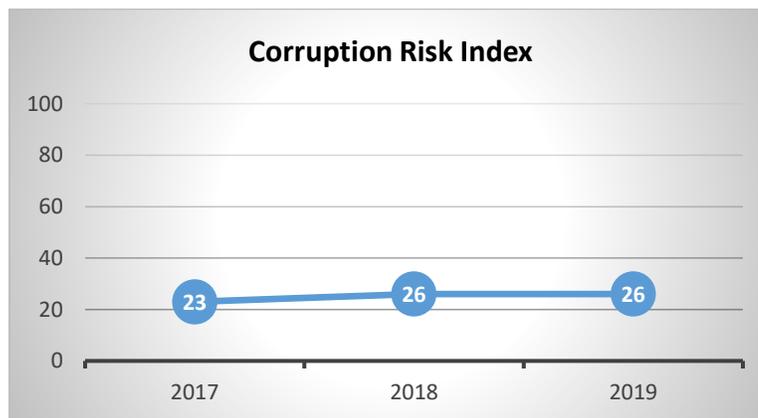


## Georgia's Anti-Corruption Indexes are Worsening

In 2019-2020 Georgia was mentioned in the rankings of several international organizations. All of them indicate that corruption situation in the country is worsening with high-level corruption being mentioned as one of the causes.

According to 2019 Business Bribery Risk Index by **Trace International**<sup>1</sup> Georgia was ranked 27<sup>th</sup> among 200 countries with the risk score of 26 out of 100. The index is substantially the same as in last year's Bribery Risk Matrix but is worsened compared to 2017, when Georgia was ranked 25<sup>th</sup> among 200 countries with the risk score of 23 out of 100. According to these data, business bribery risk has increased by 3 points in the last three years, while Georgia's international ranking has been worsened by two places.



At the international level the overall risk ranges from the lowest of 4 (New Zealand) to the highest of 94 (Somalia), with the lower overall scores indicating lower overall business bribery risk.

The TRACE Bribery Risk Matrix both conveys and captures the multidimensional nature of bribery by using four separate risk domains, each composed of two or three subdomains:

DOMAIN 1: **OPPORTUNITY** (overall opportunity risks in Georgia - 16) – considers business interactions with the Government, expectation of paying bribes to the government and regulatory burden.

DOMAIN 2: **DETERRENCE** (overall Deterrence Risk in Georgia - 37) – considers societal disapproval of bribery and governmental anti-bribery enforcement.

DOMAIN 3: **TRANSPARENCY** (overall Transparency Risk in Georgia - 31) – considers transparency of governmental regulatory functions, transparency and health of the civil service sector.

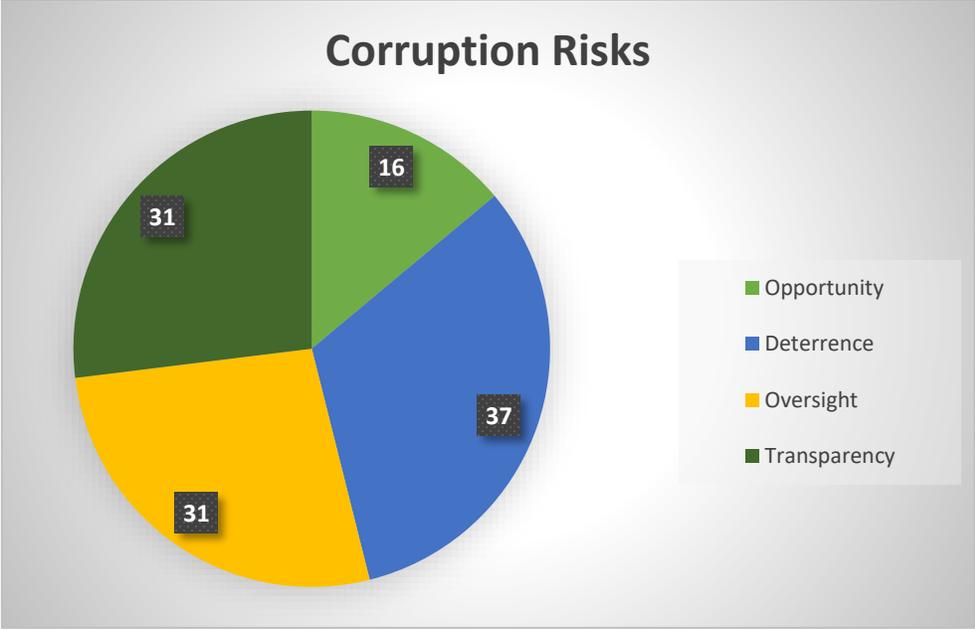
DOMAIN 4: **OVERSIGHT** (Overall Oversight Risk - 31) – considers capacity (human resources and etc.) for civil society oversight, civic engagement, quality and freedom of media.

Out of these four domains Georgia has the lowest score (16) in terms of OPPORTUNITY meaning that **the lowest risk** exists exactly in this direction. **The highest risk** exists and, consequently, with the highest score

---

<sup>1</sup> TRACE International, Inc. is a non-profit membership association founded in 2001 in the United States of America to assist private sector (business companies and related persons) in implementing anti-corruption policy <https://www.traceinternational.org/>.

(37) was evaluated the direction of DETTERENCE. As for the domains of TRANSPARENCY and OVERSIGHT, both were equally rated (31).



According to the Business Bribery Risk Index by Trace International top ten countries with the lowest corruption risk are New Zealand, Norway, Denmark, Sweden, Finland, United Kingdom, Netherlands, Canada, Germany, Hong Kong.

In the neighboring countries of Georgia and Eastern European region the Czech Republic received the best score ranking 34<sup>th</sup> in the international ranking. The highest risk was recorded in Turkey, which ranked 123<sup>rd</sup>.

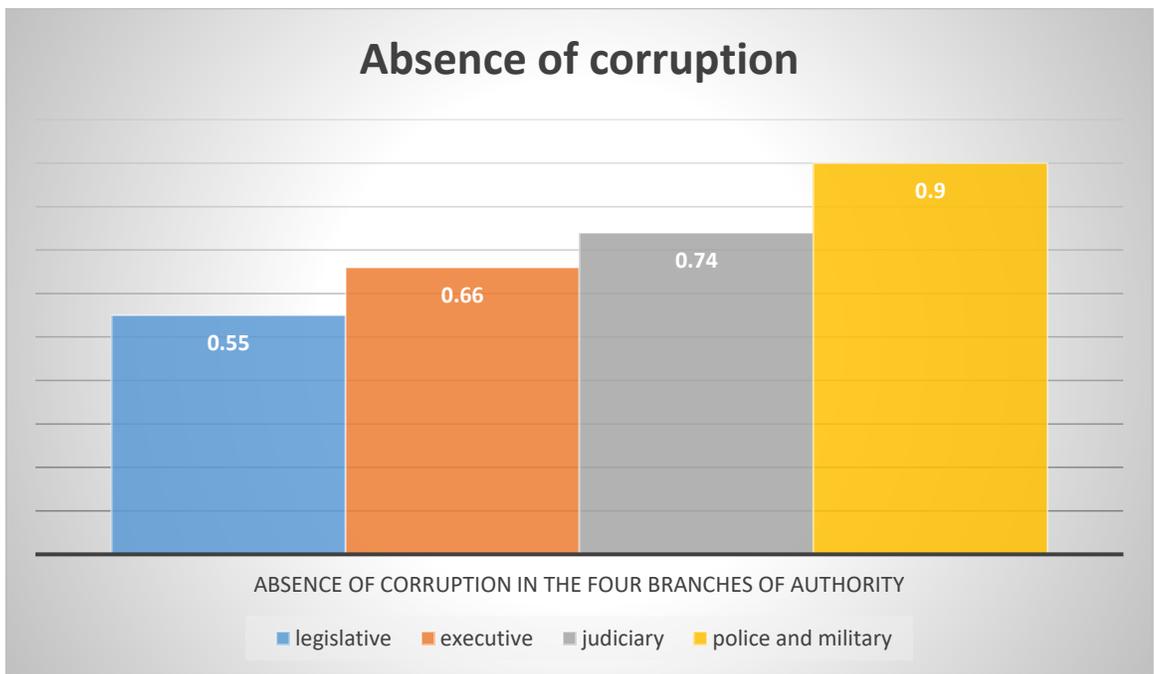
According to 2019 Rule of Law index by **World Justice Project**<sup>2</sup> (WJP) Georgia was ranked 41<sup>st</sup> out of 126 countries with the score of 0.61 out of 1 with 1 indicating the strongest adherence to the rule of law and on the 24<sup>th</sup> place, with the score 0.70 in absence of corruption dimension.

The World Justice Project (WJP) Rule of Law Index 2019 is the latest report in an annual series measuring the rule of law based on the experiences and perceptions of the general public and in-country experts worldwide. The WJP Rule of Law Index 2019 presents a portrait of the rule of law in 126 countries by providing scores and rankings based on eight factors which includes absence of corruption.

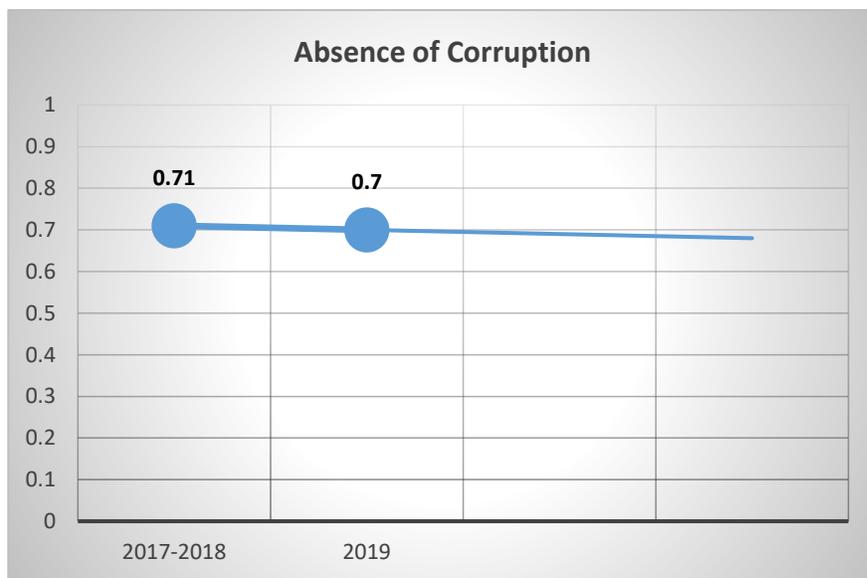
Four branches of the government were assessed in terms of absence of corruption. The legislative authority of Georgia was considered as the least free from corruption and therefore was rated the lowest (0.55). Police and army were regarded as the mostly free institutions from corruption with the score 0.90. The judiciary received 0.74 points and the executive branch – 0.66.

---

<sup>2</sup> The World Justice Project (WJP) is an independent, multidisciplinary organization working to advance the rule of law worldwide. It was founded in 2006 as a presidential initiative of the American Bar Association (ABA) and transitioned into an independent non-profit organization in 2009.



According to 2017-2018 World Justice Report Rule of Law Index Georgia was on the 38<sup>th</sup> place out of 113 countries<sup>3</sup> with the score 0.61 and on the 23<sup>rd</sup> (-4) place, with the score 0.71 in absence of corruption dimension. As it is seen, in terms of absence corruption Georgia's score has decreased in the last three years and the country has moved one step backward in international ranking.

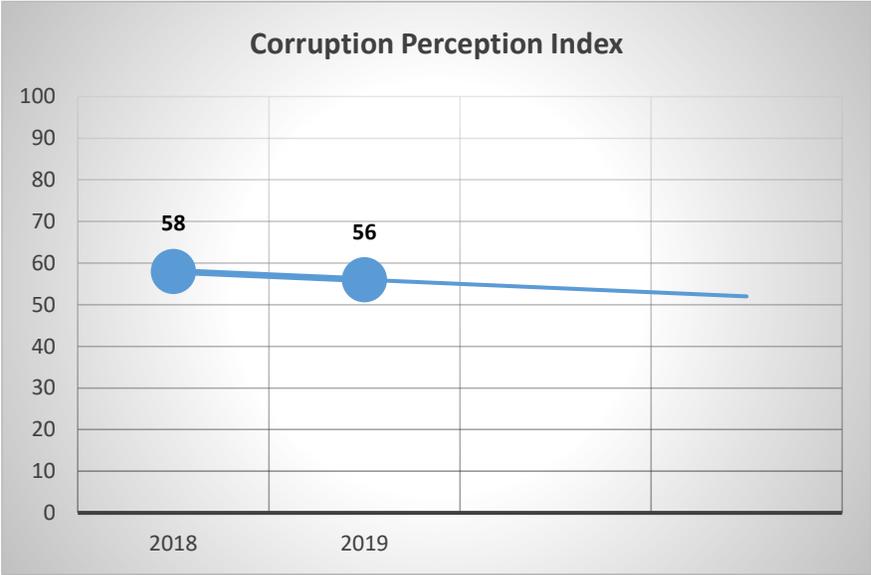


According to the WJP top ten countries with the best results are Denmark, Norway, Finland, Sweden, Netherlands, Germany, Austria, New Zealand, Canada, Estonia.

<sup>3</sup> The change in rankings was calculated by comparing the positions of the 113 countries measured in the 2017–2018 Index with the rankings of the same 113 countries in 2019, exclusive of the 13 new countries indexed in 2019. The 13 new countries added to the Index are: Algeria; Angola; Benin; Congo, Dem. Rep.; Guinea; Mali; Mauritania; Mauritius; Mozambique; Namibia; Niger; Rwanda; and Togo.

In the neighboring countries of Georgia and Eastern European region the Czech Republic received the best score (0.73) ranking 19<sup>th</sup> in the international ranking. Turkey ranks 109<sup>th</sup> with the lowest rating (0.42).

According to 2019 Corruption Perception Index by [Transparency International](#)<sup>4</sup> Georgia was ranked 44<sup>th</sup> out of 180 countries with the score of 56. The index is worsened compared to the previous year as in 2018, Georgia was on the 41<sup>st</sup> place with the score 58.



The Corruption Perceptions Index (CPI) aggregates data from a number of different sources that provide perceptions by businesspeople and country experts of the level of corruption in the public sector. The CPI uses a scale from 0 to 100 - 100 is very clean and 0 is highly corrupt. The average score is 43/100. The average regional score for Eastern Europe and Central Asia is 35.

The best results have been acquired and thus, top ten countries in the world according to the CPI are Denmark, New Zealand, Finland, Singapore, Sweden, Switzerland, Norway, Netherlands, Germany and Luxembourg.

Based on the CPI across the region of Eastern Europe and Central Asia, to which Georgia also belongs, countries experience limited separation of powers, abuse of state resources for electoral purposes, opaque political party financing and conflicts of interest. **The concentration of power in private hands remain a major obstacle in the region.**

According to 2019 Economic Freedom Index of the [Heritage foundation](#),<sup>5</sup> with the score of 75.9 Georgia was ranked 16<sup>th</sup> among 180 countries and 8<sup>th</sup> in the region of Europe. In 2018, Georgia was on the same place but the overall score has decreased by 0.3 point in 2019.

The Index of Economic Freedom focuses on four key aspects of the economic and entrepreneurial environment over which governments typically exercise policy control: Rule of law, Government size, Regulatory efficiency, and Market openness.

<sup>4</sup> Transparency International, now present in more than 100 countries, is an independent international organization founded in 1993 to fight against corruption.

<sup>5</sup> The Heritage Foundation is the largest research and educational institution founded in 1973 and working on the issues of public policy.

Based on the Index of Economic Freedom this change has been caused by a sharp drop in judicial effectiveness and lower scores on government integrity and monetary freedom exceeding a big gain in financial freedom. The same document also notes that even though **Georgia has made great progress in fighting petty corruption, high-level corruption by public officials remains a problem.**

In 2019, top ten countries with the best scores are Hong-Kong, Singapore, New Zealand, Switzerland, Australia, Ireland, United Kingdom, Canada, United Arab Emirates, and Taiwan.

**IDFI** once again emphasizes that the independence of state agencies tasked with combating corruption is one of the most important standards set by international treaties, conventions, guidelines and recommendations. Independence of these agencies can ensure the effectiveness of combating corruption, accountability, high level of transparency and, therefore, high level of public trust.

Analysis of the practice of combating corruption in Georgia shows that the independence of the agencies fighting against corruption is the most challenging. IDFI has been highlighting the deficiencies in the existing Anti-Corruption system for a long time in various formats.

Furthermore, European Parliament Resolution underlined that the high-level corruption constitutes a serious problem in the country. The same is mentioned in the International Transparency research on Anti-Corruption mechanisms in eastern European and central Asian countries. According to the research, Georgian authorities have not established independent Anti-Corruption agency despite the need to do so.

**Therefore, IDFI considers it necessary to create an Independent Anti-Corruption Agency equipped with high degree of independence, relevant power and public trust to investigate high-level corruption cases and answer all of the legitimate questions.**

IDFI believes that in order to prevent corruption, it is of utmost importance for Georgia to fully comply with the recommendations of international anticorruption institutions. **As of 2019, 70% of the recommendations made by the Council of Europe's Group of States against Corruption [have not been fully implemented](#) by Georgia.**

**Sources:**

World Justice Project 2018-2019 Rule of Law [Index](#)

World Justice Project 2018-2019 Rule of Law [Index](#)

Corruption perception Index [2019](#)

Corruption perception Index [2018](#)

2019 [Index](#) of Economic Freedom

2018 [Index](#) of Economic Freedom

2019 Index of Economic Freedom - [Georgia](#)

European Parliament [resolution](#) of 14 November 2018 on the implementation of the EU Association Agreement with Georgia (2017/2282(INI))

Eastern Europe & Central Asia: Weak Checks and Balances Threaten Anti-Corruption [Efforts](#), 2019

IDFI, 70% of [Recommendations](#) Received by Georgia from GRECO about Corruption Prevention Remain not fully implemented