as they were not asked in other countries and therefore could not be compared. Nevertheless, the findings obtained from the responses to these questions are indicative in terms of shedding light on the perception of corruption in northern part of Cyprus.

According to the respondents, the three transactions where bribery is the most common are listed as follows: 59% of respondents consider bribery to be ‘very common’ in the awarding of public contracts and licenses followed by the transactions at the land registry (58%), and allocation and leasing of public land and buildings (58%). The areas where bribery is the least common are as follows: The rate of those who say that there is ‘no bribery’ connected with obtaining favorable judicial decisions is 31% while 20% of the respondents think that there is no bribery in public utilities, and loan transactions involving public banks.

Figure 3: In which situations is bribery most common?

As a follow-up to Question 6, we asked, “did you or someone in your circle have to give a bribe or a gift to, or do a favour for, an official to receive any of the above services in the last 12 months?” 25% of the participants answered “Yes”, and 61% answered “No”, while 14% did not answer. The most frequently cited reasons for giving a bribe or a gift, or for doing a favour were “to speed up procedure” (43%); “to finalize a procedure” (26%); and “to receive preferential treatment (e.g., to gain advantage over competitors)” (17%).

Figure 4: Did you have to give a bribe to an official in the last 12 months?

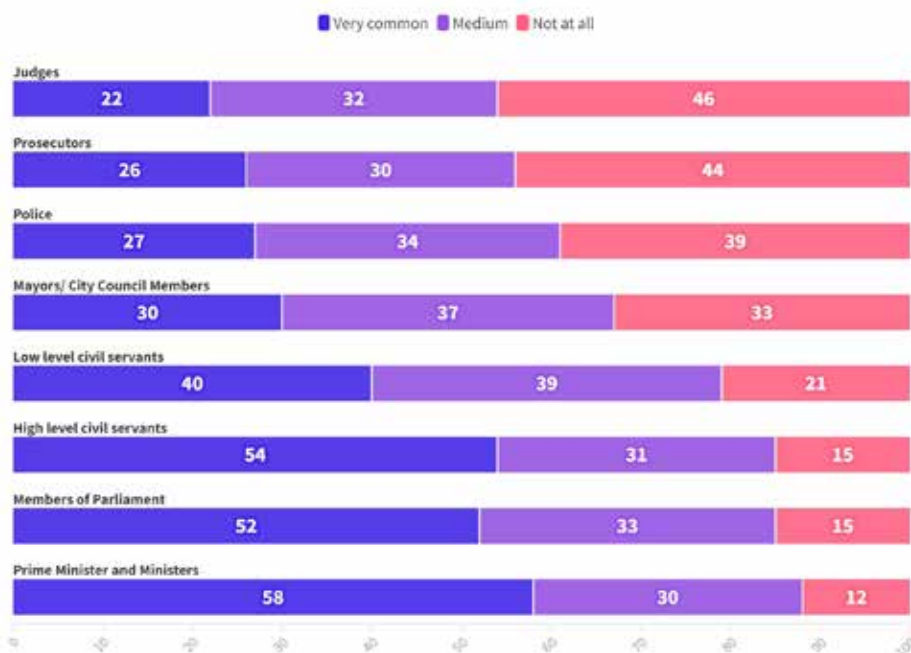


C. Are public resources being abused? Who is involved?

According to the answers given to Question 9, 58% of the respondents say that corruption is “very common” at the level of Prime Minister and Ministers. As for MPs, 52% said that corruption was “very common”. When asked to make a comparison between high level civil servants and lower-level civil servants, the answers of the respondents reveal that there is a distinction between these two groups. However, public perception of corruption among civil servants shows a narrowing gap between senior and lower levels. While 54% of respondents believe corruption is “very common” among senior officials, that number drops to 40% for lower-level civil servants. This translates to a 14-point gap, significantly smaller compared to last year’s 36-point difference. For ‘mayor/municipal council members’ and Police, these rates are

30% and 27% respectively. The lowest rates are for Prosecutors (26%) and Judges (22%).

Figure 5: Who is involved in corruption?



D. How successful are different institutions in preventing corruption?

Question 10 asked “how successful/effective do you think the institutions that are supposed to fight against or expose corruption and irregularities?” The answers are of the kind that will create pessimism.

Figure 6: Effectiveness of institutions in fighting corruption



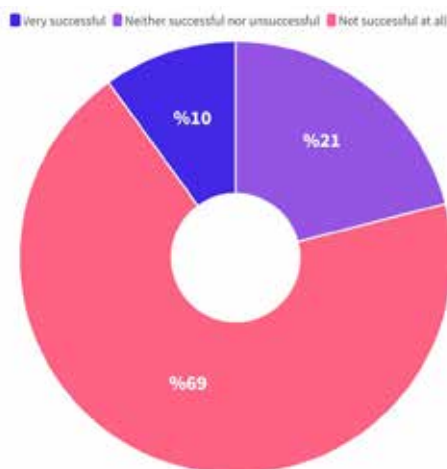
Among the businesspeople surveyed, the proportion of respondents who consider any institution “highly successful/effective” is very low. The most effective institution is the Police, which is considered very successful by 22% of the respondents. Second place is shared by the

Courts and the Attorney General's Office (21%). The Parliament (59%) and the Council of Inspection of the Prime Minister's office (58%) stand out as institutions perceived as 'very unsuccessful/ineffective' in the fight against corruption. They are followed by the Government, which is perceived as very ineffective by 57% of respondents.

E. Effectiveness of the government in combating money laundering

In the eleventh question, for the first time this year, respondents were asked how successful they found the Government in combating black money. While 69% of the respondents did not find the Government successful at all in this regard, 10% found it 'very successful'.

Figure 7: How successful is the Government in combatting money laundering?



F. Corruption in politics and business – tolerance towards corruption

In the twelfth question, respondents were asked how often they thought 'voters are paid money or offered a special favour to vote in a particular way' during elections. 58% of respondents said that they think this hap-

pens ‘often’ or ‘very often’, compared to 22% who said ‘never’ or ‘very rarely’. In the same question, we also asked businesspeople how often voters are threatened with punishment if they do not vote in a certain way. 43% of respondents answered that this happens ‘very rarely’ or ‘never’, while 38% said that it happens ‘often’ or ‘very often’.

Table 8: Corruption in politics, tax evasion, prosecution of corruption

| | Never (%) | Very rare (%) | Sometimes (%) | Often (%) | Very often (%) |
|---------------------------------|--------------|------------------|------------------|--------------|-------------------|
| Punishing the corrupt officials | 38 | 26 | 24 | 6 | 6 |
| Tax evasion | 8 | 14 | 22 | 14 | 41 |
| Money Laundering | 16 | 11 | 20 | 10 | 43 |
| Vote buying in elections | 13 | 9 | 20 | 15 | 43 |
| Intimidation in elections | 32 | 11 | 19 | 12 | 26 |

55% of the respondents said that it is ‘very often’ or ‘often’ the case that “big companies avoid paying their taxes”. Similarly, 55% said that the TRNC Government is “largely run by a few large interest groups who only look out for their own interests”. Furthermore, 64% of respondents say that corrupt officials are not effectively prosecuted.

Table 9: Tolerance for corruption

| | Disagree (%) | Neither agree nor disagree (%) | Agree (%) |
|--|-----------------|--------------------------------------|--------------|
| It is acceptable to use relationships and contacts in public institutions in order to speed up business-related procedures | 66 | 17 | 17 |
| It is acceptable for the government to engage in corruption as long as it delivers good results | 79 | 12 | 9 |
| The government in TRNC is pretty much run by a few big interests looking out for themselves | 32 | 13 | 55 |

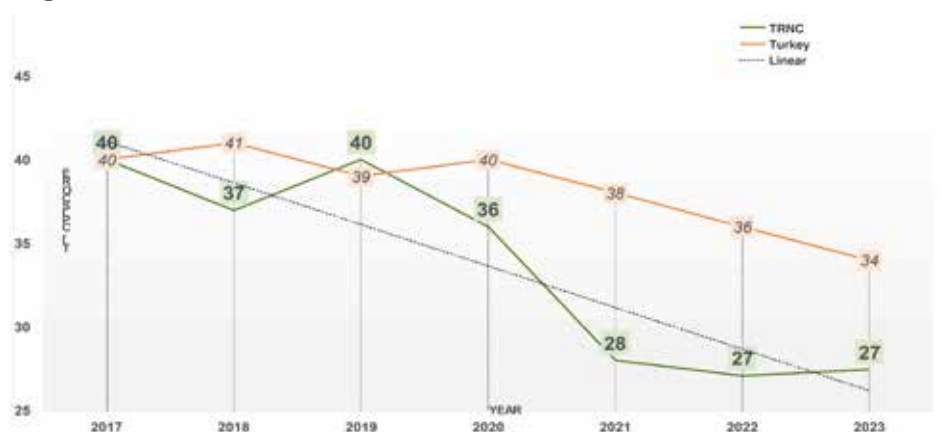
Although tolerance for corruption is very low, there has been a marked deterioration compared to last year. Whereas in last year's survey only 5% agreed with the statement "it is acceptable to use relationships and contacts in public institutions in order to speed up business-related procedures," and only 3% agreed with the statement "it is acceptable for the government to engage in corruption as long as it delivers good results," this year these percentages increased to 17% and 9% respectively. On a positive note, the percentage of respondents who disagree with these statements is still very high, as can be seen in the table.

Chapter 5:

Concluding Remarks and Policy Recommendations

Our studies which cover the period between 2017 and 2023, show a significant rise in perceived corruption in the northern part of the island, particularly between 2019 and 2021. This concerning trend has plateaued in the last two years.

The scores reflect this: it dropped from 40 in 2017 to 36 in 2020, and then to 27 in 2022, with no change in 2023. Similarly, our ranking worsened from 81st in 2017 to 140th in 2021, remaining stagnant since.

Figure 8: 2017 - 2023 TRNC TI-CPI scores

When we look at the components of the 2023 score, it can be seen that the reason for the score remaining at the same level is that while both scores from experts have slightly decreased, one of the scores from businesspeople has remained stable while the other has increased slightly. However, the responses of businesspeople to more general questions, which are not included in the score, indicate a deterioration. Two in three businesspeople said that corruption had increased in the past year, compared to only 3% who said the situation had improved. In the 2022 survey, 54% said the situation had worsened. Similarly, there has been a significant increase in the proportion of people who consider corruption to be a ‘very serious problem’. This has increased from 72% in the past two years to 80% in 2023. Similarly, the percentage of those who think that corruption is a “big obstacle” to doing business in the TRNC has increased from 58% in 2022 to 68% in 2023.

Regardless of how survey questions are phrased, a significantly higher proportion of respondents perceive corruption as “very common” compared to those who believe it’s “not common at all”. For example, in response to the question “do bribing and corruption exist in TRNC?”, 73% of respondents said ‘very common, while only 7% said ‘not at all’. In 2018, when we first included this question in the calculation, these rates were 51% and 11% respectively. This explains the drop

in the IMD score from 41 in 2018 to 30 in 2021, and 27 in 2022 and 2023.

There is also a marked decline in some of the areas that determine the WEF score. For example, in 2019, 20% of respondents said that bribery was ‘very common’ in import and export transactions, while this rate increased to 29% in 2020, 43% in 2022 and 56% in 2023. Similarly, the proportion of respondents who said that bribery is ‘very common’ when ‘receiving services from the government such as electricity and telephone (public utilities)’ was 20% in 2019 and 2020, rising to 27% in 2022, and 44% in 2023.

There is also an increase in the rate of those who say bribery is ‘very common’ in tax payments compared to previous years. In 2019, 26% of respondents said that bribery is ‘very common’ in this area, while this rate increased to 33% in 2020, 46% in 2022 and 51% in 2023.

Only in the area of ‘awarding of public contracts’ has there been an improvement from last year to this year; this is one of the components of the WEF score. In 2022, 65% of respondents said bribery was very common in this area, while in 2023 this figure dropped to 59%. While responses to other WEF questions show a rise in the number of people saying bribery is “very common,” the WEF 2023 score actually increased by 4 points compared to 2022. This is because a larger proportion of respondents in the 2023 survey said bribery was “not at all common,” which counterbalanced the increase in those saying it’s prevalent.

At this point, it is worth adding that there are also serious problems in areas that we did not include in the score calculation because they were not asked by the WEF. With the exception of municipal services, in every area asked, the majority believe that bribery is ‘very common’.

Finally, another negative development is the increased tolerance for corruption. While only 5% in 2022 said that “it is acceptable to use relationships and contacts in public institutions in order to speed up

business-related procedures,” this has risen to 17% in 2023. Similarly, the proportion of respondents who say “it is acceptable for the government to engage in corruption as long as it delivers good results” rose from 3% in 2022 to 9% in 2023.

On the other hand, there are also positive findings: when businesspeople were asked whether they had to pay a bribe in the past year to obtain any of the public services listed in question six, the percentage of ‘yes’ respondents dropped from 40% in the previous two years to 25% this year.

Businesspeople, as in previous years, predominantly attribute responsibility for corruption to politicians. This is further highlighted by respondents’ very low trust in the institutional mechanisms designed to prevent corruption, particularly parliament, and auditing and inspection bodies. This suggests that although these institutions are theoretically independent, doubts persist regarding their practical autonomy.

The perception regarding the relationship between business and politics continues to be negative. Similar to 2022, a majority (55%) of respondents in 2023 believe that the government ‘is pretty much run by a few big interests looking out for themselves.’

The pessimism reflected in the responses of businesspeople can also be seen in the responses of experts. According to the experts, there has been no tangible improvement either in the institutional framework or in its implementation over the last year. On the contrary, when asked whether the overall situation has changed compared to the previous year, experts pointed to a deterioration. This led to a 1-point drop in the EIU score and a 2-point drop in the Bertelsmann SGI score.

The following striking findings, which have emerged from workshops and surveys with experts since 2018, and have been reflected in previous reports, remain valid: (1) There are a number of deficiencies in the institutional infrastructure. This is manifested in the following ways: (a) There is no law on the relevant subject; (b) There is a lack of by-

laws to implement the law; or (c) There are loopholes in the legislation that prevent the full implementation of the law. (2) Where there are no deficiencies in institutional arrangements, there are difficulties in implementation. According to experts, there are three, interrelated root causes: (a) Staff shortages. Some institutions do not have enough staff to carry out the tasks entrusted to them; (b) Appointments to senior positions are highly politicised, so that those responsible for carrying out inspections or enforcing the law are reluctant to do so. Those who occupy these positions are either not doing their job properly out of gratitude to the political authorities or out of fear of not being reappointed; (c) Patronage and clientelism in recruitment and promotion worsens the quality of the bureaucracy. In other words, some of the civil servants who are key to preventing corruption are not competent. To summarise, public resources are vulnerable to abuse because of legal loopholes or because of the absence or inability to carry out the controls prescribed by law.

In short, the results of this seventh study, like the previous six studies, show that we are moving further and further away from the desired point in the fight against corruption.

What can be done to change the situation? It is possible to reduce the level of corruption through various institutional arrangements. This year, as in the previous six reports, we focus on the same four concrete recommendations. There are two main reasons why we insist on these four recommendations. The first is that there is a certain sensitivity and expectation in the public on these issues, and the second is that the changes to be made can be implemented relatively easily and quickly. If all of the suggestions made are implemented, not only will our institutional framework in terms of combatting corruption become stronger but also our country's score and ranking will improve significantly.

Our first policy recommendation is to limit political appointments to senior positions. For example, only one appointment (at the undersecretary level) in each ministry to act as a bridge between the elected and the career officials would avoid the mass reshuffle of directors every

time there is a change of government. This would not only help to professionalize the public administration, but also contribute to the preservation of institutional memory. Our second policy recommendation is about “discretionary or special funds” for which there is no accountability. Taking steps to eliminate the public perception that there are funds that are not subject to public financial control would also be an important step in the fight against corruption. Interviews with experts revealed that technically there are no funds in the public sector that are not subject to financial audit. Therefore, what needs to be done here is not to pass a new law or to create a new mechanism, but to implement the existing laws effectively and to ensure the effective functioning of the financial audit institutions.

Thirdly, making the asset declaration process fully transparent and publicly accessible and complementing it with a declaration of liabilities would be another major step in combatting corruption. Finally, the effective enforcement of existing regulations facilitating citizen and media access to information would improve transparency and accountability.

Table 10 summarizes how the scores and ranking would change if these four proposals were implemented.

Table 10: Change in scores and rankings if the four proposals are implemented

| Reform | Rise in the specific score | Rise in the composite score | Rise in the ranking |
|--|----------------------------|-----------------------------|---------------------|
| Limiting the number of political appointments (EIU) | +15 | +4 | +14 |
| No special funds without accountability (EIU) | +10 | +3 | +10 |
| Full transparency in asset & liability declaration (SGI) | +11 | +2 | +7 |
| Full access to information (SGI) | +8 | +2 | +10 |
| If all four reforms are implemented | +44 | +11 | +41 |

Moreover, in the medium term, the bodies auditing public finances, the attorney general's office, and the police, which play an important role in detecting and prosecuting corruption, should be strengthened and made completely independent from the government. For this to happen, these institutions should be depoliticized.

We hope that this study, which aims to hold a mirror to our society, will raise awareness and contribute to the fight against corruption.

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Annex:

Corruption perceptions questionnaire for business executives (2023)

1. Do bribing and corruption exist in TRNC?

| | | | | | | |
|---------------|---|---|---|---|---|-------------------|
| 1-Very Common | 2 | 3 | 4 | 5 | 6 | 7- Does not exist |
|---------------|---|---|---|---|---|-------------------|

2. How do you grade the problem of corruption in TRNC?

| | | | | | | |
|------------------------|---|---|---|---|---|--------------------------|
| 1-Not a problem at all | 2 | 3 | 4 | 5 | 6 | 7-A very serious problem |
|------------------------|---|---|---|---|---|--------------------------|

3. In your opinion to what extent does corruption represent an obstacle for doing good business in TRNC?

| | | | |
|-------------------|-------------------|-------------|--------------------|
| Very big obstacle | A little obstacle | No obstacle | No idea/ No answer |
|-------------------|-------------------|-------------|--------------------|

4. How common is diversion of public funds to companies, individuals or groups due to corruption?

| | | | | | | |
|---------------|---|---|---|---|---|---------------|
| 1-Very common | 2 | 3 | 4 | 5 | 6 | 7- Not at all |
|---------------|---|---|---|---|---|---------------|

5. Has corruption decreased, stayed the same or increased compared with one year ago?

| | | |
|-----------|------|-----------|
| Decreased | Same | Increased |
| 1 | 2 | 3 |

6. In TRNC, how common is it for firms to make undocumented extra payments or bribes connected with the following?

| | 1-Very common | 2 | 3 | 4 | 5 | 6 | 7-Not at all |
|---|---------------|---|---|---|---|---|--------------|
| a. Imports and exports | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| b. Public utilities | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| c. Annual tax payments | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| d. Awarding of public contracts and licenses | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| e. Obtaining favourable judicial decisions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| f. Borrowing from government-owned banks | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| g. Allocation or leasing of public land and buildings | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| h. Leasing of Evkaf's properties | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| i. Government incentives | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| j. Land registry | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| k. Customs clearance | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| l. Town planning | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

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| | | | | | | | |
|--|---|---|---|---|---|---|---|
| m. Local government / Municipal services | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|---|---|---|---|---|---|---|

7. Did you or someone in your circle have to give a bribe, gift or do a favor to the official concerned in the last year to receive any of the above services?

| | | |
|-----|----|-------------------------|
| Yes | No | No answer (Do not read) |
| 1 | 2 | 3 |

8. What was the main purpose of giving the gift, counter favour or extra payment?

| |
|--|
| Speed up procedure |
| Make finalization of procedure possible |
| Reduce cost of procedure |
| Receive better treatment (e.g. gain an advantage on competitors, reduce taxes, etc.) |
| Receive information on the process (where to go, whom to approach, etc.) |
| No specific purpose (it is better to maintain good relationships) |
| No answer |
| Other |

9. How common is corruption among the following groups?

| | 1-Very common | 2 | 3 | 4 | 5 | 6 | 7-Not at all |
|---------------------------------|---------------|---|---|---|---|---|--------------|
| a. Prime Minister and Ministers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| b. Members of Parliament | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| c. High level civil servants | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| d. Low level civil servants | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| e. Mayor/ City Council Member | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| f. Police | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| g. Attorney General's Office | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| h. Judges | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

10. How successful/effective do you think the institutions that have to fight or disclose corruption and irregularities are?

| | 1-Not successful/effective at all | 2 | 3 | 4 | 5 | 6 | 7-Very successful /effective |
|--|-----------------------------------|---|---|---|---|---|------------------------------|
| a. Audit Office | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| b. Council of Inspection (under Prime Minister's Office) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| c. Council of Inspection and Investigation (under Ministry of Finance) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| d. Ombudsman | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| e. Courts | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| f. Parliament | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| g. Government | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| h. Media | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| i. Social media | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| j. Civil Society | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| k. Unions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| l. Attorney General's Office | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| m. Police | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| n. Society | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

11. How successful is the current Government in fighting money laundering?

| 1-Not successful at all | 2 | 3 | 4 | 5 | 6 | 7-Very successful |
|-------------------------|---|---|---|---|---|-------------------|
|-------------------------|---|---|---|---|---|-------------------|


12. How often do you think the following situations happen in the TRNC?

| | Never | Very rare | Sometimes | Often | Very often | FY/CY |
|--|-------|-----------|-----------|-------|------------|-------|
| Money laundering | 0 | 1 | 2 | 3 | 4 | 5 |
| Appropriate actions being taken against officials who engage in corruption | 0 | 1 | 2 | 3 | 4 | 5 |
| Big companies avoid paying their taxes | 0 | 1 | 2 | 3 | 4 | 5 |
| Voters being paid money or offered a special favour to vote in a particular way | 0 | 1 | 2 | 3 | 4 | 5 |
| Voters being threatened with retaliation if they do not vote in a particular way | 0 | 1 | 2 | 3 | 4 | 5 |

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13. For each of the following statements, please tell me whether you disagree, agree or neither agree nor disagree.

| | 0-Disagree | 1-Neither agree nor disagree | 2-Agree | 3-Do not know |
|--|------------|------------------------------|---------|---------------|
| It is acceptable to use relationships and contacts in public institutions in order to speed up business-related procedures | 0 | 1 | 2 | 3 |
| It is acceptable for the government to engage in corruption as long as it delivers good results | 0 | 1 | 2 | 3 |
| The government in TRNC is pretty much run by a few big interests looking out for themselves | 0 | 1 | 2 | 3 |



This report has been prepared to measure the perceptions of corruption, and to raise awareness about the fight against corruption in the northern part of Cyprus. The study is based on the Corruption Perceptions Index (CPI) methodology of Transparency International, which is published annually but does not cover the northern part of Cyprus. It includes two separate surveys that were answered by business executives and experts. In addition to calculating scores, the report delves into businesspeople's perceptions of corruption. The corruption perceptions score of the northern part of Cyprus for 2023 has been calculated as 27 out of 100. This score is well below 43, which is the average of 180 countries in the 2023 list published by Transparency International at the beginning of 2024, placing the northern part of Cyprus in 140th place. The score is 7 points behind the score of Turkey, and 38 points lower than the Western Europe-European Union average.