Corruption Perceptions Index 2024: Armenia Sources Description

1. Bertelsmann Stiftung Transformation Index 2024

2. Freedom House Nations in Transit 2024

3. Global Insight Country Risk Ratings 2023

4. The PRS Group International Country Risk Guide 2024

5. World Economic Forum Executive Opinion Survey 2024

6. Varieties of Democracy (V-Dem v. 14) 2024

Year of publication: 2024
Type of assessment: Qualitative expert survey
Data provider: Bertelsmann Stiftung

The Bertelsmann Stiftung (BF) was founded 1977 as a private foundation. As a think tank, they work toward improved education, a just and efficient economic system, a preventative healthcare system, a vibrant civil society and greater international understanding. The Bertelsmann Stiftung is independent and nonpartisan. It designs, launches and runs its projects.

The Transformation Index provides the framework for an exchange of good practice among agents of reform. Within this framework, the Bertelsmann Stiftung Transformation Index (BTI) publishes two rankings, the Status Index and the Management Index, based on in-depth assessments of 137 countries. The scores are based on detailed country reports, which assess 52 questions divided into 17 criteria.

Two experts per country provide assessments. Country assessments consist of two sections: the written evaluation of the state of transformation and management performance in a country (country report) and the numerical evaluation of the state of transformation and management performance (country ratings). Scores are given by a country expert, who then reviews them blindly by a second country expert, who also provides a second independent rating of the country. These expert scores are then verified and discussed by regional coordinators to ensure intra and inter-regional comparability in ratings. In addition, BF has also instituted an extra layer of verification to ensure the scores provided match the qualitative descriptions for each country.

Corruption question(s)

Experts are asked to assess:
"Q3.3 To what extent are public officeholders who abuse their positions prosecuted or penalised?"
Assessments range from:
"Q15.3 To what extent does the government successfully contain corruption?" Assessments range from:

Scores
Scores are assigned on a scale of 1-10, with 10 being the lowest level of corruption and one being the highest. The score for each country is an average of the two questions. The BTI codebook for the previous edition is accessible here: https://bti-project.org/fileadmin/api/content/en/downloads/codebooks/BTI2024_Codebook.pdf.

The BTI is based on a qualitative expert survey in which written assessments are translated into numerical ratings and examined in a multi-stage review process to make them comparable within and across regions. The country assessment process has both a qualitative and quantitative component, in each case performed by two country experts. As a rule, one foreign and one local

expert are involved in the evaluation process; this ensures that both external and internal perspectives are considered in the course of assessment and helps counteract subjective influence. In total, 280 experts from leading research institutions worldwide contribute to producing the country reports.

To ensure the validity, reliability, and comparability of the assessment, each score undergoes a multi-step review process by the country experts, the regional coordinators, the project team, and the BTI board. The scores and responses provided by the experts for each of the 49 indicators are initially reviewed by regional coordinators, who examine the content to ensure it is complete and consistent.

Country scores pass through an intra-regional review stage followed by an inter-regional review and ratings aggregation.

Country coverage

The BTI covers 137 countries and territories. The data collection period for the index extended from February 2021 to January 2023.

Data availability

The BTI was first published in 2003 and has been published every two years since then.

The data used for the calculation of CPI 2024 can be downloaded from https://bti-project.org/en/downloads

Freedom House Nations in Transit 2023

Code: FH
Year of publication: 2024
Type of assessment: Qualitative expert assessment
Data provider: Freedom House

Founded in 1941, Freedom House is an independent watchdog organisation that supports the expansion of freedom around the world. Freedom House supports democratic change, monitors freedom and advocates for democracy and human rights.

The Nations in Transit (NIT) measures democratisation in 29 nations and administrative areas throughout Central Europe and the Newly Independent States (NIS). The reports focus on democratic progress and setbacks. Each report focuses on the following thematic areas: national democratic governance, electoral process, civil society, independent media, local democratic governance, judicial framework and independence, and corruption.

The NIT surveys were produced by Freedom House staff and consultants. Relevant authorities recommended the latter and are regional or country specialists. Various sources were used in compiling the report, including multilateral lending institutions, non-governmental organisations, other international organisations, local newspapers and magazines, and select government data.

Corruption question(s)

The Freedom House experts are asked to explore a range of indicative questions, including:
- Has the government implemented effective anti-corruption initiatives?
- Is the country's economy free of excessive state involvement?
- Is the government free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for corruption?
- Are there significant limitations on the participation of government officials in economic life?
- Are there adequate laws requiring financial disclosure and disallowing conflict of interest?
- Does the government advertise jobs and contracts?
- Does the state enforce an effective legislative or administrative process – particularly one that is free of prejudice against one's political opponents – to prevent, investigate, and prosecute the corruption of government officials and civil servants?
- Do whistle-blowers, anti-corruption activists, investigators, and journalists enjoy legal protections that make them feel secure about reporting cases of bribery and corruption?
- Are allegations of corruption given a wide and extensive airing in the media?
- Does the public display a high intolerance for official corruption?

Scores

Ratings run from 1 (lowest level of corruption) to 7 (highest level of corruption) and allow for half-point and quarter-point intermediate scores (e.g. 3.25). In 2020, Freedom House reversed the scale of the indicator and countries are now rated on a scale of 1(lowest level of corruption) to 7 (highest level of corruption). To make the numbers comparable when incorporated into the CPI, they are first transformed into the old scale. This is done simply by subtracting each country's score from a base value of 8.

The score is a generalised composite measure of corruption that includes an assessment of all areas covered by the indicative questions.

For all 29 countries in NIT, Freedom House – in consultation with the report authors, a panel of academic advisers, and a group of regional expert reviewers – has provided numerical ratings in the seven categories listed above. The ratings are based on a scale of 1 to 7, with 1 representing the lowest and 7 the highest level of democratic progress.

Authors of individual country reports suggest preliminary ratings in all seven categories covered by the study, ensuring that substantial evidence is provided where a score change is proposed. Each draft report is then sent to several regional expert reviewers, who provide comments on both the score change and the quality of its justification in the report's text. Over the course of a two-day meeting, Freedom House's academic advisory board discusses and evaluates all ratings. Report authors are given the opportunity to dispute any revised rating that differs from the original by more than 0.50 points.

More information can be found here: https://freedomhouse.org/reports/nations-transit/nations-transit-methodology

Country coverage
29 countries/territories were ranked in 2024.
The 2024 NIT data cover the events from 1 January through 31 December 2023.

Data availability
The report has been published annually since 2003. The latest edition can be found at
https://freedomhouse.org/sites/default/files/2024-04/NIT_2024_Digital_Booklet.pdf

S&P Global Insights Business Conditions and Risk Indicators 2023

Code: GI
Year of publication: 2023
Type of assessment: Commercial business expert assessment
Data provider: S&P Global Insight Global Risk Service

Founded in 1959, IHS Global Insight is a global information company employing more than 5,100 people in more than 30 countries around the world. It provides a wide range of online services covering macroeconomics, country risk and individual sector analysis. In 2022, IHS Markit merged with S&P Global

The Global Insight Country Risk Rating System has been in operation since 1999 and provides a six-factor analysis of the risk environment in over 200 countries/territories. The six factors are political, economic, legal, tax operational and security risk. The corruption risk score used in the CPI is drawn from Global Insight Business Conditions and Risk Indicators.

The assessments are made by over 100 in-house country specialists, who also draw on the expert opinions of in-country freelancers, clients and other contacts. The ratings reflect IHS Global Insights expert perceptions of the comparative level of the problem in each country/territory. The ratings assess the broad range of corruption, from petty bribe-paying to higher-level political corruption and the scores assigned to each country are based on a qualitative assessment of corruption in each country/territory.

Corruption question(s)

Experts are asked to assess:
The risk is that individuals/companies will face bribery or other corrupt practices to carry out business, from securing major contracts to being allowed to import/export a small product or obtain everyday paperwork. This threatens a company's ability to operate in a country or opens it up to legal or regulatory penalties and reputational damage.

Scores
The ratings range from a minimum of 1.0 (maximum corruption) to 5.0 (minimum corruption) and allow for half-point intermediate scores (e.g. 3.5).

Country coverage

209 countries/territories worldwide are scored.

Scores provided by country analysts are reviewed and benchmarked by IHS Global Insight's risk specialists at both the regional and global levels.

Data availability

The Country Risk Rating System has been available since 1999 and is continuously maintained.

The data was accessed through the World Bank World Governance Indicators portal, as the company stopped providing data directly to Transparency International in 2015. The data used for the CPI can be accessed through:
https://www.worldbank.org/content/dam/sites/govindicators/doc/WMO.xlsx

The latest data covers the period of October to December, 2023.

The PRS Group International Country Risk Guide 2024

Code: 2024
Year of publication: 2023
Type of assessment: Risk assessment
Data provider: PRS Group

Based in the vicinity of Syracuse, New York, since its founding in 1979, the PRS Group has consistently focused on political risk analysis.

On a monthly basis since 1980, their International Country Risk Guide (ICRG) has produced political, economic and financial risk ratings for countries/territories important to international business. The ICRG now monitors 140 countries/territories. ICRG ratings form the basis of an early warning system for opportunities and pitfalls, country-by-country.

ICRG staff collect political information and convert it to risk points on the basis of a consistent pattern of evaluation. Political risk assessments and other political information form the basis of ICRG risk ratings. It is, therefore, possible for the user to check through the information and data so as to assess the ratings against their own assessments or against some other risk ratings system.

Corruption question(s)

This is an assessment of corruption within the political system. The most common form of corruption met directly by businesses is financial corruption in the form of demands for special payments and bribes connected with import and export licenses, exchange controls, tax assessments, police protection or loans. The measure is most concerned with actual or potential corruption in the form of excessive patronage, nepotism, job reservations, exchange of favours, secret party funding and suspiciously close ties between politics and business.

Scores

The corruption scores are given on a scale of 0 (highest potential risk) to 6 (lowest potential risk) on a monthly basis. Half points are given. The monthly ratings are then aggregated using a simple average to create a single country score.

Country coverage

The ICRG provides ratings for 140 countries on a monthly basis.
To ensure consistency both between countries/territories and over time, points are assigned by ICRG editors on the basis of a series of pre-set questions for each risk component.

The CPI uses an aggregate of monthly assessments covering the period of September 2023 to August 2024.

Data availability

The ICRG model was created in 1980, and the data is made available on a monthly basis.

Data is available to customers of the PRS International Country Risk Guide at: www.prsgroup.com

World Economic Forum Executive Opinion Survey 2024

Code: WEF
Year of publication: 2024
Type of assessment: Business executive survey
Data provider: World Economic Forum

The World Economic Forum is an independent international organisation committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas. Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is not tied to political, partisan or national interests.

The Executive Opinion Survey (EOS) is the World Economic Forum's annual survey of business executives. The survey has evolved over time to capture new data points essential to the Global Competitiveness Index (GCI) and other Forum indexes.

The Forum's Global Competitiveness and Benchmarking Network works closely with over 160 partner institutes that administer the survey in their respective countries/territories. They are selected because of their capacity to reach out to leading business executives, as well as their understanding of the national business environment and their commitment to the Forum's research on competitiveness. The partner institutes are, for the most part, well-respected economics departments of national universities, independent research institutes or business organisations. The surveys are conducted according to detailed guidelines aiming at collecting a sample stratified by sector of activity and company size. The EOS administration process is reviewed on a yearly basis and underwent an external review in 2008 and 2012 by a renowned survey expert consultancy. See Chapter 1.3 of the Global Competitiveness Report 2013-2014 for further details: www.weforum.org/gcr.

Corruption question(s)

Survey respondents were asked:
(On a scale of 1-7, where 1 means very common and 7 means never)
"In your country, how common is it for firms to make undocumented extra payments or bribes connected with the following:
•   Imports and exports
•   Public Utilities
•   Annual tax payments
•   Awarding of public contracts and licenses
•   Obtaining favourable judicial decisions."

(On a scale of 1-7, where 1 means very common and 7 means never)
"In your country, how common is diversion of public funds to companies, individuals or groups due to corruption?"

Scores

Each question is scored by respondents on a scale of 1-7.

The results of parts a) to e) of the first question were averaged to create a single score. The results of the first and second questions were then averaged together to give a score per country/territory.

Country coverage

The 2024 edition of the survey was conducted between March and August 2024 and collected data for a total of 117 countries.

Data availability

The EOS data can be obtained by submitting a request for information through the following channel:

https://wefglobal.eu.qualtrics.com/jfe/form/SV_0NDuzSlGYfz0mH4

Varieties of Democracy Project 2023

Code: VDEM
Year of publication: 2024
Type of assessment: Expert survey
Data provider: University of Gothenburg, V-Dem Institute and University of Notre Dame

Varieties of Democracy (V-Dem) is a new approach to conceptualising and measuring democracy. V- Dem provides a multidimensional and disaggregated dataset that reflects the complexity of the concept of democracy as a system of rule that goes beyond the simple presence of elections. The V-Dem project distinguishes between seven high-level principles of democracy: electoral, liberal, participatory, deliberative, egalitarian, majoritarian and consensual, and collects data to measure these principles.

It is a collaboration among more than 3,000 scholars worldwide which is co-hosted by the Department of Political Science at the University of Gothenburg, Sweden and the Kellogg Institute at the University of Notre Dame, USA. With five principal investigators, 23 project managers with special responsibility for issue areas, more than 33 regional managers, 134 country coordinators, research assistants, and 4,000 country experts, the V-Dem project is one of the largest social science data collection projects focusing on research.

Corruption question(s)

Question: How pervasive is political corruption? (v2x_corr)
The directionality of the V-Dem corruption index runs from less corrupt to more corrupt (unlike the other V-Dem variables that generally run from less democratic to more democratic situation). The corruption index includes measures of six distinct types of corruption that cover both different areas and levels of the political realm, distinguishing between executive, legislative and judicial corruption. Within the executive realm, the measures also distinguish between corruption mostly pertaining to bribery, and corruption due to embezzlement. Finally, they differentiate between corruption in the highest echelons of the executive (at the level of the rulers/cabinet) and in the public sector at large. The measures thus tap into several distinguishable types of corruption: both petty and grand; both bribery and theft; both corruption aimed at influencing law making and that affects implementation.

Aggregation: The index is arrived at by taking the average of (a) public sector corruption index (b) executive corruption index (c) the indicator for legislative corruption and (d) the indicator for judicial corruption. In other words, these four different government spheres are weighted equally in the resulting index.

Scores

Scores are given on a continuous scale from 0 (lowest level of corruption) to 1 (highest level of corruption).

Note: Each new version of VDEM dataset allows for retroactive changes in the scores, which affects comparability between versions. The CPI takes only the last available value.

Country coverage

179 countries were scored in the 2024 update used for the CPI calculation. The data covers the period of January to December 2023.

V-Dem draws on theoretical and methodological expertise from its worldwide team to produce data in the most objective and reliable way possible. Approximately half of the indicators in the V-Dem dataset are based on factual information obtainable from official documents such as constitutions and government records. The remainder consists of more subjective assessments on topics like democratic and governing practices and compliance with de jure rules. On such issues, typically five experts provide ratings for the country, thematic area and time period for which they have information.

To address variation in coder ratings, V-Dem works closely with leading social science research methodologists and has developed a state-of-the-art Bayesian measurement model that, to the extent possible, addresses coder error and issues of comparability across countries and over time. V-Dem also provides upper- and lower-point estimates, which represent a range of probable values for a given observation. When the ranges of two observations do not overlap, there is relative confidence that difference between them is significant. V-Dem is continually experimenting with new techniques and soliciting feedback from experts throughout the field. In this sense, V-Dem is at the cutting edge of developing new and improved methods to increase both the reliability and comparability of expert survey data. V-Dem also draws on the team's academic expertise to develop theoretically informed techniques for aggregating indicators into mid and high-level indices.

Data availability

V-Dem data can be publicly accessed at: https://v-dem.net/data/the-v-dem-dataset/country-year-v-dem-fullothers-v14/

The codebook is available at: https://v-dem.net/documents/24/codebook_v14.pdf