GLOBAL INTEGRITY
Independent Information on Governance & Corruption

UNDP

A Users' Guide to MEASURING CORRUPTION

A USERS' GUIDE TO MEASURING CORRUPTION.

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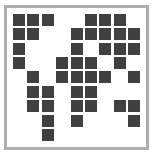

Global Integrity

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This guide is a product of ongoing conversations with the larger community of anti-corruption and governance practitioners, researchers, policy makers and donors. Comments and suggestions are welcome. Please send your feedback to info@globalintegrity.org or dgassessments@undp.org.

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Foreword

By Bjørn Førde
Director, UNDP Oslo Governance Centre

In recent years we have witnessed explosive growth in the production and use of governance indicators by domestic stakeholders. These include state and non-state actors in developing countries, as well as international investors, donors of official development assistance, development analysts and academics. Citizens of developing countries are demanding better performance from governments, and they are increasingly aware of the costs of poor management and corruption. Increasingly, scarce resources – especially resources from external donors – are being allocated to governments that will use them most effectively. As a result, countries are asking for help diagnosing governance failures and finding solutions.

It is in this broader context that UNDP has decided to give priority to developing the capacities of national actors to measure and monitor the quality of governance as a critical support area in its democratic governance program.

For UNDP, governance assessments most effectively improve democracy when they are grounded in nationally owned processes, are based on nationally and locally developed indicators, and are designed with policy makers and policy reform in mind.

In this regard, assessments that are disaggregated to show differences within countries across geographic areas and across income groups and social divides will help to make governance reforms more sensitive to poverty and gender issues and to the needs of vulnerable groups in general.

Citizens of developing countries are demanding better performance from governments.

Since 2003, the UNDP Oslo Governance Centre (OGC) has been developing knowledge products and tools, providing dedicated support to national partners that want to assess the quality of democratic governance in their countries.

As part of this effort, in 2006 the OGC developed *Governance Indicators: A Users' Guide* which aims to help users make sense of governance indicators. In view of the high interest generated by this first publication, we are now producing a second generation of users' guides on selected areas of governance, including corruption, decentralization and local governance, public administration reforms and more.

The UNDP's Global Programme

The UNDP Oslo Governance Centre (OGC) is based in Oslo, Norway and is a part of the Democratic Governance Group in the Bureau for Development Policy.

OGC has been supporting national initiatives for monitoring and measuring governance focused on the development of national governance indicators since 2003. UNDP Country Offices have registered a rising demand to assist national counterparts develop their capacity to engage in nationally owned and driven democratic governance assessments.

In response, capacity development for country-led governance assessments and measurements are a priority in the UNDP's strategic plan for 2008-2011. The newly launched Global Programme on Capacity Development for Democratic Governance Assessments and Measurements addresses the need to better understand various methods and approaches to assess and measure democratic governance and its links to pro-poor planning, budgeting, and delivery of the Millennium Development Goals. See http://www.undp.org/oslocentre/flagship/democratic_governance_assessments.html for more information on UNDP's work on governance indicators.

This book, *A Users' Guide to Measuring Corruption,* is targeted at national stakeholders, donors and international actors involved in corruption measurement and anti-corruption programming. It explains the strengths and limitations of different measurement approaches, and provides practical guidance on how to use the indicators and data generated by corruption measurement tools to identify entry points for anti-corruption programming.

Awareness of governance and corruption measurement tools is growing, and the various tools available are becoming more complementary. Despite this, little systematic research has been done to explore how best to use these tools to design actionable reforms.

It is our hope that this guide will help fill the information gap, identifying "good practices" that will make nationally owned and driven anti-corruption initiatives more effective.

Let me finally acknowledge the cooperation of Global Integrity and the quality product the organization has produced. It has been a true pleasure to see the willingness of individuals both outside and inside UNDP contribute to this guide.

Introduction

By Nathaniel Heller
Managing Director, Global Integrity

One could persuasively argue that the science of measuring corruption is more an art form than a precisely defined empirical process. During the past several years, a flood of new work has emerged, challenging the validity of the traditional measurements of corruption and arguing for new and improved tools for national policy makers, civil society and donors alike.

Is it possible to measure corruption, and if so, how? *A Users' Guide to Measuring Corruption* argues "yes," and proposes ways to do so, but with some important caveats.

The first, and most significant, is the need for users of corruption measurement tools to employ multiple sources of quantitative data, qualitative narrative analysis and real-life case studies to "paint a picture" of corruption in a country, sub-national, or sector context. As we describe throughout this guide, no single data source or tool will offer a definitive measurement. It is only through the careful parsing and comparison of the available tools – and sometimes the generation of new tools – that users can arrive at a more accurate measurement.

No single data source or tool will offer a definitive measurement.

Another important theme that recurs throughout this guide is the need for users to gravitate toward "actionable" measurements that provide insight into where reforms can be made. To put it plainly, there is little value in an anti-corruption measurement if it does not tell us what needs to be fixed.

For example, commonly used external measures of corruption outputs, such as Western businessmen's perceptions of bribery in business transactions, are extremely broad and simply not useable for this type of analysis. But nationally generated tools that are customized to a country's specific policy challenges have the advantage of being designed to yield actionable data.

To put it plainly, there is little value in a measurement if it does not tell us what needs to be fixed.

These key themes, as well as other strategies designed to improve our ability to measure what is an inherently amorphous concept, were sketched out by taking a relatively novel approach to the topic: we talked to the people who use corruption measurements on a day-to-day basis.

This guide is the amalgamation of more than 30 interviews with individuals from dozens of countries who are working on corruption and governance reforms, including government officials, development practitioners, donor representatives and multilateral specialists. Their feedback is summarized in Chapter 2 and informs many of the Good Practices highlighted in Chapter 3. A helpful glossary of key terms is also included alongside the text as a quick reference for readers.

So back to our core question: can we measure corruption? The answer is a qualified "yes." How do we do it? While it may always be a more artful than empirical process, by taking the approach laid out in this guide we can indeed arrive at informed measurements that begin to lay out a roadmap for reform.

Chapter 1: Critical Review

The Conceptual Landscape of Corruption Indicators: What Users Need to Know

The number of indices focused on corruption measurement, and by extension good governance, has grown exponentially over the past decade. They range from some of the more established and widely used indicators like Transparency International's (TI) Corruption Perceptions Index (CPI) and the World Bank's Worldwide Governance Indicators (WGI), to a newer generation of measurement and assessment tools like the Ibrahim Index of African Governance, the Global Integrity Report and the Global Integrity Index.

Adding to the mix are some area-specific tools, such as the Open Budget Index, as well as purely qualitative political-economy approaches to exploring the issues like the United Kingdom's Department for International Development's (DFID) Drivers of Change assessments.

Defining Some Key Terms

In this guide, the term "indicator" is distinguished from "assessment" when discussing measures or analyses of corruption.

A corruption indicator is a measure that points out something about the state of governance or about a particular aspect of corruption in a country.

An assessment is a broader contextual analysis of the state and drivers of corruption, often relying on multiple indicators of corruption. In other words, a corruption assessment draws from the data collected to help identify particular institutions or institutional arrangements as the causes of corruption, and to help identify appropriate solutions.

We refer to assessments as analyses that are anchored in a normative framework about 'good governance'. A balanced assessment will draw from a mix of qualitative and quantitative corruption indicators.

There also has been a significant rise in country specific tools that measure corruption, albeit at a slower pace, as evidenced in a recent mapping of African and Latin American corruption measures[1], as well as the World Bank Governance and Anti-Corruption (GAC) Diagnostics.

In response to the rise in the number of governance indicator sources (best cataloged by the UNDP's *Governance Indicators: A Users' Guide*[2]), the trend has been for experts in the field, particularly national stakeholders and aid donors, to decry this "proliferation" of corruption and governance assessments as overly duplicative, distracting and harmful to effective donor coordination and harmonization on the governance reform agenda. Actual evidence of that harm is harder to come by, but the argument seems compelling.

While measurement tools have multiplied, these toolkits measure very different things, despite having similar-sounding titles.

The reality is actually quite different from what many believe. Without a doubt, the number of indices, toolkits and qualitative corruption **assessments** has increased during the past decade. But almost without exception, the vast majority of these toolkits are fundamentally – and importantly – different in scope, units of analysis and methodologies. In other words, they are measuring very different things, despite having similar sounding titles.

Assessments: Broad contextual analyses of the state and drivers of corruption that often rely on multiple indicators of corruption, including qualitative and quantitative corruption indicators.

Take, for example, the two most widely used corruption measurement metrics: Transparency International's (TI) Corruption Perceptions Index (CPI) and the World Bank's Control of Corruption indicator. Both are **composite indicators**, made up of distinct component data sources that assess a wide and differing range of concepts. Fourteen sources were used in the 2007 CPI, including Freedom House's Nations in Transit, the Asian Development Bank's Country Performance Assessment Ratings, and the World Economic Forum's Global Competitiveness Report, while twenty-five sources were used for the World Bank's Control of Corruption indicator. Yet both the CPI and the World Bank's Control of Corruption indicator (as well as dozens of other disparate tools) are often lumped together. They are simply termed "corruption measures," and are routinely compared to and contrasted with fundamentally unique country-specific household and firm surveys, implying that these metrics should closely track with such surveys.

Composite Indicators: A composite or aggregate indicator is one which combines different measures of a similar thing into a single measure. A well known example of this would be the Human Development Index which measures human development by combining indicators of life expectancy, educational attainment and income.

In fact, often the only thing such measurement tools have in common is a combination of the words "governance," "**corruption**," "transparency," "accountability," or "democracy." It is this labeling confusion (which reflects a lack of definitional consensus on "corruption" and "governance," an issue that will be discussed in depth later), rather than actual duplication, that has led many to believe that we now have too many corruption measurement tools.

Corruption: There is no international consensus on the meaning of corruption. Nevertheless, a popular way of differentiating corruption is by its scale. Petty corruption refers to street-level, everyday corruption that ordinary citizens experience as they interact with low/mid-level public officials. Grand (or political) corruption generally involves much larger sums of money and normally affects the country as a whole, as well as the legitimacy of the national government and elites. The most popularly used definition is the abuse of public office or public position for private gain.

A user's primary challenge is interpreting which measurement tools are most appropriate for his or her purposes. The labels are not going to help, so the only way to successfully determine which metrics are most appropriate is to do what most users don't do – take the time to understand the methods and objectives of each measurement tool prior to implementation.

As a first step, this section analyzes existing **corruption indicators** (and some closely related governance indicators) by introducing four conceptual lenses. Through these lenses, we can better view and understand each indicator's conceptual focus and measurement methodology. This will be helpful for users trying to understand which set of indicators could be most relevant in identifying and addressing specific governance and corruption challenges.

Corruption Indicators: Refer to discrete, often quantitative, measurements of a particular aspect of corruption (including the "level" of corruption).

Often the only thing that seemingly redundant measurement tools have in common is some combination of the words *governance*, *corruption*, *transparency*, *accountability*, or *democracy*.

Existing corruption indicators can be classified into four categories, constituting a sort of informal taxonomy:

- The scale and scope of indicators
- What is actually being measured
- The methodology employed
- The role that internal and/or external stakeholders play in generating the assessments.

Within each category, a careful distinction is made between "corruption" and "**governance**." Although the two terms are often conflated, it is useful to parse them into discrete concepts since corruption (and corruption control) is but one, albeit significant, aspect of governance.

Governance has been broadly defined to encompass everything from the rule of law, civil society and democracy to human rights, gender equality and control of corruption. (This will be discussed in further detail below.) While difficult, it is important that indicator users understand where "corruption" stops and "governance" begins.

Even when indicators focus specifically on corruption, it's important to realize that the term "corruption" also has plural meanings. The conceptual and definitional fuzziness is particularly challenging when trying to understand how the major types of corruption measurement instruments can be used to measure different forms of corruption (see Corruption Measurement Tools, next page).

Governance: Like corruption, the meaning of governance is manifold. For UNDP, it comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms.

Corruption Measurement Tools

Which corruption measurement instrument should you use? It depends on the form of corruption being assessed. In this sidebar, several types of corruption are described, along with corresponding measurement tools that could be used to appropriately gauge levels. This is by no means an exhaustive list.

PETTY AND GRAND CORRUPTION

This is the most popular way of differentiating various forms of corruption. In general, *petty corruption* is defined as street level, everyday corruption. It occurs when citizens interact with low- to mid-level public officials in places like hospitals, schools, police departments and other bureaucratic agencies. The scale of monetary transaction involved is small and primarily impacts individuals (and disproportionably the poor).

In contrast, *grand* (or *political*) *corruption* often involves much larger sums of money. It negatively impacts the country as a whole, along with the legitimacy of the national government and national elites.[3]

Household surveys of citizens are particularly helpful tools in assessing the perception and experience of petty corruption in everyday lives. One of the most prominent household questionnaire tools is produced by Développement Institutions et Analyses de Long terme (DIAL), which has been a pioneer in developing democracy and governance indicators in using household surveys as a statistical instrument for low-income countries.[4] Another example of a robust household survey is Transparency International's Global Corruption Barometer, a public opinion survey of the perceptions and experiences of petty bribery.

Focusing on petty corruption in Africa, Asia, Latin America, and Europe, the Afrobarometer, Asiabarometer, Latinobarometer and Eurobarometer are regional series of national public attitude surveys that track public opinion about democracy and governance issues, including corruption, through household questionnaires.

To assess the extent of

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In addition to classifying corruption indicators according to scale, what is being measured, methodology and the role that internal and external stakeholders play, this guide also examines corruption metrics based on the various "types" of indicators. This approach should help the user better understand the data presented.

The main types of corruption indicators are:

- Perception-based indicators and experience-based indicators
- Indicators based on a single data source and composite indicators
- Proxy indicators

Perception-based indicators are among the most frequently used measurement tools. They rely on the subjective opinions and perceptions of levels of corruption in a given country among experts and citizens. Experience-based indicators attempt to measure actual personal experience with corruption. Experience-based measurement tools ask citizens if they have been asked to give a bribe, or if they have voluntarily offered something to an official. Perception-based and experience-based indicators can diverge widely as respondents are often reluctant to openly discuss bribe-giving.[8]

Indicators based on a single data source are produced by the publishing organization without recourse to third-party data. Composite indicators, on the other hand, aggregate and synthesize

different measures generated by various third-party data sources. In the corruption realm, composite indicators remain the most widely used measurement tools because of their near-global coverage, which allows cross-country comparisons to inform aid or business decisions internationally.

Finally, because it has been argued that corruption cannot be observed empirically (how can one measure a phenomenon that one cannot fully observe?), **proxy indicators** seek instead to assess corruption through indirect measures by aggregating many "voices" and signals of corruption, or by measuring the opposite: anti-corruption, good governance and public accountability mechanisms.

Particular attention will be paid in this guide to indicators that provide data on the impact of corruption on women and lower income groups, since cross-country studies have suggested that people experience or perceive corruption differently according to their gender and/or income level. For the purpose of selecting indicators, a corruption indicator might be considered **"pro-poor"** if it is disaggregated by poverty status (the value of the indicator is calculated separately for the part of the population characterized as "poor").

Disaggregation is important because it allows the value of an indicator for the poor to be compared with the value of the same indicator for the non-poor. But even disaggregated indicators might fail to reveal some features of anti-corruption programs that are of particular significance to low-income groups and women. Other indicators which are "specific to the poor" can help capture those by measuring corruption that specifically impacts the poor, such as corruption in free health-care clinics.

The UNDP Framework for Selecting Pro-Poor and Gender Sensitive Governance Indicators offers useful examples of anti-corruption indicators that are disaggregated by poverty status (e.g., percentage of poor households using public services who experienced corruption directly in the last 12 months) and specific to the poor (e.g., percentage of reported corruption in public agencies of particular relevance to the poor like schools, health clinics, police, etc.).

Objective Indicators: Indicators constructed from undisputed facts. Typical examples might include the existence of anti-corruption laws or the funding received by the anti-corruption agency.

Perception-based Indicators: Indicators based on the opinions and perceptions of corruption in a given country among citizens and experts.

Experience-based Indicators: These indicators measure citizens' or firms' actual experiences with corruption, such as whether they have been offered or whether they have given a bribe.

Proxy Indicators: Buoyed by the belief that corruption is impossible to measure empirically, proxy indicators assess corruption indirectly by aggregating as many "voices" and signals of corruption, or by measuring its opposite: anti-corruption, good governance and public accountability mechanisms.

Pro-Poor and Gender-Sensitive Indicators: A pro-poor indicator requires a focus on those living in poverty, and a gender sensitive indicator captures the different experiences and interests of women and men. Such indicators are useful to track the potentially different impacts that the mechanisms and processes of governance have on different social groups.

In the corruption realm, composite indicators remain the most widely used measurement tools because of their near-global coverage.

In addition, the United Nations Convention against Corruption (UNCAC), which was adopted in 2003 by more than 140 states, provides a normative and globally agreed upon framework for combating corruption. Recognizing UNCAC as an important monitoring framework for

Corruption Measurement Tools

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grand corruption, users may consult the World Bank's Global Competitiveness Report, which features indicators of grand corruption such as conflict of interest regulation, party financing oversight and judicial accountability, among others.

It is important to remember that there is no international consensus on the meaning of "corruption," and this blurriness has direct implications on international corruption rankings.

CORRUPTION IN THE PRIVATE SECTOR

Although most of the corruption indicators used today are focused on corruption in the public sector, the private sector in both industrialized and developing/transitional societies has merited closer scrutiny. Private sector corruption can be exemplified by private actors who buy off public officials or civil servants and high-level political leaders who extort businesses.

There are a number of useful tools that evaluate private sector corruption. Transparency International's (TI) Bribe Payers Index (BPI) focuses on the likelihood of foreign firms paying bribes, TI's CRINIS project examines transparency in political financing, and the World Business Environment Survey (WBES) shows that corruption is a significant obstacle to enterprises conducting business. Additional resources include the Business Environment & Enterprise Performance Survey (BEEPS) which compares countries with regard to investment climate, competitiveness and governance in specific areas, and the World Bank's Control of Corruption indicator, which measures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "state capture" by private actors.[5]

There remains a dearth of corruption indicators specifically designed to assess private sector-to-private sector corruption.[6]

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combating corruption, this guide will try to tie existing indicators and toolkits to the specific anti-corruption provisions contained in the Convention.

Rather than defining corruption, the Convention outlines specific and discrete anti-corruption and government accountability policy measures that member states should integrate into their national development plans. This includes, inter alia, the establishment of coordinated anti-corruption laws and regulations (Article 5), bodies or agencies (Article 6) and public disclosure laws (Article 10). Article 5, in particular, recognizes that national anti-corruption policies should be coordinated in tandem with other governance policies and reforms. The article also acknowledges that national anti-corruption policy making is not rational and linear but rather a dynamic and inherently political process.[9] Hence, despite the varying ways in which corruption is interpreted and approached in diverse national polities, the Convention can provide coordinated, yet flexible parameters for countries to combat corruption.

Although the implementation of UNCAC in different national contexts has been challenging, hampered by weak political buy-in by key national actors, the Convention, Article 5 in particular, is nevertheless considered a gateway for integrating both common preventive measures

from UNCAC and distinctive country-specific anti-corruption/public integrity strategies.[10] The flexibility provided by the Convention in developing country-specific anti-corruption/public integrity strategies requires that national policy makers be able to develop appropriate indicators relevant to their specific country context. This guide aims to provide guidance to this end.

Understanding the strengths and weaknesses of the various methodologies and being clear on what they are measuring is the most important entry point for making informed decisions about which measurement tool to use, depending on the context. This topic will be explored in depth further on.

A "Quick Tip" at the end of each section will help the reader avoid common misuses and misperceptions.

Scale and Scope of Corruption Indicators

What do corruption indicators measure or assess? This would seem an obvious question to answer before choosing a measurement tool, but far too often users overlook this fundamental issue in favor of grabbing whatever seems convenient and contains "corruption" in its title.

This core question has been difficult to answer, largely because there is no consensus on the definition of "corruption" or "governance" among academics, aid donors and development practitioners. Understanding what "corruption" means is crucial for users who are seeking actionable indicators and analysis to inform specific reform objectives and policy priorities.

The term "corruption" has been applied to such a wide variety of beliefs and practices that pinning down the concept is difficult.

Confounding the issue further, there is wide variation in the meaning of these concepts among different users, especially as the evaluation of governance has broadened to include human rights, democracy, civil society, accountability, business transparency, fiscal accountability and the rule of law. Virtually every generator of governance or corruption indicators says it is measuring "governance" or "corruption," with little clarity regarding what is actually being assessed.

For example, the World Bank suggests that "governance refers to the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services."[11] UNDP uses the concept of "democratic governance" to

Corruption Measurement Tools

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CORRUPTION IN EMERGENCIES AND POST-CONFLICT RECONSTRUCTION PROJECTS

Countries suffering from disasters or emerging from conflict are often prone to corruption. Weak state capacity, poor oversight and virtually no rule of law create an environment that is ripe for corruption. This corruption often occurs within reconstruction and emergency procurement programs that are intended to benefit citizens.

In such cases, metrics that track procurement and public budget expenditure, like the Public Expenditure Tracking Surveys (PETS), are essential, as they monitor aid programs and reconstruction processes. Also important are tools that evaluate the extent to which high-ranking public officials are vulnerable to corruption in public works and re-construction, such as the BPI.[7]

refer to governance systems where people have a voice in the decisions that affect their lives and can hold decision-makers accountable.[14]

The term "corruption" has been applied to such a wide variety of beliefs and practices that pinning down the concept has proven difficult.[15] To foster some standardization and consistency, agencies such as the World Bank, Transparency International and UNDP have defined corruption as the "abuse of public office for private gain."[16] Although it has been widely adopted, several critics have observed that such definitions are culturally biased and excessively narrow.[17] In response to the charge that indices of corruption tend to be Western-centric, efforts have been made to create more balanced corruption measurement tools. For example, research staff at Transparency International created the Bribe Payers Index (BPI) to examine the "supply side of corruption," i.e., the role of foreign firms from developed industrialized nations in offering bribes.

The debates continue. And without international consensus on what corruption is, creating an international corruption ranking system becomes impossible. How, for example, do you reconcile various definitions of corruption into one universal ranking instrument when certain types of payments are perfectly legal in one country, but illegal in another?[18]

This broad definitional scope is reflected in the diversity of assessments that seek to capture the extent of corruption and the quality of good governance and anti-corruption mechanisms. Freedom House, for example, publishes an annual evaluation of democracy that focuses on political freedom and civil liberties in more than 190 countries. The Ibrahim Index of African Governance is a regional assessment of human security, human rights, economic opportunity and human development, in addition to rule of law/transparency/corruption performance in 48 sub-Saharan countries.

The Worldwide Governance Indicators, produced by the World Bank, include corruption in their assessment of quality of governance. Combining citizen and expert views from industrial and developing countries, this assessment includes six aggregate indicator categories: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption.

Similarly, the Heritage Foundation considers "freedom from corruption" one of 10 components in its Index of Economic Freedom. In contrast, Transparency International's Corruption Perceptions Index (CPI) focuses exclusively on indicators of perceptions of corruption, although, as with other indices, the types of corruption and how they are measured is unclear. Further confusing issues, the Heritage index uses the CPI as source data!

Despite the (perceived or real) proliferation of corruption and governance indicators and the potential for confusion, some analysts note that "most definitions of governance agree on the importance of a capable state operating under the rule of law," with varying degrees of "emphasis on the role of democratic accountability of governments to their citizens."[19] In other words, there is some consensus over what governance means, since a minimalist definition encompasses at the very least government accountability to citizens as well as the rule of law (although "rule of law" is itself a term with definitional issues).

At the same time, the absence of a standard agreement over the meaning of "governance" risks draining it of specificity and making it a catch-all term.[20] The meaning of "corruption" similarly lacks conceptual coherence and has been subject to intense definitional debate. It may be difficult to identify what is being assessed by corruption indicators with any precision (for instance, institutions, rules, petty corruption, bribery, governance and results).

This is especially true for composite indices, which subsume several datasets into one (or more) corruption or governance indicator(s) that risk making them meaningless.[21] As such, composite corruption and governance indicators can be less effective in providing operational data to users than single-source indicators.

QUICK TIP: Beating the labeling problem

Absent greater definitional precision in available measurement tools, how can users make their way through this jungle of "governance" and "corruption" toolkits? A first and crucial step is to ignore (to a practical extent) the measurement tool's own labels and focus instead on understanding the underlying questions or indicators that generate an aggregate category or index score. For example, one index's "rule of law" score may focus largely on the legal framework of a country's constitution and criminal and civil codes, while another index's "rule of law" score may focus entirely on citizen access to justice, corruption in the courts or the ability of businesses to enforce contracts and property rights. Still a third may collect household responses that describe the extent to which bribes are paid to enforce court rulings.

These are markedly different concepts that are not necessarily mutually exclusive – there are many countries that boast world-class constitutions despite massive corruption in the courts, poor contract enforcement and discrimination in the criminal justice system. So, significantly different scores on one index compared to the other may not mean that one index's "rule of law" score is right and that the other is wrong. Instead, it may signal that the two measurement tools are assessing different concepts. If users can grasp those underlying differences by ignoring an index's labels and unpacking component indicators, they can make informed choices as to which tool is best for their respective objectives.

Specifying the scale and scope of corruption and governance concepts can generate more targeted indicators. For instance, a closer look at individual data sources making up the World Bank's Control of Corruption indicator and Transparency International's (TI) Corruption Perceptions Index (CPI) reveals that the World Bank measures corruption in the public and private sector (with some individual sources providing data on corruption at the household level) as perceived by "experts" and opinion polls. The CPI measures corruption only in the public sector, as perceived by "experts" only.

What is Being Measured: Inputs vs. Outputs

Input-based Corruption Indicators: Also called *de jure* indicators, these are indicators measuring the existence and quality of anti-corruption or governance institutions, rules, and procedures, i.e., the de jure rules "on the books."

Output-based Corruption Indicators: Also called *de facto* indicators, these are indicators that measure the impact of corruption on quality of life and public service delivery, i.e., the de facto deliverables of the governance system. These are difficult to precisely measure other than through proxy measures.

Although definitions of corruption vary, corruption measures tend to cluster around two types: measures of the existence and quality of institutions, rules, and procedures (governance or anti-corruption "inputs") or measures of what those mechanisms lead to in practice (governance or anti-corruption "outputs" or "outcomes").[22] In other words, input-based indicators focus on appraising the rules "on the books," while outcome-based indicators assess the governance system's deliverables to citizens in a country, including reduced levels of corruption.

Governance and corruption are tricky to measure. In most cases, empirical measurements cannot be used. Consider other issues where empirical measurements may be employed, like crime prevention: outputs could be measured by crime rates, while inputs could be measured by the number of police officers on the street. Governance and corruption aren't so cut-and-dried, so measurements of outputs rely a great deal on proxies, rather than on empirical statistics. For instance, no one believes that the number of corruption cases brought to trial serves as an appropriate measurement of an "anti-corruption output." Changes in this proxy measure are ambiguous. An increase in the number of corruption cases brought to trial could indicate a higher incidence of corruption, an increased level of confidence in the court, or both.

Surveys that look at citizens' experiences with bribery and corruption, and interviews with respondents that explore public service delivery and trust in government come closest to directly measuring corruption outcomes. While not measuring "corruption" per se, they are instead measuring various proxies that, hopefully, can shed light on corruption levels.

Corruption measurement tools that primarily assess **inputs** have the benefit of providing clear information on key benchmarks – such as the existence and strength of official laws, regulations, and institutions – that are important to the architecture of good governance

and anti-corruption. There are, however, relatively few examples of measurement tools that focus exclusively on inputs.[23] Notable examples include International Research and Exchanges Board's (IREX) Media Sustainability Index (MSI), which rates the quality of independent media in 38 countries based on five criteria such as legal norms, professional standards and supporting institutions. Another example of an input-based measure is George Mason University/University of Maryland's POLITY-IV Country Reports, which collect information on the character of political regimes over time.

On the opposite end of the scale are tools that largely measure **outputs** – that is, the implementation and outcomes of rules and legal frameworks. One such metric is the Ibrahim Index of African Governance, which assesses "governance outputs" such as whether citizens have benefited from increased government expenditures on health services, and the percentage of school-aged girls who have completed primary school.

Another is Freedom House's annual Freedom in the World survey, which assesses political and civil liberties in more than 190 countries. Questions gauge the degree of freedom of the media (e.g., are journalists harassed, imprisoned, or killed?) among other indicators. Similarly, the Economic Intelligence Unit's Index on Democracy focuses on measuring outputs of democracy based on five categories: electoral process and pluralism, civil liberties, the functioning of government, political participation, and political culture. Also output-focused, the

Both input-based and output-based indicators have their strengths and weaknesses.

World Bank's Doing Business project evaluates the legal and regulatory environment for business operations in a country, generates data that capture the number of days and average costs to perform various licensing and regulatory requirements.

Most available measurement tools fall somewhere in between purely input measures or purely output measures, and one could even argue that the examples just mentioned belong to a different or hybrid category. Some input-focused assessments go beyond simple de jure indicators to also capture the quality of implementation in practice with de facto indicators. For instance, the Decent Work indicators in the International Labour Association's (ILO) Gaps in Basic Workers' Rights measure the gaps between labor conventions and their implementation. Likewise, Global Integrity's Integrity Indicators assess the strengths and weaknesses of countries' public sector anti-corruption mechanisms

Inputs and Outputs: A Real-World Example

A 2008 workshop facilitated by UNDP in Montenegro provides an example of fruitful efforts to develop objective, input-based indicators to complement an existing set of subjective, output-based indicators. The workshop facilitators extracted "non-actionable" perception-based indicators from the Montenegro Democracy Index 2006-07, a survey conducted by a local research organization called the Center for Democracy and Human Rights (CEDEM). Obtaining citizens' genuine opinions on any subject, instead of responses reflecting political affiliation (i.e., for or against the ruling party), was a particular challenge in the Montenegrin context.[25]

In order to make the assessment more actionable and useful to policy makers (since public opinion measures do not tell what is causing a problem nor point to potential solutions), as well as more valid (i.e., not influenced by respondents' political affiliation), workshop facilitators organized an exercise in which participants were asked to select a range of new objective, input-based indicators to complement the existing subjective, output-based Democracy Index indicators. The complementary input-based indicators were also "pro-minority" and gender sensitive, selected from UNDP's Framework for Selecting Pro-Poor and Gender Sensitive Indicators.

EXAMPLE 1: INDICATORS OF CITIZEN ACCESS TO LEGAL PROTECTION.

Subjective output-based indicator: Citizens were asked to what extent they believed that "Legal protection is ensured equally to all citizens regardless of their material status, ethnic, religious affiliations, political/party affiliations."

Corresponding input-based indicator: "Number of programs targeted at minority geographic areas promoting awareness of citizens' rights to seek redress through the justice system, and the steps involved in starting legal procedures."[26]

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by collecting data on the legal anti-corruption framework, as well as on its practical implementation. The International Budget Project explores the legal framework for transparent and accountable public budgeting processes in countries, as well as the shortcomings of those rules and laws in practice.

Users can think of these more robust measurement tools that combine de jure and de facto indicators as "input-plus" indicators, but they still fall short of true measures of output. Hybrid tools that combine measures of inputs and outputs also exist; for example, the World Bank's Worldwide Governance Indicators combine both input data (the Global Integrity data, for instance, on anti-corruption law and anti-corruption agency) as well as output data (the Afrobarometer data, for instance, on citizens' perceptions of the incidence of corruption amongst elected leaders, judges and border/tax officials).

Both input-based and output-based indicators have their strengths and weaknesses. Corruption indicators that focus on anti-corruption rules and inputs have the advantage of providing clear, straightforward information about the existence and strength of laws and regulations. They are also more naturally "actionable." To pick up the crime rate example, a country's government and citizens cannot simply choose, as a matter of policy and practice, to lower the crime rate (an output). They can, however, choose to put more police on the streets or

toughen penalties for offenders (inputs), and expect that those inputs will lead to the desired output (less crime).

In the corruption context, governments cannot simply "reduce corruption." But they can, for example, choose to implement and enforce all of the anti-corruption measures outlined in the UNCAC with the hope that such measures will reduce corruption levels.

In an effort to move beyond inputs and outputs, new approaches have been developed, mapping out the power dynamics among actors and institutions.

An advantage of output-based indicators is that they are useful to assess progress towards the desired objective of governance or anti-corruption reform programs. Output-based measures can indicate whether governance has improved and corruption has decreased (new laws or institutions – anti-corruption inputs – mean nothing in and of themselves). If designed properly, output-based indicators hold the potential to measure true progress in countries in the long term. Their major drawback is their general lack of actionability. Often the linkages to the inputs that trigger desired outputs are unclear.

When examining corruption and governance, the causal relationship between rules and their outcomes are complex and often difficult to link empirically. Figuring out the relative importance of those inputs (which ones should be reformed first, and why) can also be unclear. Exploring the linkages between input-based and output-based indicators is particularly important when identifying entry points for policy interventions.[24]

In an effort to move beyond inputs and outputs, new political-economic approaches have been developed to understand what drives corruption in a country-specific context. This is premised on the notion that governance and corruption reforms are shaped by power relations embedded in social, political, cultural, institutional and historical contexts.

Proponents argue that mapping out the power dynamics among actors and institutions through a holistic analysis produces a more concrete and nuanced understanding of the political-economic blockages or incentives/drivers to effective reform. This approach is also in keeping with the spirit of UNCAC, which "recognizes that anti-corruption approaches cannot be confined to technocratic solutions only, but acknowledges the inherently political nature of anti-corruption work."[29]

Inputs and Outputs: A Real-World Example

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EXAMPLE 2: INDICATORS OF TRANSPARENCY IN THE OPERATIONS OF LOCAL GOVERNMENT.

Subjective output-based indicator: Citizens were asked about the "transparency in the operations of local government."

Corresponding input-based indicator: "Existence of a public forum for citizens to discuss their views with locally elected officials."[27]

EXAMPLE 3: INDICATORS OF EQUAL PARTICIPATION OF WOMEN IN ALL ASPECTS OF SOCIAL AND POLITICAL LIFE.

Subjective output-based indicator: Citizens were asked about the "equal participation of women in all aspects of social and political life."

Corresponding input-based indicator: The "percentage of press, radio and TV journalists at a national level who are women" or "ratio of women to men employed in 1) civil service and 2) senior civil service."[28]

As one of the workshop facilitators observed, this exercise showed how objective indicators can be useful complements to perception-based indicators, not only in terms of usability in policy making (i.e., finding actionable indicators), but also as a means to overcome politically biased responses to public surveys in highly polarized societies like Montenegro.

The idea was to provide policy makers with a list of fairly varied input-based indicators for them to select the one indicator they feel is most relevant to the type of inputs needed to tackle the sentiment reflected in the public opinion survey. As such, there is no universal answer for this type of exercise. Rather, it's a matter of selecting the input-based indicator that's most suitable for any given country or region, depending on the particular governance challenges and policy priorities of this country or region.

Hence, questions related to how to make the most effective changes can be posed, such as: What role does political will play in enacting corruption reform in a given country? Why don't some political actors have the incentive to strengthen accountability and transparency? How can civil society actors induce effective change? What are the cultural, historical, and structural factors behind citizens' distrust of public institutions?

These questions, among others, help tease out contextual information on various interests, power dynamics, and rules (formal or informal) that can then be translated into "actionable" findings.

The United Kingdom's Department for International Development (DFID) has been a pioneer among donors in developing methodologies for assessing the state of governance in partner countries. Their Drivers of Change (DoC) approach, developed in 2001, links political-economic frameworks of power and local contexts to governance and corruption assessments. To date, the DoC approach has been applied to more than 20 developing countries. In Ghana, for instance, a team of country specialists identified government-business relations as a major fuel for corruption. The research team discovered that Ghana suffers from an "enduring neopatrimonial" or patron-client environment that weakens demands for change and discourages long-term reform.

They recommended a multi-prong approach to address this and other problems by improving information flows, introducing greater competition among political parties, and strengthening the role of the Ghanaian diaspora as well as civil society.[30]

Another trendsetter in this area is the Swedish International Development Corporation Agency (SIDA), which has developed a power analysis framework that aims to cultivate a contextually "thick" understanding of a country's political-economic structures and relations, and their implications for pro-poor, human rights, and other development priorities. By examining the causes (rather than symptoms) of corruption through nuanced analyses of formal and informal power relations, SIDA tries to show how power is distributed (by race/gender/age/class, local/central, private/public) and where "real power" lies.[31] Pilot studies have been conducted in Kenya, Ethiopia, Mali and Burkina Faso, with additional work in progress.

While political-economic analyses are promising developments in refining the corruption measurement toolkit, they too have their limitations. Members of a conference on donor approaches to governance assessments organized by the Development Assistance Committee of the Organization for Economic Co-Operation and Development (OECD DAC) put it this way:

QUICK TIP: Matching Inputs and Outputs

The reality of governance and corruption reforms is that they are extremely complex operations. They take place in a political-economic context that is, in many ways, not fully understandable, given the lack of transparency into government-special interest relations in many countries. The idea that one indicator or assessment will respond fully to a user's needs is unrealistic in most cases.

A better approach is to seek out complementary measurement tools that can be combined to provide a more powerful and holistic lens through which to view these issues. Input-based and output-based indicators should be thought of as complementary (though imperfect) proxies for the various dimensions of governance they seek to measure. When available, exploring the linkages (or lack thereof) between measurements of input and output for a given country or region can yield fascinating insight.

For instance, if a Global Integrity assessment suggests that Country X has an effective ombudsman system in place (one that benefits from political independence, sufficient staffing and budget, regular public reporting, and the ability to freely initiate investigations), yet a household survey reveals that most citizens don't trust the ombudsman or believe him to be biased, what can that tell us about the real situation and what reforms, if any, may be necessary? By combining multiple tools, we now have an entry point for exploring what could be a key disconnect in the governance and anti-corruption framework in the country.

The commonly used external measures of corruption outputs, such as TI's CPI or the World Bank's Control of Corruption indicator, are often broad and not useable for this type of analysis. For example, it is difficult to imagine any user, even the most sophisticated, developing country-specific corruption reforms based on an output measure that may be as simple as a survey of Western businessmen that asks what percentage of business transactions

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> "A power analysis in development projects does little to help donors understand how to support and operationalize the findings. Nevertheless, newer tools may help make such analyses more actionable in the future."[32]

Methodology

Another important distinction between the various corruption measurement tools is the different methods and techniques that the tool creators have adopted. These are not merely technical footnotes to be glossed over; rather, they have dramatic impact on the toolkit's strengths and limitations. Users must keep methodological differences in mind when choosing their tools.

Of particular interest are the types of data sources used. Is the index or toolkit based on composite or original data? Toolkits that rely on original data gather new data for the explicit purpose of generating their respective index or assessment. Examples of this approach are the Global Integrity Index, the Open Budget Index (both the GII and OBI are composed of scores generated by local in-country experts), POLITY (where scores are assigned directly by its researchers), surveys of business experts' perceptions of corruption, and household surveys that explore citizens' perceptions and experiences with

By aggregating many component variables into a single score or category, users run the risk of losing crucial conceptual clarity.

corruption. In short, users can ask themselves, "Does the publishing organization itself generate the data it uses?" If so, the toolkit relies on original data.

Composite indicators, on the other hand, aggregate and synthesize information from third-party data sources. They do not gather or generate their own data. Instead they rely on data from others, employing aggregation techniques to generate their own results or scores from those component sources. In the corruption realm, composite indicators remain the most widely used measurement tools because of their near-global coverage.

This wide coverage is especially appealing to foreign aid donors and the international investment community, because they are often interested in cross-country comparisons to inform international aid or capital allocation decisions. Among the most prominent composite indicators of governance are the World Bank's Worldwide Governance

Indicators (WGI), the Ibrahim Index of African Governance, and Transparency International's (TI) Corruption Perceptions Index (CPI).

Measurement tools that generate their own data and those that aggregate a number of existing data sources each have their strengths and weaknesses. Aggregate indicators can be useful in summarizing vast quantities of information from several sources, and in so doing can limit the influence of measurement error in individual indicators and potentially increase the accuracy of measuring a concept as broad as corruption.[33]

But, as critics have noted, by aggregating many component variables into a single score or category, users run the risk of losing the conceptual clarity that is so crucial.[34] If users can't understand or unpack the concept that is being measured, their ability to draw out informed policy implications is severely constrained.

Combined with the labeling problem identified earlier, most users fail to grasp the limits of aggregate indicators. Aggregate indicators are also susceptible to misuse due to their selection bias (favoring expert overpopulation surveys), poor methodology and scoring criteria transparency, lack of reliable comparisons over time or across countries (if the component sources differ year-to-year or between units of analysis), and the likelihood of correlation errors in sources (i.e., the influence of other expert assessments, political/financial crises and country economic performance, as well as respondent errors on perception data).[35]

For their part, indicators and toolkits based on original data benefit from consistency and clarity. When designed properly, their precision can help identify potential points of intervention in the context of governance and anti-corruption reform programs. In other words, they can facilitate the matching of inputs to outputs described above. Nevertheless, users should be aware that there is always a degree of subjectivity and ambiguity built into the classification and "coding" (assigning of scores) of indicators derived from original data. For instance, the researchers working on country scores for the POLITY database are following strict criteria for assigning scores, but are susceptible to some degree of unintentional bias or inconsistency. The same applies to local in-country experts working to assign scores for international NGOs such as Global Integrity or the International Budget Project.

The more troubling weaknesses of assessments based on original data occur when scores are assigned with little to no identification of explicit scoring criteria. One example of this can be found in the Afrobarometer Survey,[36] a widely-used household survey that assesses African citizens' opinions on a variety of government performance and democracy issues. One question in the 2006 survey was, "On the whole, how would you rate the freeness and fairness of the last national election?"

Matching Inputs and Outputs

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are likely tainted by bribery in a particular country. In those cases, matching inputs to outputs may require investing time and resources into new nation-specific output measures (such as those developed to complement the Montenegrin Democracy Index – see "Inputs and Outputs: A Real-World Example", p.16). Only then can useful and actionable reforms be proposed.

QUICK TIP: Know Your Methodology

Before deciding which measurement tool to use, take a few minutes to read the fine print. Those dry, long-winded white papers or background papers that accompany any good measurement tool will describe the process that goes into generating the assessments, ratings or scores. If you sense something is missing – part of the process, a clearer explanation of the methodology, a list of the questions asked – contact the organization, it should be willing to provide the information. If not, consider it a red flag. You may want to avoid that particular measurement tool.

Also bear in mind that there's no right answer to the "objective vs. subjective" or "composite vs. original" arguments. Varying assessments and corruption measures can be useful, depending on the context. If a user is interested in a simple snapshot of country performance relative to its neighbors, then a high-level composite indicator is likely sufficient. Similarly, if a user is attempting to assess citizens' views on the climate of corruption, then a purely subjective public opinion survey is entirely appropriate. On the other hand, if a user is sitting in a national government office and charged with improving country performance on anti-corruption, those sources will likely need to be complemented with more actionable and objective indicators that offer specific entry points for reform, which mirror or address the sentiment reflected in public opinion surveys or international composite indicators.

Respondents were offered the following choices:

- Completely free and fair
- Free and fair, but with minor problems
- Free and fair, with major problems
- Not free and fair
- Do not understand question
- Don't know

Absent any other criteria to define those responses (such as what a "minor" problem is, compared to a "major" problem, and exactly what "free and fair" means), it is difficult to know precisely what attitudes and emotions respondents reflect onto their response.

Imagine the similar confusion that respondents would have in answering a question such as, "Rate the extent of corruption in Country X – high, moderate, or low," with no other scoring criteria to guide them. Not to mention the language problem (translating questionnaires might result in even more imprecise ideas) and data entry issues (though this can be minimized by having an electronic data entry process). Users need to carefully examine measurement tools relying on original data to see whether scoring criteria are explicit, and if so, use those criteria as a guide for interpreting the results.

Another important methodological distinction for users to bear in mind is the extent to which indicators rely on subjective versus objective data. Neither is necessarily better than the other

and, when appropriately understood, both can shed helpful light on corruption challenges.

Subjective indicators center on citizens' or experts' perceptions and opinions about the quality of governance or level of corruption in a respective country. The clearest example of this type of indicator is Transparency International's annual CPI, but others include the Economist Intelligence Unit (EIU) Democracy Index and the four major regional barometers.

When deciding whether to use subjective indicators, users should bear in mind potential drawbacks. First, subjective indicators are based on perceptions and may not be reliable when assessing long-term trends and changes. Improvements in the quality of a country's public integrity system and anti-corruption performance are difficult to capture. Second, indicators that hinge on perceptions often lack credibility because of the dearth of de jure facts and the gap with de facto realities on the ground as experienced by the public. Third, most subjective indicators are skewed toward the perceptions of the elite business community and may not always align with the views of non-business people and ordinary citizens. Fourth, these indices tend to gauge perceptions of governance outcomes or corruption, rather than their causes.[37]

Given that few international corruption measures focus on poverty and gender issues, new indicators need to be developed at the national level.

In contrast, objective indicators weigh factual information, such as the strengths and weaknesses of a country's institutional and legal environment (e.g., election turnout rates, the number of women elected to the legislature, and the existence of freedom of information rules). These objective assessments are reflected, for instance, in the Heritage Foundation's Index of Economic Freedom, which grades more than 160 countries based on 10 factors using quantitative measurements from third-party sources. Objective indicators also include experiential surveys of firms and households (e.g., the number of times a person or firm has bribed and how much was paid).

Differences between subjective and objective data should not be exaggerated. Both types of indicators should be seen as complementary.[38] Indeed, several apparently objective indicators like the Ibrahim Index integrate subjective data sources such as the CPI into their overall scores.

Only a limited number of current measurement tools address the gender and poverty dimensions of corruption and governance. The few "first-generation indicators" (i.e., those that currently exist) that

are pro-poor and gender sensitive are drawn from country-specific surveys, censuses, administrative records and focus groups. Broader, but less useful, illustrative gender-sensitive indicators include the proportion of seats held by women in national parliament and the existence of anti-sex discrimination laws.[41]

Given the paucity of international corruption measures that focus on poverty and gender issues, new indicators need to be developed at the national level. Questions like, "how do poor women's experiences with corruption compare to poor men's," need to be answered.[42]

"Second-generation indicators" are indicators for which data are available, even though the indicators themselves have not yet been created. One example is the level of trust in the police among the poor. The regional Barometer surveys ask questions related to both the level of trust and the economic status of respondents. This would allow the construction of indicators with a focus on poorer groups in society.

Best developed by national stakeholders rather than by international actors, such indicators lend themselves more easily to targeted, in-depth diagnostics of the impact of corruption across different population groups.

This is discussed in greater detail in the following sub-section.

Internal and External Stakeholders

A recent trend in the field of corruption measurement has been the use of local expertise and knowledge sources, as opposed to relying on outsiders for their opinions and ratings. The shift underscores the growing recognition that corruption indicators need to be more relevant to a country's stakeholders. International donors and investors have been the key external constituency to use indicators for aid and capital allocations. However, existing indicators, especially aggregate and perception-based indicators, are often less helpful to internal stakeholders, such as national governments and local groups. Aggregate indicators that compile information from different third-party sources present particular dilemmas. It is difficult to link them back to actionable inputs, which has generated a certain degree of resentment among governments. As one Western aid official told us, "Sometimes we don't have anything to tell the country when they ask, 'Why didn't we score well?'"

Efforts to make corruption indicators more useful to national actors has been accompanied by increasing efforts to promote local "ownership" of such assessments. In a broad sense, **national ownership** refers to a situation where responsibilities for policy setting, skills training and resources are held by local governments and stakeholders,

not foreign actors. In the more narrow focus of this guide, nationally owned governance assessments are initiated, implemented and sustained by national actors. National stakeholders lead the work on the assessment, believe in its legitimacy and hold it to be relevant.

National ownership is based on the premise of consulting with a broad range of national participants, such as the government, civil society and business associations. This inclusive, bottom-up, and locally generated approach is important to making corruption indicators locally relevant, legitimate and trustworthy. If corruption assessments

National Ownership: Refers to when local stakeholders, not outsiders, have driven and controlled the production of an assessment. Moreover, it is based on the premise of consulting with a broad range of national stakeholders, such as the government, civil society and the private sector.

"Sometimes we don't have anything to tell the country when they ask, 'Why didn't we score well?'"

are not locally owned, they will likely be shelved and will not feed into policymaking processes.[43]

However, country-specific indicators that are not aligned with normative standards of democratic governance may suffer from a lack of trust and legitimacy over the rigor of a self-assessment's methodology. A balance between local "satellite" indicators (those contextually specific to a country) and global "core" indicators (those that are common to a majority of countries) could strengthen the legitimacy, reduce the costs, and enrich the dataset of nationally owned assessments.[44] In a UNDP-supported assessment of the state of governance in Mongolia conducted in cooperation with the government, satellite indicators were designed to reflect the specific national characteristics of the country. Fourteen satellite indicators complemented the 117 core indicators. Core indicators included questions about the existence of anti-corruption legislations, while satellite indicators were grounded in country specifics such as the civil, economic, and social rights of migrants (e.g., access to health service, employment and poverty).[45]

Achieving this balance between core and satellite indicators is particularly important (and challenging) when harmonizing country driven corruption assessments with national policies and related donor-oriented instruments such as the Millennium Development Goals (MDGs) and Poverty Reduction Strategy Papers (PRSP). Few corruption indicators have been integrated into national development plans and aligned with MDG/PRSP goals.

An example of a formal process that helps to integrate self-assessment results into the national plan is the Africa Peer Review Mechanism (APRM), a tool used by member states to assist each other in developing, preparing and implementing effective programs of action to improve economic, political, corporate and social governance. Member states

QUICK TIP: Finding the Right Kind of Ownership

Nationally owned corruption measurement tools are the new "new-thing." As such, it has become almost impolitic to suggest that assessments prepared in any other fashion are useful or appropriate. The reality is that they are useful, but only when they involve local expertise and can engender local buy-in from national stakeholders.

For instance, indicators such as the Global Integrity Index and the Open Budget Index are published by external, international NGOs, but are prepared and scored locally by in-country groups of experts who conduct original interviews and research. The result is bottom-up, credible data from experts who know their countries far better than an outsider ever would – the hallmarks of a nationally owned assessment. But unlike a traditionally "owned" assessment (i.e., initiated by national stakeholders), such approaches are generally far more cost-effective and quicker to produce. The same benefits are apparent in DIAL's household surveys, which yield a legitimate and accurate local voice without the delays and self-censoring effect of a full-fledged, nationally owned assessment.

While nationally owned assessments are in vogue for good reason, there are other alternatives that offer many of the same benefits without nearly the same costs. For users of corruption measures, the question to ask is "what is my purpose in using a measurement tool?" Is it going to serve as a diagnostic tool for analysis? In this case, a quicker and cheaper locally generated (but not fully locally owned) assessment is likely sufficient. However, if the goal of the assessment is to mobilize public opinion or formally engage government in an anti-corruption reform program, then a full-fledged, nationally owned assessment may be the best tool – it will more likely engender buy-in from key domestic constituencies, including the government itself.

contribute by facilitating the development of the national program of action, sharing best practices and supporting each other in capacity building, constructive peer dialogue and persuasion. In South Africa, the APRM Country Self-Assessment Report was based on questionnaires developed by the APRM Secretariat (with input from civil society and NGOs) that focused on four thematic areas: democracy and political governance, economic governance and management, corporate governance, and socio-economic development. Indicators were grouped according to objectives within each of the four areas. Under democracy and political governance, for example, indicators that measured progress toward "fighting corruption in the political sphere" provided assessments of the overall perceptions of corruption and measures taken to combat it.[46]

Regarding UNCAC, one of the Convention's requirements, as stipulated in Article 5, is the establishment of national anti-corruption policies and the development of monitoring strategies. They are normally prepared by a commission staffed by representatives from government agencies, civil society and the private sector. Measurement tools are integrated into country anti-corruption strategies as a way of diagnosing and analyzing corruption and governance issues, as well as monitoring preventive anti-corruption measures. In general, there are four kinds of corruption measurement tools that have been

integrated into national anti-corruption planning processes:

Public Opinion Surveys: These are household, governmental, and business surveys that explore how people perceive the level of corruption in particular institutions. These surveys are often the first type of corruption measurement tool used. They are integrated into national anti-corruption plans to underline how important and serious corruption is, from the citizens' perspectives. Policy makers use these perspectives to determine policy priorities, exploring whether corruption is perceived to be greater within certain governmental entities or certain parts of society. Ghana's "Voice of the People" survey conducted in March 2005 provides an example of opinion surveys focused on a single country. The urban household questionnaires surveyed ordinary peoples' perceptions of the degree of corruption and bribery, with the intent of providing useful information to make policy reforms. Cross-country opinion surveys contrasting

While broad participation and consultation with stakeholders outside the national government is key to this bottom-up process, it is not enough to capture the concerns of the poor and marginalized groups.

public perceptions of corruption in Ghana to other African countries include the Afrobarometer, which surveys public opinion on democracy, governance and economic issues, including corruption.[47]

Public Sector Diagnostics: These are studies that assess the strengths and weaknesses of public institutions. Policy makers use these indicators to identify which public sector departments or agencies are more susceptible to corruption. They also assist in crafting policy recommendations. The Kenyan government, for instance, initiated a household survey in 2006 to measure public perceptions and experiences with key governance and legal institutions in the public sector, such as the anti-corruption commission and police. The survey generated data from interviews with more than 12,000 adult Kenyans.[48]

Private Sector Surveys: The growing acknowledgement that corruption is not limited to the public sector, but to businesses as well, has given rise to tools that measure perceptions and experiences with corruption in the private sector. One example is Uganda's Cost of Doing Business survey (2000) developed by the World Bank and implemented by a local organization (Ugandan Manufacturers' Association). The survey includes bribery data across more than 170 firms.[49]

Multi-Country Tools: These tools are integrated into national anti-corruption plans to show where a particular country stands in relation to other countries. Using them, policy makers can perform cross-coun-

try comparisons and determine a baseline for regional analysis (which may foster a "race to the top" competition between countries). These tools afford opportunities to forge cooperation with other countries in the region and strengthen local know-how. For example, the Afrobarometer has been integrated into various national government programs in sub-Saharan Africa, such as Tanzania's Poverty Reduction Strategy Paper, the Ugandan Parliament's Strategic Investment and Development Plan, and the African Peer Review Mechanism (APRM).[50]

Despite what appears to be a growing consensus that national ownership of corruption indicators is desirable, challenges remain as to how one actually goes about undertaking such assessments. While broad participation and consultation with stakeholders outside the national government is key to this bottom-up process, it is not enough. To fully include the perspectives of low-income groups and women, users must take the additional step of creating sub-indicators that address the concerns of these disadvantaged populations via household opinion and experience surveys. These household surveys are potentially more democratic because they include the concerns of poor, female and rural populations – groups that may not be represented by civil society whose members are often more educated and urban.[51]

Some governments are uninterested in giving civil society a robust role in the process and seek to monopolize control of the policy agenda.

Locally generated indicators are particularly conducive to disaggregating data according to gender and income/poverty status and to drawing linkages with corruption and other dimensions of governance. Pro-poor and gender sensitive indicators could be developed to address the following questions:

- How do poor women's experiences with corruption compare to poor men's experiences with corruption?
- How do poor households rate the incidence of corruption across different public agencies?
- Do poor households believe that the incidence of corruption is increasing or decreasing?
- Is anti-corruption legislation actively enforced, according to poor households?
- How satisfied are women in poor households with the delivery of public services?
- Are policies of particular relevance to women (e.g., child and reproductive health) monitored and evaluated effectively?[52]

A few countries have developed pro-poor and gender sensitive corruption and governance indicators as part of their national strategy. A recent mapping exercise of national corruption and governance tools in Latin America conducted by Transparency International and supported by UNDP provides an example. Data relevant to gender and poverty demonstrated that the poor disproportionately shoulder the burden of corruption, and that men are more likely victims of corruption than women (which is likely due to the fact that men, especially in Latin America, are more likely to conduct official transactions than women).

However, only a limited number of indicators mapped in this study are addressing gender and poverty dimensions, in part because a large sample size is needed to disaggregate, which is not the case for most existing tools.[53] A similar mapping exercise of national measurement tools in sub-Saharan Africa, also produced by TI and UNDP, demonstrated the same relative scarcity of pro-poor and gender sensitive indicators.

There are, however, tools focused on particular sectors that are believed to be of particular significance to women and low-income populations. For example, findings from Kenya's Citizen's Report Card on citizen access to safe water and sanitation demonstrate that poor households do not have access to adequate sanitation facilities, compared to the non-poor.[54]

Local "ownership" of governance assessments is not without its problems. As the political scientist Goran Hyden notes, there are significant challenges to aligning corruption and governance assessments with local needs on the conceptual, institutional, political and operational levels. The conceptual vagueness of the concepts of governance and corruption makes it difficult to determine the most appropriate indicator framework. Furthermore, national ownership can be a highly politicized issue. Some governments are uninterested in giving civil society a robust role in the process and seek to monopolize control of the policy agenda. The underlying question for any nationally owned assessment is whether it can yield appropriately self-critical results, when warranted.

Advocates of nationally owned corruption assessments or indicators may run up against institutional/operational burdens. Local assessors may be overwhelmed by dozens of stakeholders, creating an increase in workload, time and resource commitments, as well as the number of indicators.[55] The time and resources required to carry out just the first six APRM assessments are a testament to these operational challenges. Many developing countries also lack a developed research infrastructure and NGO sector capable of executing what can be extremely complex and challenging measurement exercises.

Corruption Indicators: Country Context

The previous section provided an informal taxonomy of current corruption (and some related governance) indicators, highlighting some major strengths and weaknesses within each category. This section briefly focuses on how indicators have been used in Sierra Leone. The example illustrates the real-world challenges facing policy makers in any country, and the lessons learned can be applied in future initiatives.

Sierra Leone: After more than a decade of civil war that ended in 2002, the government of Sierra Leone launched its National Anti-Corruption Strategy in February 2005. There are three major components

The point is that the panoply of corruption indicators are complementary rather than inimical to each other. It depends on the context and objectives.

to the report. The first examines the root causes of corruption in the country: what native Sierra Leoneans think about corruption and the costs of corruption to the nation. In other words, a brief political-economy analysis. The second focuses on the institutions most vulnerable to corruption and the priority areas that need to be addressed. The third provides a series of corruption reducing policy recommendations for each sector.

Data from various corruption and governance indicators are mentioned in the first two sections of the strategy report. The first set of (mainly perception) indicators are used to provide a snapshot of the depth of corruption compared to other countries: "The recent Transparency International Corruption Perception [sic] Index places Sierra Leone 118 out of 146 in their ranking, which places Sierra Leone in the bottom 10% of the perceived most corrupt countries." A separate national perceptions survey conducted over five years and published in 2000 "indicated that: 95.6 percent of respondents maintained that it (corruption) was rampant and widespread and about 94 percent of respondents indicated that corruption is rampant in most government departments. The 2002 Governance and Corruption Study supported by DFID and the World Bank supports these figures."[56]

To support its contention that poverty is one of the leading causes of corruption in Sierra Leone, the report refers to the country's ranking at the very bottom of the Human Development Index as evidence.[57] In addition, the report cites the Development Finance International (DFI)/World Bank 2002 survey – in conjunction with

focus group meetings, citizen complaints received by the Anti-Corruption Commission, and sector reports – to identify the areas of governance that are most in need of reform. These corruption "hot spots" include education, health, local government, judiciary, agriculture and mineral resources.[58]

To provide deeper insight into priority reform areas, such as the severity of corruption and lack of accountability in the health sector, the National Anti-Corruption Strategy Secretariat turned to the Public Expenditure Tracking Survey (PETS) to examine the depth of the problem. The report quotes from the statistical consultant to PETS: "The equivalent of only 9 percent of essential drugs transferred from the Central Medical Stores could be accounted for by District Medical Offices, while the corresponding figure for transfers from the District Medical Offices to Primary Health Units (PHU) was estimated at 55 percent. Therefore in total, only an estimated 5 percent of resources provided by central government could be accounted for by PHUs." However, evidence from another governance and corruption survey focusing on health services provides a counterpoint to the expenditure survey by showing that "systemic corruption of the health system is not occurring in the minds of the public."[59] Clearly, perceptions of corruption in this part of the Sierra Leonean economy (corruption "outputs") were not matching objective measures of the sector's "inputs."

Sierra Leone's National Anti-Corruption Strategy report demonstrates how a range of corruption measurement tools were integrated into a development plan. Certain indicators were mobilized to provide a quick country survey of the state of corruption, while others were used to disaggregate data by sector and poverty/income level. In short, the Sierra Leone case draws upon the appropriate measurement tool to meet specific needs and objectives. The point, again, is that the panoply of corruption indicators are complementary rather than inimical to each other. One set of indicators is not necessarily better or inferior to another – it depends what is being measured and toward what end.

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Chapter 2: Voices from the Trenches

The aim of this chapter is to single out some of the most pressing issues that the users of corruption measurement tools face today, based on their own first-hand experience. Representatives in the government, donor and practitioner communities have shared what they believe are strengths and opportunities for improvement within current indicators and measurement tools. Much of this thinking has been anecdotal, and has yet to be recorded and digested systematically.

With this in mind, more than 30 colleagues working as researchers, on-the-ground practitioners, donor officials and government policy makers responded to our requests for informal interviews (see list on page 58). They were located in NGOs, international development agencies (e.g., the World Bank, UNDP country offices and bilateral donors), government offices in developing countries, universities and think tanks. The conversations, conducted via telephone over a two-month period, were loosely structured around some basic questions concerning what corruption assessments and indicators (if any) they use in their daily work, the role of such indicators and assessments in development and policy planning processes, and the major strengths and gaps of governance and corruption indicators/assessments.

More than 30 colleagues working as researchers, on-the-ground practitioners, donor officials and government policy makers were contacted for informal interviews.

The thoughtful and candid comments provided by these users intersect with the discussions raised in the previous chapter. The feedback collected reinforces the points made about the strengths and limitations of measurement tools with real-world examples.

Several people brought up the "labeling problem" – the difficulties that arise because of the broad scope of the term "corruption" (and similarly, "good governance"). The vast and overwhelming range of "governance" and "corruption" assessments and indicators has led to tremendous frustration over the extent to which the information produced is actionable (or not) and amenable to policy intervention (or not) [see finding 1].

Another recurring discussion revolved around what one respondent provocatively referred to as the "demand for meaningless numbers," and the careless, imprecise manner in which indicators and assessments have been applied. This occurs because concepts like "corruption," "governance," and even the "rule of law" have proven so labile (see finding 7). Others mentioned the need for greater complementarity among the wide range of metrics, especially those that integrate qualitative assessments, since no single indicator can capture the complexities of corruption (see finding 5).

Another issue that emerged from the interviews centered on the second conceptual category we identified in the previous chapter: What is being measured by these indicators/assessments? The desire for actionable data was raised once again as users decried how most indicators – whether they focus on inputs, outputs, or both – seldom provide contextual information on the political-economic causes of corruption.

Interviewees also had much to say about the methodology of existing corruption indicators and assessments, the third conceptual category. While perception-based surveys continue to dominate the landscape in terms of usage, many express frustration with their limited application to potential solutions, as well as the subjective measures employed that they felt were out of step with reality (see finding 3). Several cited the usefulness of qualitative assessments, or at least a combination of quantitative and qualitative tools, to add context and depth to a country situation (see finding 5). Interviewees also highlight the usefulness of indicators that are disaggregated according to specific institutions, population groups, and problem areas, such as legal mechanisms, courts, gender, and poverty status (see finding 2). Lastly, a final group of respondents acknowledged the difficult and conflicting demands made on corruption and governance metrics to satisfy the varying needs of users (see finding 6).

The final category discussed in Chapter 1, internal and external stakeholders, was energetically picked up by respondents. Many expressed a desire for greater use of local knowledge, internal assessments and national ownership in order to cultivate government "buy-in". Indeed, they argued, such indigenous and internally generated tools may be more effective in assessing political-economic incentives to change – including political will – which several users identified as a major gap in existing corruption assessments and indicators (see finding 4).

The following seven themes are the most salient to emerge from these discussions, and they feed into the suggested good practices and possibilities for next-generation work discussed in this guide's final chapter.

Findings

Finding 1: Practitioners want actionable data to guide decisions, and existing metrics are not getting the job done.

The ultimate purpose of information is to guide decision making. In interviews with corruption indicator users, there was tremendous variety in the scope of decisions facing people working under the rather vague umbrella of "governance practitioners." Experiences ranged from academics teasing out subtle relationships between variables, to donors deciding where to most effectively spend millions of dollars or euros, to advocates forced to quickly decide whether an election is free and fair, to government officials trying to challenge deeply entrenched patterns of corruption and abuse of power.

These people are facing difficult strategic and tactical decisions and are hungry for information to guide them. Yet despite the great variety of corruption and governance metrics available, in interview after interview we heard the same complaint: The information provided by most metrics is not helpful in guiding their real-world decision making efforts. Indeed, several people who were interviewed said they found no use for existing corruption metrics, despite devoting their professional lives to designing policy initiatives to improve governance and anti-corruption performance.

Practitioners find... the data contained in currently available metrics are only loosely relevant to the daily work of putting together specific reforms.

Simply put, many of the practitioners we interviewed find that the data contained in currently available metrics are only loosely relevant to the daily work of putting together specific governance and anti-corruption reforms. These users, scattered primarily across the developing world, are far removed from the hand-wringing over the perceived duplication and redundancy of metrics mentioned in the previous chapter!

Despite the variety of experiences, practitioners share a common goal: they are looking to improve governance and anti-corruption. It is here that actionable corruption data must be rooted. Users complain that indicators may tell them that a specific area (e.g., corruption in health care service delivery) is problematic, but rarely give insights into what is causing the problem, or even what specific criteria are being judged. Competing definitions of "corruption" and "governance,"

as well as other terms, amplify this confusion. Many of these professionals have little time to dig through methodology white papers for explanations of fundamental concepts (assuming they even exist).

When a Latin American government working group wanted to improve its nation's overall governance and anti-corruption performance, it looked to international corruption perception datasets. The group quickly abandoned the effort because nothing in the data identified actual points of intervention. An NGO development officer in a South Asian country reported nearly identical frustrations as she tried to provide the government with data that could inform their reform efforts. The well-known international perception datasets, again, proved to be too vague to be helpful.

Finding 2: Disaggregated* indicators are more likely to lead to actionable insights.

The practitioners interviewed often asked for more disaggregated data, particularly data supported by narrative explanations of why a score was assigned. As discussed above, evaluation approaches that assign a single country score, or scores to just a few broad categories, are of limited use to practitioners seeking to curb corruption. Even sector-specific or topical indices can be challenging to decipher in the absence of clear scoring criteria.

To explore one hypothetical example, a quantitative rating of the extent of corruption within the traffic police force may seem fairly focused in scope, but is still of limited use without further information. For instance, a poor assessment of "corruption" among traffic police in one country may reflect an environment where the police are simply incompetent, poorly trained and poorly equipped, especially if the measurement tool lacks definitional clarity. In another country, however, the police may indeed be extracting bribes on a regular basis and abusing their positions through explicit extortion. Each situation produces the same low score for "corruption among the traffic police," but each requires a very different solution.

Practitioners deeply value narrative to go along with the numbers.

This paradox can be avoided with a disaggregated dataset that measures bribes and extortion by the traffic police separately from measurements of the police force's capacity, or by supporting quantitative scores with qualitative explanations that unpack the situation in

* "Disaggregation" can mean different things in different contexts. In this context, it refers to breaking down a concept into component parts so that it eventually leads to possible points of intervention, instead of a broad conceptual construct like "accountability". It does not refer here to a focus on different sets of survey respondents, such as the poor or minorities.

narrative terms. When corruption indicators are more specific, they're also more useful for devising solutions to specific corruption problems.

Practitioners working to develop anti-corruption projects told us they prefer to use indicators that are more disaggregated and are generated through a bottom-up approach; they also deeply value narrative to go along with the numbers. The World Bank's Country Policy and Institutional Assessment (CPIA), Freedom House's ratings, the POLITY databases, the World Bank's Doing Business ratings, and the Global Integrity Report were the datasets referred to most often. The development practitioners interviewed consistently said that the most useful indicators are those that provide deep contextual information: Are there sufficient legal mechanisms to hold executive officials accountable for their actions? Are law enforcement officials paid appropriately? Are civil servants hired based on their qualifications and merits? Answers to these questions lead naturally to a discussion of possible points of intervention.

Disaggregated data sources also can be used to address a long-standing concern in the anti-corruption community: the disproportionate impact of corruption and abuses of power on poor and minority populations. The experiences of corruption can vary greatly with class, gender, and race. Survey data that rely on international business travelers or expatriates can potentially exclude the experiences of the communities most impacted by corruption. Even representative survey data can be misleading by masking deeply divergent experiences within a single set of results. Practitioners are asking for disaggregated data with more depth. Disaggregating the experiences of distinct communities is one way to do this, but it is unfortunately uncommon.

Finding 3: Decision makers find corruption perception data to be the least useful.

The interviews confirmed that the most widely known corruption datasets are Transparency International's Corruption Perceptions Index and the World Bank Institute's WGI (specifically its Control of Corruption indicator). This comes as no surprise to anyone familiar with the field – these annual assessments have admirably extensive global coverage, and their results are widely reported in media. Both measures are based on aggregates of third-party data dealing with perceived levels of corruption, indicators of governance outcomes, and expert assessments of governance and anti-corruption performance.

However, the widespread familiarity with these datasets does not seem to lead to many endorsements. Many interviewees began the

discussion by unloading their frustrations with corruption perception data. Some feel that perception data have their uses, but are troubled by the willingness of donors to link aid conditionality to these controversial measures, both of which have come under fairly withering criticism in recent years.

The complaints come from two directions. Several of the interviewees, particularly those who are designing corruption and governance assessments, are skeptical of specific details of the methodologies used in these indices. Many of these methodological challenges were discussed in the last chapter.

But when practitioners discussed working directly on improving governance, more fundamental complaints often emerged. Interviewees suggest that these indices are disadvantaged because they are based on the popular opinions of citizens or visitors to various countries. Government officials and advocates working to improve governance see a frustrating disconnect between early but important steps toward fighting corruption, and the sometimes fickle moods of popular opinion.

"Perceptions change very slowly, so there is a huge gap between our actions and the international evaluation."

"Perceptions change very slowly, so there is a huge gap between our actions and the international evaluation," said a government official whose foreign aid flows depend on improving his country's performance on international indices. One official said that broadcasting the progress occurring in her reform-minded government has become a priority, so corruption perception measures more closely reflect the reality (as she saw it) of improved governance.

Advocates point out that even if perception-based measures are perfectly effective in tracking public opinion, and even if public opinion is perfectly responsive to changes in levels of corruption, the results of these measures are still rather limited in their application, since assigning a single number score to an entire country yields little insight into potential solutions.

Champions of governance reform complained that these drawbacks have diminished the credibility of corruption perception measures in the eyes of many governments. An advocate at an international NGO said their chapters face problems working with governments because perception-based indicators fail to provide sufficient leverage to start a discussion on what needs to be tackled on the governance and anti-corruption agenda.

Finding 4: Internal assessments have more relevance and credibility with national stakeholders than international assessments.

Some of the professionals interviewed insist that localized indicators, developed in-country by local stakeholders rather than by international or external actors, should be the future of the corruption metrics field. These metrics are, by some standards, quite limited: they have little or no international coverage, are often purely qualitative, and may not be continued from year to year. But highly localized indicators that are customized to national or sub-national needs have the significant advantage of being designed from the beginning to yield actionable data.

Internal assessments have another advantage over broad international toolkits: locally generated efforts typically enjoy better credibility with skeptical government policy makers. Governance, democracy and corruption are always politically sensitive. Foreign advocacy and criticism from abroad can provoke reflexive dismissals and can be a barrier to local advocates working with governments to acknowledge governance shortcomings in a non-polemical manner. Some experts interviewed feel external indicators and assessments are burdened by built-in disincentives for governments to embrace the findings, even if they are accurate and free from bias.

An NGO development professional noted that when negative external evaluations of a country are published, it is difficult for NGOs that

"It is better to focus on the concerns [expressed] from within countries – from citizens... No government wants to be seen as siding with corruption when citizens are against it."

are actively collaborating with governments to use such findings. "To promote buy-in, it is better to focus on the concerns [expressed] from within countries – from citizens," he said. "No government wants to be seen as siding with corruption when citizens are against it."

Interviewees argue that the use of local researchers, collaborative frameworks between international and local NGOs, and consultation with civil society groups produce frameworks that are more useful to practitioners. Practitioners appear to prefer these approaches because they are politically feasible and because they strengthen citizens' abilities to monitor their government. This stress on the "local" reinforces a

point raised in regards to the "finding the right kind of ownership." If indicators are published by external bodies, they can elicit buy-in from national stakeholders if they are prepared and scored by local experts.

Finding 5: Qualitative assessments offer deeper insight than statistics at the cost of quick comparisons.

Given the lack of precision inherent with terms such as "governance" and "corruption," it is not surprising that numerical evaluations of these fuzzy concepts are met with skepticism by many indicator users.

> "Corruption is such a complex phenomenon... a single metric will not be able to uniquely measure it."

Many of the practitioners interviewed insist on working with qualitative data, and many wish that existing tools incorporate more qualitative analysis. "Corruption is such a complex phenomenon ... a single metric will not be able to uniquely measure corruption," said an NGO officer based in South Asia.

Some practitioners feel that quantitative indicators provide an initial snapshot of a country, but they are quick to add that these indicators' usefulness does not extend far beyond that function. For deeper, more nuanced understanding, interviewees suggest that numerical data must be accompanied by qualitative assessments. Donors such as the United States Agency for International Development (USAID) report that they rely more on qualitative assessments than numerical indicators to develop anti-corruption programs.

A drawback of qualitative assessments, however, is that they can be bulky, hard to summarize, and difficult to compare across countries. One expert pointed out that the National Integrity Systems' (NIS) country studies, comprehensive qualitative assessments produced by Transparency International, are large documents – not quick reads. Comparisons across countries are difficult. The assessments nevertheless provide more information on the loopholes in governance institutions and help put other corruption indicators into context.

One NGO expert said assessments that blend qualitative and quantitative evaluations, such as the Social Audits in Pakistan and the Citizen Report Cards in Bangalore, India, provide more useable (or at least accessible) models of qualitative corruption and governance assessments.

Finding 6: Indicator producers struggle to satisfy conflicting demands for data that is current, comparable worldwide, but still locally relevant.

All too often, indicator data are years old, even when published as part of a "new" index. Stakeholders in governments and advocacy groups are frustrated with this approach and are occasionally dismissive of new research due to the age of the data source. Similar complaints were lodged about datasets that apply a single methodology to all countries, particularly aggregate measures, which ignore key issues when third-party data are not available in any given country.

This presents a problem for indicator producers, who are also under pressure to include as many countries as possible in their indices, sometimes up to the gold standard of "worldwide" coverage. The advent of the Millennium Challenge Corporation's (MCC) practice of comparing all countries on a uniform, single metric of anti-corruption performance to determine aid allocation has heightened the perceived need for global data.

Some indicator developers suggest that practitioners should resist this trend and instead dig deeper in just a few countries with original research. The main advantage of this approach, they argue, is that the data collected are then tailored to each location. This improves the data's relevance by linking the research design with policy implications. Government buy-in is also improved with local assessments.

For academic users and researchers, the global coverage of data seems to trump data quality.

Having worldwide coverage in a dataset – a claim that can be made by Transparency International, Freedom House, the World Bank Institute, and very few others – often leads to the widespread adoption of these datasets by academics looking to test variables. Ironically, many of these same academics are critical of the methodologies used to generate these indices. But for academic users and researchers, the global coverage of data seems to trump data quality. After all, it is much easier and quicker to run a regression analysis using someone else's data, compared to the hard work of generating one's own.

Finding 7: There is a demand for numbers regardless of their appropriate use.

Indicator users and producers alike acknowledge that indicators can be used as post-facto rationalizations for desired policy decisions or institutional inertia. In other words, many people simply want a number to point to as evidence for the importance of anti-corruption efforts, rather than a number they can use for more discrete policy-making or programming. This intellectual sloppiness is exacerbated by a lack of healthy skepticism toward terms such as "corruption," "governance," and "rule of law," which can reflect widely different concepts in different countries and cultures. Again, the labeling problem looms large.

Attitudes regarding the misuse of indicators vary among indicator producers. Some researchers express concern that users are supporting invalid claims or misguided policies by misusing otherwise valid indicators. Other researchers are dismissive of these concerns and point out that bad policy can happen with or without corruption indicators.

Rankings can quickly (and dangerously) grow beyond a summary of a set of observations and become a proxy for official judgment on the moral qualities of a country.

What is inescapable is that many corruption indicators take on official status simply because of the notoriety of the publishing institution. The rankings can quickly (and dangerously) grow beyond a summary of a set of observations and become a proxy for official judgment on the moral qualities of a country. Media outlets are all too eager to use indicators in this way by naming and shaming countries at the bottom of a given index.

Indicator producers are generally aware of these misuses, but often don't know how to deal with them. Most indicator producers welcome media coverage of their work and loathe to publicly call out misuses of the information.

Chapter 3: Good Practices & Case Studies

The previous chapters sought to provide some conceptual coherence to the veritable explosion of corruption indicators, as well as a platform for indicator users to voice some of their concerns.

Although respondents acknowledge that existing indicators and assessments play an important role in their work, most interject with trenchant critiques and suggestions for improvement. They often voice worries that existing corruption metrics do not provide sufficient actionable information to guide effective decisions or evaluate the impact of particular anti-corruption policies.

There is a sense that disaggregated, qualitative, and internal/local assessments will more likely lead to actionable insights than composite, perception-based indicators. There also exists a desire for indicators that assess political-economy incentives for change and reform.

This final chapter attempts to link interviewees' varied experiences with a discussion of effective strategies for using existing corruption indicators. To this end, a list of "good practices" is included. Although these practices are not exhaustive, they capture the most centrally important "do's and don'ts" that users should bear in mind.

In addition, three fictional case studies are presented to illustrate how these "good practices" can be put to use. In these case studies, we'll explore how three different types of users – government officials, researchers and development practitioners – might approach corruption indicators.

Good Practices

Know what you want to measure or benchmark, and find the appropriate measurement tool:

- Conceptual clarity is crucial.
- Avoid the labeling trap – dig underneath indicators to understand the questions being asked in an effort to determine whether the assessment is right for your work.
- Be prepared to discover that existing data sources or assessments may not be the appropriate fit for your needs.
- Be prepared to invest time and resources into generating your own original research if existing data sources do not properly address your issues, are too specific, overly broad or old.

Build your anti-corruption strategies and the indicators you need to measure progress in a modest, incremental fashion:

- Unpack what you are trying to measure into discrete concepts.
- Attempting to track the impact of corruption on the achievement of macro development goals such as the UN Millennium Development Goals (MDG) or implementation of the UNCAC is a dead end. The concepts are too broad and the linkages between "corruption" (without further definition) and those policy outcomes are nearly impossible to trace.
- Gravitate, instead, to measuring corruption in a particular sector, branch of government, or portion of society with more distinct, but important, measures that feed into desired policy outcomes (i.e., a particular section of the UNCAC or component element of a specific MDG target).
- For example, measuring corruption in hospital procurement and its impact on health-related MDGs will be far more useful than tracking the impact of "corruption" on the achievement of all of the MDGs.

Look for actionable data:

- Corruption metrics should provide information that enables users to address a specific problem. If they don't, consider another source of information.
- Disaggregated indicators are one of the more effective methods to operationalize corruption data. They can be used to measure

the distinct components of a broad concept, or to capture the different experiences that poorer groups in society and women have of corruption.
- Look underneath the numbers to find the actual questions asked and the criteria used for scoring. These can be guides for follow-up action.
- Actionable data should always be complemented by output-based indicators, but government users, in particular, can only take action on the former.

Consider using existing data sources to construct indicators that capture the specific experience of poorer groups and women:

- Many relevant data sources already exist for constructing pro-poor and gender sensitive indicators, though they may not be widely used.
- For instance, the indicator "level of trust in the police among the poor" could be easily measured using a household survey asking questions about both the level of trust and the economic status of respondents.
- External assessments generated by international "experts" are likely to exclude the experiences of those groups most impacted by corruption: the poorest and most marginalized.
- It is possible to unveil the distinct experience of marginalized communities by disaggregating survey data along poverty, ethnicity or gender lines.

Whenever possible, combine quantitative data with qualitative assessments:

- Assessments should provide users with deeply contextual information that captures a country's specific situation.
- A single number means little when trying to understand a complicated phenomenon such as corruption.
- Single numbers only capture a snapshot of a country's corruption condition and often exclude minority voices, such as the poor and women.

Gravitate toward locally generated assessments:

- Indicators generated by local experts are more valuable in stimulating buy-in from national governments and other local stakeholders than indicators generated externally.
- For grassroots groups, locally generated assessments are a more

politically useful tool, compared to external assessments.
- Locally generated assessments that draw on the knowledge of multiple stakeholders – including local academics, NGOs and policy makers – lend themselves to a more participatory framework for discussion.
- Producers of country-specific corruption surveys and indicators should include input from civil society. This engagement allows indicators to serve as accountability mechanisms for citizens, especially for marginalized groups, and to provide bottom-up pressure for reform.

Embrace the need for multiple assessments and complementarity:

- Corruption is a complex issue. A single tool is not sufficient to effectively obtain a comprehensive understanding and identify possible points of intervention.
- All measurements and toolkits are subject to bias in one form or another. By using multiple sources of information, users can mitigate the risks of pursuing ill-fated policies driven by skewed data.

Be responsible when using any measurement tool:

- Although many corruption metrics are driven by quantitative numbers (lending an authoritative air) and may be widely quoted in the media and research circles, users should exercise particular caution in linking corruption data with various development outcomes unless they understand the data they are using.
- Simplistic correlations or regression analyses are insufficient to truly capture the interrelated dynamics that drive corruption in a given country context.
- Using simplistic analyses to push a policy agenda can backfire when local stakeholders challenge suspect methodologies.

Transparency of methodology is crucial:

- Indicators are more reliable when the methodology used to devise them is transparent.
- Take time to understand the methodology.
- If you can't find the underlying data or questions asked, look for a better source that is more transparent, or develop your own.

Case Studies

The following fictional case studies demonstrate how corruption indicators could be used to tackle measurement problems. Often, these stories relate to key concepts and themes raised in earlier chapters of this guide. Although the names are fictitious, examples have been drawn to approximate real-life scenarios based on actual country experiences.

A Government Official's Story:

Elsa is a civil servant in a Latin American government tasked with understanding her country's performance on international corruption and governance metrics. Her government has been challenged by a bilateral aid donor to improve anti-corruption performance, as measured by the World Bank Institute's Worldwide Governance Indicators (WGI).

Her role as the lead interpreter of governance metrics was created in response to this donor's challenge, which explicitly links performance on anti-corruption indicators to future aid. Elsa passionately believes that her country needs fair, accountable government, but she also knows her job is, to a large extent, simply to keep the aid money flowing. To do that, her country's performance on international assessments of corruption needs to improve. She is responsible for making policy recommendations to improve these scores.

Elsa starts by directing her team in a careful reading of the World Bank Institute's methodology. They know that the index is drawn from various third-party surveys. Upon looking at those component surveys closely, they find that the source material can vary dramatically from year to year. Elsa reads the reports submitted by her research staff with concern: survey questions are generally directed at perceptions of corruption, but the target audience, the phrasing of questions, and the time periods studied seemed fairly random because the index depends on third-party survey data that have varying methodologies or objectives. Some look only at bribery, others look at corruption in the courts, while still others seek to assess regulatory hurdles and inefficiencies in the bureaucracy. Additionally, surveys from the past several years are combined into a single year's index result. The outcome? Any outlier data, such as a particularly unflattering survey result, do not appear as a one-year dip in a noisy pattern, but as part of a smooth, multi-year trend.

This is not particularly good news for Elsa and her policy recommendations. It appears to

her that international perceptions of the government's anti-corruption performance can impact the index results at all times – whatever steps the government decides to take need to be popular overseas. Moreover, since the questions are directed at very general attitudes, policies need to reinforce the image of a trustworthy government that keeps corruption well under control.

Elsa decides to put her reports down and takes a walk around the humid capital city. If she could assume that any policy recommendations she proposes would be adopted (and given the amount of aid money at stake, this was not a bad assumption), what could she do to influence these ratings? She realizes it all hinges on international perceptions of rather unspecific "corruption" issues. It is clear that the citizens of her country are frustrated with corruption. But what would they like to see done about it?

She stops into a small cafe to get something cool to drink. On a whim, she asks her waiter if he thinks corruption is a problem. He is surprised at the question but assures her that, yes, corruption is a terrible blight on the country. Elsa then asks him what he would like to see done about it. "I'd like to see the people responsible exposed, and sent to jail! Forever!" he says. Several cafe patrons nod their heads at this exchange.

Their enthusiasm was hard to miss. Elsa thinks about this as she sips her drink. Perhaps some high profile prosecutions would be enough to improve the public's mood. A focus on strong investigations and aggressive law enforcement would give shape to her proposal – she wonders whether a basket of policy reforms to advance the goal of more high profile prosecutions would do the trick.

The next week, Elsa presents her plan to a meeting of the ruling party leadership: the government needs to catch a big fish and send a message that no one is above the law. The key ministers receive this recommendation in silence. A particularly ambitious member of parliament begins speculating about who would likely be prosecuted. Soon, the ministers' aids are brainstorming deserving candidates for a highly public humiliation. Elsa cannot help but notice that the "big fish" are all members of the opposition party. This is not going well at all, she thinks to herself.

Finally, the Minister of the Interior cuts off the debate. Speaking slowly, as if to children, he addresses the room:

"Aid money is very important to this country. Our aid money depends on the international corruption rankings. Our performance on these metrics is dependent on international perception of the level of corruption in government. Your solution is to have some big public trials," he said.

"When you do," the minister continues, "you will fill every radio station, every newspaper, every cafe in this country rife with talk of corruption. And when the next survey happens, and the international businessmen are asked if there is corruption in our country, what do you think they will say? And what do you think will happen to that index score?"

The minister then gently suggests that Elsa develop some new recommendations and consider metrics that focus on addressing some of the fundamental problems that are causing corruption in the country, rather than on manipulating public opinion.

Elsa leaves the meeting knowing she needs some new indicators. Global Integrity's Integrity Indicators approach seems like a possible solution. These indicators don't focus on corruption; instead they look at distinct anti-corruption mechanisms such as asset disclosure practices, auditing capacities and campaign finance reporting, along with their practical implementation in a country. Because the Global Integrity Report lacks full international coverage, no data are available for her country. However, the indicator questions themselves serve as a starting place for an anti-corruption policy wish list.

Elsa and her team embark on a review of existing corruption literature and research, but they don't find much that directly applies to her country. Instead they find some novel approaches in other countries that used custom-designed reporting programs to track implementation of existing anti-corruption policies across different areas of the civil service. Each program was designed to provide incentives to departments and ministries to better implement a specific area of anti-corruption policy, such as improving whistle-blower protections or more closely monitoring outside business interests of civil servants. When these programs identify top performers, they serve as local case studies that other ministries could replicate.

In light of her unproductive meeting, Elsa begins to appreciate the appeal of this indirect, less volatile approach. There is still a place for high-profile prosecutions, but it did not look like that would happen this year. However, steady incremental improvements directed at policy goals that are already in place seem like something her team could accomplish.

Her new plan meets with little resistance, and soon her team is gathering data from across the civil service and from different regions of the country. After publishing results in the form of agency and regional rankings, she is surprised to see how much media attention the initiative receives. She expected the rankings to put pressure on the worst performers, but was pleasantly surprised to see the better performers energized by the results as well. Soon healthy competition develops across agencies and regions.

Mindful of the aid money that is based on good international perceptions of the fight against corruption, Elsa dedicates some of her team's efforts to broadcasting the work that they are doing, and occasionally her team's efforts make their way into the media as positive stories.

It isn't clear how the new initiative is going to impact the international assessments of corruption, but Elsa no longer spends her time worrying about the next batch of international rankings. Instead, she is overwhelmed with reports and data from regions and ministries from each new reporting program that her team puts into place. These data are local, up-to-date, and, best of all, directly relevant to the performance of her country's institutions.

A Researcher's Story:

Sarah is a lead researcher at a think tank located in Freetown, Sierra Leone. The think tank is involved in conducting applied research on governance and corruption issues, disseminating its findings through seminars and policy dialogues and collaborating with NGOs and government officials to promote good governance. Sarah works in the Corruption group and her research focuses on natural resources and extractive industries.

After a decade of civil war financed by illegally smuggled diamonds (Sierra Leone's main natural resource), Sarah wants to devise strategies to mitigate corruption in the diamond industry. She wants to identify key points of government intervention and plausible regulatory frameworks to make sure that the proceeds from the diamond trade are channeled toward social sectors such as education, health, agriculture, employment generation and infrastructure.

While Sarah's colleagues are in charge of exploring the framework of the diamond industry and private corporations involved in it, Sarah focuses her research on the political angle of corruption in this extractive industry. She is looking for information regarding:

- The structure of the government: How involved is the legislative branch in overseeing mining agreements? Is the legislative branch independent from the executive branch? Who controls its budget? How much are legislators paid?
- The experience of civil society actors trying to collaborate with government officials
- Whether citizens and non-state actors (CSOs, media) can hold the government accountable for their fiscal actions
- The transparency of the state's financial transactions regarding diamonds

In her quest for information, Sarah looks for objective indicators. She also strives to find assessments that disaggregate information on corruption so she can devise specific policy proposals based on the institutional drawbacks identified in those assessments.

Sarah knows that Sierra Leone has implemented some mandates of the Extractive Industries Transparency Initiative (EITI), an initiative that aims to strengthen governance by improving transparency and accountability in the extractives industry sector. A basic regulatory framework also governs the diamond sector: the parliament has made amendments to certain acts regarding possession and smuggling of diamonds, and the country has passed laws in sectors such as banking.[60] Despite these efforts, audits that track diamonds from mines to markets are lacking, and financial resources to carry out such audits are limited.

In her initial look at the comprehensive list of global sources of indicators in the UNDP Users' Guide to Measuring Corruption, Sarah selects indices that she thinks might be most useful for her purpose, such as:

- Bertelsmann Transformation Index (BTI),
- Business Environment & Enterprise Performance Survey (BEEPS),
- Open Budget Index (OBI),
- Global Integrity Index (GII),
- Public Expenditure & Financial Accountability (PEFA).

These assessments are most useful because some are disaggregated (OBI), some are quantitative (BEEPS), and others complement indicators with qualitative assessments (GII). Moreover, they mainly take into account corruption at the political and national levels, which is what interests Sarah the most.

As Sarah explores these indicators, she realizes that BEEPS, OBI, and PEFA do not have information on Sierra Leone. She understands that she may come across similar problems with other indicators and datasets. Sierra Leone has only recently emerged from civil war, so externally generated data on the country are limited. Out of these indicators and assessments, only the BTI and the GII have information and data on Sierra Leone.

In BTI and GII, Sarah finds general and specific information on the structure of the government, political participation, the economy, the role and work of legislators in serving as a watchdog over the government, and the effectiveness of civil society activists. Disaggregated information on whether legislators are regularly paid or not helps Sarah decipher whether inadequate compensation of legislators might lead to solicitation of bribes from the mining companies. The fact that some of these indices are generated by local researchers – the GII uses local experts and journalists and a local peer review panel – will also help her advocate certain policies to the government and engender their buy-in to such reforms.

A Development Practitioner's Story:

John is a lifelong development practitioner who has spent the past 20 years working for his country's bilateral aid agency. Over time, he has become somewhat of an expert on governance and corruption, and his next posting takes him to Timor-Leste, where the government proposed the creation of a new anti-corruption commission to tackle the country's pervasive and growing corruption problem.

After settling in at his new post in Dili, John receives a cable from the capital requesting his thoughts on the merits of the government's proposal and to support his recommendations.

An experienced "governance hand," John knows that there is no single ranking or dataset focused solely on anti-corruption agencies. He also knows that a ranking index of anti-corruption agencies around the world would be meaningless.

He needs to provide a balanced and detailed rationale for whether his government should support the establishment of an anti-corruption commission in the context of what are unique political and social circumstances: a country with extremely limited institutional capacity, but an impending influx of oil revenue. At the same time, his newly installed minister for development cooperation back home, a fan of quantitative indicators, has requested more evidence-based policy decisions. As such, John must balance conflicting demands.

He begins by exploring existing corruption and governance indices covering Timor-Leste, including the World Bank's Worldwide Governance Indicators (WGI), Transparency International's Corruption Perceptions Index (CPI), and Global Integrity's most recent country assessment. Apart from the latter's treatment of the performance of anti-corruption agencies in each country covered (including Timor-Leste), John soon realizes he will not find his answers in numbers alone.

Instead, he turns to qualitative sources to complement his numbers. A Transparency International National Integrity

Systems report is not available on Timor-Leste. He accesses a 2007 assessment of corruption in the reconstruction process in Timor-Leste published by the anti-corruption NGO Tiri, which explores various country-specific corruption phenomena through detailed narrative.[61] He next turns to the academic literature, which over the years has generated specific research exploring the efficacy of centralized anti-corruption commissions in various countries. He learns that Hong Kong and Singapore have well-respected and effective anti-corruption agencies, albeit in very different social, political, and economic environments. He also finds that anti-corruption commissions in many other countries are often ineffective, in part because they have been used by politicians to cover their wrongdoings or persecute political rivals.

By combining the various data sources, John reaches this conclusion: both the numbers and the qualitative sources note successes and failures derived from investing in a single anti-corruption commission. A deep look into the qualitative assessments shows many disturbing similarities between Timor-Leste's political situation and failed experiences in other nations. He is able to reference these experiences in detail to build the case that a centralized anti-corruption commission will unlikely be effective and may detract from ongoing efforts to bolster existing anti-corruption mechanisms within government. Happy that he has satisfied his minister's desire for numbers and his own desire for complementary narrative, he files his recommendation with the home office.

Annex A: Endnotes & References

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Saku Akmeemana (World Bank)
Marawan Al Faouri (Moderation Assembly for Thought, Jordan)
Veronika Baumgartner (UNDP Burkina Faso)
Octavio Chavez (International City/County Management Association [ICMA])
Ingrid Crowe-Aycinena (FUNDESA Guatemala)
Andreas Danevad (NORAD)
Dan Dionisie (UNDP Slovakia)
Ahmed El Sawy (Professor at Ain Shams University, Egypt)
Vincent Fruchart (World Bank)
Ramesh Gampat (UNDP Colombo Regional Centre)
Shirin Gul (UNDP Pakistan)
Emmanuel Gyimah-Boadi (Ghana Center for Democratic Development)
Elizabeth Hart (USAID)
Constance Hybsier (UNDP Vietnam)
Aart Kraay (World Bank)
Lawrence Lachmansingh (UNDP Guyana)
Robert Leventhal (U.S. State Department, Anti-Corruption Programs)
Jockely Mbeye (UNDP Johannesburg)
Gerardo Munck (University of Southern California)
Anton Op de Beke (IMF)
Lucrecia Palacios (El Salvador Government)
Rae-Ann Peart (UNDP Maldives)
James Polehumus (independent governance consultant)
Anuradha Rajivan (UNDP Colombo Regional Centre)
Sarah Repucci (Transparency International Secretariat, Berlin)
Richard Rose (University of Aberdeen, Scotland)
Robert Rotberg (Belfer Center, Harvard University)
Fernando Spross (FUNDESA Guatemala)
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Annex B: Indicator Selection Checklist

A Guide to Finding the Most Appropriate Corruption Indicators

1. Do you know what you want to measure or benchmark?

- Have you avoided the "labeling trap" by digging underneath indicators to understand the questions being asked?
- Have you considered that existing data sources may not be the most appropriate fit for your needs?
- Are you prepared to invest time and resources into generating your own original research if existing data sources do not properly address your issues?

2. Are you designing your anti-corruption strategies in a modest, incremental fashion?

- Have you unpacked the broad concepts you want to track into more measurable, discrete issues?

3. Have you searched for actionable data?

- Do the corruption metrics provide information that enables you to make concrete policy decisions and address a specific problem?
- Have you looked for disaggregated indicators that are effective for operationalizing corruption data?

4. Have you, whenever possible, combined data with qualitative assessments?

- Do the indicators move beyond single numbers by providing contextual information that captures the specificities of a country situation?

5. Have you considered locally generated assessments?

- Does the locally generated assessment draw on the knowledge of multiple stakeholders – including local academics, NGOs and policy makers – that yield a more participatory framework for discussion?

6. Have you considered the need for multiple assessments and complementarity?

- Since corruption and governance are complex issues, are you using multiple sources of information to obtain a comprehensive understanding, identify possible points of intervention, and reduce bias from a single data source?

7. Have you exercised responsibility in using your measurement tool?

- Are your analyses supported by a rigorous methodology?
- Do you thoroughly understand the data on corruption that you are using and the limits in linking that data to macro-level development outcomes?

8. Is the methodology used in devising your indicators transparent?

- If you can't find the underlying data or questions asked, have you looked for a better source that is more transparent?

9. Are you using pro-poor and gender sensitive indicators?

- Have you identified which population groups are not accounted for in existing indicators and assessments?
- Have you tapped into currently available data sources for constructing indicators which have an explicit focus on the poor, women and other marginalized groups?
- Have you considered using regular household surveys to collect data on citizens' experiences and perceptions of corruption, which could then be disaggregated based on the income, gender, ethnicity, residential area etc. of respondents?

Annex C: Corruption Indices

Annotated Table of Selected International Corruption Indices

Index/Publisher: *BERTELSMANN TRANSFORMATION INDEX (BTI)*

What is being Measured: Examines and assesses whether and how developing and transformation countries manage social change toward democracy and a market economy. The findings on transformation processes and political management are synthesized in two sets of rankings: The Status Index and Management Index. These indices rank countries on the status of democracy, market economy, and the quality of political management.

Conceptual Dimension of (Anti-) Corruption: Proxy

Input (Rule-based) vs. Output (Outcomes-based): Outcome-based assessment.

Composite vs. Original Data: Original.

Objective vs. Subjective Data: Subjective.

Internal vs. External: Internal. Questionnaire is answered and reviewed by country experts and index finalized by BTI board.

Strengths: Disaggregated data helps pinpoint specific drawbacks/loopholes of markets or governments. Uses qualitative assessments of experts in composing the index.

Weaknesses: Takes into account economic institutions so index does not solely mirror quality of governments.

URL: www.bertelsmann-transformation-index.de/

Index/Publisher: *BRIBE PAYERS INDEX* / TRANSPARENCY INTERNATIONAL

What is being Measured: Ranks 30 leading exporting countries according to the propensity of firms with headquarters within their borders to bribe when operating abroad.

Conceptual Dimension of (Anti-) Corruption: Original, Bribery.

Input (Rule-based) vs. Output (Outcomes-based): Outcome-based assessment.

Composite vs. Original Data: Original.

Objective vs. Subjective Data: Subjective.

Internal vs. External: Internal and external. Based on responses of 11,232 business executives from 125 countries – they are asked to identify the country of origin of companies doing the most business in their country.

Strengths: Gauges the likelihood of companies to pay bribes.

Weaknesses: Does not identify underlying institutional problems that lead to bribe paying/seeking.

URL: www.transparency.org/policy_research/surveys_indices/bpi

Index/Publisher: *BUSINESS ENVIRONMENT AND ENTERPRISE PERFORMANCE SURVEY (BEEPS)* / EUROPEAN BANK & WORLD BANK

What is being Measured: Assesses the ease of starting and conducting businesses in the following areas: Problems doing business, labor issues, unofficial payments and corruption, crime, regulations and red tape, customs and tax, firm financing, legal and judicial issues infrastructure.

Conceptual Dimension of (Anti-) Corruption: Original proxy, corruption in the business sector, petty corruption, business regulations.

Input (Rule-based) vs. Output (Outcomes-based): Outcome-based assessment.

Composite vs. Original Data: Original.

Objective vs. Subjective Data: Subjective.

Internal vs. External: External. Asks 200-600 firms in each country questions about their business environment and their interactions with the state. Qualitative and quantitative data.

Strengths: Mirrors implementation of government policies in business sector.

Weaknesses: Examines regulatory and legal issues only in the business sector.

URL: info.worldbank.org/governance/beeps/

Index/Publisher: *CORRUPTION PERCEPTIONS INDEX (CPI)*/ TRANSPARENCY INTERNATIONAL

What is being Measured: Measures the level of corruption in countries based on expert perception. Quantitative, calculated using data from 14 sources originated from 12 independent institutions. 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.

Conceptual Dimension of (Anti-) Corruption: Perception of extent of petty corruption, bribery.

Input (Rule-based) vs. Output (Outcomes-based): Outcome-based assessment.

Composite vs. Original Data: Composite.

Objective vs. Subjective Data: Subjective.

Internal vs. External: Internal and External.Uses third-party sources in aggregation of index.

Strengths: Comprehensive set of primary sources.

Weaknesses: Lacks concrete measurement of corruption. Does not assess institutional framework/quality. Does not decipher different types of corruption.

URL: www.transparency.org/policy_research/surveys_indices/cpi

Index/Publisher: *COUNTRY POLICY AND INSTITUTIONAL ASSESSMENT (CPIA)* / WORLD BANK

What is being Measured: Measures quality of policy and institutional environments. Criteria include: macroeconomic management, fiscal, debt policy, trade, financial sector, business regulatory environment, gender equality, equity of public resource use, building human resources, social protection and labor, policies and institutions, property rights and rule-based governance, quality of budgetary and financial management, efficiency of revenue mobilization, quality of public administration, transparency accountability and corruption in public sector.

Conceptual Dimension of (Anti-) Corruption: Proxy. Corruption in financial, trade and public sectors. Degree of regulations. Quality of fiscal management.

Input (Rule-based) vs. Output (Outcomes-based): Rules-based assessment.

Composite vs. Original Data: Original.

Objective vs. Subjective Data: Objective.

Internal vs. External: External. Rates countries against a set of 16 criteria grouped in four clusters: (a) economic management, (b) structural policies, (c) policies for social inclusion and equity, and (d) public sector management and institutions.

Strengths: In-depth account of how well budgets are linked with policies.

Weaknesses: Assesses policies only, not outcomes. Not always publicly available.

URL: go.worldbank.org/7NMQ1P0W10

Index/Publisher: *GLOBAL COMPETITIVENESS INDEX* / WORLD ECONOMIC FORUM

What is being Measured: Assesses competitiveness of institutional (property rights), economic (macroeconomic stability, labor market), and social sectors (health and education); Data sources are third-party data from international organizations and Executive Opinion Surveys carried out by WEF annually; Provides data on broad array of competitiveness indicators.

Conceptual Dimension of (Anti-) Corruption: Proxy.

Input (Rule-based) vs. Output (Outcomes-based): Outcome-based assessment.

Composite vs. Original Data: Composite.

Objective vs. Subjective Data: Objective.

Internal vs. External: External.

Strengths: Easy to decipher which sector and what issues are most problematic; Repeated annually.

Weaknesses: Much of the index only measures economic and market competitiveness.

URL: www.gcr.weforum.org

Index/Publisher: *GLOBAL CORRUPTION BAROMETER* / TRANSPARENCY INTERNATIONAL

What is being Measured:	Assesses the general public's perceptions and experience of corruption. The Barometer 2007 asks people about their opinions regarding which public sectors are the most corrupt, and their opinion on how future levels of corruption will evolve in the near future, as well as how their government is doing in the fight against corruption. The Barometer also explores people's experiences with bribery, presenting information on how frequently citizens are asked to pay bribes when they come in contact with different public service providers.
Conceptual Dimension of (Anti-) Corruption:	Perceptions; Experience with corruption; Bribery.
Input (Rule-based) vs. Output (Outcomes-based):	Outcome-based assessment.
Composite vs. Original Data:	Original. Survey carried out by third party.
Objective vs. Subjective Data:	Subjective.
Internal vs. External:	Internal. The barometer survey is designed by Transparency International and is carried out by reputable polling organizations.
Strengths:	Measures citizen perceptions of and experience with bribery in different public institutions. Measures experience with corruption.
Weaknesses:	Bribery is only form of corruption assessed as opposed to other forms of corruption as well. Assesses perceptions of corruption, which may not be indicative of the actual level of corruption. Does not assess institutional framework/quality.
URL:	www.transparency.org/policy_research/surveys_indices/gcb

Index/Publisher: *GLOBAL INTEGRITY INDEX* / GLOBAL INTEGRITY

What is being Measured:	The Index assesses the existence, effectiveness, and citizen access to key anti-corruption mechanisms at the national level in a country. It does not measure corruption per se or perceptions of corruption. Nor does it measure governance "outputs" – statistics of service delivery, crime, or socio-economic development. Instead, the Index is an entry point for understanding the anti-corruption and good governance safeguards in place in a country that should ideally prevent, deter, or punish corruption.
Conceptual Dimension of (Anti-) Corruption:	Proxy.
Input (Rule-based) vs. Output (Outcomes-based):	Input & Outcome-based assessment.
Composite vs. Original Data:	Original.
Objective vs. Subjective Data:	Objective and subjective.
Internal vs. External:	Internal. The assessment is designed by Global Integrity and completed and reviewed by in-country experts.
Strengths:	Data are disaggregated hence it is possible to decipher which government (e.g. judicial branch, procurement etc.), social (e.g. media, civil society etc.) or economic institutions (e.g. customs & tax etc.) are the weakest relative to others, in preventing corruption, hence providing an entry point for policy dialogue and government reforms; Repeated annually; Peer reviewed by regional experts. Blends quantitative and qualitative.
Weaknesses:	Not sector specific; No global coverage; Focus is more on public rather than private institutions.
URL:	report.globalintegrity.org

Index/Publisher: *WORLDWIDE GOVERNANCE INDICATORS* / WORLD BANK

What is being Measured:	Assesses voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption.
Conceptual Dimension of (Anti-) Corruption:	Proxy. Corruption in public and private sectors. Citizen's ability to hold government accountable. Ability of government to uphold laws and adhere by rules of society.
Input (Rule-based) vs. Output (Outcomes-based):	Hybrid.
Composite vs. Original Data:	Composite.
Objective vs. Subjective Data:	Objective and subjective.
Internal vs. External:	External. Initial data are third-party. The aggregate indicators combine the views of a large number of enterprise, citizen and expert survey respondents in industrial and developing countries for six dimensions of governance.
Strengths:	Indicators include five relevant institutional variables. Repeated annually.
Weaknesses:	Does not enable disaggregation in terms of gender and poverty status. Unclear definitions of primary six indicators.
URL:	info.worldbank.org/governance/wgi2007

Index/Publisher: *INDEX OF ECONOMIC FREEDOM* / HERITAGE FOUNDATION & WALL STREET JOURNAL

What is being Measured:	Average of 10 individual freedoms: trade, business, fiscal, monetary; labor; investment, financial, freedom from corruption; property rights, government size, etc. Corruption indicator based on the CPI and assessments of US Dept. of Commerce, Economist Intelligence Unit & Office of US Trade Representatives.
Conceptual Dimension of (Anti-) Corruption:	Perceptions. Corruption in the business environment, including levels of governmental, legal, judicial, and administrative corruption.
Input (Rule-based) vs. Output (Outcomes-based):	Outcome-based assessment.
Composite vs. Original Data:	Composite.
Objective vs. Subjective Data:	Subjective.
Internal vs. External:	External. Initial data are based on third-party data.
Strengths:	Disaggregated data that enables users to pinpoint which sectors have drawbacks.
Weaknesses:	Property rights and corruption are not disaggregated, hence cannot decipher specific loopholes in the political structures.
URL:	www.heritage.org/Index

Index/Publisher: *INTERNATIONAL COUNTRY RISK GUIDE* / POLITICAL RISK SERVICES GROUP

What is being Measured: Measures political, economic and financial risks. Political risk based on: government stability, socioeconomic conditions, investment profile, internal conflict, external conflict, corruption, military in politics, religious tensions, law and order, ethic tensions, democratic accountability, bureaucracy quality.

Conceptual Dimension of (Anti-) Corruption: Original. Corruption within public sector (i.e., government institutions) and private sector (i.e., business sector). Includes bribes, patronage, nepotism, secret party funding, conflict of interest.

Input (Rule-based) vs. Output (Outcomes-based): Outcome-based assessment.

Composite vs. Original Data: Composite.

Objective vs. Subjective Data: Subjective.

Internal vs. External: External. ICRG's ratings are devised by adding up a series of both qualitative and quantitative sub-scores (e.g., budget deficit, corruption, ethnic tensions, each rated on a 1-5 scale) to make overall scores for political risk, economic risk and financial risk.

Strengths: Qualitative and quantitative assessment.
Updated monthly. Each risk is disaggregated into several factors (i.e., corruption is a factor of political risk).

Weaknesses: Ordinal ratings fail to explain the specific pitfalls in political and economic institutions that give rise to risk. Political risk assessment based on subjective staff analysis of information.

URL: www.countryrisk.com/reviews/archives/000029.html

Index/Publisher: *IBRAHIM INDEX OF AFRICAN GOVERNANCE* / MO IBRAHIM FOUNDATION

What is being Measured: Measures quality of good governance according to 5 categories: Safety and security, rule of law, transparency and corruption, human development, participation and human rights, sustainable economic development.

Conceptual Dimension of (Anti-) Corruption: Perceptions, proxy, public sector corruption.Based on CPI, judicial independence, efficiency of courts; laws on contracts and property rights.

Input (Rule-based) vs. Output (Outcomes-based): Rules and outcome-based assessment.

Composite vs. Original Data: Composite.

Objective vs. Subjective Data: Objective and subjective.

Internal vs. External: External. Most data – national statistics, surveys – collected through secondary sources, third party.

Strengths: Covers all 48 countries in sub-Saharan Africa.Comprehensive. Assesses all components of governance, not just corruption.
Indicators are more specific and targeted, broken down into specific sub-categories.

Weaknesses: Some datasets out of date or contain gaps. Most data come from third-party sources, e.g., CPI, EIU.

URL: www.moibrahimfoundation.org/index

Index/Publisher: *OPEN BUDGET INDEX* / CENTER ON BUDGET AND POLICY PRIORITIES

What is being Measured:	Qualitative and quantitative data on the public availability of budget information. The index evaluates the quantity of information provided to citizens in the seven key budget documents that all governments should make public. Types of budget include: Pre-Budget Statement, Executive's Budget Proposal, Citizen's Budget, In-Year Reports, Mid Year Review, Year End Report, and Auditor's Report; Questionnaire filled by experts and reviewed by peer reviewers.
Conceptual Dimension of (Anti-) Corruption:	Proxy - Availability of budget documents lead to greater oversight, transparency and accountability.
Input (Rule-based) vs. Output (Outcomes-based):	Outcome-based assessment.
Composite vs. Original Data:	Original.
Objective vs. Subjective Data:	Subjective
Internal vs. External:	Internal and external.
Strengths:	Useful source for policy advisor on budgetary reforms.
Weaknesses:	Limited coverage.
URL:	www.openbudgetindex.org

Index/Publisher: *PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA)* / WORLD BANK, EUROPEAN COMMISSION, DFID

What is being Measured:	The PEFA Performance Measurement Framework (PFM) incorporates a performance report, and a set of high-level indicators which draw on the Highly Indebted Poor Countries (HIPC) expenditure tracking benchmarks, the IMF Fiscal Transparency Code, and other international standards. Assesses budget performance, transparency of budget formation process, audit reports and other budget related practices.
Conceptual Dimension of (Anti-) Corruption:	Outcome-based assessment.
Input (Rule-based) vs. Output (Outcomes-based):	Composite.
Composite vs. Original Data:	Objective
Objective vs. Subjective Data:	Internal and external.
Internal vs. External:	Disaggregated data allows user to determine which area of the budgetary process is faring well/doing badly.
Strengths:	Does not measure legal framework or government capacities that impact performance; Each indicator receives an alphabetical "score" – difficult and time consuming to understand what the score actually means; Difficult to do cross-country comparison.
Weaknesses:	
URL:	www.pefa.org

Index/Publisher: *REGIONAL BAROMETERS (AFRICA, ASIA, LATIN AMERICA, EUROPE)* / GLOBAL BAROMETER CONSORTIUM

What is being Measured: Eurobarometer surveys look at public opinion on European citizenship: enlargement, social situation, health, culture, information technology, environment, the Euro, defense, etc; East Asian Barometer surveys levels of support for democracy and democratic reform in the nations concerned, levels of political participation (including voter turnout), and trust in political institutions; Afrobarometer consists of public opinion surveys on social, political, and economic atmosphere in Africa; Latino Barometro surveys people's opinions and attitudes about the economy and international trade; integration and trade Agreements; political democracy and social and political institutions; distribution of wealth; civic culture; social capital and participation; environment; gender and discrimination; institutions; and corruption.

Conceptual Dimension of (Anti-) Corruption: Proxy; Democracy; Political Participation

Input (Rule-based) vs. Output (Outcomes-based): Outcome-based assessment.

Composite vs. Original Data: Original.

Objective vs. Subjective Data: Subjective

Internal vs. External: Internal.

Strengths: Suitable for comparison among countries of same region.

Weaknesses: Public opinion falls short of capturing actual quality of governance; Lacks assessment of institutional framework or quality.

URL: www.afrobarometer.org, www.asianbarometer.org, www.latinobarometro.org, ec.europa.eu/public_opinion/index_en.htm

Annex D: National Tools

Annotated Table of Selected National Tools for Measuring Corruption

CITIZEN REPORT CARD

Purpose: "Simple but powerful tool to provide public agencies with systematic feedback from users of public services." The Citizen Report Card (CRC) addresses themes such as access to services, quality and reliability, transparency in service provision such as disclosure of service quality standards and norms, costs incurred in using a service including 'hidden costs' such as bribes or private resources spent to compensate for poor service provision. Anti-corruption bodies can use the CRC to pinpoint areas prone to corruption and adopt measures to combat the same.

Type of data used: Experience-based and perception-based data, usually collected through household surveys, or through surveys of individuals, institutions or groups.

Results (for different services such as health, education, police, etc.) are expressed as "percentage of users who encounter corruption", "the average 'speed money' (bribe) paid", "percentage of users who are satisfied with the staff behaviour", etc.

Methodology: Usually, a prominent local NGO takes the lead in initiating the CRC. An independent consortium consisting of government, civil society, academics and media can also lead the process. It is important to secure the buy-in of the service providers as well.

A focus group discussion involving both service providers and users is organized in order to help identify the services (one or more) and aspects of service delivery (availability, access, quality of service, incidence and resolution of problems and complaints, interaction with staff, corruption) that should be included in the CRC.

A useful practice is to break the questionnaire into different modules that are answered by different members of the household. Data are collected through a random, representative sample of respondents. Typically, respondents give information on aspects of government services on a numerical scale (e.g. 1 to 7).

The exercise is expected to be repeated regularly. Results should be widely disseminated thorough the media and a follow-up meeting between the citizens and service providers should be held to engage in an evidence-based dialogue to identify ways to improve service providers' performance.

Example indicator: CRC on the payment system for drinking water services:
Is clear information given in the town hall on where to pay? On how to pay? On who can receive the payment? On where to go for inquiries on the statement of accounts?
Are official receipts issued as proof of payment?
How long does it take to complete your payment transactions?
Are you generally satisfied with the payment system?

Pro-poor / gender sensitive aspects: Results are usually disaggregated into poor and non-poor categories, and by gender, in order to demonstrate inequalities in the level of access and quality of service provided to the poorer and marginalized sections of the community (e.g. general households vs. slum dwellers)

URL: www.pacindia.org

DIAL GOVERNANCE MODULE ATTACHED TO HOUSEHOLD SURVEYS

Purpose: "To exploit the potential of household surveys carried out by National Statistical Offices as a statistical tool for constructing and monitoring governance and anti-corruption indicators in developing countries."

By appending a governance module to the official household survey, a national statistical office can carry out the governance survey on a regular basis and policy makers can access timely and methodologically reliable governance data to inform public policies.

This approach has the advantage of collecting both objective data on the situation of households (based on the socio-economic part of the survey, e.g. income/consumption levels) and subjective data on the survey respondents' perceptions and evaluations (their opinions regarding how institutions are run, the extent of petty corruption, the vitality of social and political participation, etc.), thus allowing for easy disaggregation of governance indicators based on poverty, gender, ethnic affiliation, education level, etc.

Type of data used: The governance module collects both experience-based and perception-based data. The module focuses mainly on the running and efficiency of public institutions, by measuring public confidence in those institutions and identifying the main sources of dysfunction, with a particular focus on corruption and absenteeism among civil servants. The indicators used for these two points are both subjective (e.g. perception of corruption) and objective (actual incidence of petty corruption, type of transactions and services involved, and amount actually paid.)

The set of questions on corruption include "socially accepted" forms of corruption or forms imposed by social hierarchies. In addition to evaluating the amount paid, questions are asked to assess the extent of the population's resistance to corruption (refusal to pay), whether they file a complaint with the authorities if they encounter corruption, and the reasons for not reporting corruption (e.g. fear of reprisals, inaction by public authorities, lack of information as to how and where to file a complaint, etc.)

Methodology: The governance module must be tailored to local particularities and centres of interest (existing modules developed with the support of DIAL in 12 African and Latin American countries can be used as references.)

A key advantage of collecting governance data through household surveys is that it comes at a low marginal cost if the survey has already been planned by the national statistical office, thus facilitating the sustainability of the exercise. Other advantages include the representativeness of collected information allowing for easy quantification of governance phenomena, and the ability to compare indicators across time and measure progress in a more systematic fashion, since statistical household surveys are conducted at regular intervals.

Example indicator: To assess public support for various measures to improve the administration's efficiency:
Do you think that the following measures could improve public service quality / efficiency?
1. Performance-based wages
2. Sanctions (e.g. dismissal of civil servants for misconduct)
3. Promotion of decentralization

Pro-poor / gender sensitive aspects: Survey results are easily disaggregated among rural/urban, poor/non-poor categories, men/women, different ethnic groups, which allows for better-focused anti-corruption and governance reform policies.

URL: www.dial.prd.fr

GLOBAL INTEGRITY REPORT

Purpose: "To measure the existence (in law), the effectiveness (in practice), and citizen access to key good governance / anti-corruption mechanisms in a country that should ideally prevent, deter, or punish corruption."

The Global Integrity framework does not measure corruption. Rather than attempting to measure the "cancer" of corruption, the Global Integrity framework assesses the quality of the "medicine" being applied to fight it: good governance and anti-corruption mechanisms.

Type of data used: Highly specific fact-based indicators (more than 300) supported by objective evidence (laws, official policy documents, newspaper articles, administrative data, independent reports, academic sources, etc.)

Methodology: Original on-the-ground research by in-country experts (leading local NGOs, universities, research institutes), backed by peer-reviewed commentary and references. Each country assessment contained in the Global Integrity Report comprises two core elements: a qualitative Reporter's Notebook and a quantitative Integrity Indicators scorecard, the data from which is aggregated and used to generate the cross-country Global Integrity Index.

An Integrity Indicators scorecard assesses the existence, effectiveness, and citizen access to key governance and anti-corruption mechanisms through more than 300 actionable indicators. It examines issues such as transparency of the public procurement process, media freedom, asset disclosure requirements, and conflicts of interest regulations. Scorecards take into account both existing legal measures on the books and de facto realities of practical implementation in each country. They are scored by a lead in-country researcher and blindly reviewed by a panel of peer reviewers, a mix of other in-country experts as well as outside experts. Reporter's Notebooks are reported and written by in-country journalists and blindly reviewed by the same peer review panel.

Example indicator: To assess whistle-blowing measures (Category 4 - Administration & Civil Service):
1) In law, is there an internal mechanism (i.e. phone hotline, e-mail address, local office) through which civil servants can report corruption?

2) In practice, is the internal mechanism (i.e. phone hotline, e-mail address, local office) through which civil servants can report corruption effective?
In practice, the internal reporting mechanism for public sector corruption has a professional, full-time staff.
In practice, the internal reporting mechanism for public sector corruption receives regular funding.
In practice, the internal reporting mechanism for public sector corruption acts on complaints within a reasonable time period.
In practice, when necessary, the internal reporting mechanism for public sector corruption initiates investigations.

Pro-poor / gender sensitive aspects: Qualitative commentary adds context to indicator scores, frequently highlighting disproportionate impact on marginized groups. Several indicators are pro-poor and gender sensitive; others can easily be adapted to address the specific challenges faced by disadvantaged groups in any given country. For example (Category 6 - Rule of law):
In practice, citizens earning the median yearly income can afford to bring a legal suit.
In practice, a typical, small retail business can afford to bring a legal suit.
In practice, all citizens have access to a court of law, regardless of geographic location.

URL: report.globalintegrity.org

OPEN BUDGET ASSESSMENT FRAMEWORK

Purpose: "It is intended to provide citizens, legislators, and civil society advocates with the comprehensive and practical information needed to gauge a government's commitment to budget transparency and accountability." Armed with this kind of information, national stakeholders can identify meaningful budget reforms to combat corruption.

Type of data used: Independent, non-governmental expert opinion data on the state of budget transparency. The majority of the questions ask about what occurs in practice, rather than about the requirements that may be in law. All of the questions were constructed with the intention that they should capture easily observable phenomena. Researchers and peer reviewers completing the questionnaire must provide evidence for their responses, such as a reference to a budget document, a law, a public statement by a government official, or a face-to-face interview with a government official.

Methodology: The questionnaire contains a total of 122 questions: 91 questions evaluate public access to budget information. The remaining questions cover topics related to accountable budgeting, including the ability of key institutions of government to hold the executive accountable.

The criteria used to assess what information should be publicly available and the timing of its release reflect those embedded in the IMF's Code of Good Practices on Fiscal Transparency and the Lima Declaration of Guidelines on Auditing Precepts issued by the United Nations International Organization of Supreme Auditing Institutions (INTOSAI).

The Open Budget questionnaire has 3 sections:

1) The Availability of Budget Document
    - Budget year of documents used in completing the questionnaire
    - Internet links for key budget documents
    - Distribution of documents related to the Executive's proposal
    - Distribution of enacted budget and other reports
2) The Executive's Budget Proposal
    - Estimates for the budget year and beyond
    - Estimates for years prior to the budget year
    - Comprehensiveness
    - The budget narrative and performance monitoring
    - Additional key information for budget analysis & monitoring
3) The Budget Process
    - Executive's formulation of the budget
    - Legislative approval of the budget
    - Executive's implementation of the budget
    - Executive's year end report and the Supreme Audit Institution

Example indicator: From the section on Legislative approval of the budget:
Does the executive present more details or provide a better explanation of any budget proposal, if members of the legislature (including from minority parties) request such information?

From the section on the Executive's formulation of the budget:
Does the executive release to the public its timetable for its budget preparation process?

Pro-poor / gender sensitive aspects: Indicators are input-based: they assess policies, practices and legislation, therefore cannot be disaggregated by gender or income. As such, indicators do not cover issues specific to the poor or women.

URL: www.openbudgetindex.org

WORLD BANK GOVERNANCE & ANTI-CORRUPTION (GAC) DIAGNOSTIC SURVEYS

Purpose: "To provide in-depth country data to help design a national strategy to fight corruption using a participatory approach involving the national government, civil society organizations and the private sector."

The GAC Diagnostic Surveys are of three types:
1) Survey of Users of public services/households,
2) Survey of Business People, and
3) Survey of Public Officials.

Type of data used: The GAC surveys collect experience-based data.

Methodology: The GAC surveys must first be tailored to the reality and priorities of a country. A participatory, multi-stakeholder process should be used to design and revise the surveys in line with a country's specific institutional and legal weaknesses. The questionnaires are applied and handled by a local, independent institution. The information collected in all three surveys should be treated in a strictly confidential manner.

The Survey of Users of public services is conducted in order to learn what citizens think about public services and the level of service they receive when going through required procedures. The survey also asks questions about the judicial and education systems, and about the adequacy of corruption reporting mechanisms. The respondents' own suggestions for fighting corruption are also collected.

The Enterprise Survey is conducted in order to have a better understanding of the reasons that prevent or limit the development of businesses in a particular country. The survey asks questions about the frequency, recipients and politics of bribes, transparency of business requirements, laws and policies, factors that prevent the effective functioning of the judicial system, financial and time costs incurred from the operation of bureaucracy, processes of public tenders, etc.

The purpose of the Public Official Survey is to identify the practices that have developed within the public institutions related to the distribution of public services. Questions are asked about the quality and implementation of personnel management policies and regulations, budget administration, performance in the provision of services, information management, etc.

Example indicator: From the Survey of Users of public services:
How much each one of these reasons affects your decision not to report a case of corruption (using a scale from 1 to 7):
1. Didn't know where to report it
2. Couldn't prove anything
3. The report would have been useless because the responsible parties would not have been prosecuted
4. Those who report only want to create more problems
5. Those who report end up suffering the most
6. Everybody knows about these cases and no one reports them
7. The corruption was so trivial and of little importance that it was not worth reporting it
8. Would not have received protection from possible retaliation
9. Did not want to betray anyone.

Pro-poor / gender sensitive aspects: Disaggregation of results from the Survey of Users of public services is possible based on the personal data collected by the survey (e.g. income, citizenship, etc.)

URL: www.worldbank.org/wbi/governance/capacitybuild/diagnostics.html

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www.undp.org/oslocentre
www.undp.org/governance

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