

MONITORING SYSTEMS OF GOOD GOVERNANCE

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The aim of this first draft report on the role of monitoring and indicators, prepared by the research team from the University of Ljubljana, Faculty of Social Sciences is three-fold:

- 1) To give a general theoretical overview of the role of monitoring and monitoring systems on the basis of which would be possible to tailor the monitoring alternative for the AGGIS project purposes;
- 2) To present the so called soft-law tool of the EU, called the Open method of co-ordination in which the monitoring-like approaches as described through theoretical introduction of this report can be traced in practice;
- 3) To present a general overview of the 3 already established and world-wide applied system broad approaches for monitoring governance issues, with a future aim to select those indicators/variables that could possibly be directly used for the AGGIS monitoring purposes.

1) THEORETICAL INSIGHT

WHY MONITOR

Each organisation, institution, as well as state and all the sub-systems that embodied them strive to get the feedback information about their making. This feedback information represents the basis for their own future attitudes and orientations, as well as for the attitudes and orientations of the environments towards them. These reasons are the crucial ones for why public pursuit of the already existing and implemented practices and patterns in democratic societies and institutions is of fundamental importance.

Monitoring is a special analytical procedure used to produce information about the above stressed, about the results of the work of organisations or policies that they implement – either in private or public sector. As such monitoring is regarded to be one of the crucial procedures that is supposed to provide information about the performance of the work of the organisation or its policy, be it from the perspective of the organisation's resources, processes (actions and activities), and the perceptions of the wider environment in which it operates.

Based on the described broader mission monitoring performs at least four major functions: explanation, accounting, auditing and compliance (Dunn 2004: 355-356):

- 1) Explanatory function of monitoring yield information about the outcomes of the implementation, it can help explaining why the outcomes differ or are such as they are;
- 2) Accounting function of the monitoring process is important for delivering the information that can help in accounting various changes that follow the implementation of a process or policy (e.g. social, economic, environmental etc.);
- 3) Auditing function of monitoring enables to determine whether resources and services that have been targeted to the beneficiaries or certain target groups have actually reached them;
- 4) Compliance – monitoring in the case of the function of compliance helps to determine if the processes, activities and resources, staff, and other involved are in compliance with the

standards and procedures that are defined in advance either by the organisation itself or external environment.¹

Due to the exposed functions also a set of specific aims and expectations for monitoring the implementation of work of organisations and their policies can vary, and be as such synthesised into three of them that can have either 1) internal organisational motives, either 2) external environmental motives or 3) both of the motives:

- Monitoring as *the operational, managerial procedure* which through information and evidences provides the *feedbacks on the performance*;
- Monitoring as a *necessary prerequisite procedure that enables further assessment* of the impacts of implementation for the past and future state of the affairs, and further on the platforms for policy learning and potential introduction of policy changes;
- Monitoring as the procedure that provides *the information about the impacts that the implementation of one organisation and its making have on system's wider governance practices, norms and values*, such as democracy, transparency, human rights and well-being.

According to the exposed monitoring of organisations' implementation is supposed to have two main missions:

- 1) To give the ex-post or feedback information about the characteristics of already or currently implemented work and activities that have been developed and undertaken in previous periods;
- 2) To give ex-ante platforms for the planning of the future implementation activities, which fundamentally refers to the need of evaluating past implementation practices with the aim to decide about their future destiny.

WHAT TO MONITOR

Parallel to the exposed it is especially important that a set of fundamental issues that need to be covered and monitored on the basis of the monitoring motives, mission and applied procedures is clearly set. Usually each framework of each implementation and further also its monitoring is supposed to give the answers to the following sets of questions (Chase 1979), which gives the information of the organisations' democratic, transparent, accountable governance outlook:

- who are the people to be served and who are serving,
- what is the nature of the services to be delivered,
- what are the potential distortions and irregularities,
- is the implementation controllable (e.g. can implementation be measured).

¹ Here we need to differentiate between policy and legal compliance, where the former relates to the question of how extensively the normative standards are being considered in the actual, day-to-day policy implementation, while the latter relates most often to the question of the formal acceptance of the agreements/standards.

Based on the exposed functions, expectations, motives and aims for the application of monitoring procedures, the next crucial challenge is to decide which type of data needs to be collected and which methods, procedures, apply according to those in-advance set needs for applying monitoring system. In this sense the crucial task is to decide which type of data is needed for those purposes and how to contextually define the issues that need to be monitored. Mostly the authors of implementation studies (see Hogwood and Gunn 1984; Parsons 1999; Hill and Hupe 2002, Dunn 2004) classify the contents of the data that are needed for monitoring the implementation practices into 2 crucial categories which all relates to at least one of the four types of indicators according to their relevance:

- 1) input,
- 2) process,
- 3) output and
- 4) impact indicators.

Macro data category relates to the characteristics of wider system environment characteristics, e.g. to the broader context of political, social and economic environment(s) in which individual international sport organizations are established and operates. This category partly covers/overlap with input and impact indicators and represents necessary precondition for in-depth monitoring of good governance. This category mainly relates to the data on

- Regime / Legal type and status of the state: type of democracy or type of legal status, legal basis/origins, elections and election rules,
- Economy of the state,
- Social welfare index,
- Perception of corruption and transparency.

Micro category relates to the prevailing characteristics of individual organisation, its processes and work. This category again consists of a combination of all four types of indicators (input, process, output and impact) and relates to mainly the following:

- Institutional structure characteristics: legal status, elections and election rules of organization's leadership, structure of the leadership, structure of the membership, year budget, number of employees in the ISO etc.
- Processes characteristics: general internal decision-making rules, procedures and practices
- Project and policy characteristics: data on the implementation of the concrete programs, projects
 - Cadre resources: number and profiles of the employees (full-time, part-time, voluntary, gender)

- Financial resources: data that relates to the relevant budget aspects, including both operation of organization itself as well as implementation of concrete programs and activities
- Other relevant data: sources of knowledge etc.

HOW and WHO MONITORS

The data gathered for the purposes of monitoring performance mostly come from two sources:

1. Some data already exist, and are either: a) already available since they have been gathered for other purposes (like the monitoring of the profiles of the states) and can thus be just extracted from the existing data-sets, already calculated indexes (like Transparency International, World Governance Index and Global Reporting Initiative); b) are being gathered for the internal organisational purposes and are not publically available although they exist;
2. Data are not yet gathered. In this regard the data needs to be conducted mostly through applying the following methods:
 - Review of the relevant already existing documentation and data: statistics, financial, policy documents
 - Surveys
 - Interviews
 - Focus groups, panels and similar methods for gathering the perceptions on the implementation practices

Further on mostly the data that are relevant for the implementation and which performance supposed to be monitored are defined in the so called codes of conducts, organisational/policy guidance, guidelines, standards etc. (see for example IFAC at <http://www.ifac.org/>).

2) THE CASE OF THE OPEN METHOD OF COORDINATION AS THE SELECTED MONITORING PRACTICE OF THE EU

Within the European Union, so-called open method of coordination was introduced, as a part of a broader movement toward “new governance” and democratic experimentalism in the EU. For advocates of the OMC and other “new governance” approaches, traditional forms of “command and control governance” are viewed as exclusive, incapable of addressing societal complexity, static and unable to adapt well to changing circumstances, and limited in their production of the knowledge needed to solve problems. They cite the need to move from a centralised command and control regulation consisting of rigid and uniform rules and hard law, toward a system of governance that

promotes flexibility and learning through the use of soft law² (Trubek et al. 2006: 12). One of the claims put forward by policymakers and academics that supports and promotes the use of the OMC is the claim that the OMC represents the “architecture of policy learning” (Ferrera et al. 2002; Knill and Lenschow 2003; Eberlein and Kerwer 2004). Seen in this way, the OMC is an institutional arrangement which organises policy learning processes among member states. The process of policy learning, with its elements – policy diffusion, transfer, change and convergence, is thus often used for describing new modes of governance like the OMC. OMC operates through iterative processes, aiming to:

- share best practices,
- organise peer learning/reviews,
- set benchmarks and
- monitor policy-making processes/implementation.

Two most prominent policy fields where the OMC had been introduced so far are employment and education. On the one hand, in relation to employment, the OMC was introduced to encourage the exchange of information and joint discussion between member states, and to attempt to find joint solutions and best practices for creating a greater number of better jobs in all member states. The OMC requires that member states coordinate among themselves in order to define the guidelines, recommendations and a set of common indicators as measurable employment targets. The OMC also encourages mutual learning among the various stakeholders regarding the European Employment Strategy (EES) and its implementation (Casey and Gold 2004; Nedergaard 2006). According to Nedergaard (2006: 311), the purpose of the EU’s employment policy is to foster mutual learning between member states through three strands of activities: a) twice-yearly EU-wide thematic review seminars on key challenges or policy priorities; b) a peer review in individual member states, focusing on specific policies and measures within the broader policy priority; c) follow-up and dissemination activities to involve a broader group of national stakeholders and to further the cooperation and exchange of good practices between member states (Lajh and Silaj 2010: 7). On the other hand, in relation to education policy field, as part of the OMC process (with the working programme Education and Training 2010) 13 common objectives were defined and a work organisation was set up around these objectives to include the following: diversified clusters and working groups which bring together national experts and the partners concerned (8 clusters and 1 working group were established); the sharing of practices and experiences on common objectives adopted by ministers (peer learning activities were organised by clusters and the working group); defining indicators for monitoring progress (16 indicators were defined in accordance with 13 common objectives); producing European references for supporting national reforms (5 benchmarks were agreed); and monitoring common progress (with annually quantitative and biannually qualitative reports). Every two years, the Ministers of Education from the member states publish a joint report with the European Commission on the overall situation in education and training across the EU, and assess what progress has been made towards the common objectives. This report uses data from the EC's

² The term “soft law” characterises texts which are on the one hand not legally binding in an ordinary sense, but are on the other hand not completely devoid of legal effects either (Peters and Pagotto 2006). In the EU context specifically, soft law refers to action rules which are not legally binding but which are intended to influence member state policies, such as recommendations, resolutions, or codes of conduct (Snyder 1993; Kenner 1995; Landelius 2001).

annual progress reports, but adopts a strategic view, delivering a series of key messages and recommendations for future approaches.

3) THE REVIEW OF THE RELEVANT ALREADY EXISTING WIDER SYSTEM GOVERNANCE MONITORING SYSTEMS

In this chapter we synthesise the why's, who's, what's and how's of the 3 selected world- wide referred monitoring systems. The main aims of the chapter are twofold:

- 1) to apply the usefulness and sensitiveness of the above presented approaches of possible approaching and aims of monitoring practices on the concrete cases of the monitoring systems of: 1) Transparency International, 2) World Governance Index and 3) Global Reporting Initiative;
- 2) to select those indicators that could be potentially either directly or indirectly used for the purposes of preparing the guidelines for monitoring good governance in sport organisations – **to be done when the agreement about the indicators will be achieved inside the project team.**

What we know so far is that many examples of monitoring practices and systems can be detected over the world. Their aims are either to monitor their implementation, or their attitudes towards the sets of wider system norms, standards and values, like the democracy, governance, transparency, etc. or their own internal ones. As a result of these activities most frequently methodological indicators and indexes are being defined and calculated, as well as also many guidance and codes of conduct and good practices published.

Synthesising the below selected examples of already existing monitoring of good governance the following main challenges when they decide to monitor are to be elaborated, be it from the individual organisational or policy-makers wider system perspectives:

- 1) *WHY monitor: what are the aims / expectations of monitoring the work: is this my own internal need or the expectation from the external environment (clients, international organisation demands etc.) to:*
 - a) **review existing performance,**
 - b) **assess performance,**
 - c) **introduce policy changes,**
 - d) **learn,**
 - e) **fulfil the obligations,**
 - f) **something else.**
- 2) *WHAT to monitor, which relates to the question of which are the concrete contents that describe the processes and activities which comprise my work and can transparently describe it. This shows that the process of selecting the contents that needs to be monitored during the implementation are crucially relating to the answer of why we need to know exactly those*

answers and not any else, e.g. which type of data are essentially needed if we want to describe our own work. Generally those data relate to the following set of information:

a) general external environmental regime structures (e.g. the state where the organisation has its official seat)

- type of authority: type of political system, government structures and division of powers, membership in world key international organisations (UN, OECD, EU....)
- elections: electoral rules and procedures, mandates
- economy: yearly GDP, its structure, growth, incomes and outcomes, TI corruption index
- society: no. of population, poverty rate

b) organisation structure specifics

- type of organisation: type of organisation, governance structures of organisation and their members (by gender, geographic coverage...), no. of organisational units (organisational charter)
- membership: no. of members, share by the continent coverage, inclusion of the disabled sport federations, organisation's membership in other organisations
- elections: electoral rules and procedures, mandates
- regulation: no and type of basic organisational rules
- economy: yearly GDP, its structure, growth, incomes and outcomes, final yearly accounts
- employed: no. of all employees; gender balance, type of their position
- experts: no. of employed internal/external experts, filed of expertise

c) organisation process specifics:

- policy-making procedures: who, how, when is allowed to initiate what

d) organisation resources specifics:

- policy: no./types of on-going projects, programs
- finances/individual organisation project and program: yearly amount of finances, share of financial sources, final account
- staff/individual organisation project and program: no. of employees; gender balance, type of their position
- knowledge and expertise/individual organisation project and program: no. of employed internal/external experts, filed of expertise
- other resources /individual organisation project and program

3) *HOW to monitor, e.g. how are we able to gather and further on analyse the data and what type of data – statistics, qualitative assessments:*

a) application of already existing monitoring data, indicators, indexes, system ;

b) benchmarking; peer-reviews; compliance reports etc.;

c) collection and application of organisations' own new or not already (for the purposes a) and b) gathered and used data and monitoring system.

In the coming parts of this report the analysis of the selected three governance systems are made according to the frameworks exposed in the below table. Each of the three systems is first described

in general and then the main ‘why’, ‘who’, ‘what’, ‘how’ characteristics for each is synthesised in a table.

The extensive overview of each of the three analysed governance systems is given in the appendix of this report.

In all three cases the monitoring system relates to the so called macro or system monitoring perspective, while the micro, organisational relevant ones can be traced indirectly, tailored according to our project definitions and needs.

	WHY?	WHO?	WHAT?	HOW?
MACRO	Monitoring governance, democracy and transparency practices of the wider political-economic-social circumstances in which sport international organisation has its seat /works	Combination of internal organisation, external already existing available data-sets + additional expert assessments	General external environmental regime structures: Authority Elections Economy Society	Primary data collection Secondary sources from the existing data-sets Benchmarking type of reports + ????

TRANSPARENCY INTERNATIONAL

Transparency International (TI) is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an International Secretariat in Berlin, they raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it. TI brings people together in a powerful worldwide coalition to end the devastating impact of corruption on men, women and children around the world. TI's mission is to create change towards a world free of corruption. Transparency International challenges the inevitability of corruption, and offers hope to its victims. Since its founding in 1993, TI has played a lead role in improving the lives of millions around the world by building momentum for the anti-corruption movement. TI raises awareness and diminishes apathy and tolerance of corruption, and devises and implements practical actions to address it.

A key element of TI’s work is the analysis and diagnosis of corruption, measuring its scope, frequency and manifestations through surveys and indices, as well as other research. TI has developed particular indexes and other measurements to measure and assess corruption³ in general.

³ TI defines corruption as: »the abuse of entrusted power for private gain«.

<i>Index (name)</i>	<i>WHY?</i>	<i>WHO?</i>	<i>WHAT?</i>	<i>HOW?</i>
Corruption Perception Index (CPI)	Because of political (major obstacle to democracy&the rule of law), economic (depletion of national wealth), social (undermining trust in political system) and environmental (environmental degradation) corruption costs.	External organizations for the TI's purposes: e.g. 2011: 17 sources from 13 independent institutions – emphasis on governance.	Measuring perception of corruption in public sector (183 countries included worldwide)	Annually mixture of: a) business people opinion surveys and b) assessments provided by country experts or analysts from international institutions.
Global Corruption Barometer (GCB)	As a pool of the general public, it provides an indicator how corruption is viewed at national level and how efforts to curb corruption around the world are assessed on the ground.	Gallup International Association on behalf of TI.	Public opinion survey on views and experiences of corruption and bribery (86 countries worldwide)	Annually carried out interviews either a) face to face, using self-administered questionnaires; b) by telephone, internet; c) computer-assisted telephone interviewing.
Bribe Payers Index (BPI)	Because of the role that both public and private sectors can play in tackling corruption. It also makes actionable recommendations how could business and governments strengthen their efforts to make make substantial progress in reducing the prevalence of foreign bribery around the world.	Data for the BPI is drawn from Bribe Payers Survey. Furthermore, Bribe Payers Survey was carried out on TI's behalf by Ipsos MORI.	Unique tool capturing the supply side of international bribery – focussing on bribes paid by the private sector (likelihood of firms from included countries to bribe when doing business abroad (28 countries worldwide)	Interviews are carried out by common survey questionnaires either through a) telephone; b) face-to-face or c) online. Interviewers were business executives from particular countries.
National Integrity System (NIS)	A framework which anti-corruption organisations can use to analyse the extent and causes of corruption in a given country as well as the effectiveness of national anti-corruption efforts – <i>building momentum, political will and civic pressure for relevant reform initiatives.</i>	Assessments are conducted by local in-country organisations, generally TI's national chapters comprising individual researchers or/and groups of researchers and advisory group.	Comprehensive evaluations of integrity systems in given countries including key public institutions and non-state actors in a country's governance system – since its inception more than 70 national integrity assessments were carried out in different countries.	-Analysis of laws, policies and existing research studies, -Interviews with experts in certain field/pillar of assessment; -field test (when possible).

GLOBAL REPORTING INITIATIVE






The GRI Reporting Framework is intended to serve as a generally accepted framework for reporting on an organization’s economic, environmental, and social performance. It is designed for use by organizations of any size, sector, or location. It takes into account the practical considerations faced by a diverse range of organizations – from small enterprises to those with extensive and geographically dispersed operations. The GRI Reporting Framework contains general and sector-specific content that has been agreed by a widerange of stakeholders around the world to be generally applicable for reporting an organization’s sustainability performance.

Table 1: GRI Indicators Matrix

Indicator type	Indicator name	Aspect
ECONOMIC	Economic Performance Indicators	Economic Performance
		Market Presence
		Indirect Economic Impacts
ENVIRONMENTAL	Environmental Performance Indicators	Materials
		Energy
		Water
		Biodiversity
		Emmissions, Effluents and Waste
		Products and Services
		Compliance
		Transport
		Overall
SOCIAL	Labor Practices and Decent Work Performance Indicators	Employment
		Labor/Management Relations
		Occupational Health and Safety
		Training and Education
		Diversity and Equal Opportunity
		Equal Remuneration for Women and Men
	Human Rights Performance Indicators	Investment and Procurement Practices
		Non-discrimination
		Freedom of Association and Collective Bargaining
		Child Labor
		Forced and Compulsory Labor
		Security Practices
		Indigenous Rights
		Assessment Remediation
	Society Performance Indicators	Local Communities
		Corruption
		Public Policy
		Anti-competitive Behavior
		Compliance
	Product Responsibility Performance Indicators	Customer Health and Safety
		Product and Service Labeling
		Marketing Communications
		Customer Privacy
Compliance		

WORLD GOVERNANCE INDEX

A survey of these objectives and these basic texts has made it possible to determine and select five large fields, called indicators, which, aggregated, constitute the WGI:




-  Peace and Security
-  Rule of Law
-  Human Rights and Participation
-  Sustainable Development
-  Human Development.

Each of these indicators is broken down into several sub-indicators—a total of 13 sub-indicators are used – and each of these sub-indicators is the result of the aggregation of several indexes (41 in all). Finally, the data used to calculate the indexes and determine the WGI is taken from the databases published annually by the main international organizations and by NGOs specializing in the area of governance.

WGI Composition = 5 main indicators + 13 sub-indicators + 41 indexes

1. Usefulness of the WGI

WGI has a twofold dimension: a) an analytical dimension which tries to provide as true a reflection as possible of the state of world governance and b) an operational dimension which must enable players to act or to react in the direction of a more efficient, more democratic world governance more in phase with the environment. The WGI was designed mainly to offer political decision maker, whatever their level (national, regional or international), companies and NGOs reliable, independent and scrutinized information that will allow them:

-  to evaluate the state's degree of governance;
-  to identify its governance strengths and weaknesses
-  to monitor its evolutions over time.

Basic indicators that constitute WGI in general are:

- a) **Peace and Security** (broken down into two sub-indicators: the National Security sub-indicator and the Public Security sub-indicator. The National Security sub-indicator comprises: Conflicts, Refugees and Asylum Seekers, and Displaced Persons. The Public Security sub-indicator comprises: Political Climate, Degree of Trust among Citizens, Violent Crime, and Homicides per 100,000 Inhabitants);
- b) **Rule of Law** (Rule of law, refers exclusively to how laws are designed, formulated, and implemented by a country's legal authorities);
- c) **Human Rights and Participation** (this indicator is broken down into three sub-indicators: the Civil and Political Rights sub-indicator, the Participation sub-indicator, and the Gender Discrimination / Inequality sub-indicator);
- d) **Sustainable Development** (The concept of sustainable development is based on two core principles: on the one hand, intergenerational solidarity (seeking improvement of the well-being of future generations); on the other, intragenerational solidarity (sharing well-being or

the conditions for well-being within the same generation). These two principles are expressed in the normative statement of the goals that make up the different dimensions of sustainability: the economic sphere, the social dimension (inequality and poverty), and the environmental sphere);

- e) **Human Development** (In the realm of human development, the most fundamental of an individual's possibilities consists in leading a long and healthy life, being well-informed, having access to the resources necessary for a decent standard of living, and being able to take part in the life of the community).

Table 3 represents WGI as a whole – covering main indicators, sub-indicators and indexes.

Table 3: WGI Indicators Matrix

Indicator	Subindicator	Index
Peace and Security	National Security	1. Conflicts (number and types (latent, manifest, crisis, severe crisis, war) of conflicts documented in the previous year)
		2. Refugees and Asylum seekers
		3. Displaced persons
	Public Security	4. Political Climate (level of political violence)
		5. Degree of Trust among Citizens
		6. Violent Crime (rate of violent crime)
		7. Homicides per 100,000 inhabitants
Rule of Law	Body of Laws	8. Ratification of Treaties (degree of ratification of particular international treaties and conventions currently in force ⁴)
		9. Property Rights (country's degree of commitment to the protection of private property and the way in which the authorities apply this right)
	Judicial System	10. Independence (assessment of judicial system independence, the bodies that oversee the police force, legal protection, and the guarantee for equal treatment for all)
		11. Effectiveness (ratio of reman prisoners to convicted prisoners)
		12. Settlement of Contractual

⁴ Convention names are available online at: http://www.world-governance.org/IMG/pdf_WGI_full_version_EN-2.pdf.

		Disputes (average time that national judicial institutions use to settle disputes related to commercial contracts)
	Corruption	13. Corruption Perception Index
Human Rights and Participation	Civil and Political Rights	14. Respect of Civil Rights (Freedom of Movement, Political Participation, Worker's Rights, Freedom of Speech, Freedom of Religion, Freedom of Assembly and Association)
		15. Respect for Physical Integrity Rights (Torture, Disappearance or Political Abductions, Extrajudicial Killing and Political Imprisonment)
		16. Freedom of the Press
		17. Violence against the Press (number of murders, abductions and disappearances of journalists and media workers as well as the number of imprisoned journalists)
	Participation	18. Participation in Political Life (degree of participation in political life)
		19. Electoral Process and Pluralism (effective share of pluralism in the different electoral processes)
		20. Political Culture (political culture of citizens degree)
	Gender Discrimination/Inequality	21. Women's Political Rights (number of internationally recognized rights: voting rights, the right to run for political office and the right to hold elected and appointed government)
		22. Women's Social Rights (right to equal inheritance, the right to enter into marriage on a basis of equality with men, the right to travel abroad, the right to initiate a divorce)

		23. Women's Economic Rights
		24. Rate of Presentation in National Parliaments
Sustainable Development	Economic Sector	25. GDP per capita
		26. GDP growth rate
		27. Degree/level of economic openness
		28. Cover rate
		29. Inflation rate
		30. Ease in Starting a Business (bureaucratic and legal hurdles an enterprenur must overcome to start a commercial or industrial business – number of procedures, cost and time expressed in days)
		31. GINI Coefficient (poverty and inequality)
	Social Dimension	32. Unemployment rate
		33. Ratification of International Labor Rights texts
		34. Ecological Footprint (1) and Biocapacity ((1): necessary per capita surface area (terrestrial, marine and freshwater) to meet humankind's needs an to eliminate waste; (2): per capita surface area (in terms of agriculture, breeding, forest and fish resources) available to meet humankind's needs
	Environmental Dimension	35. Environmental Sustainability (ability of nations to protect the environment over the next several decades)
		36. CO₂ Emission Rate per capita
		37. Environmental Performance (environmental health, air pollution, aquifer resources, biodiversity and habitat, natural resources and climate change)
38. Human Development		
Human Development	Development	39. Subjective Well-being (result of
	Well-being and Happiness	

		a combination of economic well-being, environmental well-being and social well-being)
		40. Happiness (result of combination of satisfaction index, life expectancy at birth, and the environmental impact)
		41. Quality of Life (Cost of Living, Culture and Leisure, Economy, Environment, Health, Freedom, Infrastructure, Safety and Risk, Climate).

4) APPENDIX: FULL OVERVIEW OF 3 GOVERNANCE EXAMPLES

TRANSPARENCY INTERNATIONAL

1. Description

Firstly, getting to know particular international organization, way of its governance and its specific aggregated indicators, it is important to make a brief overview about the aims, priorities, competences, tasks, requirements that organization is concerned with. Hence, in the first stages of analysing organization in terms of governance in wider context, short description is given.

Transparency International (TI) is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an International Secretariat in Berlin, they raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it. TI brings people together in a powerful worldwide coalition to end the devastating impact of corruption on men, women and children around the world. TI's mission is to create change towards a world free of corruption. Transparency International challenges the inevitability of corruption, and offers hope to its victims. Since its founding in 1993, TI has played a lead role in improving the lives of millions around the world by building momentum for the anti-corruption movement. TI raises awareness and diminishes apathy and tolerance of corruption, and devises and implements practical actions to address it.

Correspondingly, an inevitable questions that needs to be addressed in the very first session is **how does TI fight corruption?** Through its International Secretariat in Berlin, Germany, and more than 90 national chapters around the world, Transparency International works at the national and international levels to change laws, regulations and practices in order to stamp out corruption and prevent its recurrence. Expertise from national chapters, an Advisory Council, the International Secretariat, volunteer specialists and other sources are brought together to maximise TI's impact. Other international organisations join TI in adopting and monitoring multilateral agreements that increase information-sharing, close legal loopholes and increase cooperation. In developing coalitions with stakeholders from all sectors of society, TI works with high-profile individuals and decision-makers, civil society, think-tanks and other institutions. A key element of TI's work is the analysis and diagnosis of corruption, measuring its scope, frequency and manifestations through surveys and indices, as well as other research.

2. **Developing corruption-fighting tools**

TI has developed particular indexes and other measurements to measure and assess corruption in general. To create a world free of corruption, its causes and consequences must be understood. TI's policy and research work rigorously analyses the many aspects of corruption and searches for practical actions to combat it – globally, nationally and locally. In-depth qualitative and quantitative research is based around the organisation's five global priorities. TI seeks to provide reliable quantitative diagnostic tools regarding levels of transparency and corruption, both at global and local levels.

TI produces independent, empirical research on corruption. Their global research portfolio combines qualitative approaches with quantitative ones, macro-level indicators with in-depth diagnostics, expert analysis with experience, and also includes perceptions-based survey work. This body of research provides a comprehensive picture of the scale, spread and dynamics of corruption around the world. It also serves to mobilise and support evidence-based, effectively-tailored policy reform. Elementary index developed within the TI to assess the scope and nature of corruption is a) Corruption Perception Index (CPI), but on the other hand TI portfolio of corruption global research includes also particular other indices, surveys and assessments. For the reasons CPI complements different anti-corruption tools:

- a) Corruption Perception Index (CPI)
- b) Global Corruption Barometer (GCB)
- c) Bribe Payers Index (BPI)
- d) National Integrity Systems (NIS).

Table 1: Main anti-corruption tools used by TI

Name of index and abbreviation	Application (first and last edition)
Corruption Perception Index (CPI)	1995 - 2011
Global Corruption Barometer	2003 – 2010
Bribe Payers Index	1999, 2002, 2006, 2008, 2011
National Integrity System	2001-

In next paragraphs every each of them will be precisely described, explained and interpreted graphically and contently in terms of its indicators, scope of work, methodology etc.

3) Corruption Perception Index (CPI)

3.a Short methodological description

- WHAT IS THE CPI?

Transparency International (TI) defines corruption as the abuse of entrusted power for private gain. This definition encompasses corrupt practices in both the public and private sectors. The *Corruption Perceptions Index (CPI)* ranks countries according to perception of corruption in the public sector. The CPI is an aggregate indicator that combines different sources of information about corruption, making it possible to compare countries. It is a composite index, a combination of polls, drawing on corruption-related data collected by a variety of reputable institutions. The CPI reflects the views of observers from around the world, including experts living and working in the countries/territories evaluated.

- WHICH COUNTRIES/TERRITORIES ARE INCLUDED IN THE CPI?

For a country/territory to be included in the ranking it must be included in a minimum of three of the CPI's data sources. Thus, inclusion in the index is not an indication of the existence of corruption but rather dependent solely on the availability of sufficient information. *In last CPI (2011) 183 countries were included (worldwide).*

- **HOW THE CPI MEASURES CORRUPTION (DATA SOURCES)?**

CPI is an aggregate indicator that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. The data sources used to compile the index include questions relating to the abuse of public power and focus on: bribery of public officials, kickbacks in public procurement, embezzlement of public funds, and on questions that probe the strength and effectiveness of anti-corruption efforts in the public sector.

All sources of information used to construct the CPI are produced by reputable organisations and data gathering organisations. To be included in the CPI, a source must measure the overall extent of corruption (frequency and/or size of corrupt transactions) in the public and political sectors. Also, the methodology used to assess these perceptions has to be the same for all assessed countries in order for the source to be selected.

For instance, The 2010 CPI is calculated using data from 17 sources by 13 independent institutions. The information used for the 2011 CPI is survey data from these sources gathered between December 2009 and September 2011. All sources measure the overall extent of corruption (frequency and/or size of bribes) in the public and political sectors, and all sources provide a ranking of countries, i.e. include an assessment of multiple countries. There are two different types of sources. The first one is business people opinion surveys and the second one is assessments (scores) of a country's performance as provided by a group country/risk/expert analysts from international institutions.

The CPI 2011 is calculated using data from 17 different surveys or assessments produced by 13

Organisations: **1.** African Development Bank Governance Ratings 2010; **2.** Asian Development Bank Country Performance Assessment 2010; **3.** Bertelsmann Foundation Sustainable Governance Indicators; **4.** Bertelsmann Foundation Transformation Index; **5.** Economist Intelligence Unit Country Risk Assessment; **6.** Freedom House Nations In Transit; **7.** Global Insight Country Risk Ratings; **8.** IMD World Competitiveness Year Book 2010; **9.** IMD World Competitiveness Yearbook 2011; **10.** Political and Economic Risk Consultancy Asian Intelligence 2010; **11.** Political and Economic Risk Consultancy Asian Intelligence 2011; **12.** Political Risk Services International Country Risk Guide; **13.** Transparency International Bribe Payers Survey; **14.** World Bank - Country Performance and Institutional Assessment; **15.** World Economic Forum Executive Opinion Survey (EOS) 2010; **16.** World Economic Forum Executive Opinion Survey (EOS) 2011; **17.** World Justice Project Rule of Law Index

For CPI sources that are surveys, and where multiple years of the same survey are available, data for the past two years is included. For sources that are scores provided by experts (risk agencies/country analysts), only the most recent iteration of the assessment is included, as these scores are generally peer reviewed and change very little from year to year.

- **STEPS TO CALCULATE THE CPI**

1. The first step to calculate the CPI is to standardise the data provided by the individual sources (that is, translate them into a common scale). TI uses what is called a matching percentiles technique that takes the ranks of countries reported by each individual source. This method is useful for combining sources that have different distributions. While there is some information loss in this technique, it allows all reported scores to remain within the bounds of the CPI, i.e. to remain between 0 and 10.
2. The second step consists of performing what is called a beta-transformation on the standardised scores. This increases the standard deviation among all countries included in the CPI and makes it possible to differentiate more precisely countries that appear to have similar scores.
3. Finally, the CPI scores are determined by averaging all of the standardised values for each country.

3.b Graphically CPI presentation

In next graph CPI is visually presented – covering all main questions regarding the index and main indicators that CPI monitors or/and supervises regarding the corruption in public sector.

Table 2: Visually illustrated CPI

Index (name)	WHAT?	WHY?	WHO?	HOW?
Corruption Perception Index	<p>Measuring perception of corruption in public sector (183 countries)</p> <p>Questions relating the abuse of public power: a) bribery of public officials; b) kickbacks in public procurement; c) embezzlement of public funds; d) strength&effectiveness of anti-corruption efforts</p>	<p>Because of political (major obstacle to democracy&the rule of law), economic (depletion of national wealth), social (undermining trust in political system) and environmental (environmental degradation) corruption costs.</p>	<p>External organizations for TI's purposes: e.g. 2011: 17 sources from 13 independent institutions – emphasis on governance</p>	<p>Annually business surveys and b) assessments provided by country experts or analysts from international institutions</p>

In next paragraph collected data sources (from each every institution included in CPI 2011) with their particular indicators corresponding the corruption in public sector. Organizational indicators were translated from questions that were posed from particular CPI source (organization) to expert analysts or business leaders (in each country). Among other issues, all sources measure perceptions of the prevalence of corruption in the public sector, generally defined as the misuse of public power for private gain.

Table 3: Data sources and indicators (CPI 2011)

Expert Analysis	Corruption question	Scores	Internet	Indicator
1) African Development Bank Governance Ratings	Experts are asked to assess: Transparency, Accountability and Corruption in public sector.	The rating scale ranges from 1 (very weak for two or more years) to 6 (very strong for three or more years) and allows for half point intermediate scores (e.g.3.5).	www.adb.org/Documents/Reports/Country-Performance-Assessments/Exercise/default.asp	Control of Corruption: a) Accountability extension of the executive to oversight institutions and of public employees for their performance; b. Access of civil society to information on public affairs; c.Extent of State capture by narrow vested interest
2) Asian Development Bank Performance Assessment	Transparency, Accountability and Corruption in public sector	The same as in the case of African Development Bank Governance Ratings	http://beta.adb.org/sites/default/files/country-performance-assessment-ar-2010.pdf	The same as in the case of African Development Bank Governance Ratings.
3) Bertelsmann Foundation Sustainable Governance Indicators	To what extent are public officeholders prevented from abusing their position for private interest (state and society public servant and politician prevention from accepting bribes)?	From 1-2: Public officeholders can exploit their offices for private gain as they see fit without fear of legal consequences or adverse publicity to 9-10: Legal, political and public integrity mechanisms prevent public officeholder from abusing their position.	http://www.sgi-network.org/index.php	Corruption Prevention: a) Auditing of state spending; b) Regulation of party financing; c) Citizen and media access to information; d) Accountability of officeholders; e) transparent public procurement system; f) effective prosecution of corruption

4) Bertelsmann Foundation Transformation Index	To what extent are public officeholders who abuse their positions prosecuted or penalized?	From 1-2: Officeholders who break the law and engage in corruption can do so without fear or legal consequences or adverse publicity. To 9-10: Officeholders who break the law and engage in corruption are prosecuted rigorously under established laws and always attract adverse publicity	http://www.bertelsmann-transformation-index.de/en/bti/	Control of Corruption: Size (part) of prosecution and penalization of public officeholders who abuse their position.
5) EIU Country Risk Assessment	Specific guiding questions included: governing the allocation and use of public funds; public funds misappropriation by public officials for private or party political purposes; general abuses of public funds.	Scores are given as integers on a scale from 0 (very low incidence of corruption) to 4 (very high incidence of corruption)	http://www.eiu.com/Default.aspx	Level (risk) of corruption in public sector: (non)existence of auditing bodies and independent judiciary; accountability level of public funds and public resources managed by public officials.
6) Freedom House Nations in Transit	Specific guiding questions included: effective implementation of anti-corruption initiatives (by the government); existence of adequate laws requiring financial disclosure; existence of limitations on the participation of government officials in public life.	Ratings run from 1 (lowest level of corruption) to 7 (highest level of corruption) and allow for half-point/quarter-point intermediate scores	http://www.freedomhouse.org/sites/default/files/inline_images/NIT-2011-Methodology.pdf	Size (level) of corruption concerning: public perception of corruption, the business interest of top policymakers, laws on financial disclosure and conflict of interest, efficacy of anticorruption initiatives.
7) Global Insight Country Risk Ratings	Experts were asked to assess: whether corruption (which is a particular concern in relation to obtaining business permits and favourable policy and planning decision) affects operational activities for business?	The ratings range from a minimum of 1.0 (minimum corruption) to 5.0 (maximum corruption) and allow for half-point intermediate scores.	http://www.ihs.com/products/global-insight/country-analysis/	Affects of corruption: size (minimum/maximum) of corruption affects/influences on business operational activities.
8) Political Risk Services International Country Risk Guide	Experts were asked to assess: corruption within the political system.	The corruption scores are given on a scale of 0 (highest potential risk) to 6 (lowest potential risk).	http://www.prsgroup.com/PRS.aspx	Corruption risk size within the political system: excessive patronage, nepotism, job reservations, 'favor-for-favors', secret party

					funding, and suspiciously close ties between politics and business
9) World Bank – Country Performance and Institutional Assessment	Experts were asked to assess: transparency, accountability and corruption in the public sector.	The rating scale ranges from 1 (low levels of each dimension) to 6 (high levels of each dimension) and allows for half point intermediate scores.	http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:21359477~menuPK:2626968~pagePK:51236175~piPK:437394~theSitePK:73154,00.html		Control of Corruption: a) Accountability extension of the executive to oversight institutions and of public employees for their performance; b. Access of civil society to information on public affairs; c .Extent of State capture by narrow vested interest
10) World Justice Project Rule of Law Index	Experts and respondents were asked to assess the extent to which government officials use public office for private gain.	Scores are given on a continuous scale between from a low of 0 to a high of 1.	http://worldjusticeproject.org/rule-of-law-index/dimensions		Size of corruption: existence/absence of corruption (use of public office for private gain) in the executive and judicial branch, military, police and legislature.
Evaluations by resident business leaders (surveys)					
11) IMD World Competitiveness Year Book 2010	Bribing and corruption: Exist or do not exist?	Answers are given on a 1 - 6 scale which is then converted to a 0 - 10 scale where 0 is the highest level of perceived corruption and 10 is the lowest.	http://www.imd.org/research/publications/wcy/index.cfm		State efficiency: existence or non-existence of corruption and bribing (size of corruption)
12) IMD World Competitiveness Year Book 2011	Bribing and corruption: Exist or do not exist?	Answers are given on a 1 - 6 scale which is then converted to a 0 - 10 scale where 0 is the highest level of perceived corruption and 10 is the lowest.	http://www.imd.org/wcy		State efficiency: existence or non-existence of corruption and bribing (size of corruption)

<p>13) Political and Risk Consultancy Asian Intelligence 2010</p>	<p>To what extent do you perceive corruption to be a problem in the following positions (national-level political leaders, city and other local-level political leaders, civil servants at the national level, civil servants at the city level)?</p> <p>To what extent do you perceive corruption to be a problem affecting the following institutions (police system, court system, customs, taxation bureau, government licensing bodies, inspection bodies, military)</p>	<p>Answers to each question were scaled from 0 (not a problem) to 10 (a serious problem). The results of the 11 separate scores for each position and institution were averaged to give one score for each country.</p>	<p>http://www.asiarisk.com/</p>	<p>-Extent of corruption perception in the range of state-local political leaders and civil servants;</p> <p>- Extent of corruption perception in state-national institutions.</p>
<p>14) Political and Risk Consultancy Asian Intelligence 2011</p>	<p>The same as in the case of Political and Economic Risk Consultancy 2010.</p>	<p>The same as in the case of Political and Economic Risk Consultancy 2010.</p>	<p>http://www.asiarisk.com/</p>	<p>Extent of corruption perception in the range of state-local political leaders and civil servants;</p> <p>Extent of corruption perception in state-national institutions.</p>
<p>15) TI's Bribe Payers Survey</p>	<p>a) In your opinion, how common is it for public officials to demand or accept bribes in this country?</p> <p>b) In your opinion, how common is the misuse of public funds for private gain in this country?</p>	<p>For each question scores were given on a scale of 1 to 5, where 1 corresponds to 'never' and 5 corresponds to 'very common'. The results of the two questions were averaged to give one score per country/territory.</p>	<p>http://www.transparency.org/policy_research/surveys_indices/bpi</p>	<p>Frequency of corruption:</p> <p>Number of occurrences in accepting bribes or/and misusing public funds for private gain from public officials.</p>

<p>16) World Economic Forum Executive Opinion Survey 2010</p>	<p>1) In your country, how common is it for firms to make undocumented extra payments or bribes? 2) In your country, how common is diversion of public funds to companies, individuals or groups due to corruption?</p>	<p>Each question is scored by respondents on a scale of 1 (very common) – 7 (never). The results of parts a) to e) of the first question were aggregated into a single score. The results of the two questions were then averaged across all respondents to give a score per country.</p>	<p>http://www.weforum.org/</p>	<p>Frequency of corruption: commonness of corruption (extra payments/bribes/diversion of public funds) regarding the imports and exports, public utilities, annual tax payments, awarding of public contracts, obtaining favourable judicial decision.</p>
<p>17) EOS Executive Opinion Survey 2011</p>	<p>The same as in the case of EOS Executive Opinion Survey 2010.</p>	<p>The same as in the case of EOS Executive Opinion Survey 2010.</p>	<p>http://www3.weforum.org/docs/WEF_GCR_Report_2011-12.pdf</p>	<p>Frequency of corruption: The same as in the case of EOS Executive Opinion Survey 2010.</p>

4) Global Corruption Barometer

4.a Short methodological description

-WHAT IS THE GCB

Transparency International's *Global Corruption Barometer* is the only **worldwide public opinion survey on views and experiences of corruption**. As a poll of the general public, it provides an indicator of how corruption is viewed at national level and how efforts to curb corruption around the world are assessed on the ground. It also provides a measure of people's experience of corruption in the past year. *The 2010 Barometer, the seventh edition, reflects the responses of 91,781 people in 86 countries, and offers the greatest country coverage to date.* The 2010 Barometer also probes the frequency of bribery, reasons for paying a bribe in the past year, and attitudes towards reporting incidents of corruption. *tries, and offers the greatest country coverage to date.* The Barometer complements the views of country analysts and business people represented in Transparency International's *Corruption Perceptions Index* and *Bribe Payers Index*, gathering the general public's perceptions about how key institutions are affected by corruption.

-WHICH COUNTRIES/TERRITORIES ARE INCLUDED IN THE GCB

Number of countries varies from year to year. In 2010 86 countries world-wide were included. At a final stage countries/territories are combined and compared regionally – Asia Pacific, EU+, Latin America, Middle East & North Africa, Newly Independent States, North America, Sub-Saharan Africa, Western Balkans + Turkey. Furthermore, each country is also evaluated individually, covering general public perception of corruption. In addition the questions in the Barometer vary from year to year. As a result, time comparisons are limited to questions that have been included in two or more editions. A general approach to comparisons over time for the 2010 Barometer is to compare this year's findings with those earliest available for that question.

- HOW THE INDEX IS CALCULATED

The *Global Corruption Barometer* is an annually (since 2003) public opinion survey that assesses the general public's perceptions and experiences of corruption and bribery. In 84 of the countries evaluated, the survey was carried out on behalf of Transparency International by Gallup International Association. In Bangladesh the survey was conducted by Transparency International Bangladesh and in Mongolia it was conducted by the Independent Authority against Corruption of Mongolia (IAAC). Overall, the 2010 *Global Corruption Barometer* polled 91,781 individuals.

- TIMING OF FIELDWORK

Fieldwork for the survey was conducted between 1 June 2010 and 30 September 2010.

- **DEMOGRAPHIC VARIABLES**

The demographic variables captured in the questionnaire are: age, education, household income, employment and religion. For comparability purposes these variables were recoded from their original form.

- **SAMPLING**

In each country the sample is probabilistic and was designed to represent the general adult population. General coverage of the sample is as follows: 83 per cent national and 17 per cent urban only. The interviews were conducted either face-to-face, using self-administered questionnaires, by telephone, internet or computer-assisted telephone interviewing (CATI) (mostly in developed countries), with both male and female respondents aged 16 years and above.

- **WEIGHTING**

The data were weighted in two steps to obtain representative samples by country and worldwide. The data were first weighted to generate data representative of the general population for each country. A second weight, according to the size of the population surveyed, was then applied to obtain global and regional totals.

- **DATA ENTRY AND CONSISTENCY CHECK**

The final questionnaire, which was reviewed and approved by Transparency International, was marked with columns, codes, and with indications of single or multi-punching. Local survey agencies followed this layout when entering data and sent an ASCII data file to the Gallup International Association's Coordination Center following these specifications.

The data was processed centrally by analysing different aspects such as whether all codes entered were valid and if filters were respected and bases consistent. If any inconsistency was found, this was pointed out to the local agency so they could evaluate the issue and send back the revised and amended data. Data for all countries was finally consolidated and weighted as specified above. All data analysis and validation was done using SPSS software.

Table 4: Indicators included – data sources (GCB 2010)

GCB (2010)	General Indicator Definition	Particular Indicator Definition	Score (way of measuring)
INDICATOR 1	GENERAL VIEWS ON CORRUPTION	<i>Changes in corruption level in particular country in the past 3 years.</i>	% of respondents reporting a corruption increase (decrease) in the past three years.
INDICATOR 2	GENERAL VIEWS ON CORRUPTION	<i>Level of trust in individual institutions regarding the fight against corruption.</i>	% of respondents who mostly trust particular institution (government leaders, public/private sector, NGOs, media, international organisations, nobody) in the fight against corruption.
INDICATOR 3	GENERAL VIEWS ON CORRUPTION	<i>Level of trust in individual institutions regarding the fights against corruption – by region.</i>	% of respondents who mostly trust particular institutions the most in the fight against corruption, by region
INDICATOR 4	PERCEIVED LEVELS REGARDING CORRUPTION	<i>Perceived levels of corruption in key institutions (the sector or institution most affected by corruption).</i>	% of respondents reporting the sector/institution to be corrupt or extremely corrupt – on a scale from 1 (meaning not at all corrupt, 5 meaning extremely corrupt) .
INDICATOR 5	PERCEIVED LEVELS REGARDING CORRUPTION	<i>Perceived levels of corruption in key institutions – comparison over time.</i>	% of respondents reporting the sector/institution to be corrupt or extremely corrupt – comparison between years 2004 and 2010.
INDICATOR 6	PERCEIVED LEVELS REGARDING BRIBERY	<i>Number of users paying a bribe to receive attention from at least one of nine different service providers in the past 12 month.</i>	% of respondents who report paying a bribe to any of nine different service providers in the past 12 month.
INDICATOR 7	PERCEIVED LEVELS REGARDING BRIBERY	<i>Number of users paying a bribe to receive attention</i>	% of people who report paying bribes to different service

			<i>from at least one of nine different service providers in the past 12 month – by age group.</i>	providers in the past 12 months, by age group.
INDICATOR 8	PERCEIVED LEVELS REGARDING BRIBERY		<i>Number of users paying a bribe in the previous 12 month by particular service.</i>	% of people who report paying a bribe in the previous 12 months, by service (police, registry & permit services, judiciary, customs, utilities, medical service, education system, land services, land authorities)
INDICATOR 9	PERCEIVED LEVELS REGARDING BRIBERY		<i>Number of users paying a bribe in the previous 12 month by particular region and by particular region.</i>	% of people who report paying a bribe in the past 12 months, by service/institution and region.
INDICATOR 10	PERCEIVED LEVELS REGARDING BRIBERY		<i>Number of users paying a bribe in the previous 12 month by income and service.</i>	% of people who report paying a bribe in the previous 12 months, by income and service.
INDICATOR 11	PERCEIVED LEVELS REGARDING BRIBERY		<i>Number of users paying a bribe between 2004-2010 and by service.</i>	% of people who report paying a bribe - comparison over time, by service.
INDICATOR 12	PERCEIVED LEVELS REGARDING BRIBERY		<i>Number of users paying a bribe between 2006-2010 and by region.</i>	% of people who reported paying bribes, comparison over time, by region.
INDICATOR 13	PERCEIVED LEVELS REGARDING BRIBERY		<i>Reasons for the last bribe paid (avoid a problem with the authorities, speed things up, receive a service entitled to, do not know, do not remember)</i>	% of people by region reporting that the last bribe paid was to...
INDICATOR 14	PUBLIC PERCEPTIONS AND EXPERIENCES OF CORRUPTION ALIGN WITH EXPERT ASSESSMENTS		<i>Level of corruption (from very clean to highly corrupt) in comparison between expert perceptions of corruption and general public perceptions of corruption.</i>	General public perceptions of corruption in the 2010 Barometer compared to expert perceptions of corruption in the 2010 Corruption Perceptions Index
INDICATOR 15	PUBLIC PERCEPTIONS AND EXPERIENCES OF CORRUPTION ALIGN WITH EXPERT ASSESSMENTS		<i>Level of corruption (from very clean to highly corrupt) in comparison with % of households paying bribes in the past 12 months.</i>	People's experiences of bribery in the 2010 Barometer compared to experts' perceptions of corruption in the 2010 Corruption Perceptions Index.
INDICATOR 16	GOVERNMENT EFFORTS ANTI-CORRUPTION		<i>Effectiveness assessment of government's actions in the fight against corruption.</i>	% of government (in)effectiveness in the fight against corruption.
INDICATOR 17	GOVERNMENT EFFORTS ANTI-CORRUPTION		<i>Effectiveness assessment of government's actions in the fight against corruption between 2007-2010 and by region.</i>	% of respondents reporting their government efforts to be effective/extremely effective – comparison over time and by region.
INDICATOR 18	GOVERNMENT EFFORTS ANTI-CORRUPTION		<i>Level of institutional trust in fighting corruption in comparison with effectiveness assessment of government's action in the fight against corruption.</i>	% of (respondents) people's trust versus evaluation of government's anti-corruption efforts.
INDICATOR 19	PEOPLE'S ANTI- CORRUPTION EFFORTS		<i>Level of people's engagement in the fight against</i>	% of respondents in terms of their willingness to personally

		<i>corruption regionally.</i>	engage in fighting against corruption – by region.
INDICATOR 20	PEOPLE'S ANTI-CORRUPTION EFFORTS	<i>Level of people's engagement in the fight against corruption in comparison with their experiences with bribery.</i>	% of respondents who paid/did not pay a bribe versus their willingness to personally engage in the fight against corruption.
INDICATOR 21	PEOPLE'S ANTI-CORRUPTION EFFORTS	<i>Level of people's attitude in reporting a corruption case.</i>	% of respondents who agree/ strongly agree or disagree/strongly disagree that they would report an incident of corruption – by region.
INDICATOR 22	PEOPLE'S ANTI-CORRUPTION EFFORTS	<i>Level of people's attitudes towards reporting an incident of corruption and experiences of bribery.</i>	% of respondents who paid/did not pay a bribe versus their engagement to report an incident of corruption.

5) Bribe Payers Index

5.a Short methodological description

- WHAT IS THE BPI?

The Bribe Payers Index is a unique tool capturing the supply side of international bribery, specifically focussing on bribes paid by the private sector. For instance, the 2011 Bribe Payers Index is the fifth edition of the index, ranking 28 of the world's largest economies according to **the likelihood of firms from these countries to bribe when doing business abroad**. *It is based on the results of Transparency International's 2011 Bribe Payers Survey*. This asked 3,016 senior business executives in 30 countries around the world for their perceptions of the likelihood of companies, from countries they have business dealings with, to engage in bribery when doing business in the executive's country. In each country, executives from a range of business sectors were surveyed with an oversampling of large and foreign-owned firms. The *Bribe Payers Survey* also captures perceptions of bribery across business sectors. This report examines different types of bribery across sectors – including, for the first time, bribery among companies ('private-to-private' bribery).

- WHICH COUNTRIES ARE INCLUDED

The 28 countries and territories ranked in the index are: Australia, Argentina, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, Italy, India, Indonesia, Japan, Malaysia, Mexico, Netherlands, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Switzerland, Taiwan, Turkey, United Arab Emirates, United Kingdom and United States. The six countries ranked in the index for the first time are Argentina, Indonesia, Malaysia, Saudi Arabia, Turkey and the United Arab Emirates. These countries were all in the bottom half of countries scored. The 28 countries and territories in the *Bribe Payers Index* were selected based on the value of their Foreign Direct Investment (FDI) outflows, the value of their exports and their regional significance.

- HOW IS THE BPI CALCULATED

Data for the Bribe Payers Index is drawn from the **Bribe Payers Survey**. The survey asked business executives:

"In your principal lines of business in this country, do you have business relationships (for example as a supplier, client, partner or competitor) with companies whose headquarters are located in any of the following countries?" Respondents were presented a list of 28 countries. For each instance where the respondent answered that they do have business relationships with companies headquartered in a country, the respondents were then asked:

»How often do firms headquartered in (country name) engage in bribery in this country?«. Answers were given on a 5-point scale where 1 corresponded to 'never' and 5 to 'always'. This was then converted into a 10-point scale system, where 10 corresponds to 'never' and 0 to 'always'. Since the index reflects views on foreign bribery, assessments of companies from the respondents' own

countries were excluded. A country's Bribe Payers Index score is an average of the scores given by all the respondents who rated that country. The average score, calculated to one decimal place, was then used to generate a ranking of all 28 countries. The standard deviation is calculated to indicate the degree of agreement among respondents who scored a country. The smaller the standard deviation, the closer the consensus. The 2011 Bribe Payers Survey was carried out on Transparency International's behalf by Ipsos Mori between 5 May and 8 July 2011 in 30 countries. Ipsos Mori drew on a network of partner institutes to carry out the survey locally, through telephone or face-to-face interviews in each country, where appropriate, and online in the United States.

- **WHAT ARE THE SECTORAL LISTINGS PUBLISHED WITH THE 2011 BPI?**

A total of 19 sectors were scored and ranked in 2011 using the same methodology as the 2008 index. The 2011 *Bribe Payers Survey*, on which the index is based, asked business executives how common bribery was in the sectors with which they have business relations. The survey asked how often three different types of bribery were perceived to occur in each sector: firstly, bribery of low-ranking public officials; secondly, improper contributions to high-ranking politicians to achieve influence; and thirdly, bribery between private companies. Answers were given on a 5-point scale. This was then converted to a 10-point scale where 0 indicates that companies in that sector are perceived to *always* pay bribes and 10 to *never* pay bribes.

Table 5: Indicators included – data sources (BPI 2011)

BPI 2011	Question	Indicator + score
INDICATOR 1	In your principal lines of business in this country, do you have business relationships – for example as a supplier, client, partner or competitor – with companies whose headquarters are located in any of the countries involved in the countries included in BPI?	<p><i>Country degree of business connections/relationship with other countries included in index.</i></p> <p>Respondents answered the question by affirming connections with the particular state or negating connections with any of countries.</p>
INDICATOR 2	For each of the countries you have selected, could you please tell us how often do firms headquartered in that country engage in bribery in this country?	<p><i>Frequency of engaging in bribery in particular country.</i></p> <p>Respondents answered the question on the scale from 1 (never) to 5 (always)</p>
INDICATOR 3	In your principal line of business, with which of the following sectors do you have business relationships, for example as a supplier, client, partner or competitor?	<p><i>Country degree of business connections/relationship with other countries by particular sector.</i></p> <p>Respondents answer the question by affirming or negating the sector with which they have connections.</p>
INDICATOR 4	For each of the sectors you have a relationship with, in your experience, how often do firms in each of these sectors engage in bribery?	<p><i>Frequency of engaging in bribery in particular sector.</i></p> <p>Respondents answered the question on the scale from 1 (never) to 5 (always).</p>
INDICATOR 5	In your experience, how often do firms in each sector engage in bribery of low-level public officials, for example to speed up administrative processes and/or facilitate the granting of licenses?	<p><i>Frequency of engaging in sector bribery to low-level public officials for particular reasons.</i></p> <p>Respondents answered the question on the scale from 1 (never) to 5 (always).</p>
INDICATOR 6	In your experience, how often do firms in each sector use improper contributions to high-ranking politicians or political parties to achieve influence?	<p><i>Frequency of engaging in sector bribery to high-ranking politicians or political parties.</i></p> <p>Respondents answered the question on the scale from 1 (never) to 5 (always).</p>

INDICATOR 7	In your experience, how often do firms in each sector pay or receive bribes from other private firms?	<p><i>Frequency of engaging in sector bribery, receiving it from other private firms.</i></p> <p>Respondents answered the question on the scale from 1 (never) to 5 (always).</p>
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6.a Short Methodological Description

- WHAT IS NATIONAL INTEGRITY SYSTEM

It has become recognised that corruption is rarely an isolated phenomenon found only within a specific institution, sector or group of actors. Rather, it is usually of a systemic nature, and therefore fighting it also requires a holistic and systemic strategy. In turn, a successful anti-corruption strategy is premised on the involvement of multiple stakeholders, including government, civil society, and other governance actors, since it requires both, supply-side political will as well as demand-side civic pressure for greater transparency and accountability. Here, Transparency International's NIS assessment tool, which combines evidence-based advocacy with a participatory multi-stakeholder approach, presents a unique contribution to the field. The concept of the NIS has been developed and promoted by TI as part of TI's holistic approach to combating corruption. While there is no absolute blueprint for an effective anti-corruption system, there is a growing international consensus as to the salient aspects that work best to prevent corruption and promote integrity. The NIS assessment offers an **evaluation of the legal basis and the actual performance of institutions relevant to the overall anti-corruption system**. These institutions – or 'pillars' – comprise the executive, legislature, judiciary, the main public watchdog institutions. Pillars that create such holistic approach to combating corruption are: legislative, executive and judicial branch of power, public sector, law enforcement, electoral MGT body, ombudsman, audit institutions, anti-corruption agencies, political parties, media, civil society and business.

Overall, NIS assessment approach provides a framework which anti-corruption organisations can use to analyse both the extent and causes of corruption in a given country as well as the effectiveness of national anti-corruption efforts. This analysis is undertaken via a consultative approach, involving the key anti-corruption agents in government, civil society, the business community and other relevant sectors with a view to building momentum, political will and civic pressure for relevant reform initiatives. The NIS consists of the principle institutions and actors that contribute to integrity, transparency and accountability in a society.

- METHODOLOGY AND APPROACH

The NIS assessments offer a comprehensive evaluation of the integrity system in a given country. They are conducted by local in-country organisations, generally TI national chapters.

At the outset of the project, the lead organisation defines a brief project purpose statement, which guides its planning and the overall implementation of the project. The organisation sets up an advisory group which provides guidance on the NIS assessment. It also works with an individual researcher (or a group of researchers), who is an expert on political-institutional analysis and transparency, accountability and integrity issues, in carrying out the NIS assessment. The researcher is responsible for collecting the data, scoring the indicators and drafting the NIS report. The research

exercise focuses on an evaluation of the key public institutions and non-state actors in a country's governance system with regard to (1) their overall capacity, (2), their internal governance systems and procedures, and (3) their role in the overall integrity system. The assessment examines both the formal framework of each institution, as well as the actual institutional practice, highlighting discrepancies between the formal provisions and reality on the ground. This in-depth investigation of the relevant governance institutions is embedded in a concise context analysis of the overall political, socio-economic and socio-cultural conditions in which these governance institutions operate.

A thorough review of laws, policies and existing research studies constitutes the main data source for the assessment for the formal framework and the context analysis. To collect information on the practice of the relevant institutions, a number of key informant interviews are conducted with knowledgeable persons from the public sector, civil society, academia and other sectors. In addition, wherever feasible, field tests are conducted. This data is used by the researcher to score the NIS indicators, which provide a quick quantitative summary of the qualitative information assembled in the NIS report. Methodology (data gathering) is the same for all countries that are already included in evaluating national integrity system. For each every indicator concerning one of 13 pillars included in assessment a score of measuring is identical: from minimum score (1), mid-point score (3) and maximum score (5).

The draft NIS report and scores form the basis for a consultative National Integrity Workshop convened by the national chapter to discuss and validate the NIS findings, and, most importantly, to identify recommendations and priority actions for policy and advocacy activities. Participants include anti-corruption and governance experts drawn from government (including donors, where relevant), the private sector, the professions (e.g. lawyers, accountants), media and civil society. The outcomes of the consultative workshop are added to the draft NIS report, which is then published by the national chapter as well as TI-S as a NIS country report. Most importantly, the outcomes of the consultative workshop are used to inform advocacy activities by the TI national chapter as well as other anti-corruption stakeholders in the country.

- **WHICH COUNTRIES ARE INCLUDED**

Since its inception in the late 1990s, more than 70 NIS national assessments have been conducted by TI, many of which have contributed to civic advocacy campaigns, policy reform initiatives, and the overall awareness of the country's governance deficits. The NIS country reports present the results of the NIS assessment in form of a comprehensive analysis of the anti-corruption provisions and capacities in a country, including recommendations for key areas of anti-corruption reform. They include an executive summary, country and corruption profiles and a review of recent anti-corruption activities, in addition to its main focus, i.e. a comprehensive assessment of the NIS pillars.

TI official website does not offer visible oversight on time period of NIS. What is visible from their website is that from 2001 when NIS has generally started to implement, particular countries carried out one or approximately two assessments on national integrity system. Geographically, countries already included in NIS system are those from America, Africa and Middle East, Asia and Pacific and Europe (Bosnia and Herzegovina, Bulgaria, Denmark, Hungary, Ireland, Lithuania, Netherlands, Romania, Serbia, Slovenia, Ukraine, United Kingdom) and Central Asia. Moreover, TI online available

data about NIS also does not give an oversight or reasons why particular countries have been so far included why others were not.

- **THE NIS ASSESSMENT STEP BY STEP**

- **Step 1 Project Planning:** the TI national chapter identifies NIS assessment as desirable project, defines specific project purpose, raises funds (if necessary), and sets up project structures and teams, including researcher and advisory group.
- **Step 2 Familiarizing with NIS research process and outputs:** researcher familiarizes herself with the NIS research process and outputs, particularly the NIS indicators and NIS country report.
- **Step 3 Data collection:** researcher collects data on legal framework and actual practice of NIS pillars and for other components of NIS report.
- **Step 4 Drafting NIS report:** researcher develops draft NIS report based on collected data.
- **Step 5 Scoring NIS indicators:** researcher scores NIS indicators, which are reviewed by advisory group and finalized by researcher, in consultation with national chapter and TI-S.
- **Step 6 Convening NIS Workshop:** national Chapter convenes consultative workshop to discuss findings and identify recommendations and action plans for strengthening national integrity. Subsequently, NIS report is updated with outcomes of consultative workshop.
- **Step 7 Publishing NIS country report:** NIS report is launched and disseminated at national and international level.
- **Step 8 NIS Advocacy:** advocacy, agenda setting, promotion of policy reform, internal strategy and other follow-up activities emerging from the NIS assessment commence.

Table 6: Indicators included – LEGISLATURE AND EXECUTIVE

Pillar	Indicator Name	Scoring Question
Legislature	Resources (law)	To what extent are there provisions in place that provide the legislature with adequate financial, human and infrastructure resources to effectively carry out its duties?
	Resources (practice)	To what extent does the legislature have adequate resources to carry out its duties in practice?
	Independence (law)	To what extent is the legislature independent and free from subordination to external actors by law?
	Independence (practice)	To what extent is the legislature free from subordination to external actors in practice?
	Transparency (law)	To what extent are there provisions in place to ensure that the public can obtain relevant and timely information on the activities and decision-making processes of the legislature?
	Transparency (practice)	To what extent can the public obtain relevant and timely information on the activities and decision-making processes of the legislature in practice?
	Accountability (law)	To what extent are there provisions in place to ensure that the legislature has to report on and be answerable for its actions?
	Accountability (practice)	To what extent do the legislature and its members report on and answer for their actions in practice?
	Integrity mechanisms (law)	To what extent are there mechanisms in place to ensure the integrity of members of the legislature?
	Integrity mechanisms (practice)	To what extent is the integrity of legislators ensured in practice?
	Executive oversight (law&practice)	To what extent does the legislature provide effective oversight of the executive?
Legal reforms (law & practice)	To what extent does the legislature prioritise anti-corruption and governance as a concern in the country?	
Pillar	Indicator name	Scoring question
Executive	Resources (practice)	To what extent does the executive have adequate resources to effectively carry out its duties?
	Independence (law)	To what extent is the executive independent by law?
	Independence (practice)	To what extent is the executive independent in practice?
	Transparency (law)	To what extent are there regulations in place to ensure transparency in relevant activities of the executive?

	<p>Transparency (practice)</p> <p>Accountability (law)</p> <p>Accountability (practice)</p> <p>Integrity (law)</p> <p>Integrity (practice)</p> <p>Public Sector Management (law and practice)</p> <p>Legal system (law and practice)</p>	<p>To what extent is there transparency in relevant activities of the executive in practice?</p> <p>To what extent are there provisions in place to ensure that members of the executive have to report and be answerable for their actions?</p> <p>To what extent is there effective oversight of executive activities in practice?</p> <p>To what extent are there mechanisms in place to ensure the integrity of members of the executive?</p> <p>To what extent is the integrity of members of the executive ensured in practice?</p> <p>To what extent is the executive committed to and engaged in developing a well-governed public sector?</p> <p>To what extent does the executive prioritise public accountability and the fight against corruption as a concern in the country?</p>
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Table 7: indicators included – JUDICIARY

Pillar	Indicator name	Scoring question
Judiciary	Resources (law)	To what extent are there laws seeking to ensure appropriate tenure policies, salaries and working conditions of the judiciary?
	Resources (practice)	To what extent does the judiciary have adequate levels of financial resources, staffing, and infrastructure to operate effectively in practice?
	Independence (law)	To what extent is the judiciary independent by law?
	Independence (practice)	To what extent does the judiciary operate without interference from the government or other actors?
	Transparency (law)	To what extent are there provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the judiciary?
	Transparency (practice)	To what extent does the public have access to judicial information and activities in practice?
	Accountability (law)	To what extent are there provisions in place to ensure that the judiciary has to report and be answerable for its actions?
	Accountability (practice)	To what extent do members of the judiciary have to report and be answerable for their actions in practice?
	Integrity mechanism (law)	To what extent are there mechanisms in place to ensure the integrity of members of the judiciary?
	Integrity mechanism (practice)	To what extent is the integrity of members of the judiciary ensured in practice?
	Executive oversight (law & practice)	To what extent does the judiciary provide effective oversight of the executive?
	Corruption prosecution (law & practice)	To what extent is the judiciary committed to fighting corruption through prosecution and other activities?

Table 8: Indicators included – PUBLIC SECOTR

Pillar	Indicator name	Scoring question
Public sector	Resources (practice)	To what extent does the public sector have adequate resources to effectively carry out its duties?
	Independence (law)	To what extent is the independence of the public sector safeguarded by law?
	Independence (practice)	To what extent is the public sector free from external interference in its activities?
	Transparency (law)	To what extent are there provisions in place to ensure transparency in financial, human resource and information management of the public sector?
	Transparency (practice)	To what extent are the provisions on transparency in financial, human resource and information management in the public sector effectively implemented?
	Accountability (law)	To what extent are there provisions in place to ensure that public sector employees have to report and be answerable for their actions?
	Accountability (practice)	To what extent do public sector employees have to report and be answerable for their actions in practice?
	Integrity Mechanisms (law)	To what extent are there provisions in place to ensure the integrity of public sector employees?
	Integrity Mechanisms (practice)	To what extent is the integrity of civil servants ensured in practice?
	Public education (practice)	To what extent does the public sector inform and educate the public on its role in fighting corruption?
	Cooperate with public institutions, CSOs and private agencies in preventing/ addressing corruption (practice)	To what extent does the public sector work with public watchdog agencies, business and civil society on anti-corruption initiatives?
	Reduce Corruption Risks by Safeguarding Integrity in Public Procurement	To what extent is there an effective framework in place to safeguard integrity in public procurement procedures, including meaningful sanctions for improper conduct by both suppliers and public officials, and review and complaint mechanisms?

Table 9: Indicators included – LAW ENFORCEMENT AGENCIES

Pillar	Indicator name	Scoring question
Law Enforcement Agencies	Resources (practice)	To what extent do law enforcement agencies have adequate levels of financial resources, staffing, and infrastructure to operate effectively in practice?
	Independence (law)	To what extent are law enforcement agencies independent by law?
	Independence (practice)	To what extent are law enforcement agencies independent in practice?
	Transparency (law)	To what extent are there provisions in place to ensure that the public can access the relevant information on law enforcement agency activities?
	Transparency (practice)	To what extent is there transparency in the activities and decision-making processes of law enforcement agencies in practice?
	Accountability (law)	To what extent are there provisions in place to ensure that law enforcement agencies have to report and be answerable for their actions?
	Accountability (practice)	To what extent do law enforcement agencies have to report and be answerable for their actions in practice?
	Integrity Mechanisms (law)	To what extent is the integrity of law enforcement agencies ensured by law?
	Integrity Mechanisms (practice)	To what extent is the integrity of members of law enforcement agencies ensured in practice?
	Corruption prosecution (law and practice)	To what extent do law enforcement agencies detect and investigate corruption cases in the country?

Table 10: Indicators included – ELECTORAL MANAGEMENT BODY

Pillar	Indicator name	Scoring question
Electoral Management Body	Resources practice	To what extent does the electoral management body (EMB) have adequate resources to achieve its goals in practice?
	Independence (law)	To what extent is the electoral management body independent by law?
	Independence (practice)	To what extent does the electoral management body function independently in practice?
	Transparency (law)	To what extent are there provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the EMB?
	Transparency (practice)	To what extent are reports and decisions of the electoral management body made public in practice?
	Accountability (law)	To what extent are there provisions in place to ensure that the EMB has to report and be answerable for its actions?
	Accountability (practice)	To what extent does the EMB have to report and be answerable for its actions in practice?
	Integrity (law)	To what extent are there mechanisms in place to ensure the integrity of the electoral management body?
	Integrity (practice)	To what extent is the integrity of the electoral management body ensured in practice?
	Campaign regulator (law and practice)	Does the electoral management body effectively regulate candidate and political party finance?
	Election Administration (law and practice)	Does the EMB effectively oversee and administer free and fair elections and ensure the integrity of the electoral process?

Table 11: Indicator included – OMBUDSMAN

Pillar	Indicator name	Scoring question
Ombudsman	Resources (practice)	To what extent does an ombudsman or its equivalent have adequate resources to achieve its goals in practice?
	Independence (law)	To what extent is the ombudsman independent by law?
	Independence (practice)	To what extent is the ombudsman independent in practice?
	Transparency (law)	To what extent are there provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the ombudsman?
	Transparency (practice)	To what extent is there transparency in the activities and decision-making processes of the ombudsman in practice?
	Accountability (law)	To what extent are there provisions in place to ensure that the ombudsman has to report and be answerable for its actions?
	Accountability (practice)	To what extent does the ombudsman have to report and be answerable for its actions in practice?
	Integrity Mechanisms (law)	To what extent are there provisions in place to ensure the integrity of the ombudsman?
	Integrity Mechanisms (practice)	To what extent is the integrity of the ombudsman ensured in practice?
	Investigation (law and practice)	To what extent is the ombudsman active and effective in dealing with complaints from the public?
	Promoting good practice (law and practice)	To what extent is the ombudsman active and effective in raising awareness within government and the public about standards of ethical behaviour?

Table 12: Indicators included – SUPREME AUDIT INSTITUTION

Pillar	Indicator name	Scoring question
Supreme Audit Institution	Resources (practice)	To what extent does the audit institution have adequate resources to achieve its goals in practice?
	Independence (law)	To what extent is there formal operational independence of the audit institution?
	Independence (practice)	To what extent is the audit institution free from external interference in the performance of its work in practice?
	Transparency (law)	To what extent are there provisions in place to ensure that the public can obtain relevant information on the relevant activities and decisions by the SAI?
	Transparency (practice)	To what extent is there transparency in the activities and decisions of the audit institution in practice?
	Accountability (law)	To what extent are there provisions in place to ensure that the SAI has to report and be answerable for its actions?
	Accountability (practice)	To what extent does the SAI have to report and be answerable for its actions in practice?
	Integrity Mechanisms (law)	To what extent are there mechanisms in place to ensure the integrity of the audit institution?
	Integrity Mechanisms (practice)	To what extent is the integrity of the audit institution ensured in practice?
	Effective financial audits	To what extent does the audit institution provide effective audits of public expenditure?
	Detecting and sanctioning misbehaviour	Does the audit institution detect and investigate misbehaviour of public officeholders?
	Improving financial management	To what extent is the SAI effective in improving the financial management of government?

Table 13: Indicators included – ANTI-CORRUPTION AGENCIES

Pillar	Indicator name	Scoring question
Anti-Corruption Agencies	Resources (law)	To what extent are there provisions in place that provide the ACA with adequate resources to effectively carry out its duties?
	Resources (practice)	To what extent does the ACA have adequate resources to achieve its goals in practice?
	Independence (law)	To what extent is the ACA independent by law?
	Independence (practice)	To what extent is the ACA independent in practice?
	Transparency (law)	To what extent are there provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the ACA?
	Transparency (practice)	To what extent is there transparency in the activities and decision-making processes of ACA in practice?
	Accountability (law)	To what extent are there provisions in place to ensure that the ACA has to report and be answerable for its actions?
	Accountability (practice)	To what extent does the ACA have to report and be answerable for its actions in practice?
	Integrity Mechanisms (law)	To what extent are there mechanisms in place to ensure the integrity of members of the ACA(s)?
	Integrity Mechanisms (practice)	To what extent is the integrity of members of the ACA(s) ensured in practice?
	Prevention (law and practice)	To what extent does the ACA engage in preventive activities regarding fighting corruption?
	Education (law and practice)	To what extent does the ACA engage in educational activities regarding fighting corruption?
	Investigation (law and practice)	To what extent does the ACA engage in investigation regarding alleged corruption?

Table 14: Indicator included – POLITICAL PARTIES

Pillar	Indicator name	Scoring question
Political parties	Resources (law)	To what extent does the legal framework provide a conducive environment for the formation and operations of political parties?
	Resources (practice)	To what extent do the financial resources available to political parties allow for effective political competition?
	Independence (law)	To what extent are there legal safeguards to prevent unwarranted external interference in the activities of political parties?
	Independence (practice)	To what extent are political parties free from unwarranted external interference in their activities in practice?
	Transparency (law)	To what extent are there regulations in place that require parties to make their financial information publicly available?
	Transparency (practice)	To what extent do political parties make their financial information publicly available?
	Accountability (law)	To what extent are there provisions governing financial oversight of political parties?
	Accountability (practice)	To what extent is there effective financial oversight of political parties in practice?
	Integrity (law)	To what extent are there organisational regulations regarding the internal democratic governance of the main political parties?
	Integrity (practice)	To what extent is there effective internal democratic governance of political parties in practice?
	Interest aggregation and representation (practice)	To what extent do political parties aggregate and represent relevant social interests in the political sphere?
	Anti-corruption commitment (practice)	To what extent do political parties give due attention to public accountability and the fight against corruption?

Table 15: Indicators included – MEDIA

Pillar	Indicator name	Scoring question
Media	Resources (law)	To what extent does the legal framework provide an environment conducive to a diverse independent media?
	Resources (practice)	To what extent is there a diverse independent media providing a variety of perspectives?
	Independence (law)	To what extent are there legal safeguards to prevent unwarranted external interference in the activities of the media?
	Independence (practice)	To what extent is the media free from unwarranted external interference in its work in practice?
	Transparency (law)	To what extent are there provisions to ensure transparency in the activities of the media?
	Transparency (practice)	To what extent is there transparency in the media in practice?
	Accountability (law)	To what extent are there legal provisions to ensure that media outlets are answerable for their activities?
	Accountability (practice)	To what extent can media outlets be held accountable in practice?
	Integrity Mechanisms (law)	To what extent are there provisions in place to ensure the integrity of media employees?
	Integrity Mechanisms (practice)	To what extent is the integrity of media employees ensured in practice?
	Investigate and expose cases of corruption practice	To what extent is the media active and successful in investigating and exposing cases of corruption?
	Inform public on corruption and its impact (practice)	To what extent is the media active and successful in informing the public on corruption and its impact on the country?
	Inform public on governance issues (practice)	To what extent is the media active and successful in informing the public on the activities of the government and other governance actors?

Table 16: Indicators included – CIVIL SOCIETY

Pillar	Indicator name	Scoring question
Civil society	Resources (law)	To what extent does the legal framework provide an environment conducive to civil society?
	Resources (practice)	To what extent do CSOs have adequate financial and human resources to function and operate effectively?
	Independence (law)	To what extent are there legal safeguards to prevent unwarranted external interference in the activities of CSOs?
	Independence (practice)	To what extent can civil society exist and function without undue external interference?
	Transparency (practice)	To what extent is there transparency in CSOs?
	Accountability (practice)	To what extent are CSOs answerable to their constituencies?
	Integrity (law)	To what extent are there mechanisms in place to ensure the integrity of CSOs?
	Integrity (practice)	To what extent is the integrity of CSOs ensured in practice?
	Hold government accountable	To what extent is civil society active and successful in holding government accountable for its actions?
	Policy reform	To what extent is civil society actively engaged in policy reform initiatives on anti-corruption?

Table 17: Indicators included – BUSINESS

Pillar	Indicator name	Scoring question
Business (private sector enterprises)	Resources (law)	To what extent does the legal framework offer an enabling environment for the formation and operations of individual businesses?
	Resources (practice)	To what extent are individual businesses able in practice to form and operate effectively?
	Independence (law)	To what extent are there legal safeguards to prevent unwarranted external interference in activities of private businesses?
	Independence (practice)	To what extent is the business sector free from unwarranted external interference in its work in practice?
	Transparency (law)	To what extent are there provisions to ensure transparency in the activities of the business sector?
	Transparency (practice)	To what extent is there transparency in the business sector in practice?
	Accountability (law)	To what extent are there rules and laws governing oversight of the business sector and governing corporate governance of individual companies?
	Accountability (practice)	To what extent is there effective corporate governance in companies in practice?
	Integrity Mechanisms (law)	To what extent are there mechanisms in place to ensure the integrity of all those acting in the business sector?
	Integrity Mechanisms (practice)	To what extent is the integrity of those working in the business sector ensured in practice?
	AC policy engagement (law and practice)	To what extent is the business sector active in engaging the domestic government on anti-corruption?
	Support for/engagement with civil society (law & practice)	To what extent does the business sector engage with/provide support to civil society on its task of combating corruption?

7. Conclusion: Countries obligations and indexes overview

After making an comprehensive individual overview about Transparency International as international organisation with main focus on corruption and its measuring and after comprehensive indexes overview that are developed and being implemented within the organisation, the last graph gives final visual »picture« about all indexes that have been analysed in previous stages.

Table 18: Review of all indexes

<i>Index (name)</i>	<i>WHAT?</i>	<i>WHY?</i>	<i>WHO?</i>	<i>HOW?</i>
Corruption Perception Index (CPI)	Measuring perception of corruption in public sector (183 countries included worldwide)	Because of political (major obstacle to democracy&the rule of law), economic (depletion of national wealth), social (undermining trust in political system) and environmental (environmental degradation) corruption costs.	External organizations for the TI's purposes: e.g. 2011: 17 sources from 13 independant institutions – emphasis on governance.	Annually mixture of: a) business people opinion surveys and b) assessments provided by country experts or analysts from international institutions.
Global Corruption Barometer (GCB)	Public opinion survey on views and experiences of corruption and bribery (86 countries worldwide)	As a pool of the general public, it provides an indicator how corruption is viewed at national level and how efforts to curb corruption around the world are assessed on the ground.	Gallup International Association on behalf of TI.	Annually carried out interviews either a) face to face, using self-administered questionnaires; b) by telephone, internet; c) computer-assisted telephone interviewing.
Bribe Payers Index (BPI)	Unique tool capturing the supply side of international bribery – focussing on bribes paid by the private sector (likelihood of firms from included countries to bribe when doing business abroad (28 countries worldwide)	Because of the role that both public and private sectors can play in tackling corruption. It also makes actionable recommendations how could business and governments strengthen their efforts to make make substantial progress in reducing the prevalence of foreign bribery around the world.	Data for the BPI is drawn from Bribe Payers Survey. Furthermore, Bribe Payers Survey was carried out on TI's behalf by Ipsos MORI.	Interviews are carried out by common survey questionnaires either through a) telephone; b) face-to-face or c) online. Interviewers were business executives from particular countries.
National Integrity System (NIS)	Comprehensive evaluations of integrity systems in given countries including key public institutions and non-state actors in a country's governance system – since its inception more than 70 national integrity assessments were	A framework which anti-corruption organisations can use to analyse the extent and causes of corruption in a given country as well as the effectiveness of national anti-corruption efforts – <i>building momentum, political will and civic pressure for relevant reform initiatives.</i>	Assessments are conducted by local in-country organisations, generally TI's national chapters comprising individual researchers or/and groups of researchers and advisory group.	a) Analysis of laws, policies and existing research studies, b) Interviews with experts in certain field/pillar of assessment; c) field test (when

	carried out in different countries.			possible).
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All in all the last question that needs to be answered to satisfy the aim of this overview about Transparency International indexes is the question about individual country obligations when included in different indexes in terms of their:

- **binding rate (country's obligation in reporting the results. i.e. obligation of reporting the results in particular state to wider concerned public).**

Firstly, it has to be stressed out that based on data available through official TI web-page it is unclearly seen what are countries requirements in terms of reporting results from different primary TI's surveys conducted in particular country. Paraphrased, this means that it is not clear whether the individual country (in terms of institutional structure, i.e. in terms of polity) has to report index report and how, in which way. What is visible from available data is that certain degree of accountability for reporting the data and results is carried out by TI's national chapters. What is more, TI's national chapters are primarily responsible for reporting and presenting the results of indexes to the general public, media, civil society and competent national authorities. This brings us to the question what is the role of central national government concerning the accountability of the indexes results and recommendations deriving from TI itself? What is seen from available online data and reports is that central government role is minimized and rather replaced with TI's national chapters that then ultimately cooperate with particular state organisations and institutions (ministries, agencies, semi-state institutions, etc.) in terms of results conducted by different analysed indexes at TI's level.

GLOBAL REPORTING INITIATIVE

1. Description

What should be established at the very outset is definitely comprehensive description and overview about the Global Reporting Initiative in general hence of GRI organizational specific nature – therefore such description would contribute to our understanding and interpreting organization with the purposes of our analysis.

Consequently, GRI is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world. This basic definition offers us narrow understanding of organization as itself. Moreover, in-depthly GRI has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used around the world. The Framework enables all organizations to measure and report their economic, environmental, social and governance performance – the four key areas of sustainability. The Reporting Framework – which includes the Reporting Guidelines, Sector Guidelines and other resources - enables greater organizational transparency about economic, environmental, social and governance performance. This transparency and accountability builds stakeholders’ trust in

organizations, and can lead to many other benefits. Thousands of organizations and companies worldwide, of all sizes and sectors, use GRI's Framework in order to understand and communicate their sustainability performance.

What is more, GRI's is a multi-stakeholder, network-based organization. Its Secretariat is headquartered in Amsterdam, the Netherlands. The Secretariat acts as a hub, coordinating the activity of GRI's many network partners. GRI has Focal Points – regional offices – in Australia, Brazil, China, India and the USA. Its global network includes more than 600 Organizational Stakeholders – core supporters – and some 30,000 people representing different sectors and constituencies.

In addition, trying to understand mission and vision of GRI as an organization it is also important to take a look at how organisation has been established and developed historically. GRI was founded in Boston in 1997. Its roots lie within the US non-profit organizations the Coalition for Environmentally Responsible Economies (CERES) and the Tellus Institute. With its primary aim to develop a framework for environmental reporting, CERES established a GRI project department. The aim was to create an accountability mechanism to ensure companies were following the CERES Principles for responsible environmental conduct.

In 1998 GRI as an independent organization has developed further along – the multi-stakeholder Steering Committee was established to develop GRI's guidance. A pivotal mandate of the Steering Committee was to “do more than the environment.” On this advice, the framework's scope was broadened to include social, economic, and governance issues. GRI's guidance became a Sustainability Reporting Framework, with Reporting Guidelines at its heart. The first version of the Guidelines was launched in 2000. The following year, on the advice of the Steering Committee, CERES separated GRI as an independent institution. The second generation of Guidelines, known as G2, was unveiled in 2002 at the World Summit on Sustainable Development in Johannesburg. The uptake of GRI's guidance was boosted by the 2006 launch of the current generation of Guidelines, G3. Over 3,000 experts from across business, civil society and labor participated in G3's development. After G3 was launched, GRI expanded its strategy and Reporting Framework, and built powerful alliances. Formal partnerships were entered into with the United Nations Global Compact, the Organization for Economic Co-operation and Development, and others. A regional GRI presence was established with Focal Points, initially in Brazil and Australia and later in China, India and the USA. **In March 2011, GRI published the G3.1 Guidelines – an update and completion of G3, with expanded guidance on reporting gender, community and human rights related performance.**

To sum up, GRI is an example of efforts to unify non-financial reporting standards and as such globally represents main reporting common indicators, usable in organisations and companies worldwide. GRI Guidelines that also encompass different indicators are developed with the expertise of the people in the GRI network and are as such suitable and credible for all organisations. With its vision (*A sustainable global economy where organizations manage their economic, environmental, social and governance performance and impacts responsibly and report transparently*) and mission (to make sustainability reporting standard practice by providing guidance and support to organizations) GRI Sustainability Reporting Framework represents and reflect worldwide “best known” unification framework for organizations which consequently offers them economic, social and environmental sustainability. Table 1 represents Sustainability reporting framework in depth and Table 2 represents core elements of GRI as an organization itself.

Table 1: Definition of Sustainability reporting framework

Sustainability reporting framework:

The GRI Reporting Framework is intended to serve as a generally accepted framework for reporting on an organization’s economic, environmental, and social performance. It is designed for use by organizations of any size, sector, or location. It takes into account the practical considerations faced by a diverse range of organizations – from small enterprises to those with extensive and geographically dispersed operations. The GRI Reporting Framework contains general and sector-specific content that has been agreed by a widerange of stakeholders around the world to be generally applicable for reporting an organization’s sustainability performance.

Table 2: GRI as an organization itself.

GLOBAL REPORTING INITIATIVE	
WHO?	Non-profit organisation (head-quatered in Amsterdam, Netherlands) that promotes environmental, social and economic sustainability.
WHY?	Main purpose of unified reporting system is to enable enterprises to evaluate their past actions and current business + consequently improve parts of their management/functioning where it would be needed. It also enables to assess the performance of their work in relation to the social, economic and environmental responsibilities/benefits.
HOW?	By developing Sustainability Reporting Framework and common indicators usable worldwide and for all sorts of enterprises and organisations of any size, sector or location. EMPHASIS IS ON SUSTAINABLE REPORTING – CORPORATE SOCIAL RESPONSIBILITY REPORTING
WHAT?	(Gradual) development and improvement of unified reporting standards, indicators and guide lines – so called GRI guidelines.

2. Sustainability reporting

Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. ‘Sustainability reporting’ is a broad term considered synonymous with others used to describe nonfinancial reporting on economic, environmental, and social impacts (e.g., triple bottom line, corporate responsibility reporting, etc.).

To produce a regular sustainability report, organizations set up a reporting cycle – a program of data collection, communication, and responses. This means that their sustainability performance is monitored on an ongoing basis. Data can be provided regularly to senior decision makers to shape company strategy and policy, and improve performance. Sustainability reporting is therefore a vital step for managing change towards a sustainable global economy – one that combines long term profitability with social justice and environmental care.

An important question that also strives to be answered is: how should report? GRI seeks to manage that sustainability reports are released by companies and organizations of all types, sizes and sectors, from every corner of the world. Thousands of companies across all sectors have published reports that adopt some or all of the Global Reporting Initiative (GRI)'s Sustainability Reporting Framework and Guidelines. Public authorities and non-profits are also big reporters. Reports can be used for the following purposes, among others:

- Benchmarking and assessing sustainability performance with respect to laws, norms, codes, performance standards and voluntary initiatives;
- Demonstrating how the organization influences and is influenced by expectations about sustainable development and;
- Comparing performance within an organization and between different organizations over time.

The Sustainability Reporting Guidelines consist of Principles for defining report content and ensuring the quality of reported information. It also includes Standard Disclosures made up of Performance indicators and other disclosure items, as well as guidance on specific technical topics in reporting.

Sustainability Reporting Guidelines = Reporting Principles + Reporting Guidance + Standard Disclosures (including Performance Indicators)

Moreover, definitions of some concepts, included in the sustainability reporting, need to be expanded:

- Indicator Protocols:** exist for each of the performance Indicator contained in the Guidelines. These Protocols provide definition, compilation guidance and other information to assist report preparers and to ensure consistency in the interpretation of Performance Indicators.
- Sector Supplements:** complement the Guidelines with interpretations and guidance on how to apply the Guidelines in a given sector and include sector-specific Performance Indicators.
- Technical Protocols:** are created to provide guidance on issues in reporting, such as setting the report boundary. They are designed to be used in conjunction with the Guidelines and Sector Supplements and cover issues that face most organizations during the reporting process.

Trying to make a comprehensive overview about Sustainability Reporting Guidelines it is also important to define core elements that Guidelines consist of:

- **Reporting Principles and Guidelines:**

Reporting Guidelines are related to the presentation of the GRI guidelines and offer a way how particular company should use guidelines when preparing corporate social responsibility report. **Reporting Principles** describe the outcomes a report should achieve and guide decisions throughout the reporting process, such as selecting which topics and indicators to report on and how to report on them. In this section company has to clearly demonstrate the principles outlined in the report and has to notice that the report itself is prepared in accordance with GRI principles. Each of the principles consists of a definition, an explanation and a set of tests for the reporting organization to assess its use of the Principles. The principles themselves are organized into two groups:

1. Principles for determining the topics and indicators on which the organization should report – defining report content (materiality, stakeholder inclusiveness, sustainability context and completeness);
2. Principles for ensuring the quality and appropriate presentation of reported information (balance, comparability, clarity, accuracy, timeliness, reliability).

- **Standard Disclosures:**

specifies the base content that should appear in a sustainability report. Based on the GRI Guidelines corporate social responsibility report should contain:

- a) **Strategy and Profile:** disclosures that set the overall context for understanding organizational performance such as its strategy, profile and governance;
- b) **Management Approach:** disclosures that cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area;
- c) **Performance Indicators:** indicators that elicit comparable information on the economic, environmental and social performance of the organization.

3. Indicators

In next tables the last and most complete version of performance indicators that are in compliance with Sustainability Reporting Guidelines (G3.1) are presented. Table covers all indicators⁵ that are developed and used within the GRI with its purpose of reporting unification particularly about corporate social responsibility reporting. Indicators are divided into 3 groups:

- a) **Economic Performance Indicators:** the economic dimension of sustainability concerns the organization's impacts on the economic conditions of its stakeholders and on economic systems at local, national and global levels. The Economic Indicators illustrate:
 - Flow of capital among different stakeholders;
 - Main economic impacts of the organization throughout society.
- b) **Environmental Performance Indicators:** the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including ecosystems, land, air and water. Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g. emissions, effluents, waste). In addition they cover performance related to biodiversity, environmental compliance, and other relevant information such as environmental expenditure and the impacts of products and services.
- c) **Social Performance Indicators:** the social dimension of sustainability concerns the impact an organization has on the social systems within which it operates. The GRI Social Performance Indicators identify key performance aspects surrounding labor practices, human rights, society and product responsibility.

⁵ Additional Indicators: those indicators identified in the GRI guidelines that represent emerging practice or address topics that may be material to some organizations but not generally for a majority.

Core indicators: those indicators identified in the GRI Guidelines to be of interest to most stakeholders and assumed to be material unless deemed otherwise on the basis of GRI Reporting Principles.

Table 1: GRI Indicators Matrix

Indicator type	Indicator name	Aspect
ECONOMIC	Economic Performance Indicators	Economic Performance
		Market Presence
		Indirect Economic Impacts
ENVIRONMENTAL	Environmental Performance Indicators	Materials
		Energy
		Water
		Biodiversity
		Emmissions, Effluents and Waste
		Products and Services
		Compliance
		Transport
		Overall
SOCIAL	Labor Practices and Decent Work Performance Indicators	Employment
		Labor/Management Relations
		Occupational Health and Safety
		Training and Education
		Diversity and Equal Opportunity
		Equal Remuneration for Women and Men
	Human Rights Performance Indicators	Investment and Procurement Practices
		Non-discrimination
		Freedom of Association and Collective Bargaining
		Child Labor
		Forced and Compulsory Labor
		Security Practices
		Indigenous Rights
		Assessment Remediation
	Society Performance Indicators	Local Communities
		Corruption
		Public Policy
		Anti-competitive Behavior
		Compliance
	Product Responsibility Performance Indicators	Customer Health and Safety
		Product and Service Labeling
Marketing Communications		
Customer Privacy		
Compliance		

Table 2: Expanded version of core and additional indicators for economic, environmental and social performance indicators (G3.1)

<i>Economic Performance</i>	CORE INDICATORS OR/AND ADDITIONAL INDICATORS
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<i>Indicators</i>	
Economic Performance	CORE INDICATORS
	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
	Financial implications and other risks and opportunities for the organization's activities due to climate change.
	Coverage of the organization's defined benefit plan obligations.
	Significant financial assistance received from government.
Market Presence	CORE INDICATORS
	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.
	Procedures for local hiring and proportion of local management hired from the local community
	ADDITIONAL INDICATORS
	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
Indirect Economic Impact	CORE INDICATORS
	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.
	ADDITIONAL INDICATORS
	Understanding and describing significant indirect economic impacts, including the extent of impacts.
<i>Environmental Performance Indicators</i>	CORE INDICATORS OR/AND ADDITIONAL INDICATORS
Materials	CORE INDICATORS
	Materials used by weight or volume.
	Percentage of materials used that are recycled input materials.
Energy	CORE INDICATORS
	Direct energy consumption by primary energy source.
	Indirect energy consumption by primary energy source.
	ADDITIONAL INDICATORS
	Energy saved due to organisation and efficiency improvement.
	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.
	Initiatives to reduce indirect energy consumption and reductions achieved.
Water	CORE INDICATORS
	Total water withdrawal by source.
	ADDITIONAL INDICATORS
	Water sources significantly affected by withdrawal of water.
	Percentage and total volume of water recycled and reused.
Biodiversity	CORE INDICATORS
	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
	ADDITIONAL INDICATORS
	Habitats protected or restored.
	Strategies, current actions, and future plans for managing impacts on biodiversity.
	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

Emissions, Effluents and Waste	CORE INDICATORS
	Total direct and indirect greenhouse gas emissions by weight.
	Other relevant indirect greenhouse gas emissions by weight.
	Initiatives to reduce greenhouse gas emissions by weight.
	Emissions of ozone-depleting substances by weight.
	NO, SO and other significant air emissions by type and weight.
	Total water discharge by quality and destination.
	Total weight of waste by type and disposal method.
	Total number and volume of significant spills.
	ADDITIONAL INDICATORS
Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II III and VIII, and percentage of transported waste shipped internationally.	
Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	
Products and Services	CORE INDICATORS
	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
	Percentage of products sold and their packaging materials that are reclaimed by category.
Compliance	CORE INDICATORS
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
Transport	ADDITIONAL INDICATORS
	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
Overall	ADDITIONAL INDICATOR
	Total environmental protection expenditures and investments by type.
Labor Practices and Decent Work Performance Indicators	CORE INDICATORS AND/OR ADDITIONAL INDICATORS
Employment	CORE INDICATORS
	Total workforce by employment type, employment contract, and region, broken down by gender.
	Total number and rate of new employee hires and employee turnover by age group, gender and region.
	Return to work and retention rates after parental leave, by gender.
	ADDITIONAL INDICATOR
Benefits provided to full-time employees that are not provided temporary or parttime employees, by significant locations of operation.	
Labor/Management Relations	CORE INDICATORS
	Percentage of employees covered by collective bargaining agreements.
	Minimum notice period(s) regarding operational changer, including whether it is specified in collective agreements.
Occupational Health and Safety	CORE INDICATORS
	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender.
	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.
	ADDITIONAL INDICATORS
Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise an occupational health and safety programs.	

	Health and safety topics covered in formal agreements with trade unions.
Training and Education	CORE INDICATORS
	Average hours of training per year per employee by gender and by employee category.
	ADDITIONAL INDICATORS
	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. Percentage of employees receiving regular performance and career development reviews, by gender.
Diversity and Equal Opportunity	CORE INDICATOR
	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.
Equal Remuneration for Women and Men	CORE INDICATOR
	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.
Human Rights Performance Indicators	CORE OR/AND ADDITIONAL INDICATORS
Investment and Procurement Practices	CORE INDICATORS
	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.
	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.
	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
Non-discrimination	CORE INDICATORS
	Total number of incidents of discrimination and corrective actions taken.
Freedom of association and collective bargaining	CORE INDICATOR
	Total number of incidents of discrimination and corrective actions taken.
Child labor	CORE INDICATOR
	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.
Forced and compulsory labor	CORE INDICATOR
	Operations and significant suppliers identified as having significant risk for incidents of forced compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.
Security practices	ADDITIONAL INDICATOR
	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
Indigenous rights	ADDITIONAL INDICATOR
	Total number of incidents of violations involving rights of indigenous people and actions taken.
Assessment	CORE INDICATOR
	Percentage and total number of operations that have been subject to human rights.
Remediation	CORE INDICATOR
	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.
Society Performance Indicators	CORE AND/OR ADDITIONAL INDICATORS
Local communities	CORE INDICATORS
	Percentage of operations with implemented local community engagement, impact assessments and development programs.
	Operations with significant potential or actual negative impacts on local communities.

	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.
Corruption	CORE INDICATORS
	Percentage and total number of business units analyzed risks related to corruption.
	Percentage of employees trained in organization's anti-corruption policies and procedures.
	Actions taken in response to incidents of corruption.
Public Policy	CORE INDICATORS
	Public policy positions and participation in public policy development and lobbying.
	ADDITIONAL INDICATOR
	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
Anti-competitive behavior	ADDITIONAL INDICATOR
	Total number of legal actions for anticompetitive behavior, anti-trust and monopoly practices and their outcomes.
Compliance	CORE INDICATOR
	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.
Product Responsibility Performance Indicators	CORE AND/OR ADDITIONAL INDICATORS
Customer health and safety	CORE INDICATOR
	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures.
	ADDITIONAL INDICATOR
	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type and outcomes.
Product and service labeling	CORE INDICATOR
	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.
	ADDITIONAL INDICATORS
	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
Marketing communications	CORE INDICATOR
	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.
	ADDITIONAL INDICATOR
	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.
Customer privacy	ADDITIONAL INDICATOR
	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
Compliance	CORE INDICATOR
	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

4. Conclusion

To sum up, it is relevant to mention that currently approximately 3,655 organizations worldwide have used GRI guidelines, principles and indicators to report on corporate social responsibility and what is even more, up to date approximately 8,745 GRI reports have been conducted worldwide in all sorts of organizations and companies. For instance, Europe has covered 45% of all GRI reports in the year 2010. Furthermore, GRI reports are not obliged to be conducted (based on the information available on the official GRI website). Decision whether companies/organizations must report on corporate social responsibility is left to companies themselves. GRI offers global framework for reporting and directs companies in the reporting process, every company itself decides (based on the interests of stakeholders resource availability) whether to use GRI reporting guidelines and indicators.

5. Sources

- Global Reporting Initiative. 2011. *Sustainability Reporting Guidelines 2000-2011*. Available at: <https://www.globalreporting.org/resourcelibrary/G3.1-Sustainability-Reporting-Guidelines.pdf> (20 March 2012).
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FORUM FOR A NEW WORLD GOVERNANCE

1. Description

What should be established at the very outset is definitely comprehensive description and overview about the Forum for a new World Governance (FnWG) in general hence of FnWG specific nature – therefore such description would contribute to our understanding and interpreting organization with the purposes of our analysis. Firstly, to comprehend FnWG aims and purposes, next quote is given:

Today, it is commonplace to say there is a crisis in world governance. As citizens all over the world are fully aware, tensions, conflicts, and wars are persisting, and national, regional, and international institutions are powerless, even when limiting their role to avoiding the permanent deterioration of people's living conditions and means of subsistence. The conceptual and ideological foundations of existing global institutions are based on international relations among nation-states, referring to an idea of the state that emerged in seventeenth-century Europe. This model makes no sense today unless nation-states themselves are built on new foundations, and their role, operational structures, and methods of interaction with other political structures are redefined (FnWG 2012, Why have we opened this forum for a new world governance?).

Consequently, the FnWG is a worldwide community of citizens sharing ideas, experiences, projects and actions related to the common goal of reshaping the way the world is being governed, toward more sustainable, responsible, fair, democratic and citizen-based ways of governance at all geographic levels, from the village to the planet. Promoting, on a world scale, a legitimate, effective, and democratic governance, and forming a responsible, plural and united community within which the system of governance holds an essential and vital position constitute the main objectives of the FnWG. What is more, FnWG as itself has specific organizational structure – it serves as a forum for exchanging different ideas and actions (between multiple stakeholders) toward a new world governance; FnWG *defines world governance as collective management of the planet.*

Basically, working through the internet as a modern way of technology, the FnWG website contains Proposal papers, dossiers, key documents, a documentary base and a link to other sources. All these resources are to cover five broad categories of world governance:

- Environment and management of the planet
- The economy and globalizations
- Politics, state structures and institutions
- Peace, security and arms conflicts
- Knowledge, science, education, and the information and communication society.

Among the main FnWG activities are **a) publishing the proposal papers** as development and distribution of new ideas in several languages and in a large number of countries (offering a combination of ideas and actions, these proposals should serve as a catalyst for collective debate at the international level; they also offer a way of promoting and reinforcing actions already initiated by groups and individuals seeking to introduce new ideas and innovative practices, thus helping us to take on the challenges of the new millennium); **b) meetings and regional proposal papers**; **c)**

discussion papers; d) website – as the »control tower« and a place for sharing ideas. Initially, the website is intended to offer a place for dialog and debate, but it also serves as a resource and documentation center on world governance. One of the proposals to the new world governance, within the FnWG that has already been launched since 2008 and is also the most important for the purposes of our analysis is World Governance Index – WGI. In next stages WGI is comprehensively described and analyzed. In Table 1, FnWG as organization itself is visually presented.

Table 1: FnWG as an organization itself






Forum for a new World Governance	
WHO?	NGO, working as a guide on the international level to develop new world (common and unified) governance;
WHY?	To overcome many obstacles of a world in crisis and governance crisis from persisting tensions, wars to failure of international organizations;
HOW?	By different accivities – from proposal papers to development of WORLD GOVERNANCE INDEX ;
WHAT?	Building new managment of the planet and promoting legitimate, effective and democratic governance.

2. World Governance Index

Reaching general objectives of the FnWG requires the active and constructive involvement of players who are able not only to contribute innovative thinking on world governance but also to offer proposals that are socially and politically viable, in order to make it possible to get out current crisis or dead-end situation. Therefore many solutions have been offered within the FnWG and what is even more since 2008 World Governance Index (WGI) has been launched. Currently, WGI serves as a tool that should allow the players in charge of governance to become aware of the issues and problems arising and to think about what solutions to bring to them. Last WGI was released in 2011 and it covers 179 countries worldwide (of the 192 UN Member States); it is also important to stress out that since 2008 up to now only 2 WGI’s were released in 2008 and 2011.

Historically, WGI has been developed based on the paper “Rethinking global governance”ⁱ which defines general objectives of this effort – **to reduce inequalities, establish sustainable development and build peace in a world of diversity**- and frames some proposals for laying the new foundations of governance. These proposals are derived from the big principles of governance set out in the Charter of the United Nations and in the Universal Declaration of Human Rights. They are also directly aligned with more recent, but equally important, texts such as the Earth Summit Declaration (Rio, 1992), the Millennium Declaration (NewYork, 2000), and the findings of the World Summit on Sustainable Development (Johannesburg, 2002).

A survey of this objectives and these basic texts has made it possible to determine and select five large fields, called indicators, which, aggregated, constitute the WGI:




-  Peace and Security
-  Rule of Law
-  Human Rights and Participation
-  Sustainable Development
-  Human Development.

Each of these indicators is broken down into several sub-indicators-a total of 13 sub-indicators are used – and each of these sub-indicators is the result of the aggregation of several indexes (41 in all). Finally, the data used to calculate the indexes and determine the WGI is taken from the databases published annually by the main international organizations and by NGOs specializing in the area of governance.

WGI Composition = 5 main indicators + 13 sub-indicators + 41 indexes

3. Usefulness of the WGI

WGI has a twofold dimension: a) an analytical dimension which tries to provide as true a reflection as possible of the state of world governance and b) and operational dimension which must enable players to act or to react in the direction of a more efficient, more democratic world governance more in phase with the environment. The WGI was designed mainly to offer political decision maker, whatever their level (national, regional or international), companies and NGOs reliable, independent and scrutinized information that will allow them:

-  to evaluate the state’s degree of governance;
-  to identify its governance strengths and weaknesses
-  to monitor its evolutions over time.

Recourse to a very large number of variables makes the WGI a complete, pragmatic, practical index that is also meant as an incentive. Table represents such index description.

Table 2: WGI as complete, pragmatic, practical and incentive index.

WGI	
Complete	The systems of currently developed indicators factor in only one of the fields, one of the aspects of world governance. For the WGI, the selection and aggregation of the indexes making up the indicators make it possible to obtain a WGI that gives a vision that is global, exhaustive and precise all at the same time.
Pragmatic	The WGI, an aggregation of several indexes and variables of different and measurable natures, to varying degrees – some rely on facts (number of inhabitants) and others on perception (opinionpool outcomes) – translated abstract and subjective concepts into observable and quantifiable data.
Practical	To make it possible to monitor evolutions closely over the years (improvements or regressions) WGI is presented in the form of three tables: a) first table presents the world ranking in descending order; b) the second reflects regional rankings, and c) the third table sums up, country by country the results for each of the WGI constituent indicators.
Incentive	The WGI is not only a warning bell, its intention is also to be a means for

	action. It aims to provoke governance players to think and to ask the right question in order to act and to react.
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4. Methodology and Calculations

- The WGI is a composite index (launched annually since 2008 and applied at 179 countries worldwide) aggregating nearly 8,500 data items taken from the databases of the yearly reports of about thirty different organizations;
- The approach used to calculate the WGI is similar to the one used by the Human Development Index (HDI). For each of the indexes and sub-indicators, all the collected data was rescaled into a “closed” scale ranging from 0 to 1 where 0 presents the worst result and 1 the best possible score.
- Every sub-indicator is the mathematical average of the indexes composing it. This also applies to the indicators Rule of Law, Human Rights and Participation, Sustainable Development and Human Development, which are the mathematical average of the sub-indicators composing them. Only the Peace and Security indicator is weighted. It is made up for two-thirds of it by the National Security sub-indicator and for one-third of it by the Public Security sub-indicator.
- As a final result the WGI is the mathematical average of the 5 indicators that constitute it. In some very rare cases, absence of data for one or several countries was compensated, ad needed by assigning to them the reported regional average.

5. Indicators

Basic indicators that constitute WGI in general are:

- f) **Peace and Security** (broken down into two sub-indicators: the National Security sub-indicator and the Public Security sub-indicator. The National Security sub-indicator comprises: Conflicts, Refugees and Asylum Seekers, and Displaced Persons. The Public Security sub-indicator comprises: Political Climate, Degree of Trust among Citizens, Violent Crime, and Homicides per 100,000 Inhabitants);
- g) **Rule of Law** (Rule of law, refers exclusively to how laws are designed, formulated, and implemented by a country’s legal authorities);
- h) **Human Rights and Participation** (this indicator is broken down into three sub-indicators: the Civil and Political Rights sub-indicator, the Participation sub-indicator, and the Gender Discrimination / Inequality sub-indicator);
- i) **Sustainable Development** (The concept of sustainable development is based on two core principles: on the one hand, intergenerational solidarity (seeking improvement of the well-being of future generations); on the other, intragenerational solidarity (sharing well-being or the conditions for well-being within the same generation). These two principles are expressed in the normative statement of the goals that make up the different dimensions of sustainability: the economic sphere, the social dimension (inequality and poverty), and the environmental sphere);
- j) **Human Development** (In the realm of human development, the most fundamental of an individual’s possibilities consists in leading a long and healthy life, being well-informed,

having access to the resources necessary for a decent standard of living, and being able to take part in the life of the community).

Table 3 represents WGI as a whole – covering main indicators, sub-indicators and indexes.

Table 3: WGI Indicators Matrix

Indicator	Subindicator	Index
Peace and Security	National Security	Conflicts (number and types (latent, manifest, crisis, severe crisis, war) of conflicts documented in the previous year)
		Refugees and Asylum seekers
		Displaced persons
	Public Security	Political Climate (level of political violence)
		Degree of Trust among Citizens
		Violent Crime (rate of violent crime)
Homicides per 100,000 inhabitants		
Rule of Law	Body of Laws	Ratification of Treaties (degree of ratification of particular international treaties and conventions currently in force ⁶)
		Property Rights (country's degree of commitment to the protection of private property and the way in which the authorities apply this right)
	Judicial System	Independence (assessment of judicial system independence, the bodies that oversee the police force, legal protection, and the guarantee for equal treatment for all)
		Effectiveness (ratio of reman prisoners to convicted prisoners)
		Settlement of Contractual Disputes (average time that national judicial institutions use to settle disputes related to commercial contracts)
	Corruption	Corruption Perception Index
	Human Rights and Participation	Civil and Political Rights
Respect for Physical Integrity Rights		

⁶ Convention names are available online at: http://www.world-governance.org/IMG/pdf_WGI_full_version_EN-2.pdf.

		(Torture, Disappearance or Political Abductions, Extrajudicial Killing and Political Imprisonment)
		Freedom of the Press
		Violence against the Press (number of murders, abductions and disappearances of journalists and media workers as well as the number of imprisoned journalists)
	Participation	Participation in Political Life (degree of participation in political life)
		Electoral Process and Pluralism (effective share of pluralism in the different electoral processes)
		Political Culture (political culture of citizens degree)
	Gender Discrimination/Inequality	Women's Political Rights (number of internationally recognized rights: voting rights, the right to run for political office and the right to hold elected and appointed government)
		Women's Social Rights (right to equal inheritance, the right to enter into marriage on a basis of equality with men, the right to travel abroad, the right to initiate a divorce)
		Women's Economic Rights
		Rate of Presentation in National Parliaments
Sustainable Development	Economic Sector	GDP per capita
		GDP growth rate
		Degree/level of economic openness
		Cover rate
		Inflation rate
		Ease in Starting a Business (bureaucratic and legal hurdles an entrepreneur must overcome to start a commercial or industrial business – number of procedures, cost and time expressed in days)
	Social Dimension	GINI Coefficient (poverty and inequality)
		Unemployment rate

		Ratification of International Labor Rights texts
	Environmental Dimension	Ecological Footprint (1) and Biocapacity ((1): necessary per capita surface area (terrestrial, marine and freshwater) to meet humankind's needs and to eliminate waste; (2): per capita surface area (in terms of agriculture, breeding, forest and fish resources) available to meet humankind's needs)
		Environmental Sustainability (ability of nations to protect the environment over the next several decades)
		CO₂ Emission Rate per capita
		Environmental Performance (environmental health, air pollution, aquifer resources, biodiversity and habitat, natural resources and climate change)
Human Development	Development	Human Development
	Well-being and Happiness	Subjective Well-being (result of a combination of economic well-being, environmental well-being and social well-being)
		Happiness (result of combination of satisfaction index, life expectancy at birth, and the environmental impact)
		Quality of Life (Cost of Living, Culture and Leisure, Economy, Environment, Health, Freedom, Infrastructure, Safety and Risk, Climate).

6. Conclusion

All in all, defining WGI, its aims and purposes it is undoubtedly seen that WGI is a mean of moving towards new world governance, covering different elements of it. »In other words, it is about assessing the collective management of the planet with security, economic, political, environmental, etc. measurements, in order to draw elements for the development of an overall long-term strategy (Francois 2009, 10). Different stakeholders, directly and indirectly involved into the world governance (from IGO's, civil-society representatives, economic and international-finance actors to states and informal groups) can have benefits based on the results of the WGI. Therefore is important in advance, to further develop and fulfill index itself, since it has been conducted only twice since its

establishment (2008 and 2011). Furthermore, based on the available information about the index, it is not clear whether included countries should report results and its usefulness over time.

7. References

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ⁱ Available online at: <http://www.world-governance.org/spip.php?rubrique35>.