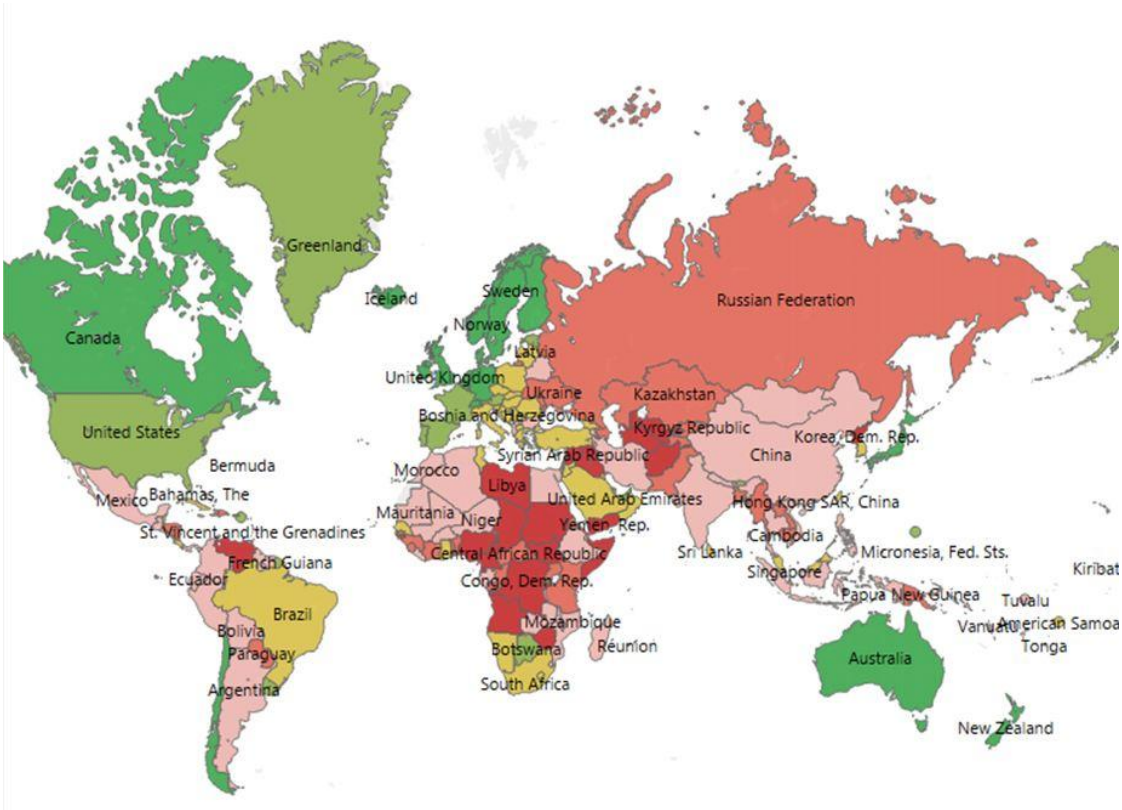


Institute for Development of Freedom of Information



World Governance Indicators



September, 2015

The contents of this report are the responsibility of IDFI.

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Introduction

Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them. The Worldwide Governance Indicators (WGI) are utilized to evaluate the different dimensions of governance, by the categories of: **Freedom of Expression and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption.**¹

The Worldwide Governance Indicators is a research database which is entirely based on various global ratings and reports (e.g. Freedom House, IREX Media Sustainability Index, Open Budget Index, World Justice Report, etc. In total, 32 individual data sources).² The data is gathered from

¹ The WGI are a research dataset initiated by Daniel Kaufmann (Natural Resource Governance Institute and Brookings Institution) and Aart Kraay (World Bank Development Research Group) in 1999. Pablo Zoido and Massimo Mastruzzi also made major contributions to the development and updating of the WGI.

² Underlying data sources used by WGI can be found on the following link:

<http://info.worldbank.org/governance/wgi/index.aspx#doc-sources>.

a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms.³ A new common indicator is obtained by aggregating the global ratings mentioned above.⁴ The Worldwide Governance Indicators (WGI) are used to evaluate 215 countries of the world. The given research covers the period from 1996 to 2013.⁵ The principal six indicators for evaluating countries are following⁶:

1. **Freedom of Expression and Accountability** - measures civic engagement in governance; freedom of expression, media, freedom of assembly and manifestation.
2. **Political Stability and Absence of Violence/Terrorism** - measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism.
3. **Government Effectiveness** - measures perceptions of the quality of public services, the quality of civil service and the degree of its independence from political pressures.
4. **Regulatory Quality** - captures perceptions of the ability of the government to formulate and implement policies and regulations for promoting the private sector development.
5. **Rule of Law** - captures perceptions of the extent to which agents have confidence in and abide by the rules of society, trust in the court and the likelihood of crime and violence.
6. **Control of Corruption** - captures perceptions of the extent to which public power is exercised for private gain, including both petty and alite corruption, as well as "capture" of the state by elites and private interests.

Regarding Georgia in the World Governance Indicators, it should be noted that, **from 1996 to 2013, the country has made considerable progress in all six dimensions.** Particularly significant improvements were achieved in the dimensions of the fight against corruption, rule of law, regulatory quality and good governance.

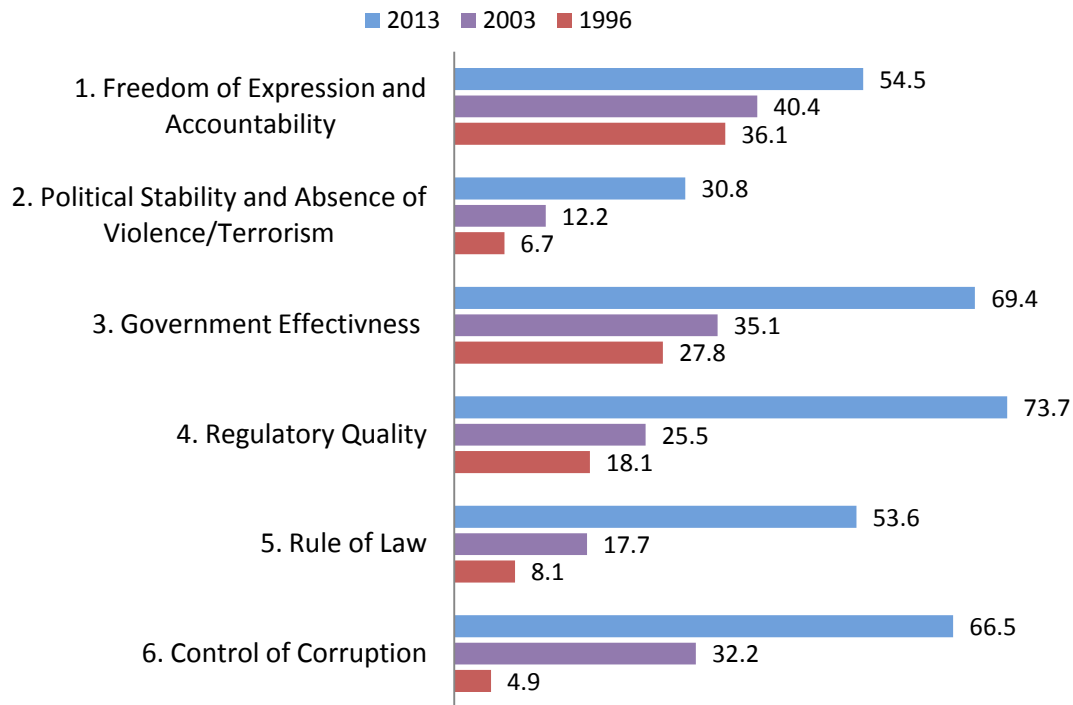
³ The WGI do not reflect the official views of the Natural Resource Governance Institute, the Brookings Institutions, the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

⁴ WGI aggregation methodology can be found on the following link:
<http://info.worldbank.org/governance/wgi/index.aspx#doc-methodology>

⁵ The underlying data set of WGI was updated on September 25th, 2015 and covers the period of 1996-2014. The said update is not included in the given report. A new report of IDFI covering the period of 2014 will be published on our web-page in the nearest future.

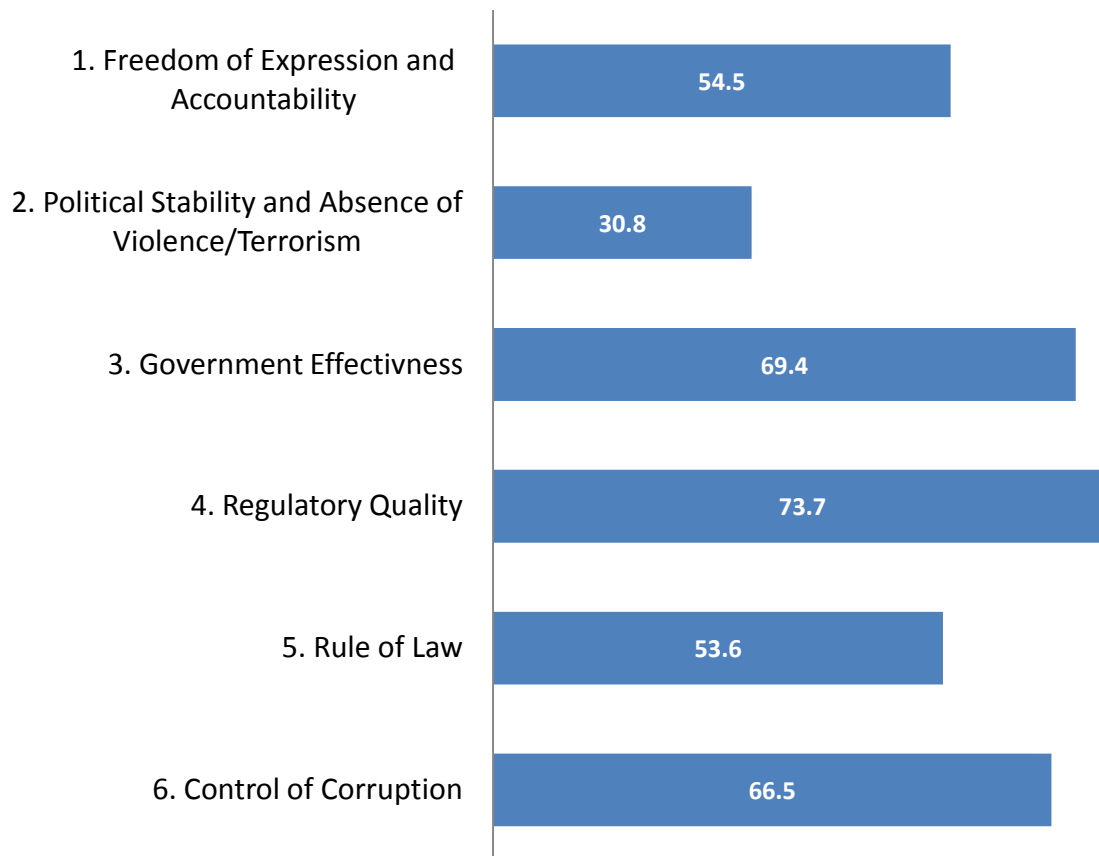
⁶ Detailed methodology of WGI can be found on the following link:
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1682130.

Progress Achieved by Georgia



Regarding the perception of the country for the year of 2013, it should be emphasized that the country was assessed with the highest rates in the dimensions of Government Effectiveness (69.4%) and Regulatory Quality (73.7%), while the lowest rate of 30.8% was granted for Political Stability and Absence of Violence/Terrorism.

Georgia by World Governance Indicators 2013 year



Freedom of Expression and Accountability

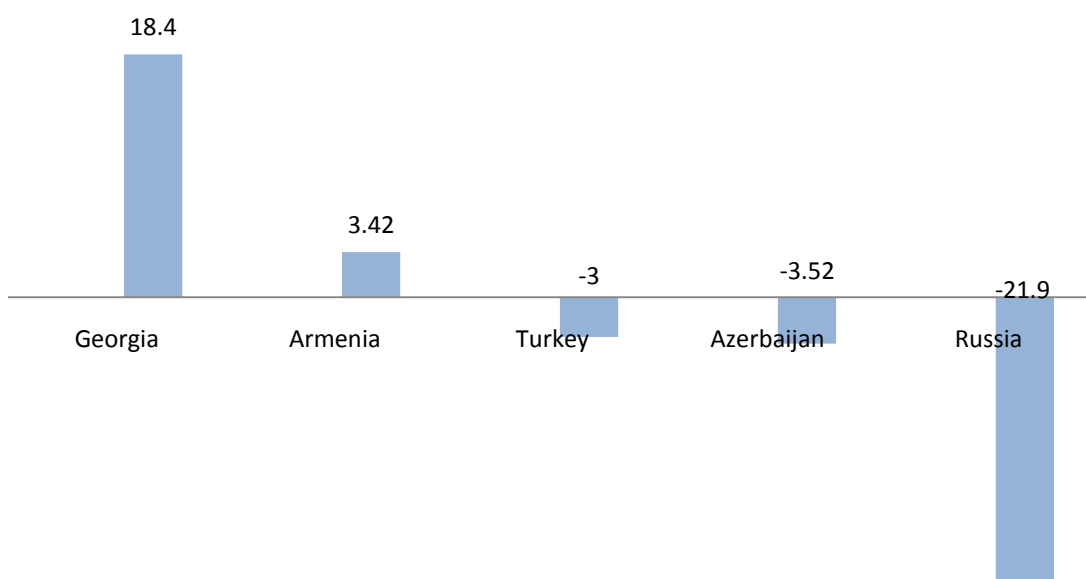
According to the World Governance Indicators (WGI), Freedom of Expression and Accountability was on a steady growth in Georgia from 1996 to 2013. In particular, if in 1996 the indicator amounted to 36.1%, it reached the rate of 54.5% in 2013.

Notably, according to WGI during the period of 1996-2013 the highest progress in the indicator of Freedom of Expression and Accountability was made by the republic of Rwanda, followed by Qatar and Sierra Leone. In the rating, Georgia holds the 12th position among 189 countries assessed. Hence, it is clear that in World Governance Indicators Georgia is among the leading states in terms of the progress achieved in the dimension of Freedom of Expression and Accountability.

Moreover, Georgia has the highest progress rate of 18.4% in the indicator of the Freedom of Expression and Accountability among its neighboring countries. It should also be mentioned here, that the Russian Federation with the regress rate as high as 21.9% holds one of the last positions in terms of Freedom of Expression and Accountability worldwide.

Freedom of Expression and Accountability

Progress Achieved in Georgia and Neighboring Countries

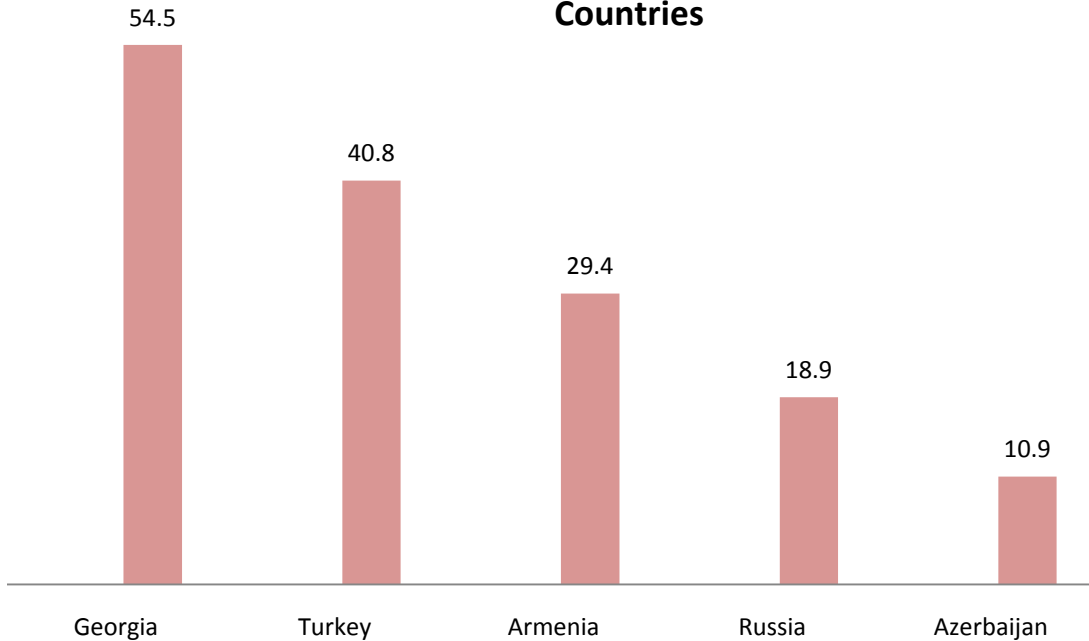


According to the data of 2013, Georgia holds 97th position out of evaluated 212 countries in terms of Freedom of Expression and Accountability. Norway occupies the first place in the ranking with the rate of 100%, followed by the Northern European countries, such as Denmark and Sweden scoring 99%.

It should be emphasized, that according to the global ranking, Georgia holds one of the top places in its region and significantly outpaces the ratings of neighboring countries, i.e: Russia, Turkey, Azerbaijan and Armenia.

Freedom of Expression and Accountability

Comparison of Indicators for Georgia and Neighboring Countries

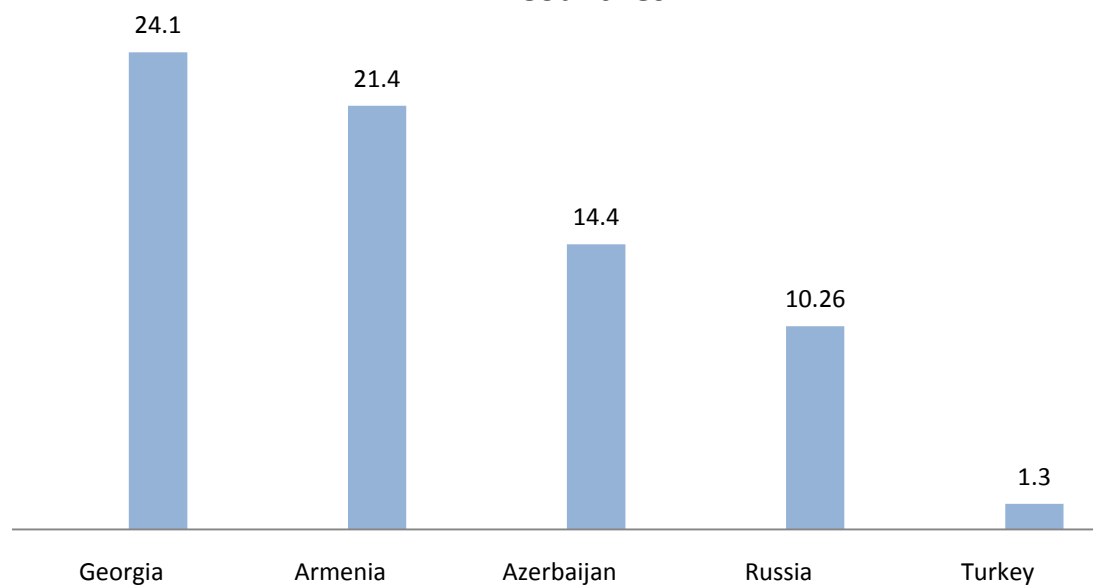


Political Stability and Absence of Violence/Terrorism

As in the case of other indicators, Georgia is perceived as a sustainably developing state in terms of Political Stability and Absence of Violence/Terrorism. Precisely, if in 1996 the country was assessed with 6.7% rating by 2013 the rate was significantly increased and reached 30.8%. Georgia holds the 151st position in this dimension worldwide. It should be highlighted, that within the indicator Greenland (the autonomous republic of Denmark) was assessed with the highest rate. Other states leading the rating are Lichtenstein, Switzerland, Finland, New Zealand and etc.

It is notable that Georgia is on the 10th position worldwide in terms of the progress achieved in the indicator of Political Stability and Absence of Violence/Terrorism and is the first among its neighboring countries.

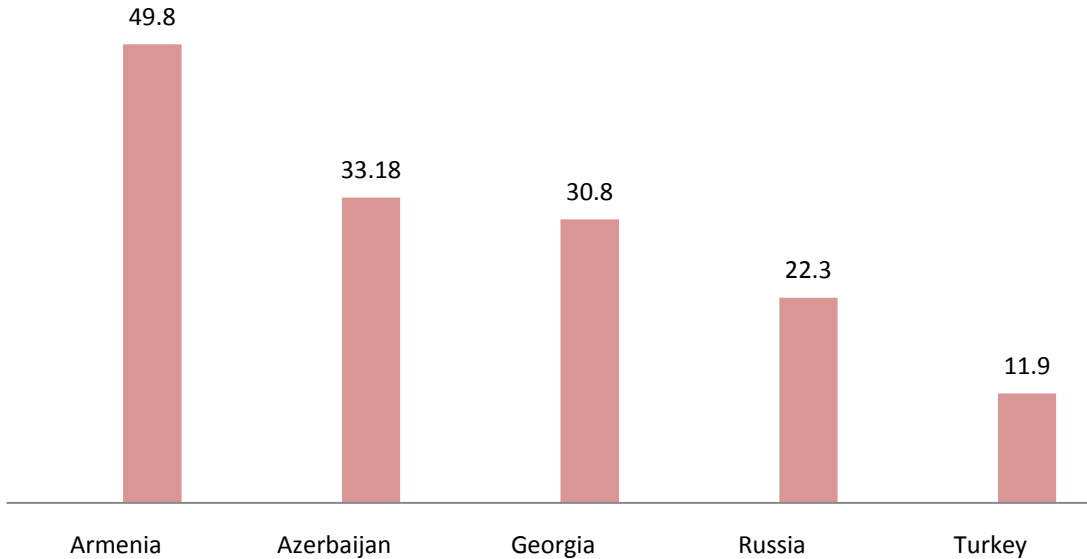
Political Stability and Absence of Violence/Terrorism Progress Achieved in Georgia and Neighboring Countries



When comparing the results of Georgia with neighboring countries it is worth noting that its rating is significantly higher than the ones of Russia and Turkey, nevertheless Georgia falls behind Armenia and Azerbaijan.

Political Stability and Absence of Violence/Terrorism

Comparison of Indicators for Georgia and Neighboring Countries

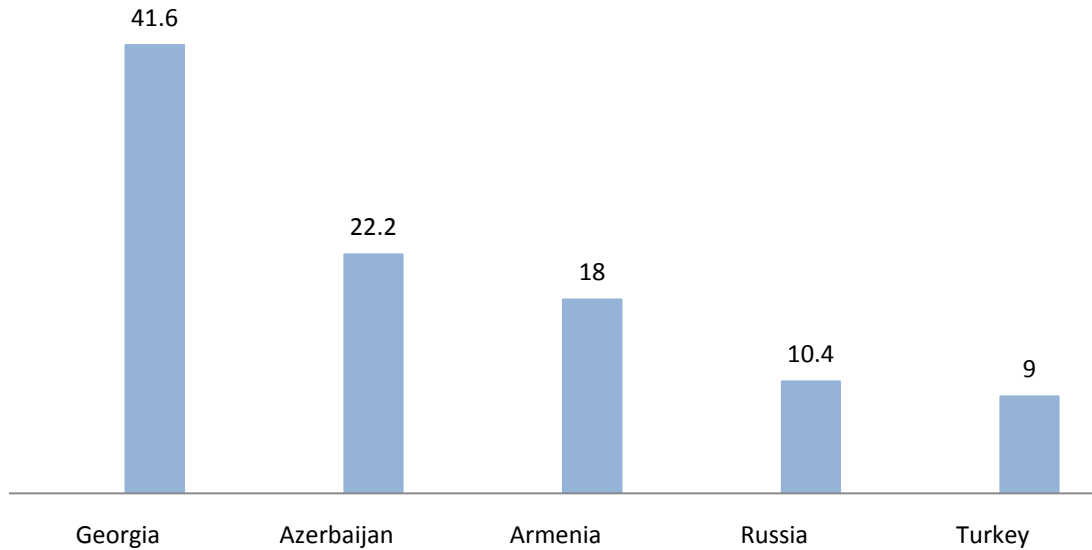


Government Effectiveness

Among the six indicators covered by the research Georgia is assessed with one of the highest scores in the dimension of Government Effectiveness. Precisely, government activities in this sphere is assessed with 69.4% for the year of 2013. It should be noted that the lowest rating in the given indicator was received by the country in 2002, and equaled to 19.5%. With the rating of 69.4% Georgia occupies 65th position out of 210 countries assessed worldwide. Here as well the leading positions in the assessment are held by the Northern and Central States of Europe, such as Finland, Denmark, Sweden, Netherlands, Switzerland and Norway. New Zealand and Singapore are also leading the rating.

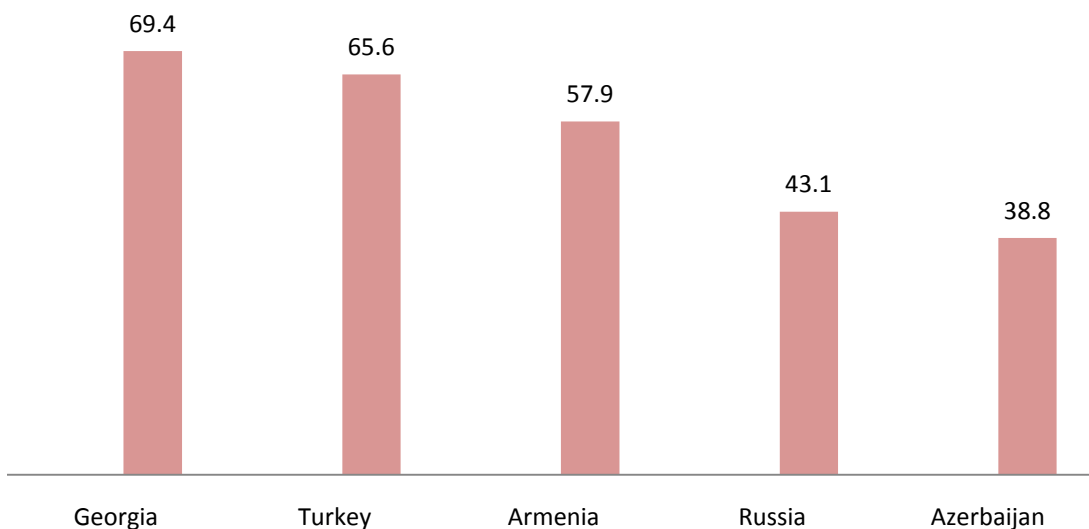
It is particularly noteworthy that Georgia holds one of the leading - second position in regards with progress made in the indicator. Precisely, the country has advanced with 41.6% in the given indicator. In the given criteria Georgia is the first among its neighboring countries.

Government Effectiveness Progress Achieved in Georgia and Neighboring Countries



Georgia holds the leading position in the indicator of Government Effectiveness in its neighborhood. It should be highlighted that number of European countries such as Italy, Greece, Romania and Bulgaria fall considerably behind Georgia in the assessment.

Government Effectiveness Comparison of Indicators for Georgia and Neighboring Countries



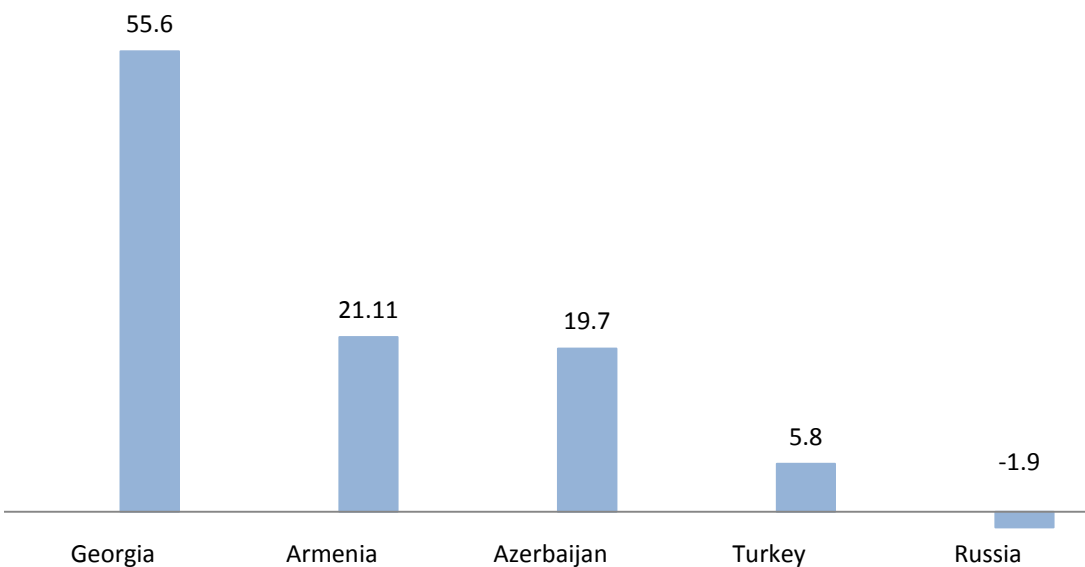
Regulatory Quality

According to the global rating Georgia is assessed with one of the highest scores - 73.7 % in the indicator of Regulatory Quality. Rating of the country in the indicator was steadily improving during the period of 1996-2013. According to the data of 2013 among the 210 countries assessed Georgia holds the 56th position worldwide. Countries leading the rating in the indicator of Regulatory Quality are: Singapore, Hong Kong (special administrative region of China), New Zealand, Switzerland, Finland and Denmark. Rating of Georgia in this indicator is considerably higher than the ones of Greece, Slovenia, Romania, Bulgaria, Croatia, Moldova, Ukraine and etc.

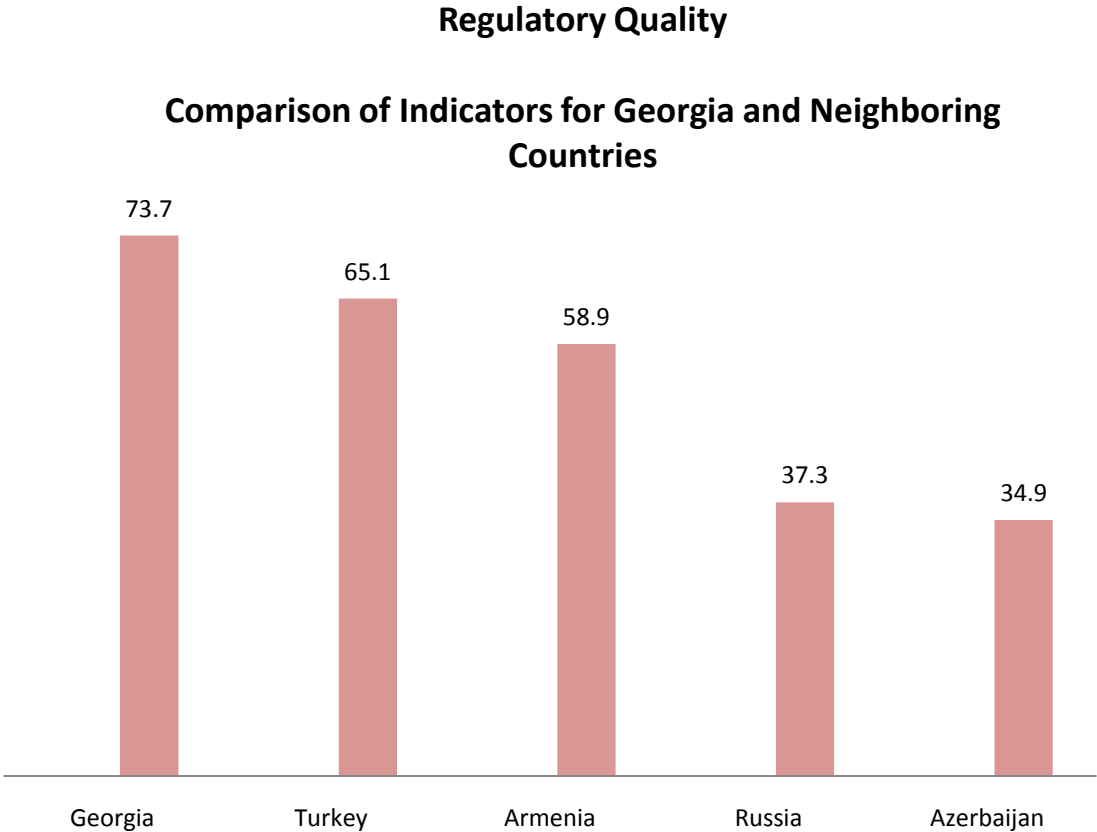
Georgia is the first country worldwide in regards with the progress made in the indicator of Regulatory Quality during the years of 1996-2013, i.e. the country is the fastest developing state in the world in this indicator. Accordingly, the progress made by the state is considerably important that the advancements made by its neighboring countries.

Regulatory Quality

Progress Achieved in Georgia and Neighboring Countries



Georgia holds the first position in the indicator of Regulatory Quality within its neighborhood. In addition states such as Greece, Slovakia, Romania and Croatia are assessed with lower ratings in comparison to Georgia.



Rule of Law

In regards with Rule of Law Georgia is assessed with 53.6% for the year of 2013. It is noteworthy that since 1996 the rating of the country has improved with 46%. Among the 212 state covered by the rating Georgia is on the 99th position. Once again Northern European countries such as Norway, Finland and Sweden are leading the rating.

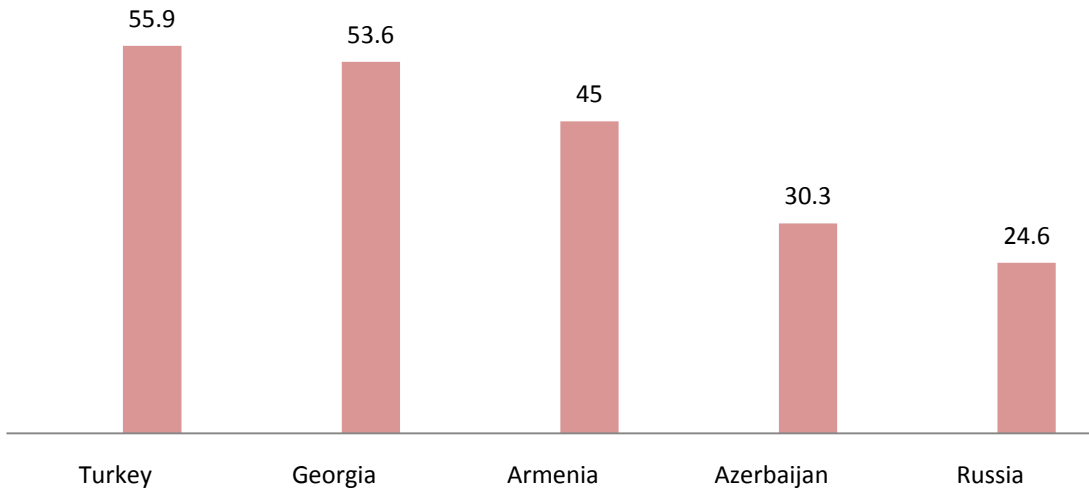
When comparing the progress made by Georgia in the indicator of Rule of Law the country hold the second position worldwide and is the first in its neighborhood.

Rule of Law Progress Achieved in Georgia and Neighboring Countries



In the indicator of Rule of law the only neighboring country slightly forward Georgia is Turkey. As for Russia the country is assessed with significantly lower rating of 1.2%.

Rule of Law Comparison of Indicators for Georgia and Neighboring Countries



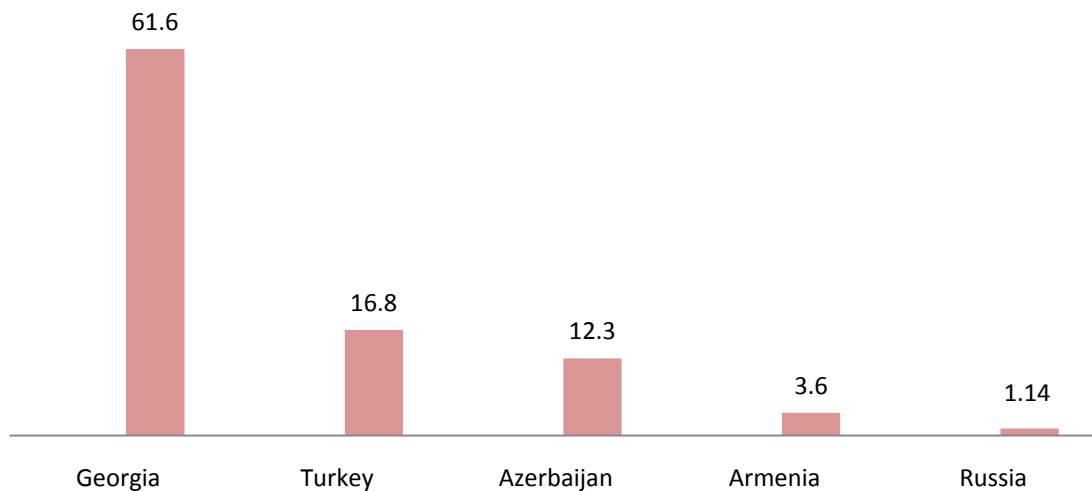
Control of Corruption

According to World Governance Indicators Georgia is the first country worldwide in regards with the progress made since 1996 within the indicator of fight against corruption. Precisely, in 1996 the country was assessed with 9% rating, whereas in 2013 the rating of Georgia has considerably increased and reached the benchmark of 66.5%. As a result Georgia is on the 71st position within the 210 states covered by the rating. With the given score Georgia stands considerably forwards the states such as the Czech Republic, Hungary, Italy, Greece, Slovakia, Bulgaria and Latvia.

Georgia holds the leading position in the indicator of progress made in the process of fight against corruption within its neighborhood.

Control of Corruption

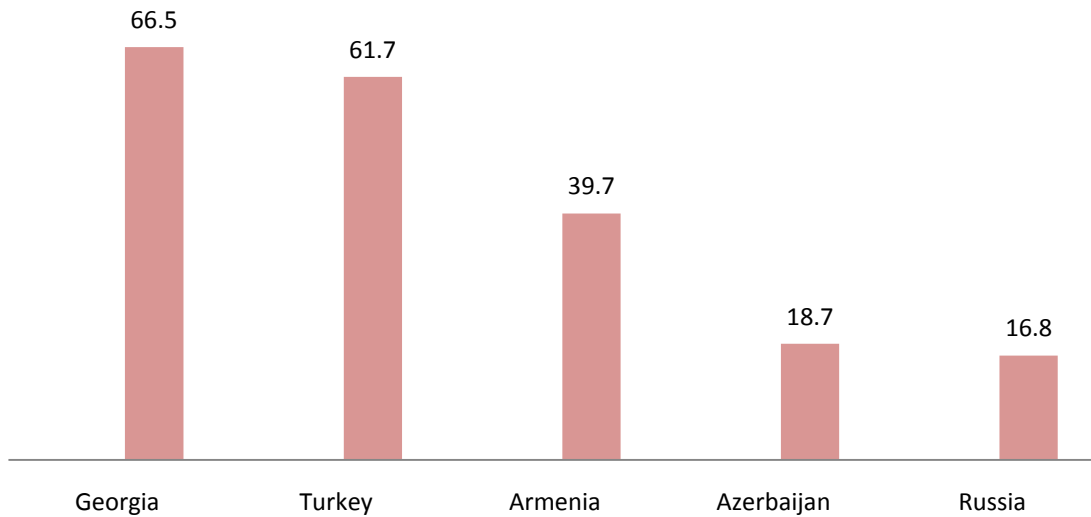
Progress Achieved in Georgia and Neighboring Countries



მეზობელ ქვეყნებს შორის საქართველოს უკავია პირველი ადგილი კორუფციის წინააღმდეგ ბრძოლის მხრივ. ყველაზე დაბალი მაჩვენებელი კი აქვს რუსეთს 1.14%-ით.

Control of Corruption

Comparison of Indicators for Georgia and Neighboring Countries



Conclusions

Based on the research we can conclude that Georgia has achieved considerable progress in every six governance indicator. Georgia is the first worldwide in regards with the progress made in the fight against corruption and regulatory quality (which captures perceptions of the ability of the government to formulate and implement policies and regulations for promoting the private sector development). Based on the progress made during the years of 1996 and 2013 Georgia is the second worldwide in the indicators of Government Effectiveness and Rule of Law.

The comparison of Georgia with its neighboring countries gave clear picture according to which Georgia is the first in regards with the progress made in every six indicator on regional scale.

It should also be emphasized that in number of indicators Georgia stands higher in the rating than some of the central and Southern European Countries such as: The Czech Republic, Slovakia, Italy, Greece, Macedonia, Hungary, Bulgaria and etc.

Georgia is on the leading position in international rating such as Open Government Index published by the World Justice Project (WJP) in March 2015.⁷ According to the Open Government Index, Georgia has scored 0.61 points out of total 1 and therefore, has been ranked 1st out of 13 countries in Eastern

⁷ <http://data.worldjusticeproject.org/opengov/>.

Europe and Central Asia region and 29th out of 102 countries in the world in terms of open government. Based on these results Georgia has outperformed Slovenia, Macedonia, Greece and Croatia. The highest level of open government index was received by countries like Sweden, New Zealand, Norway, Denmark and The Netherlands.⁸

Georgia is actively involved in Open Government Partnership (OGP) Initiative.⁹ Precisely, in 2014 Georgia was elected in OGP Steering Committee.¹⁰ Georgia represents one of the outstanding countries in regards with obligation undertaken and fulfilled by executive and judiciary branches of the government. In the Action Plan for 2014-2015 Georgia has undertaken the responsibility to implement important reforms, which will guarantee that the country is further developed in the spheres such as: Access to public information, citizen involvement, conflict of interests, accessibility of public services, system of asset declarations and etc.

All the abovementioned is clearly implying that regardless of existing internal problems as well as potential external threats faced by the country, at the international level Georgia is perceived as one of the fastest developing states. Nonetheless it is crucial that the trend of developing is sustained. IDFI hopes that Georgia will further follow the trend of development which will be reflected in the upcoming Worldwide Governance Indicators.

⁸ <https://idfi.ge/en/open-government-index-2015>.

⁹ <http://www.opengovpartnership.org/country/georgia>.

¹⁰ <https://idfi.ge/en/elections-of-ogp-steering-committee-and-georgia>.