T-index. Delivering on Transparency

How to Power Transparency in COVID 19 times:

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in dialogue with
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OECD Integrity Week 2021

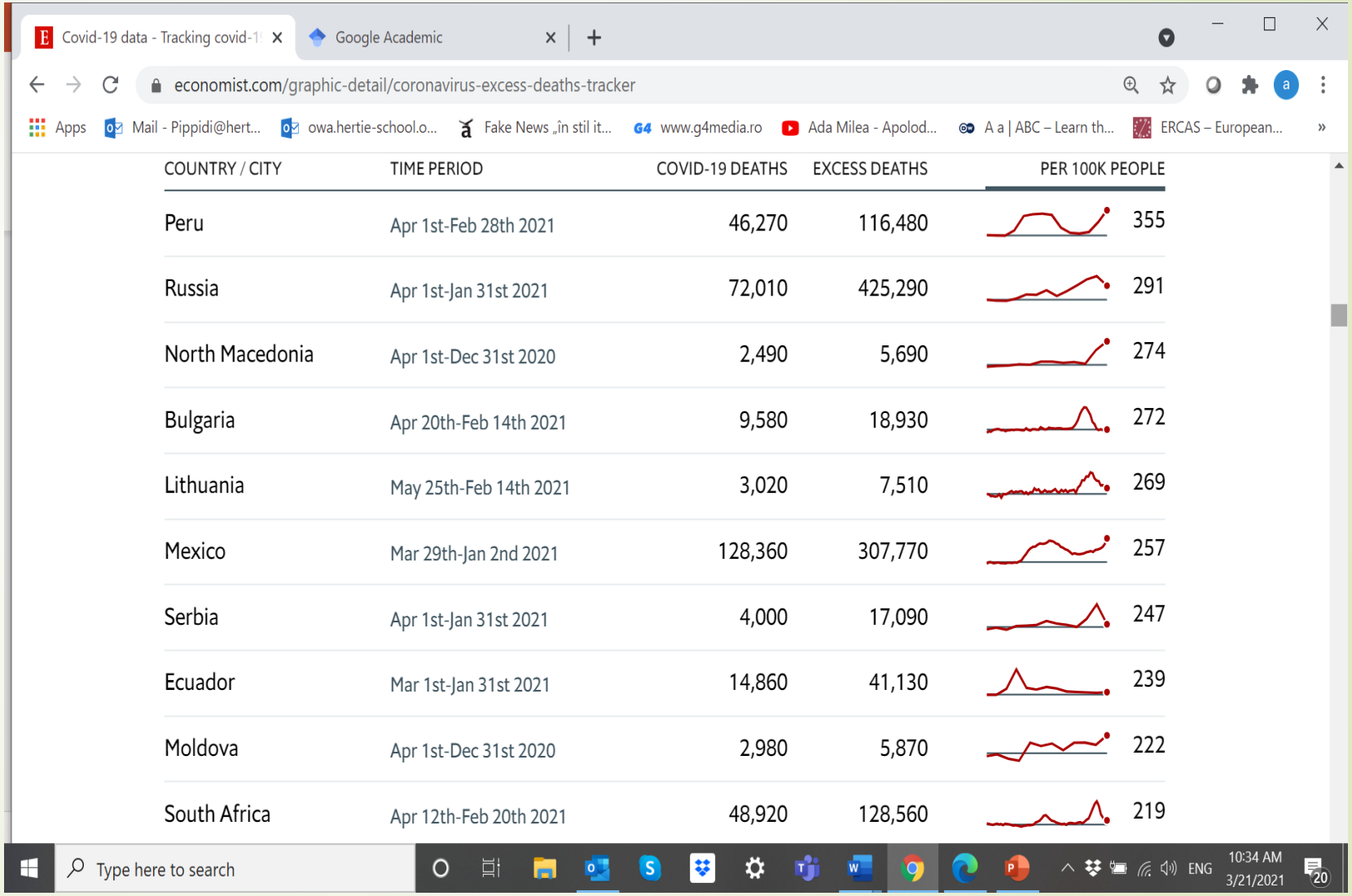
www.againstcorruption.eu

The transparency dividend

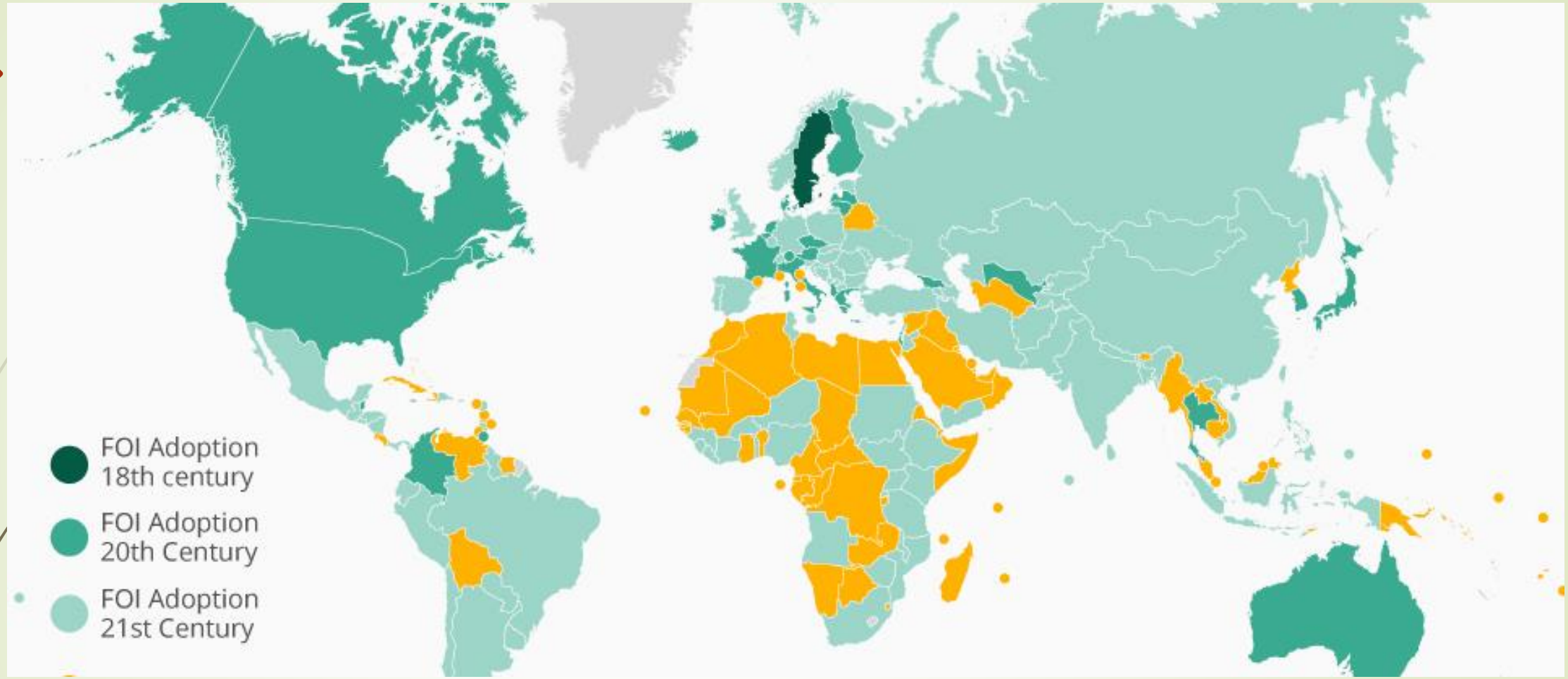
- New Zealand
- Finland
- Norway
- Denmark
- Taiwan
- Australia
- South Korea
- Singapore
- Uruguay
- Canada

… at the opposite end with no excess deaths…

When poor governance is deadly. Excess mortality in COVID 19 times



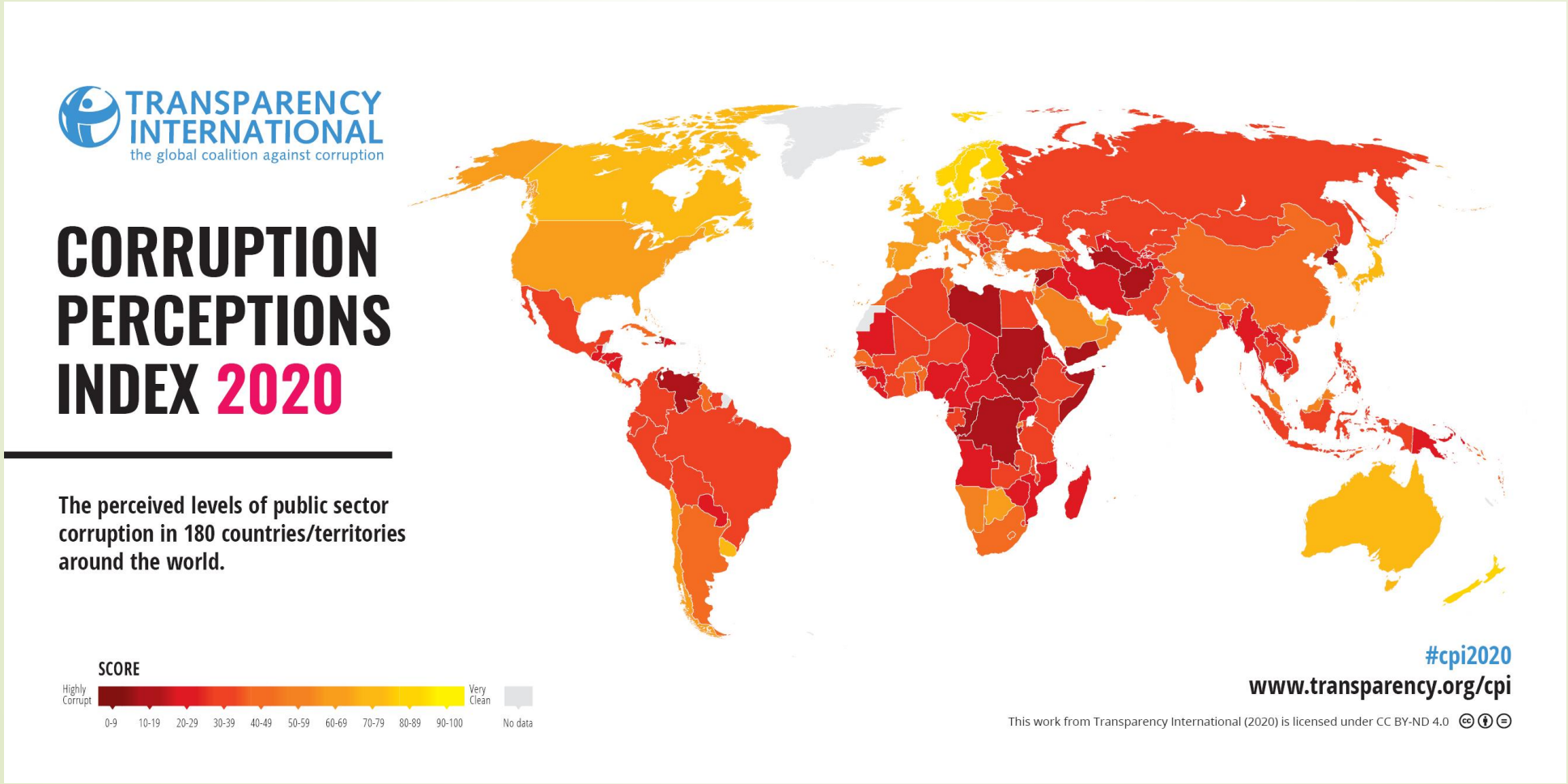
COUNTRY / CITY	TIME PERIOD	COVID-19 DEATHS	EXCESS DEATHS	PER 100K PEOPLE
Peru	Apr 1st-Feb 28th 2021	46,270	116,480	355
Russia	Apr 1st-Jan 31st 2021	72,010	425,290	291
North Macedonia	Apr 1st-Dec 31st 2020	2,490	5,690	274
Bulgaria	Apr 20th-Feb 14th 2021	9,580	18,930	272
Lithuania	May 25th-Feb 14th 2021	3,020	7,510	269
Mexico	Mar 29th-Jan 2nd 2021	128,360	307,770	257
Serbia	Apr 1st-Jan 31st 2021	4,000	17,090	247
Ecuador	Mar 1st-Jan 31st 2021	14,860	41,130	239
Moldova	Apr 1st-Dec 31st 2020	2,980	5,870	222
South Africa	Apr 12th-Feb 20th 2021	48,920	128,560	219



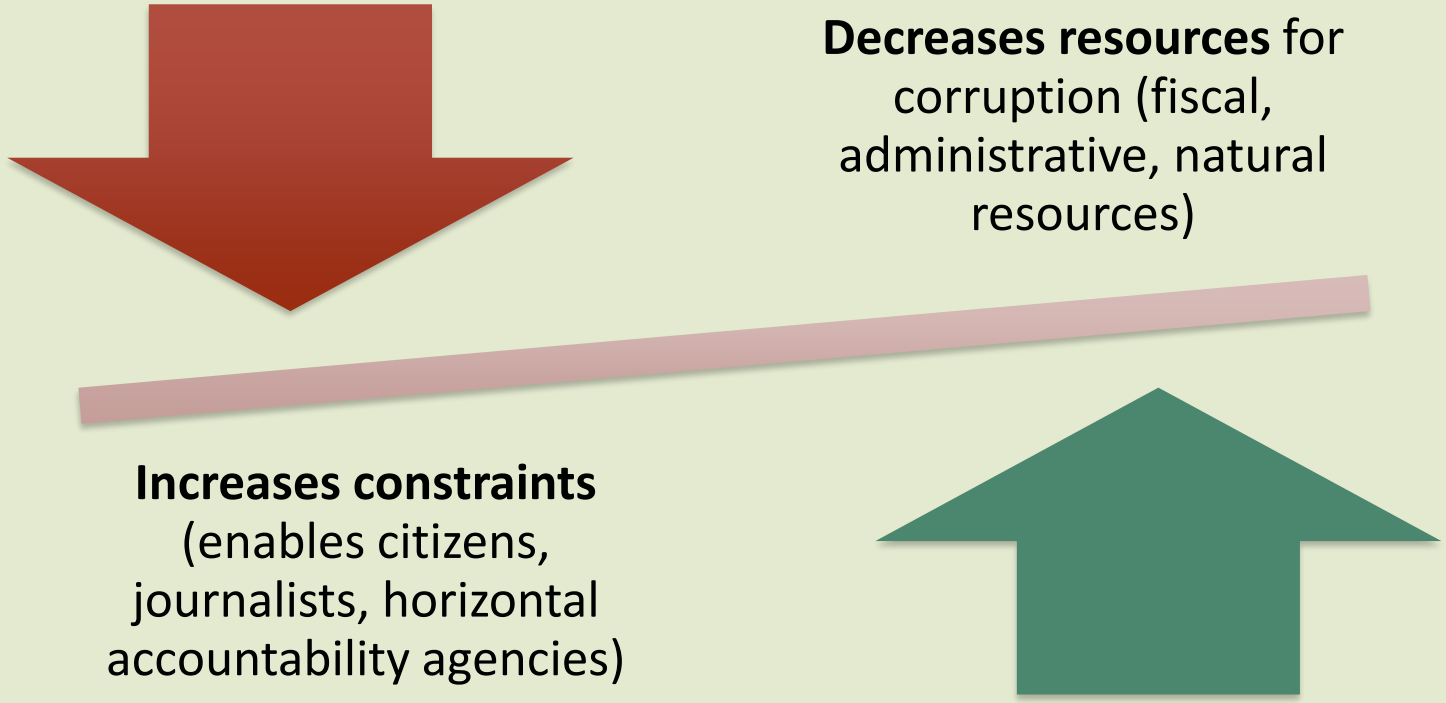
THE STATE OF TRANSPARENCY - FREEDOM OF INFORMATION MAP FILLING IN FAST…

Source: Statista

But quality of government does not follow, raising legitimate questions if higher transparency is enough



How Does Transparency Enable Public Integrity?



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

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

What blurs the picture?

- Lack of transparency is not the source of all corruption
- The presence of a FOI laws is insufficient: laws are seldom fully implemented
- Missing information on the actual levels of transparency in a country.
- Existing measures of transparency are either too broad or too scattered and specific.
- **How do we move forward?**

The need for an innovation in transparency measurement

- Fiscal transparency (OBI- included in Index for Public Integrity with 12 questions pertinent to corruption prevention)
- Proceeds from mining (EITI)
- Scattered measures on beneficial ownership, open contracting, all based on legislation (de jure)
- Solution: one index on observable transparency (what is actually out there?)
- Advantage: offers instantly an actionable agenda (what is missing) and allows measuring the implementation gap

Introducing *De facto* T-index Components

122 observations
Mean 8.08 (STD 3.12)
Scale 1 to 14 (best)

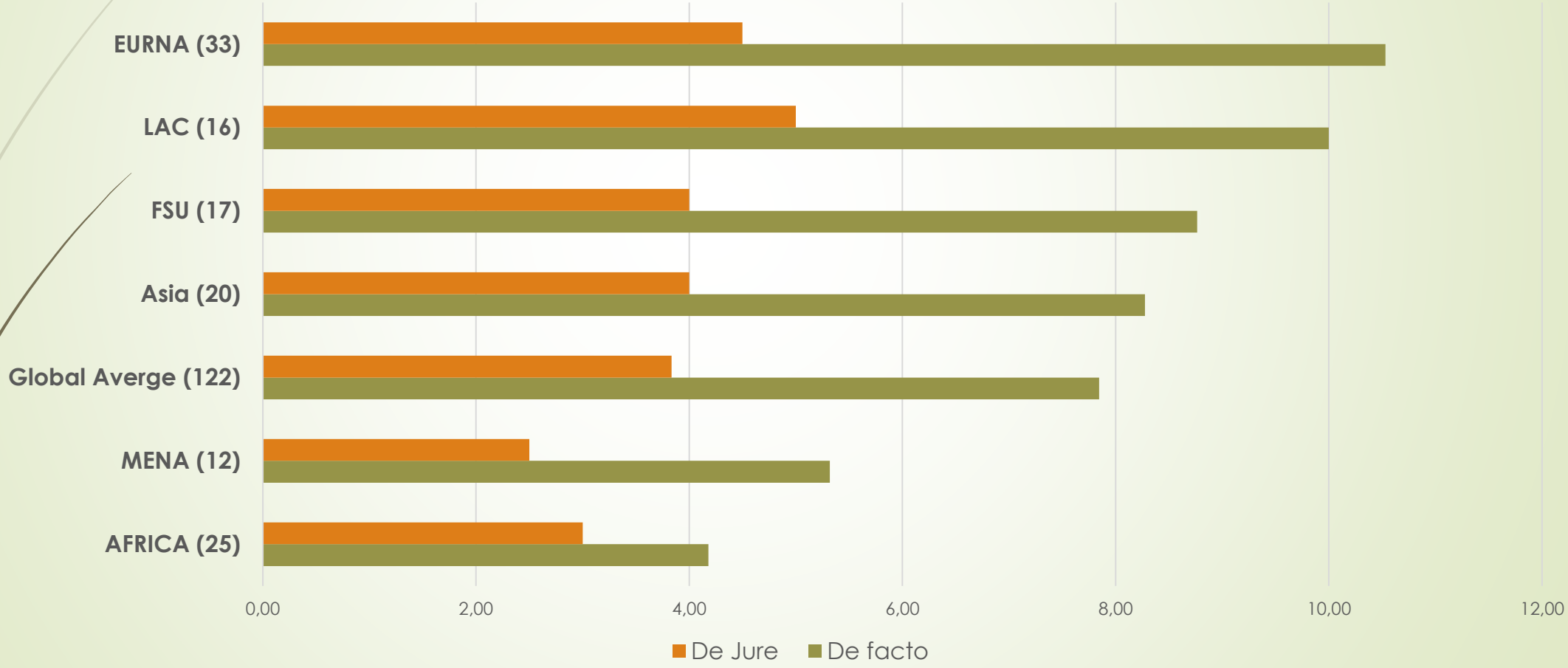
1. **Online publication of the annual budget**
2. **Online disclosure of current public expenditures (budget tracker)**
3. **Online searchable land register**
4. **Online searchable register of commerce**
5. **Online searchable public procurement portal**
6. **Online annual report by the General Audit Court/Controller**
7. **Online disclosure of higher Courts hearings schedule**
8. **Online disclosure of higher Courts sentences**
9. **Online disclosure of financial declarations for public officials**
10. **Online disclosure of conflict of interests declarations for public officials**
11. **Online disclosure of ODA resources allocation (in and out)**
12. **Online disclosure of mining concessions**
13. **Online disclosure of building permits at least for the country's capital city**
14. **Official online publication of all the laws**

Introducing De *jure* T-index Components

122 observations
Mean 4.02 STD 1.8
Scale 1 to 6 (best)

1. Existence of a Freedom of Information Act (FOIA) in the country's legal framework
2. Membership to Open Government Partnership (OGP)
3. Ratification of the United Nations Conventions against Corruption (UNAC)
4. Membership to Extractive Industry Transparency initiative (EITI)
5. Ratification of the OECD Convention against Bribery of International Officials
6. Part of the Financial Action Task Force against Money Laundering.

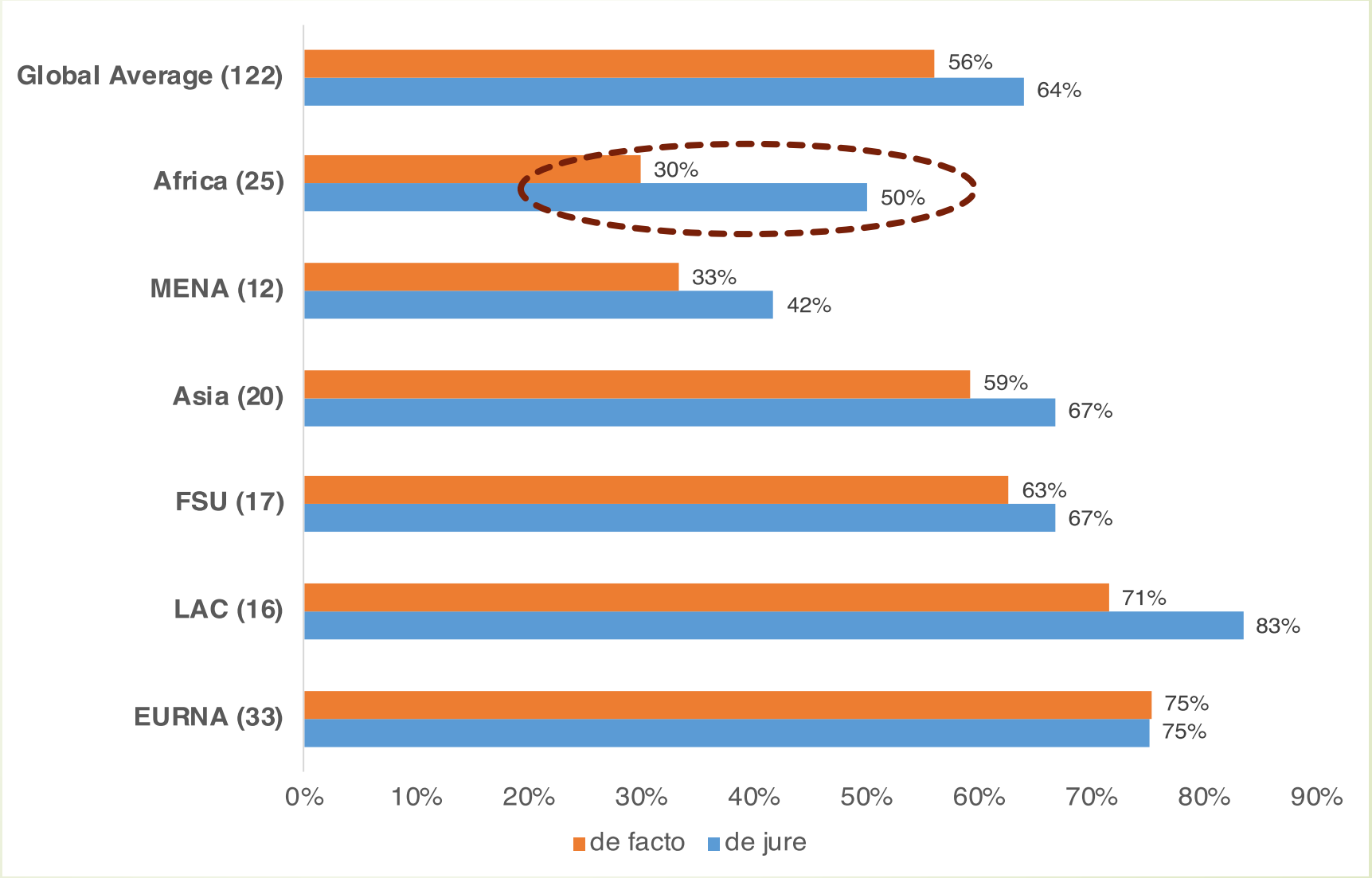
Transparency averaged by Region



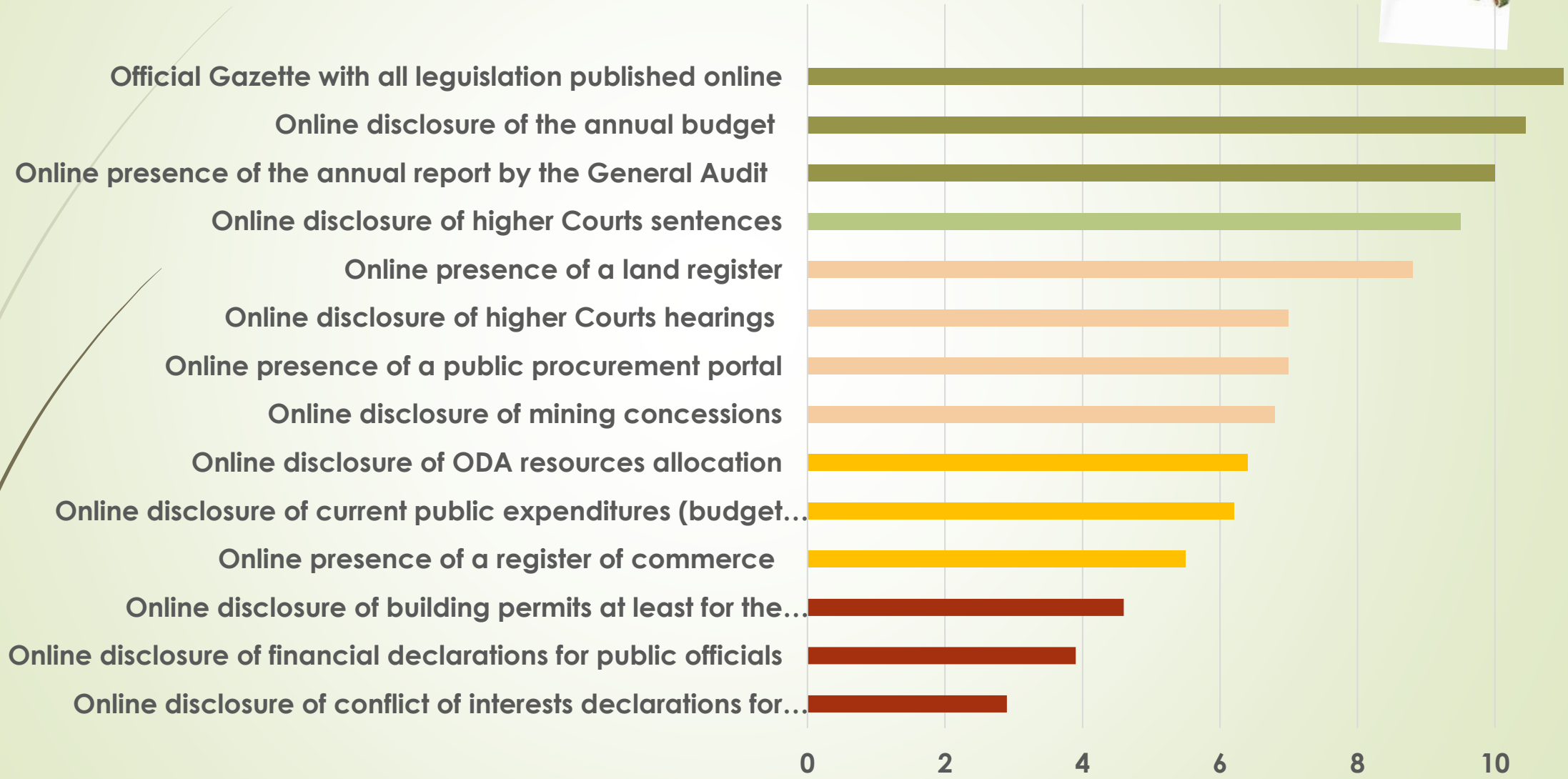
Transparency performance by region (% of total score, 14 – de facto, 6- de jure)

Better NOMINAL (de jure) than SUBSTANTIAL (de facto) performance

Africa shows the highest implementation gap and EURNA the lowest

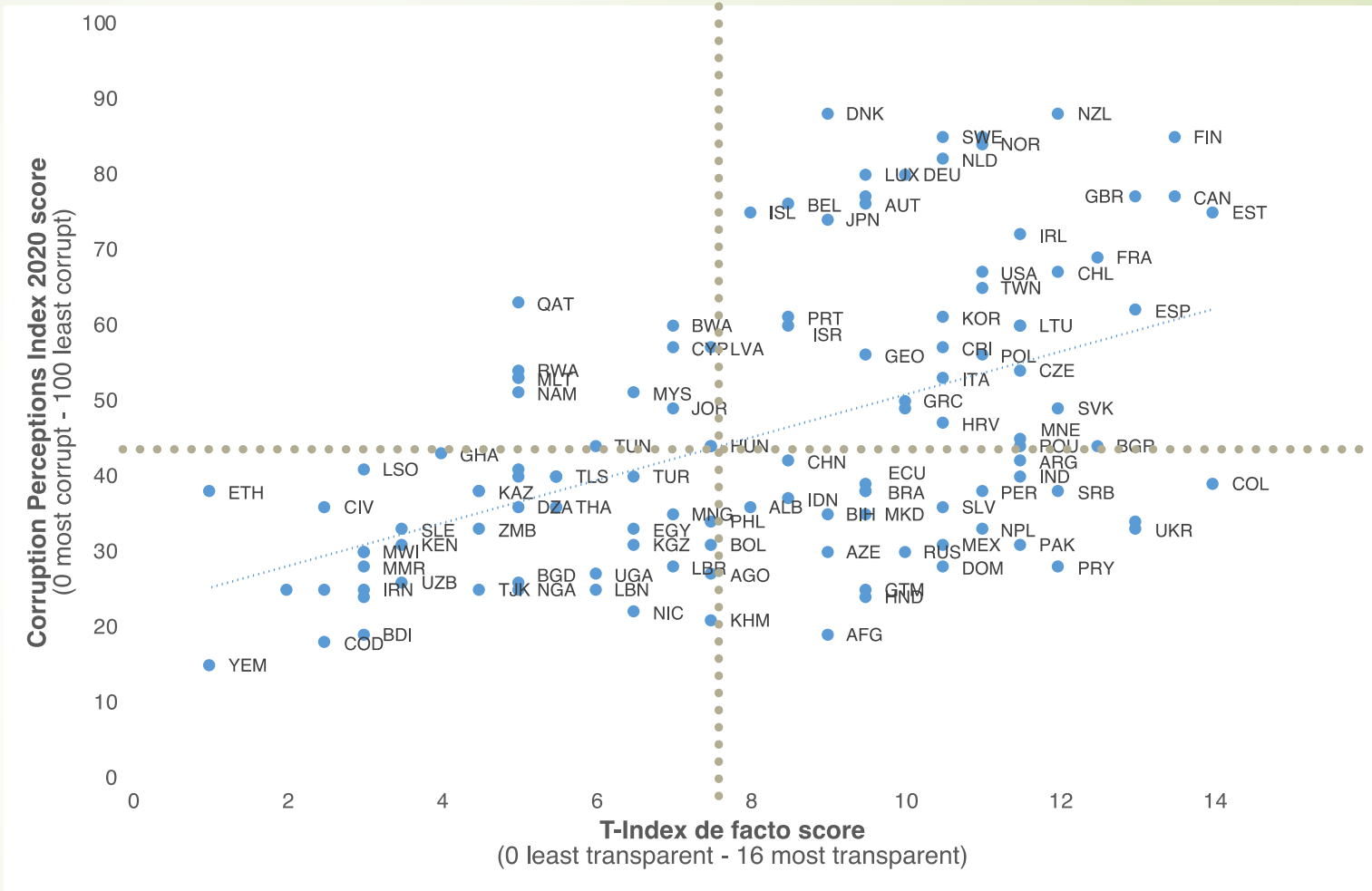


Transparency averaged by tools



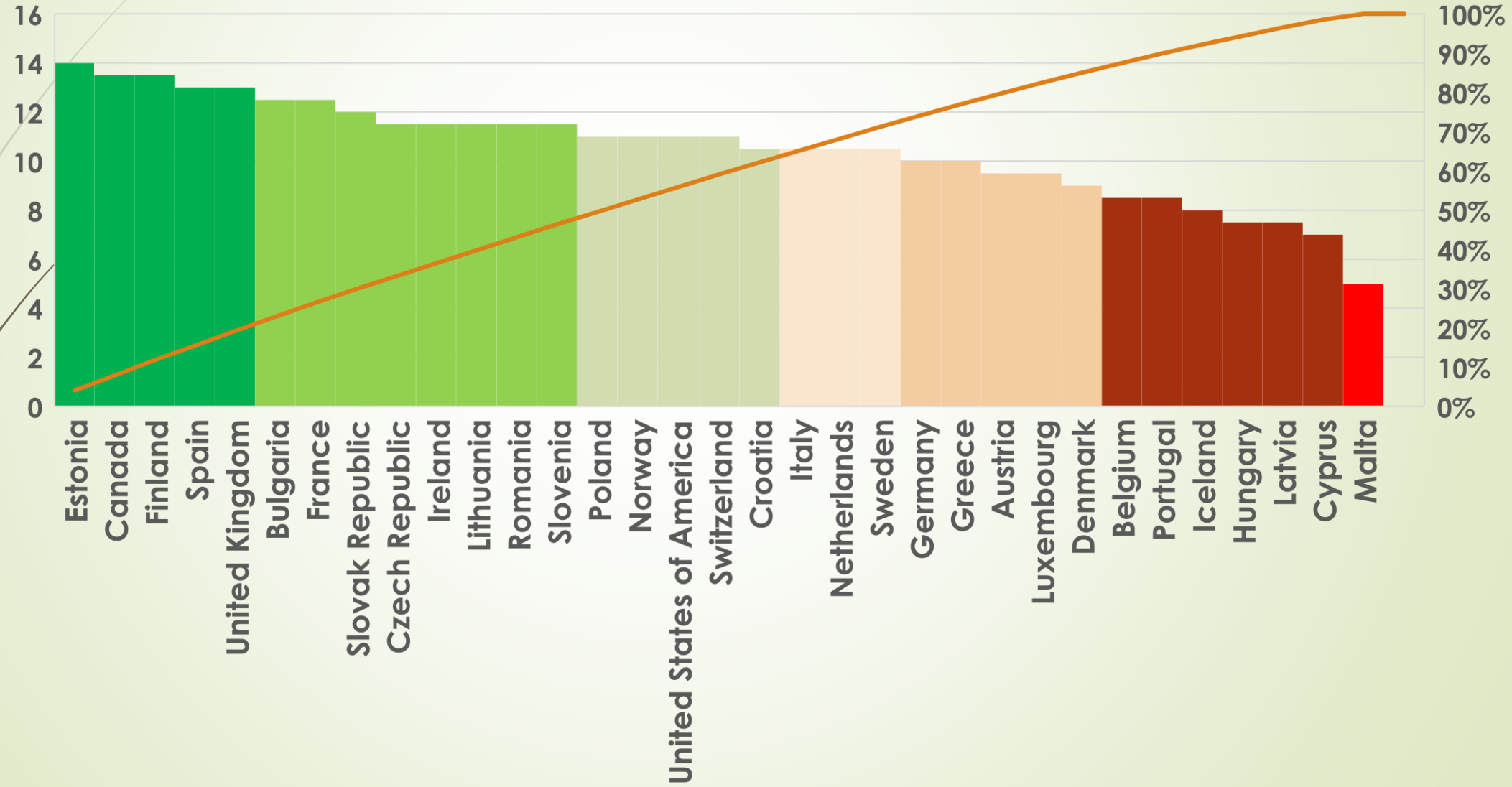
Transparency closely linked with control of corruption

- **Highly significant and positive correlation between de facto T index and WGI (Control of Corruption (illustrated next chart(, Government Effectiveness, Rule of Law and Regulatory Quality) – World Bank indicators**



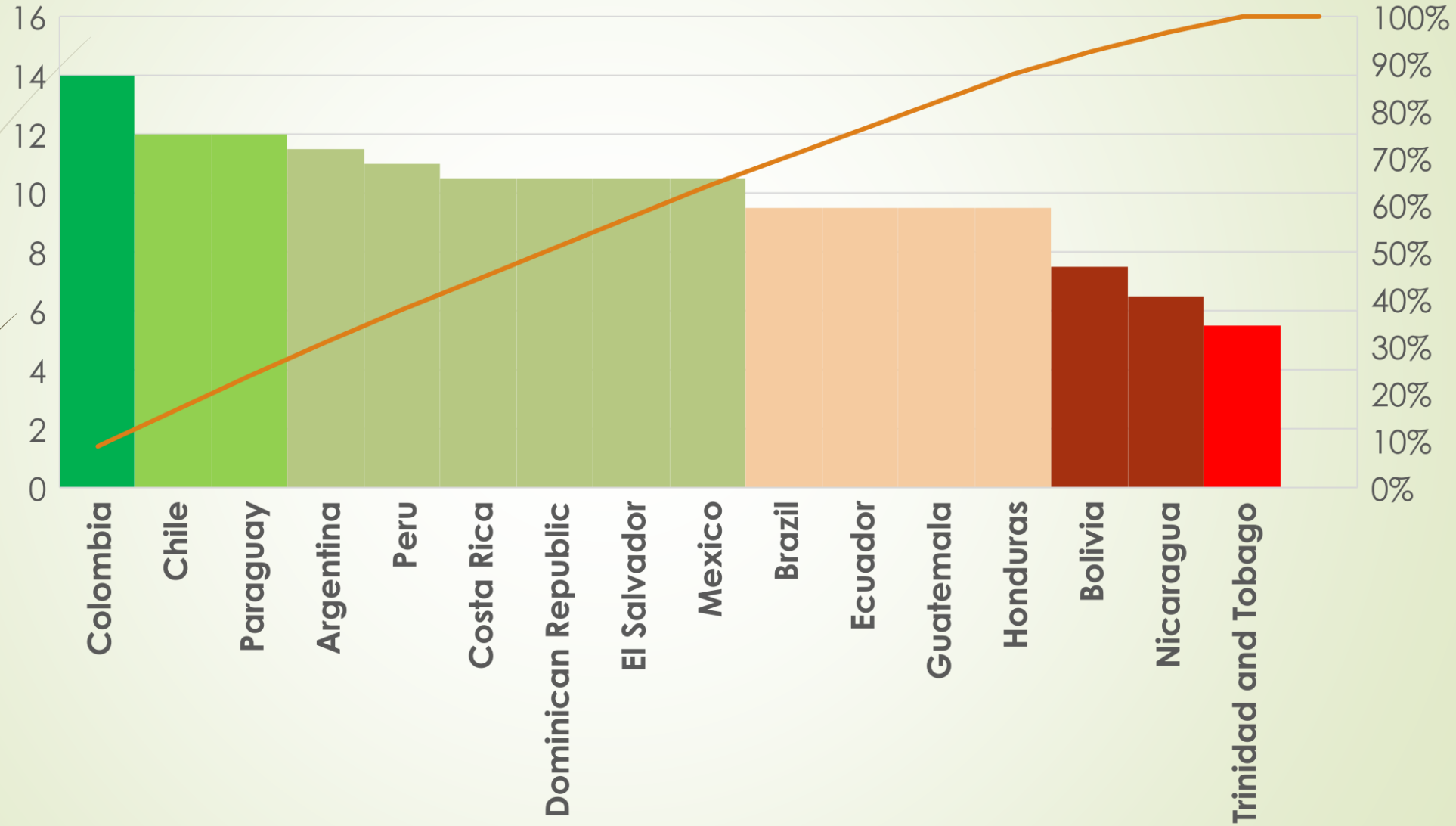
Europe and North America

Mean=11



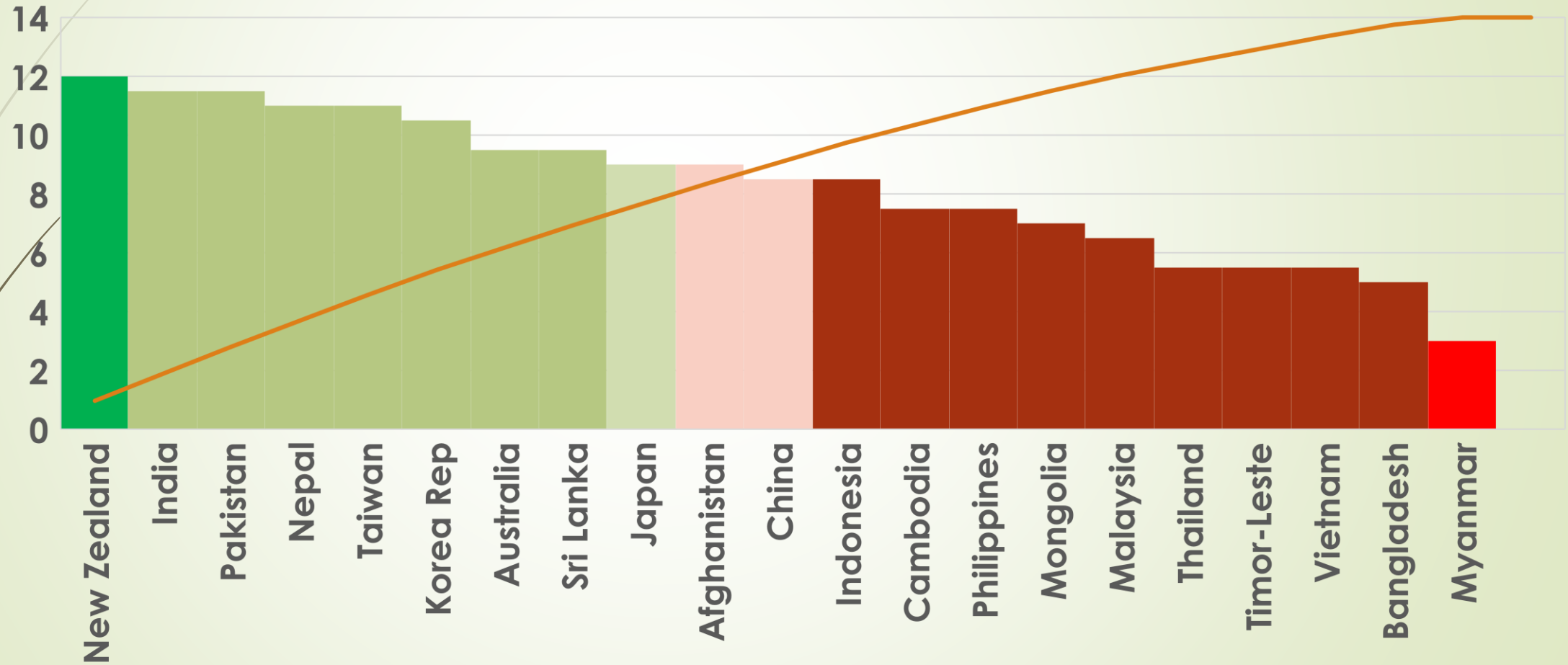
Latin America

Mean = 10

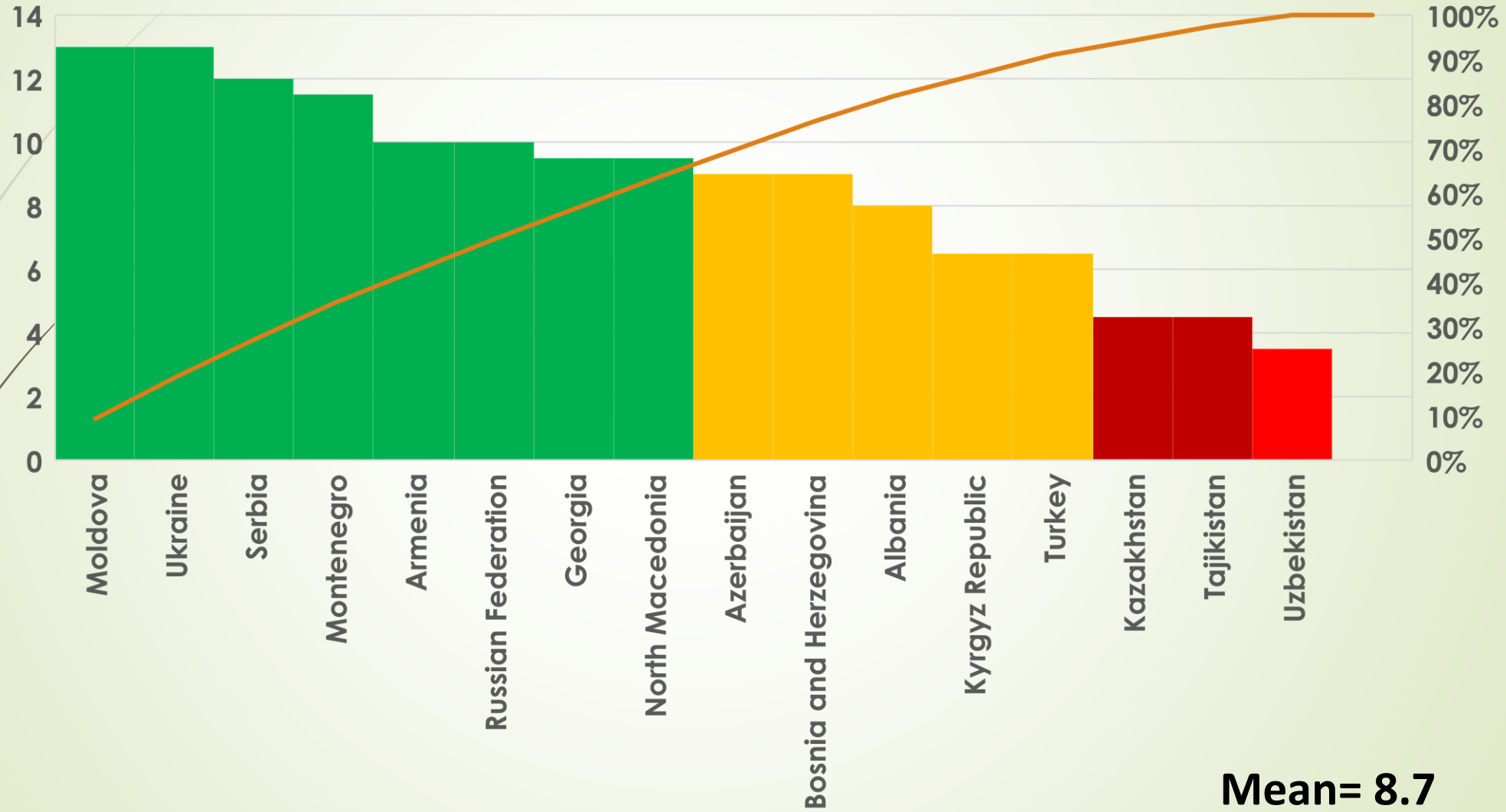


Asia Pacific

MEAN= 8.3



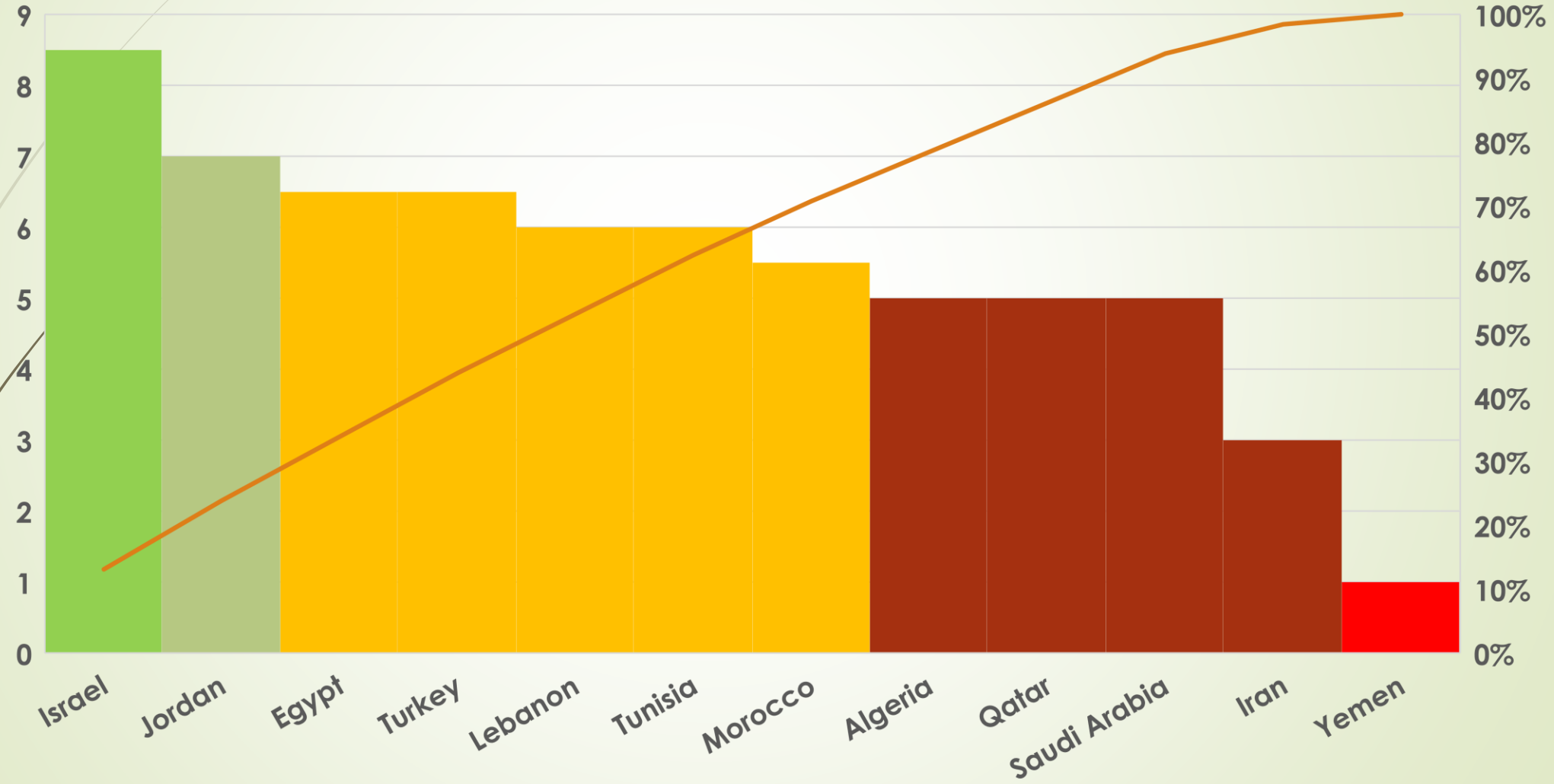
Eastern Europe and Central Asia



Mean= 8.7

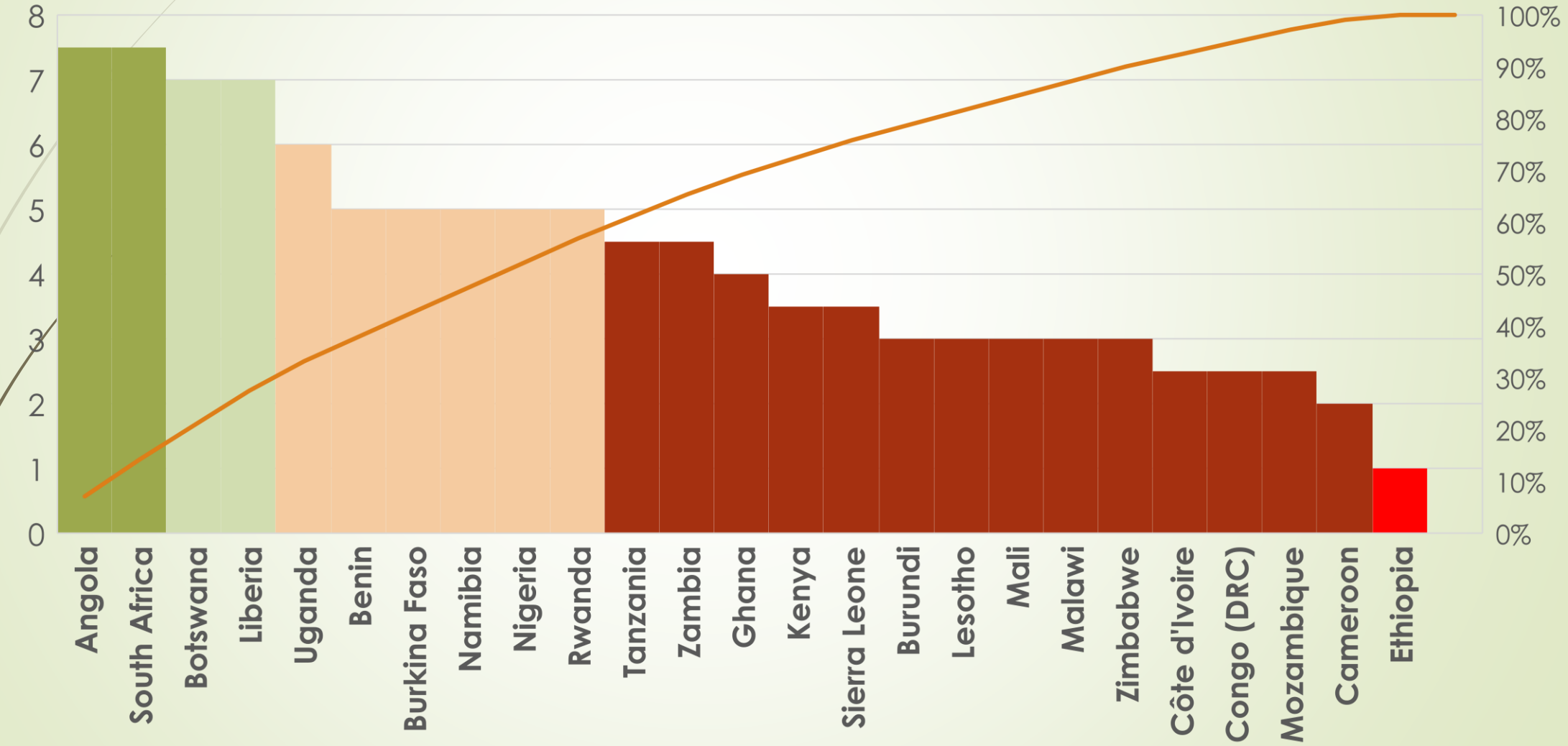
MENA

Mean=5.32 (2)

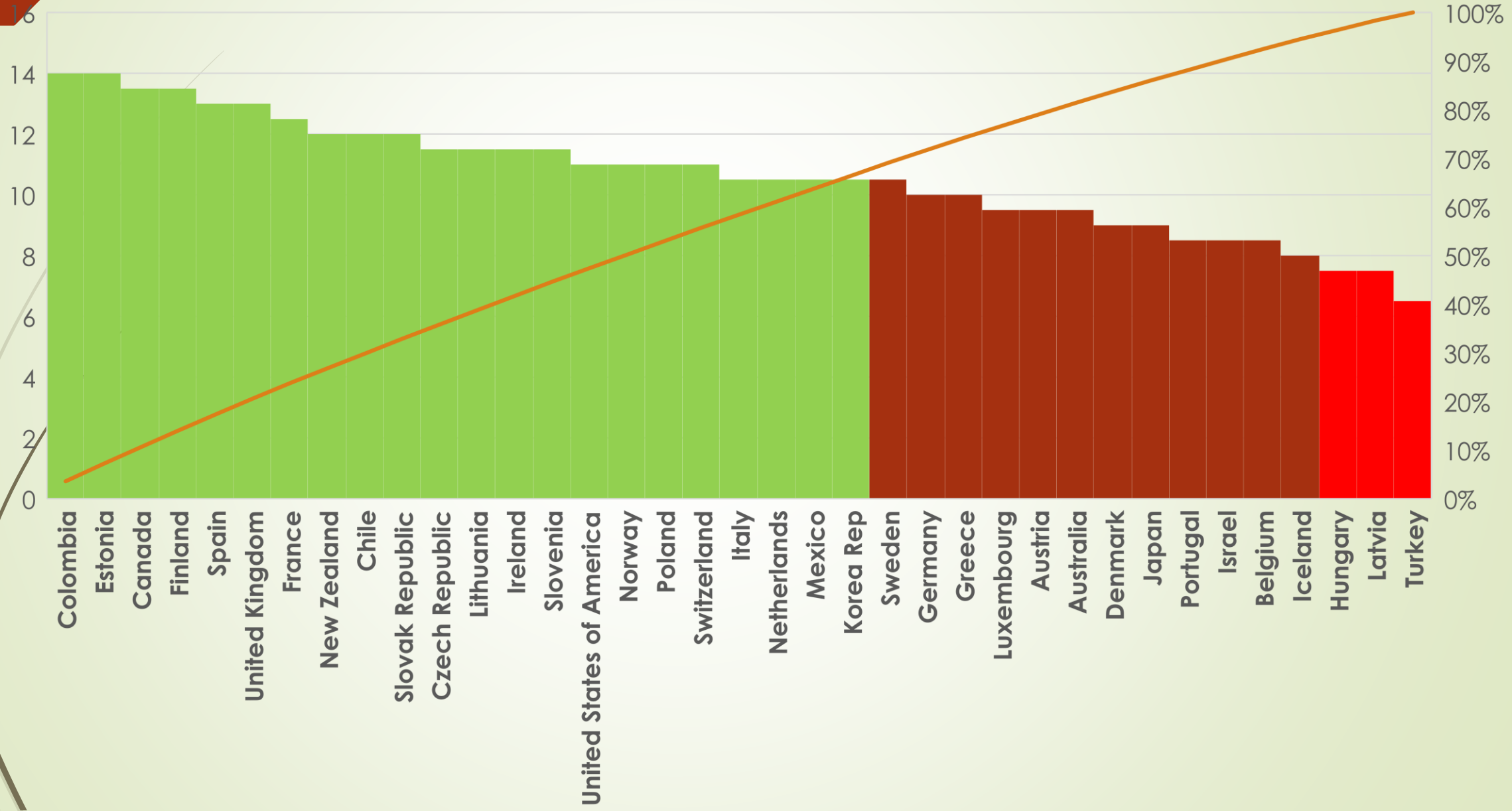


Sub-Saharan Africa

Mean = 4.18 (1.63)

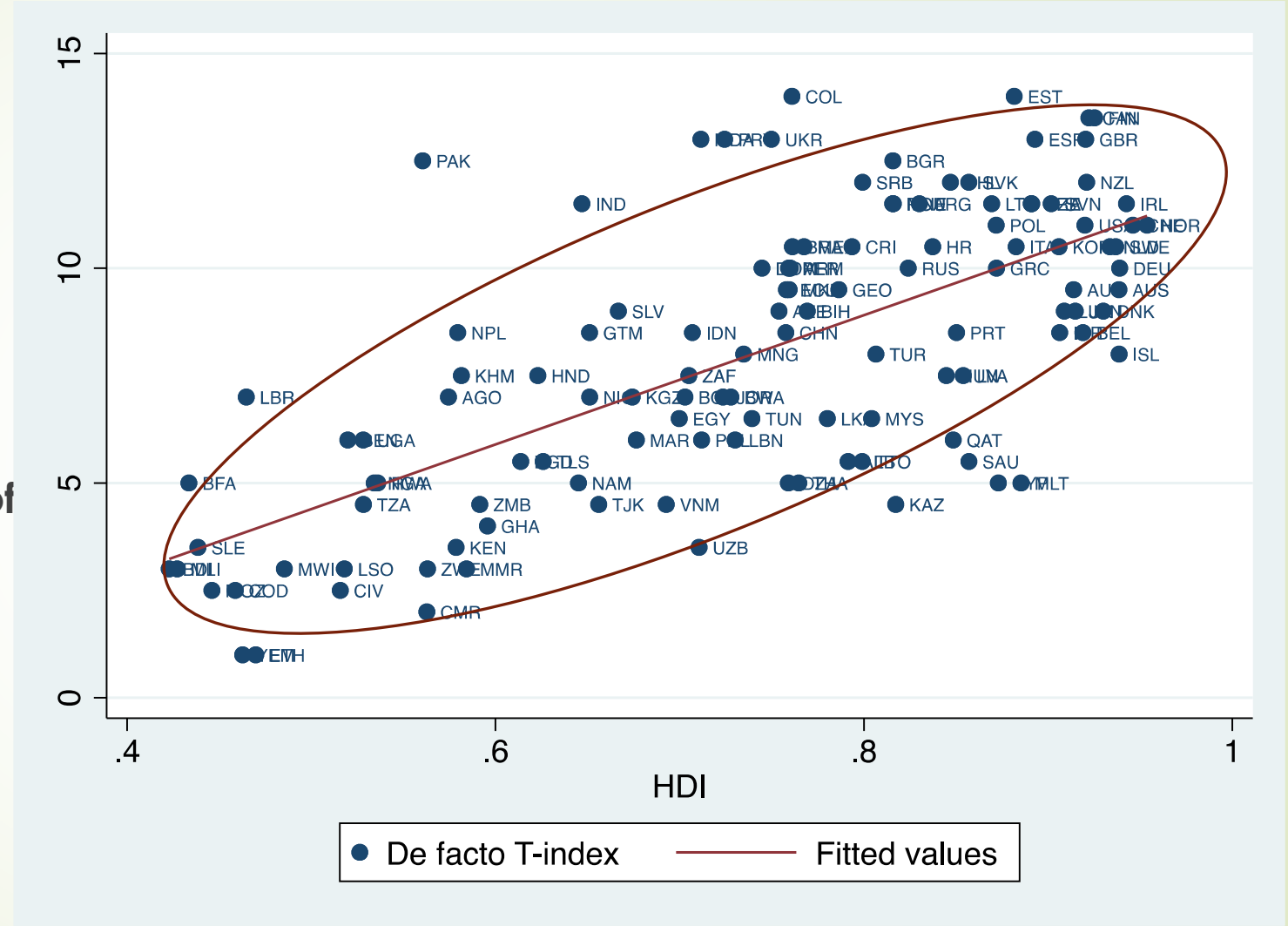


OECD (average over 10…)



Transparency needs human agency and material infrastructure

- De jure explains a quarter of De facto
- Half of the De facto T explained by Human Development Index !
- All HDI components score powerfully (life expectancy, Schooling, income)
- GNI per capita explains a fifth of De facto T-index



A reform agenda for governments and civil societies

- **Beyond freedom of information laws and treaty signing**
- **Online data repositories enabling both citizens and the state should become an indispensable component of aid packages**
- **Government by reputation -→ building both government capacity and trust**
- **Aim high: 14 + 6= 20 transparency target**
- Become a contributor: offer to review or add a country to the pilot T-index by writing to
- Mungiu-pippidi@againstcorruption.org