Indicators for action and change

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Soon all on www.corruptionrisk.org
The world is flat…
or worse when control of corruption is concerned

Control of Corruption World Governance Indicator World Bank

Ten Years Trends by income group

Data source: World Governance Indicators & World Bank
No catch up on good governance
Control of Corruption World Governance Indicator
World Bank
Ten Years Trends by continents

Scale: Transformed to a 0 – 10 scale, with 10 implying the highest control of corruption.
WHY CONTEXT? CONTEXT IS EVERYTHING

A. The anticorruption package

B. You need a more comprehensive approach...
Public integrity—Equilibrium between opportunities to spoil public resources by rulers and capacity to constrain them by society

Crime = Opportunities (Resources) – Constraints (Becker 1974)

AMP 2010 Corruption = Resources (Power + Material resources) – Constraints (Legal + Normative)

- Index is a strong principal component extracted from the two groups of factors measuring a latent variable.
- PC also correlates highly with both perception indicators and objective ones (like single bidding in PP)
Opportunities vs Constraints after losing Doing Business components

- **Power Discretion**
  - Doing Business replaced with Administrative Transparency and E-services

- **Material Resources (Opportunities)**
  - Fiscal transparency

- **Normative Constraints**
  - Judicial independence
  - Freedom of the press
  - E-citizens (Internet connections and FB)

- **Legal Constraints**
  - Fiscal transparency
  - Judicial independence
- www.europam.eu
- Available for EU + (35 countries) Updated 2020
- Shows that de jure (accountability legislation) and de facto (corruption) are inversely or poorly correlated
Serbia is above EU-35 public accountability tools, but outcome is not so good
World champion Finland is under average at everything except transparency, where it leads globally.
In fact, context shows what keeps Serbia behind. Scale 1-10

<table>
<thead>
<tr>
<th>Components</th>
<th>Component Score</th>
<th>World Rank</th>
<th>Regional Rank</th>
<th>Income Group Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judicial Independence</td>
<td>4.15</td>
<td>78/114</td>
<td>5/12</td>
<td>16/28</td>
</tr>
<tr>
<td>Administrative Burden</td>
<td>8.6</td>
<td>51/114</td>
<td>9/12</td>
<td>9/28</td>
</tr>
<tr>
<td>Trade Openness</td>
<td>9.85</td>
<td>21/114</td>
<td>1/12</td>
<td>2/28</td>
</tr>
<tr>
<td>Budget Transparency</td>
<td>8.5</td>
<td>26/114</td>
<td>3/12</td>
<td>9/28</td>
</tr>
<tr>
<td>E-Citizenship</td>
<td>5.87</td>
<td>50/114</td>
<td>3/12</td>
<td>11/28</td>
</tr>
<tr>
<td>Freedom of the Press</td>
<td>5.5</td>
<td>60/114</td>
<td>1/12</td>
<td>10/28</td>
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</table>
Once tools are documented, stats show the obvious—principal agent tools do not deliver if $P$ is not committed

<table>
<thead>
<tr>
<th>Context</th>
<th>Tool</th>
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</thead>
<tbody>
<tr>
<td>➢ Judicial independence under average?</td>
<td>❑ No legal tool works, and ACA will do more harm than good</td>
</tr>
<tr>
<td></td>
<td>❑ No legal party funding restrictions works, and some increase corruption</td>
</tr>
<tr>
<td>➢ No fiscal transparency</td>
<td>❑ No regulation on PFM or PP will deliver</td>
</tr>
<tr>
<td>➢ No freedom of the press</td>
<td>❑ No whistleblower protection legislation needed</td>
</tr>
<tr>
<td></td>
<td>❑ No financial disclosures and COI laws will work</td>
</tr>
<tr>
<td>➢ Poor regulatory quality and high red tape</td>
<td>❑ Adding more accountability regulation will not help</td>
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</tbody>
</table>
CREATING OTHER PRINCIPALS
HOW DOES E-TRANSPARENCY ENABLE PUBLIC INTEGRITY?

Decreases resources for corruption (fiscal, administrative, natural resources)

Increases constraints (enables citizens, journalists, horizontal accountability agencies)

Alina Mungiu-Pippidi www.againstcorruption.eu
T-INDEX Measuring de facto transparency

- Official online publication of all the laws: Complete fulfillment (1)
- Online disclosure of higher Courts sentences: Complete fulfillment (1)
- Online searchable public procurement portal (tenders and...: Partial fulfillment (0.5)
- Online disclosure of ODA resources allocation (incoming and...: Complete fulfillment (1)
- Online disclosure of mining concessions: Partial fulfillment (0.5)
- Online disclosure of higher Courts hearings schedule: Complete fulfillment (1)
- Online annual report by the General Audit Court/Controller...: Partial fulfillment (0.5)
- Online disclosure of detailed past expenditures (last fiscal year): Complete fulfillment (1)
- Online searchable register of commerce (shareholder data): Complete fulfillment (1)
- Online disclosure of conflict of interests declarations for public...: Complete fulfillment (1)
- Online disclosure of building permits (country’s capital city): Complete fulfillment (1)
- Online disclosure of financial declarations for public officials: Complete fulfillment (1)
- Online presence of a land register (ownership and transaction...: Complete fulfillment (1)
- Online disclosure of current public expenditures (itemized...: Complete fulfillment (1)

Legend:
- No fulfillment (0)
- Partial fulfillment (0.5)
- Complete fulfillment (1)
Transparency as % of total score (14 – de facto/6 – de jure)

- Europe & North America (33)
- Latin America & Caribbean (22)
- Eastern Europe & Central Asia (16)
- East & South Asia & Pacific (21)
- Global (128)
- Sub-Saharan Africa (25)
- Middle East & North Africa (11)

% De jure transparency (max 6)  % De facto transparency (max 14)
Finally – the sequencing based on trends

- Ten years trends in IPI components (opportunities versus constraints)
- Recent political contingencies (elections, revolution, political violence)
- Present demand for good governance (e-citizens)
Explaining why no more progress in ECA – Power equilibrium stagnation

Go to a country on www.againstcorruption.eu and click country, then country profile
A champion of procurement reforms. Albania compared with EU MS

Limitations: EU MS data based on TED (contracts over 10 mil), Albanian contracts lower thresholds and covering only health and constructions

Indicator [1]: Single bidder

This chart measures the proportion of contracts awarded where there was just a single bidder (excluding framework agreements, as they have different reporting patterns).
### Why is Albania Not Evolving?

#### Components

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<tr>
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<th>World Rank</th>
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<tbody>
<tr>
<td><strong>OPPORTUNITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Transparency</td>
<td>7.2</td>
<td>65/117</td>
<td>9/13</td>
<td>18/29</td>
</tr>
<tr>
<td>Administrative Burden</td>
<td>8.52</td>
<td>63/117</td>
<td>11/13</td>
<td>16/29</td>
</tr>
<tr>
<td>Trade Openness</td>
<td>9.76</td>
<td>23/117</td>
<td>3/13</td>
<td>4/29</td>
</tr>
<tr>
<td><strong>CONSTRAINTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judicial Independence</td>
<td>2.61</td>
<td>113/117</td>
<td>13/13</td>
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<td>5.49</td>
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#### Good Governance Ten Years Trends Albania

![Graph showing trends in Good Governance](image-url)
## Basic ADVICE FOR YOUR PRELIMINARY CHOICES

<table>
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<tr>
<th>STAGNANT AT HIGH CORRUPTION</th>
<th>ACHIEVER</th>
<th>BACKSLIDER</th>
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<tr>
<td>DONOR</td>
<td>This country has not changed and it's not about to. Change your strategies and get a better theory of change (use IPI to see why…)</td>
<td>Understand why this country is on the upward and support positive trends and domestic actors who promote change</td>
</tr>
<tr>
<td>CIVIL SOCIETY</td>
<td>You need to develop more and achieve far broader interest representation and empowerment; create political vehicles, think-tanks, alliances with business, church, unions</td>
<td>Check europam.eu for public accountability tools but only place them where enabling contexts exist; Create political vehicles, think-tanks, digital commons</td>
</tr>
</tbody>
</table>
WE MEASURE TO TRACE CHANGE AND ASSESS IMPACT OF POLICY INTERVENTIONS

➢ www.integrity-index.org
  (control of corruption context by actionable components)
➢ www.europam.eu (quantified public accountability legislation up to 2020)
➢ www.opentender.eu (47 mil tenders scrapped in open format with risk indicators)
➢ www.againstcorruption.eu
  - Good governance forecast based on 10 years’ trends+
  - Transparency T-index data de jure and de facto data for 128 countries