

# UNITED NATIONS DEVELOPMENT PROGRAMME



## A Survey of Composite Indices Measuring Country Performance: 2006 Update

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A UNDP/ODS Working Paper

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*Note:* The views expressed in this paper do not necessarily reflect those of UNDP. Please send comments and suggestions to the following e-mail address: [ods@undp.org](mailto:ods@undp.org)

## TABLE OF CONTENTS

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<b>PART I: OVERVIEW OF THE SURVEY.....</b>	<b>7</b>
Definitions .....	7
Methodology.....	8
Main findings.....	9
<b>PART II: INVENTORY OF INDICES (BY ALPHABETICAL ORDER).....</b>	<b>12</b>
1. African Governance Indicators .....	13
2. Ageing Vulnerability Index .....	13
3. AIDS Program Effort Index (API) .....	13
4. Alternative Country-Risk Index (Indice de Riesgo Pais Alternativo - IRPA).....	14
5. APESMA Big Mac Index .....	14
6. Assessing the Achievement of the Millennium Development Goals (MDGs).....	14
7. Basic Capabilities Index (BCI) – Previously “Quality of Life Index”.....	15
8. Bertelsmann Transformation Index (BTI) .....	15
9. BIC3D Index.....	16
10. Big Mac Index .....	17
11. BradyNet Ratings Ladder .....	17
12. Bribe Payers Index (BPI).....	17
13. Capital Access Index (CAI).....	18
14. CIRI Human Rights Dataset .....	18
15. Climate Analysis Indicators Tool (CAIT) .....	18
16. Climate Change Performance Index (CCPI).....	19
17. Commitment to Development Index (CDI) .....	19
18. Composite Score of Risk – Business Risk Service (BRS) .....	20
19. Corruption Perception Index (CPI) .....	20
20. Countries at the Crossroads .....	20
21. Country @ratings.....	21
22. Country Indicators for Foreign Policy (CIFP) .....	22
23. Country Performance Assessment (CPA).....	22
24. Country Policy and Institutional Assessment and IDA Country Performance Ratings .....	22
25. Country Risk Evaluation and Assessment Model (CREAM) Country Index.....	23
26. Country Risk Monitoring Service .....	23
27. Country Risk Rating.....	24
28. CSGR Globalisation Index .....	24
29. Dashboard of Sustainability.....	25

30.	Democracy Score (Nations in Transit Ratings).....	25
31.	Disaster Risk Index (DRI) .....	25
32.	Ducroire / Delcredere Country Risks .....	26
33.	Early Motherhood Risk Ranking.....	27
34.	Ease of Doing Business .....	27
35.	E-Business Readiness Index .....	28
36.	Ecological Footprint .....	29
37.	Economic Freedom of the Word (EFW) Index .....	29
38.	Economic Vulnerability Index .....	29
39.	Education for all Development Index (EDI).....	30
40.	E-Government Index .....	30
41.	E-Government Readiness Index.....	31
42.	EIU Business Environment Rankings .....	31
43.	EIU Country Risk Rating.....	32
44.	EIU World Wide Cost of Living Index .....	33
45.	Emerging Markets Bond Indices.....	34
46.	Environmental Degradation Index (EDI).....	34
47.	Environmental Performance Index (EPI).....	35
48.	Environmental Sustainability Index (ESI).....	35
49.	Environmental Vulnerability Index (EVI) (In process) .....	36
50.	E-Participation Index.....	36
51.	E-Readiness Rankings .....	36
52.	ERG Country Classification .....	37
53.	Ethics Indices.....	37
54.	Ethno-linguistic and Religious Fractionalization Index and Political Instability Index.....	38
55.	Eurochambres Economic Survey (EES) Indicators .....	38
56.	European Innovation Scoreboard (EIS) and Summary Innovation Index (SII).....	39
57.	Failed States Index .....	40
58.	Financial Times Credit Ratings.....	40
59.	Food Insecurity .....	40
60.	Forbes Capital Hospitality Index (FCHI).....	41
61.	Foreign Direct Investment Confidence Index .....	41
62.	FORELEND – Lender’s risk rating.....	41
63.	Gender Empowerment Measure (GEM).....	42
64.	Gender Equity Index (GEI).....	42
65.	Gender Gaps .....	42
66.	Gender Gaps Scores in Education.....	43

67.	Gender-related Development Index (GDI) .....	43
68.	G-Index (Globalization Index).....	44
69.	G-Index (Globalization Index).....	44
70.	Global Civil Society Index (GCSI) -pilot .....	44
71.	Global Climate Risk Index .....	45
72.	Global Competitiveness Index .....	46
73.	Global Entrepreneurship Monitor .....	46
74.	Global Hunger Index (GHI).....	47
75.	Global Investment Prospects Assessment (GIPA) .....	47
76.	Global Natural Disasters Risk Hotspots .....	48
77.	Global Production Scoreboard.....	48
78.	Global Quality of Living .....	48
79.	Global Retail Development Index (GRDI) .....	49
80.	Global Risk Service.....	49
81.	Global Terrorism Index .....	49
82.	Governance Indicators.....	50
83.	Grey Area Dynamics (GAD) .....	50
84.	Happiness Index.....	51
85.	Human Development Index (HDI).....	51
86.	Human Poverty Index (HPI) .....	52
87.	Human Rights Commitment Index.....	52
88.	Index Measuring the Strictness of Employment Protection Legislation (EPL).....	53
89.	Index of Economic Freedom.....	53
90.	Index of Human Insecurity .....	54
91.	Index of Human Progress .....	54
92.	Index of Knowledge Societies (IKS).....	55
93.	Index of Social Vulnerability to Climate Change (SVI).....	56
94.	Innovation Capacity Index.....	56
95.	Institutional Investor Country Credit ratings .....	57
96.	Internal Market Scoreboard and Internal Market Index.....	57
97.	International Country Risk Guide (ICRG) Ratings - Composite Risk Rating.....	58
98.	International Index of Social Progress (ISP).....	58
99.	Investment and Performance in the Knowledge Based Economy .....	59
100.	Inward FDI Performance Index.....	59
101.	Inward FDI Potential Index .....	60
102.	Latin American Index of Budget Transparency .....	60
103.	KOF Index of Globalization .....	61

104. ITU Digital Access Index (DAI).....	62
105. Least Secure Countries .....	62
106. Lisbon Scorecard.....	63
107. Living Planet Index (LPI) .....	63
108. McKinsey Global Confidence Index .....	63
109. Major Military Spenders.....	64
110. Media Sustainability Index (MSI).....	64
111. Millennium Challenge Account country rankings.....	65
112. Mineral Extraction Risk Assessment (MERA) .....	65
113. Mother's Index .....	66
114. National Biodiversity Index (NBI).....	66
115. Networked Readiness Index (NRI) .....	67
116. Official Development Assistance (ODA) Rankings.....	67
117. Offshore Location Attractiveness Index .....	67
118. Opacity Index (O-Factor) .....	68
119. Outward FDI Performance Index .....	68
120. Overall Health System Achievement Index .....	69
121. Overall Health System Performance Index.....	69
122. Overall Market Potential Index .....	70
123. Oxfam Survey of Donor Practices.....	70
124. Political and Economic Risk Map .....	71
125. Political Rights and Civil Liberties Ratings.....	71
126. Political Terror Scale (PTS).....	72
127. Polity IV Country Scores.....	72
128. Pollution-Sensitive Human Development Index (HDPI).....	73
129. Press Freedom Index .....	73
130. Programme for International Student Assessment (PISA).....	73
131. Progress in International Reading Literacy Study (PIRLS) .....	74
132. Pro-Poor Policy (PPP) Index.....	74
133. Public Integrity Index .....	74
134. Qualitative Risk Measure in Foreign Lending (QLM-FE) – Financial Ethics Index.....	76
135. Quality of Life Index .....	76
136. Quality of Workforce Index (QWI).....	76
137. Reproductive Risk Index .....	77
138. Responsible Competitiveness Index.....	78
139. Science and Technology Indicators.....	78
140. Social Watch Scorecard – Thematic areas.....	78

141. Sovereign Credit Rating .....	79
142. Sovereign Credit Rating .....	79
143. Sovereign Credit Rating .....	81
144. Sovereign Credit Rating .....	81
145. Sovereign Risk Rating .....	81
146. Stability Index .....	82
147. Sustainability Index .....	82
148. Tax Misery and Reform Index .....	83
149. Technology Achievement Index .....	83
150. The Observer Human Rights Index .....	83
151. Total Wealth .....	84
152. Tourism Competitiveness Monitor .....	84
153. Trade and Development Index (TDI) .....	84
154. Transnationality Index of Host Economies .....	86
155. Trends in International Mathematics and Science Study (TIMSS) .....	86
156. Under Five Mortality Rank – U5MR (Child Welfare) .....	86
157. Water Poverty Index (WPI) .....	87
158. Wealth of Nations Triangle Index .....	87
159. Welfare Index .....	88
160. Wellbeing Indices .....	88
161. World City Networks - Global Network Connectivity Rankings .....	89
162. World Competitiveness Scoreboard .....	89
163. World Cue PRO .....	90
164. World Military Expenditures and Arms Transfers rankings .....	90
165. World Press Freedom Ranking .....	90

## **FIGURES**

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Figure 1: Growth in the number of indices .....	9
Figure 2: Indices by type of responsible institution .....	10
Figure 3: Quantity of institutions elaborating indices .....	10

## **BOXES**

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Box 1: New topics and indices .....	11
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## PART I: OVERVIEW OF THE SURVEY

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The following paper presents an update of the June 2005 survey of *country indices* that rank or assess countries according to some measure.<sup>1</sup> The present update includes new indices launched between June 2005 and November 2006 and adds indices that existed before this period but for various reasons were omitted in the 2005 survey.

The picture that emerges from this update confirms the main findings of the 2005 report, that is, the quantity of indices has been accelerating since 1990, with a greater number of institutions elaborating such indices. Moreover, the issues covered by the indices are growing and are varied in nature ranging from children's health to a country's business environment.

### *Definitions*

The aim of the survey is to identify country indices that rank or assess their performance in a diverse set of issues including competitiveness, governance, social aspects, human rights, the environment, security and globalization, amongst others.

Indices taken for consideration in this survey cover either a *particular set of countries* or the *world*. There exist indices elaborated for *one country* assessing the within-country regional units such as states or provinces and cities. Moreover, there exist indices or assessments of *institutions*, i.e. Civil Society Organizations, private companies or international organizations that assess and measure these organizations in different areas such as transparency, accountability, performance and the like. However, these have not been covered in this survey.

Public and private institutions as well as individual scholars and private universities elaborate these indices. *Public institutions* include international governmental organizations (such as UNDP or the World Bank) or federal institutions such as national universities or government departments. *Private institutions (profit and non-profit)* include consultancy firms, non-governmental organizations (NGOs) and financial services firms. Individual scholars and research centers in private universities also elaborated their own indices, publishing them in a book, report or paper.

Organizations and academics elaborate indices, either based on a single indicator, several indicators or sub-indices and then the country scores are used to either create a ranking, to show progress (or setbacks) or to simply present the data—without necessarily ranking the countries.<sup>2</sup> Rankings and assessments are generally based on the following methods:

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<sup>1</sup> The original survey is Bandura, Romina. 2005. "Measuring Country Performance and State Behavior: A Survey of Composite Indices". UNDP/ODS Background Paper, Office of Development Studies, New York. [[www.thenewpublicfinance.org/background/measuring.pdf](http://www.thenewpublicfinance.org/background/measuring.pdf)]

<sup>2</sup> The literature on composite indices (and their methodologies) is vast. For references, see Bandura 2005.

- § An elaborate index is prepared, composed of *sub-indices* (e.g. the Commitment to Development Index or the Environmental Sustainability Index)
- § A simple index is constructed based on a *subset of indicators* (e.g. the Human Development Index)
- § A *single indicator* is used to rank the country (e.g. United Nations Children’s Fund (UNICEF) Under Five Mortality Rank (U5MR) or Stockholm International Peace Research Institute (SIPRI) ranking on Major Military Spenders).

Frequently, the way to present the country rankings is through a “League Table” presenting the country index scores in descending order (i.e. usually from best to worst). An alternative form of presentation is categorical classifications based on a range of the numerical value of these indices (for example, Freedom House classifies the countries into “Free”, “Partially free” and “Not free”). Yet another form is to show—through colored bars or arrows—the progress or setbacks in a specific policy area (for example, Social Watch thematic assessments or the MDG’s assessments).

### ***Methodology***

The inventory presented in this paper is not exhaustive.<sup>3</sup> The research leading to the inventory was based on reports, websites, books, and academic papers. The inventory presents indices in alphabetical order, providing for each entry the author or organization responsible for it, a description of the index and its methodology together with the year of creation, frequency of issuance and the relevant sources, including websites. This information corresponds to indices found in publications or websites, which are either updated frequently or are “one-time events”. Private firms offer online paid subscription services (for example, credit rating agencies or private consultancy firms) and sometimes do not disclose their methodologies to the public, thus only the limited information available in their websites is included in the inventory.

The description and methodology of these indices is taken directly from the author or organization, that is, they are *excerpts* from websites and publications. The sources from which these excerpts were taken are clearly listed in each index entry.

Three important websites—which group together indices into categories or provide a listing—have helped in the search. The websites are the following:

- § Frederick S. Pardee Center for the Study of the Longer-Range Future at Boston University – Human Development Project - Aggregate Indices  
[http://humandevlopment.bu.edu/use\\_exsisting\\_index/start.cfm](http://humandevlopment.bu.edu/use_exsisting_index/start.cfm)
- § European Commission- Directorate General Joint Research Centre  
Composite Indicators: An information server on composite indicators

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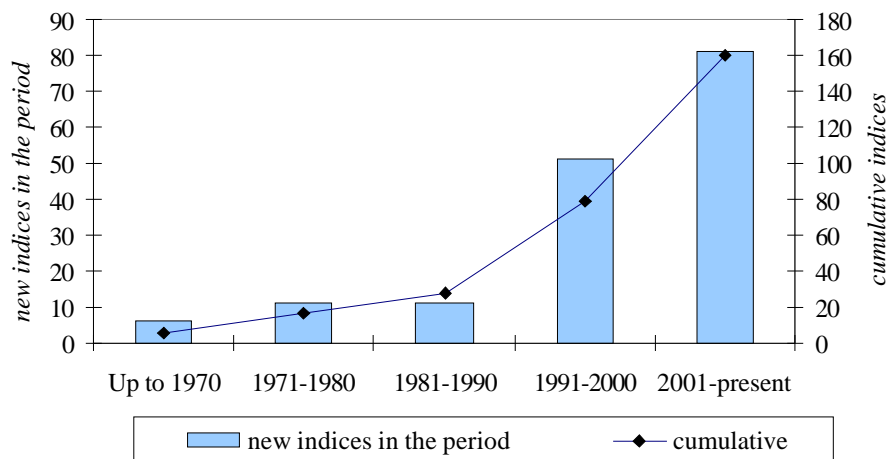
<sup>3</sup> It would be greatly appreciated, if readers, who are aware of indices not presented in this survey, would send their suggestions by email to [romina.bandura@undp.org](mailto:romina.bandura@undp.org) or to [ods@undp.org](mailto:ods@undp.org)

### Main findings

The number of indices in this report amount to 165, an increase of 30 since the last survey. Of the 30 additional indices, 12 are new indices<sup>4</sup> (created between June 2005 and November 2006) while 18 are indices of early creation that were omitted in the past survey.<sup>5</sup>

There has been a growing trend, in both quantity of *indices* and variety of issuing *institutions* (either public or private) that are elaborating such indices. Approximately 83% of the indices in the sample have been created in the 1991-2006<sup>6</sup> period while 50% of the indices were created in the past 5 years (see Figure 1).

**Figure 1: Growth in the number of indices**



Source: Own elaboration based on inventory of indices information

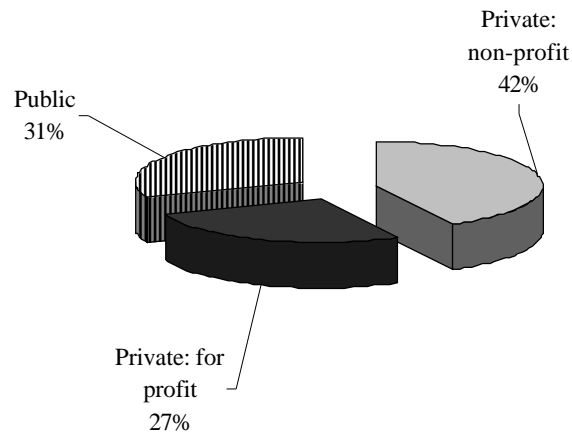
<sup>4</sup> These 12 new indices include: African Governance Indicators, Climate Change Performance Index, Country @ratings, Failed States Index, Forbes Capital Hospitality Index, Global Climate Risk Index, Global Hunger Index, Index of Knowledge Societies, Least Secured Countries, Political and Economic Risk Map, Total Wealth and, Trade and Development Index.

<sup>5</sup> These 18 additional indices are: CIngranelli-Richards Human Rights Dataset, Countries at the Crossroads, Country Performance Assessments, Country Risk Monitoring Service, Environmental Degradation Index (EDI), ERG Country Classification, Ducroire/Delcredere Country Risks, Global Entrepreneurship Monitor, Global Production Scoreboard, Gray Area Dynamics, KOF Index of Globalization, Media Sustainability Index, Political Terror Scale, Polity IV Country Reports, Public Integrity Index, Tax Misery Index, Wealth of Nations Triangle Index, and World Cue Pro. In 2005, Social Watch renamed its 2004 “Quality of Life Index” to “Basic Capabilities Index (BCI)”. This is not considered additional or new. ADD

<sup>6</sup> For indices with the available year of creation.

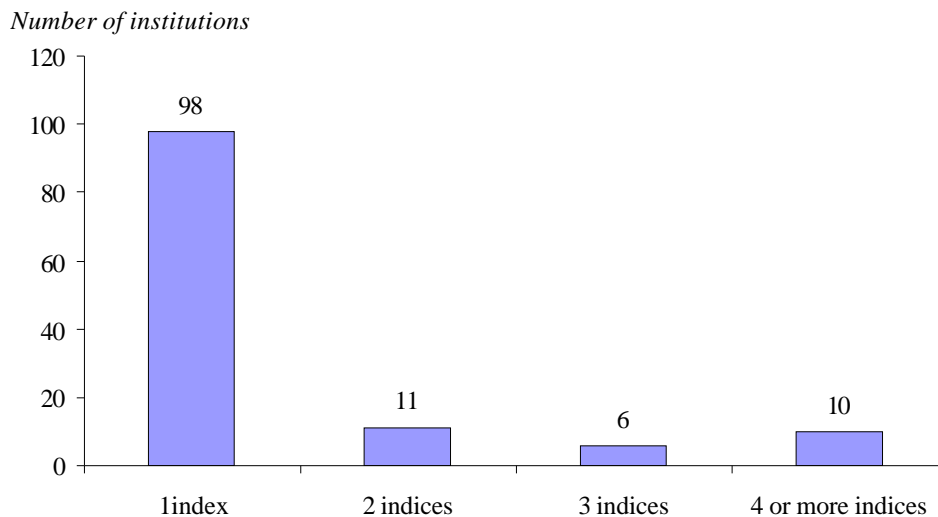
As Figure 2 shows, the bulk of the indices are elaborated by private, non-profit institutions, followed by public institutions such as international organizations. Moreover, out of the 125 institutions (and authors) that participated in the elaboration of these 165 indices, close to 22% are responsible for constructing 2 or more indices (Figure 3).

**Figure 2: Indices by type of responsible institution**



Source: Own elaboration based on inventory of indices information

**Figure 3: Quantity of institutions elaborating indices**



Source: Own elaboration based on inventory of indices information

Since 2000, new issues and topics have been in discussion in the world which prompted the creation of new indices. These new issues have been classified as i) offshore and global production ii) innovation and knowledge creation iii) policy coherence and progress on commitments and iv) environmental performance (see Box 1). Amongst these new issues, there are now 4 globalization indices—all created during the 2000-2006 period.

## **Box 1: New topics and indices**

### **Offshore and global production**

Global Retail Development Index (GRDI)  
Capital Hospitality Index  
McKinsey Global Confidence Index  
Global Investment Prospects Assessment (GIPA)  
Offshore Location Attractiveness Index  
Ease of Doing Business Measures  
Tax Misery and Reform Index  
Global Production Scoreboard  
Transnationality Index of host economies  
Global Competitiveness Index

### **Innovation and knowledge creation**

Index of Knowledge Societies  
Science and Technology Rankings  
Technological Achievement Index (TAI)  
Innovation Capacity Index  
European Innovation Scoreboard and Summary Innovation Index (SII)  
ITU Digital Access Index (DAI)  
Investment and Performance in the Knowledge Based Economy  
E-Business Readiness Index  
Lisbon Scorecard  
E-Readiness Index  
E-Government Index

### **Policy Coherence and progress on commitments**

Trade and Development Index  
Assessing the achievement of the Millennium Development Goals (MDGs)  
Commitment to Development Index (CDI)  
Basic Capabilities Index (BCI)  
Pro-Poor Policy (PPP) Index  
Oxfam Survey of Donor Practice  
Millennium Challenge Account country rankings  
AIDS Program Effort Index (API)

### **Environmental policy and performance**

Environmental Degradation Index (EDI)  
Environmental Vulnerability Index (EVI)  
Environmental Performance Index (EPI)  
Total Wealth  
Environmental Sustainability Index (ESI)  
Global Natural Disasters Risks Hotspots  
Index of Social Vulnerability to Climate Change (Africa)  
Pollution Sensitive Human Development Index  
National Biodiversity Index (NBI)  
Pollution Sensitive Human Development Index  
Ecological Footprint

## PART II: INVENTORY OF INDICES (BY ALPHABETICAL ORDER)

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*Important Note:* Unless otherwise indicated, the methodology of indices that has been elaborated by private companies offering paid subscription services is the one disclosed solely by the company's website.

The description and methodology of these indices is taken directly from the author or organization, that is, they are excerpts from websites and publications. The sources from which these excerpts were taken are clearly listed in each index entry.

### **Each entry contains the following information:**

*Name of index:* how the index is identified in the websites or publications.

*Organization /author:* refers to the person and/or organization responsible for elaborating the index.

*Description and methodology:* refers to what the index does and how it is constructed.

*Country coverage:* how many countries are assessed or measured using the author's methodology.

*Year created:* refers to the year in which the index was elaborated.

*Frequency:* how often is the index updated?

*Publication where index can be found:* Name of the publication that contains the index - main paper, book or report. These publications refer to those derived from the organization or author of the index.

*Source:* refers to where the methodology was taken from.

*Relevant website:* Refers to the author / organization's website or where more information can be found.

If in any entry the sign "-" appears, it means that no information is available.

### 1. **African Governance Indicators**

Organization/Author: United Nations Economic Commission for Africa (UNECA)

Description and methodology: The ECA's African Governance Report sets out to measure and monitor the state of governance in 28 African countries. The scores are sample averages drawn from the expert surveys for the 28 countries in the African Governance Project. The indicators first cover political representation, then institutional effectiveness, then service delivery, then taxes and corruption. The methodology for the study consisted of a research instrument with three components in 28 project countries: a national expert opinion survey, a national household sample survey and desk research. The Africa Governance Indicators are derived from the data collected in the expert panel study, which contains 83 measures of the perceptions of the nation's elite in each of 28 countries covered in the study, clustered in 23 groups.

Year created: 2005

Frequency: Annually

Publication where index can be found: UNECA. 2005. "Striving for Good Governance in Africa: African Governance Report." Addis-Ahaba.

Source: <http://www.uneca.org/agr/>

### 2. **Ageing Vulnerability Index**

Organization/Author: Center for Strategic and International Studies and Watson Wyatt Worldwide  
Description and methodology: The index assesses and ranks the vulnerability of developed countries to rising old-age dependency costs. The index is compiled from indicators on four basic categories: 1. Public burden indicators track the magnitude of the burden of public spending in each country 2. Fiscal-room indicators track each country's ability to accommodate the growth in old age benefits via higher taxes, cuts in other spending or public borrowing 3. Benefit-dependence indicators track how dependent the elderly are on public benefits and how politically difficult it may be to reduce their generosity and 4. Elder-affluence indicators track the relative affluence of the old versus the young. The index is based on projections on a historical trends scenario assuming a continuation of the established demographic and economic trend. Countries are assigned scores and ranked from least to most vulnerable.

Country coverage: 12 industrial countries

Year created: 2003

Frequency: -

Publication where index can be found: Jackson, Richard and Neil Howe. 2003. "The 2003 Aging Vulnerability Index-An Assessment of the Capacity of Twelve Developed Countries to Meet the Aging Challenge" Center for Strategic and International Studies and Watson Wyatt Worldwide.

Source: [http://www.csis.org/gai/aging\\_index.pdf](http://www.csis.org/gai/aging_index.pdf)

Relevant Website: <http://www.csis.org/gai/>

### 3. **AIDS Program Effort Index (API)**

Organization/Author: UNAIDS, USAID, WHO and the POLICY Project

Description and methodology: The API is intended to measure program effort in the response to the HIV/AIDS epidemic. The index is designed to provide a current profile of national effort and a measure of change over time. The index serves as a diagnostic tool to indicate areas of strength and weakness in each country program; it does not rank countries although the scores are useful as profiles of effort at the regional and global level. The index is based on 10 components: 1. Political support 2. Policy and planning 3. Organizational structure 4. Program resources 5. Evaluation, monitoring and research 6. Legal and regulatory environment 7. Human rights 8. Prevention programs 9. Care and treatment services 10. Mitigation programs. The index scores are based on questionnaires carried out by national consultants to a range of experts in the country.

Country coverage: 40 countries in the 2000 assessment; 54 in the 2003 assessment.

Year created: 1998

Frequency: updated in 2000 and in 2003

Publication where index can be found: USAID, UNAIDS, WHO, and the POLICY PROJECT. 2003. "The Level of Effort in the National Response to HIV/AIDS: The AIDS Program Effort Index (API) 2003 Round". [<http://www.policyproject.com/pubs/monographs/API2003.pdf>]  
Source: [http://www.unaids.org/ungass/en/global/UNGASS17\\_en.htm](http://www.unaids.org/ungass/en/global/UNGASS17_en.htm)  
Relevant Website: <http://www.policyproject.com/abstract.cfm/1677>

#### 4. **Alternative Country-Risk Index (Indice de Riesgo País Alternativo - IRPA)**

Organization/Author: Latin American Centre for Social Ecology (CLAES) and D3E (Development, Economy, Ecology, Equity – Latin America)

Description and methodology: The IRPA Index was constructed as an alternative to sovereign credit ratings and it expresses Latin American countries' vulnerabilities in the social, political, economic and environmental spheres. The index is based on 11 indicators: 1. Primary exports as a % of total goods exports 2. Debt service as a % of total exports of goods and services 3. Protected areas as a % of total country surface 4. Carbon dioxide emissions in metric tons per capita 5. Social expenditure as a % of GDP 6. Literacy rate 7. Household income distribution 8. Gross enrollment rate 9. Internet users 10. Political and civil liberties 11. Support for Democracy. For each of these 11 indicators a value of "acceptable risk" is calculated and a new variable is formed (for each indicator) based on this formula: (Value of the indicator for the country – Value of acceptable risk) / Value of acceptable risk. For each country, the values of these new 11 variables are added and then countries are ranked from highest value (meaning higher risk) to lower value (i.e. lower risk). Values of IRPA that fall between 1.0-5.0 are considered tolerable levels of risk; 5.01-10 indicates a threatening situation; 10.01-20 a critical situation and more than 20 is considered a situation of default.

Country coverage: 18 LAC countries

Year Created: launched in 2004

Frequency: -

Publication: Gorfinkiel, Denise. 2004. "Índice de Riesgo País Alternativo- Metodología y Cálculo", Documentos de Discusión Global. Montevideo: D3E

Source: [http://www.choike.org/nuevo\\_eng/informes/2192.html](http://www.choike.org/nuevo_eng/informes/2192.html) and Gorfinkiel (2004)

Relevant Website: <http://deudaexterna.com/publicaciones/DocDisIrrpaConceptoGorfinkiel.pdf>

#### 5. **APESMA Big Mac Index**

Organization/Author: Association of Professional Engineers, Scientists and Managers (APESMA) Australia

Description and methodology: It is an international comparison (but not ranking) of graduate engineer salaries. The index shows the number of minutes that a graduate engineer needs to work in selected countries to purchase a Big Mac. The comparison assumes a 40-hour week.

Country coverage: 13 countries (developing and developed)

Year created: -

Frequency: -

Publication where index can be found: -

Source/Website: [http://www.apesma.asn.au/students\\_graduates/common/big\\_mac\\_index.htm](http://www.apesma.asn.au/students_graduates/common/big_mac_index.htm)

#### 6. **Assessing the Achievement of the Millennium Development Goals (MDGs)**

Organization/Author: World Bank and UNDP

Description and methodology: It assesses the prospects of countries, aggregated by region, for reaching six of the targets of the Millennium Development Goals. Progress toward the MDGs for selected indicators is calculated using the latest available data point and comparing it to the contemporaneous point on a reference path connecting the 1990 value to the MDG target. The reference path was calculated assuming a constant, annual or geometric rate of change. The countries are then classified into a set of colors: green represents countries that made progress in the 1990s fast enough to attain the target value in the specified time period (by 2005 for gender

equality and by 2015 for all others). They are “likely” to achieve the goals. Countries in light green made progress, but too slowly to reach the goals in the time specified. Continuing at the same rate, they will need as much as twice the time as the “likely” countries to reach the goals – they are rated “possible”. Countries in orange made slower progress and are “unlikely” to reach the goals. Countries in red are “very unlikely” to reach the goals. Lastly, gray countries lack adequate data to measure progress.

Country coverage: low and middle income countries

Year created: 2002

Frequency: ongoing

Publication where index can be found: -

Source: World Bank tracking <http://www.developmentgoals.org/rcharts.htm> and Human Development Report 2002 tracking

[http://hdr.undp.org/reports/global/2002/en/pdf/hdr\\_2002\\_feature\\_1\\_1.pdf](http://hdr.undp.org/reports/global/2002/en/pdf/hdr_2002_feature_1_1.pdf)

Relevant Website: <http://www.undp.org/mdg/trackingprogress.html>

## 7. **Basic Capabilities Index (BCI) – Previously “Quality of Life Index”**

Organization/Author: Social Watch

Description and methodology: The BCI reflects basic well-being gauged by capabilities in different aspects of the human condition, and the indicators that make it up yield separate results for each aspect. The index gives an efficient rating for the basic levels of people’s well-being on the basis of their state of health (child health and reproductive health) and their performance in primary education. Both these dimensions are of crucial importance in development goals. The indicators that make up the BCI are as follows:

- The percentage of children in the first grade of primary education who reach the fifth grade.
- Under-5 mortality rate.
- The percentage of births attended by skilled health personnel.

The BCI was calculated using the non-weighted average of the original values of the three indicators in question (in the case of infant mortality a lineal transformation was previously applied to the indicator). To simplify the calculations all three indicators were given the same weight. Child health is represented as  $I1 = (100 - M)$ , where  $M$  is the under-5 mortality rate (expressed as a percentage) or the probability of death in the first five years of life expressed as per 100 live births. Education is represented as  $I2$ , where  $I2$  is the rate of school retention or the percentage of children enrolled in the first grade who reach the fifth grade. Reproductive health is shown as  $I3$ , where  $I3$  is the percentage of births assisted by skilled health personnel (doctors, nurses or midwives). The Basic Capabilities Index value for a particular country is obtained by taking a simple average of the three components:  $BCI = (I1 + I2 + I3) / 3$ .

The lowest empirical value obtained in the BCI was 47 points, and the distribution was heavily concentrated at the upper end of the scale (values near 100). Based on this distribution, five categories were used to classify countries by their different levels in the BCI: critical, very low, low, medium and high.

Country coverage: 94 countries

Year created: 2004 (as “Quality of Life Index” and in 2005 renamed “Basic Capabilities Index)

Frequency: annual

Publication where index can be found: Social Watch. 2004. *Social Watch Annual Report 2004: Fear and Want Obstacles to Human Security*. Montevideo. Social Watch. 2005. *Social Watch Annual Report 2005: Roars and Whispers Gender and poverty: promises vs. action*. Montevideo. Methodology: Social Watch Annual Report 2005 (pp. 143-145)

[http://www.socialwatch.org/en/informeImpreso/pdfs/methodology2005\\_eng.pdf](http://www.socialwatch.org/en/informeImpreso/pdfs/methodology2005_eng.pdf)

Ranking: [http://www.socialwatch.org/en/informeImpreso/pdfs/bci2005\\_eng.pdf](http://www.socialwatch.org/en/informeImpreso/pdfs/bci2005_eng.pdf)

## 8. **Bertelsmann Transformation Index (BTI)**

Organization/Author: Bertelsmann Foundation

Description and methodology: The BTI is a global ranking that analyzes and evaluates development and transformation processes in 116 countries. The BTI provides the international

public and political actors with a comprehensive view of the status of democracy and a market economy as well as the quality of political management in each of these countries. The BTI analyzes the status of both democratization and market liberalization as it evaluates actors' performance in managing these changes.

The Bertelsmann Transformation Index consists of the Status Index, the Management Index, and a Trend Indicator. The scores given in the Status Index are comprised of two indices that measure the status of transition to democracy and a market economy. The Management Index establishes the quality of political management and the Trend Indicator informs about the direction of development with respect to constitutional democracy and a socially responsible market economy during the period of analysis from 1998 to 2003. The three indices are comprised of a number of specific scores. Using detailed indicators, experts on the 116 countries measured the extent to which twenty-three criteria were fulfilled.

The *Status Index* shows the development achieved by 116 states on their way toward democracy and a market economy. States with functioning democratic and market-based structures receive the highest scores. Evaluations are based on a set of eighteen political and fourteen economic indicators, encompassing the following 12 criteria.

Criteria for democracy status: stateness, political participation, rule of law, institutional stability and political and social integration.

Criteria for market economy status: level of socioeconomic development, market structures and competition, currency and price stability, private property, welfare regime, strength of the economy and sustainability.

The *Management Index* reveals the extent to which governments and political actors have been consistent and determined in their pursuit of a market-based democracy. Those states showing progress in the last five years and in which transformation has resulted from astute management receive the highest scores. The assessments are based on a set of twenty indicators used in measuring the five following criteria: reliable pursuit of goals, effective use of resources, governance capability, consensus building and international cooperation.

Country coverage: 116 countries

Year created: 2001

Frequency: Refined in 2003

Publication where index can be found: Bertelsmann Foundation. 2004. *Bertelsmann Transformation Index 2003: Towards Democracy and a Market Economy*. Gütersloh: Bertelsmann Foundation Publishers.

[[http://www.bertelsmann-transformation-index.de/fileadmin/pdf/BERT\\_Brosch\\_re\\_ENG.pdf](http://www.bertelsmann-transformation-index.de/fileadmin/pdf/BERT_Brosch_re_ENG.pdf)]

Source: Bertelsmann Foundation (2004)

Relevant Website: <http://www.bertelsmann-transformation-index.de/11.0.html?&L=1>

## 9. BIC3D Index

Organization/Author: Bonn International Center for Conversion (BICC)

Description and methodology: The BIC3D index is a rough measure of disarmament or conversion, a tool to measure the size and dynamics of the military sector in each country. It combines four indicators: 1. Military expenditures 2. An aggregate index of holdings in selected weapon systems 3. Armed forces personnel and 4. Employment in arms production. BIC3D index values can be interpreted as the percentage change in the levels of military expenditures, armaments, armed forces and employment in arms production between the average level around the end of the Cold War (1985-1993) and the BIC3D index end year. A positive value of the index is associated with disarmament while a negative value reflects increases in armaments. The index ranges from +100 percent which means total disarmament and -100 percent – i.e. total rearmament.

Country coverage: 158 countries

Year created: 1996

Frequency: annual

Publication where index can be found: BICC. (various years). *Conversion Survey*, Baden-Baden: Nomos Verlagsgesellschaft

Source: Bonn International Center for Conversion (BICC). 2003. "Conversion Survey 2003: Global Disarmament, Demilitarization and Demobilization". Baden-Baden: Nomos Verlagsgesellschaft  
Relevant Website: <http://www.bicc.de>

#### 10. **Big Mac Index**

Organization/Author: The Economist

Description and methodology: This index is based on the Purchasing Power Parity theory and aims to determine if the currency of a country is at the right level, using as a basket the Big Mac hamburger sold by McDonald's. The methodology consists of a Big Mac PPP - the exchange rate that would leave a burger in that country costing the same as in the US (the Big Mac PPP is the local price of a Big Mac divided by the American dollar price). This Big Mac PPP is then compared to the actual exchange rate of the country. If the actual exchange rate is higher than the Big Mac PPP, the currency is undervalued. An example is found below:

Average Cost of Big Mac in the US	\$2.90
BIG Mac cost in Japan	Y 262
BIG Mac PPP	Y262/\$2.90= Y90/1\$
Current exchange rate in Japan	Y 113/1\$
Degree of undervaluation	Y90/Y113 -1= -0.20 or 20 undervalued

Country coverage: 120 countries

Year created: 1986

Frequency: updated several times a year

Publication where index can be found: "The Economist" magazine

Source: "Food for Thought", May 27th 2004 - from The Economist print edition

Relevant Website: <http://www.economist.com/markets/Bigmac/Index.cfm>

#### 11. **BradyNet Ratings Ladder**

Organization/Author: BradyNet Inc.

Description and methodology: The ratings ladder is the calculated average rating of the four agencies participating on BradyNet: Moody's, S&P, FitchIBCA Duff & Phelps, and Thomson Financial Bankwatch. Specific points are assigned to each possible rating level. Starting with 100 points assigned to a perfect AAA (or Aaa) rating, points are then subtracted for every ratings level below AAA for each country. In case of a positive or negative outlook, 1 point is added or subtracted, respectively. The average is calculated from these assigned points.

Country coverage: global

Year created: 2000

Frequency: -

Publication where index can be found: -

Sources/Website: <http://www.brady.net.com/e907.html>

#### 12. **Bribe Payers Index (BPI)**

Organization/Author: Transparency International

Description and methodology: The BPI ranks countries in terms of their companies' propensity to pay bribes in emerging economies. Countries are ranked on a mean score from the answers given by respondents to the question "in the business sectors with which you are most familiar, please indicate how likely companies from the following countries are to pay or offer bribes to win or retain business in this country?" A perfect score is "10" indicating zero perceived propensity to pay bribes. The ranking starts with companies from countries that are seen to have a low propensity for foreign bribe paying.

Country coverage: 21 leading export countries

Year created: 1999

Frequency: updated frequently with the latest update in 2002

Publication where index can be found: -

Sources: "Questions and Answers on the TI Bribe Payers Index (BPI) 2002"

[http://www.transparency.org/cpi/2002/bpi\\_faq.en.html#what](http://www.transparency.org/cpi/2002/bpi_faq.en.html#what)

Relevant Website: <http://www.transparency.org/surveys/#bpi>

### 13. **Capital Access Index (CAI)**

Organization/Author: Milken Institute

Description and methodology: The CAI scores the ability of entrepreneurs to gain access to financial capital in countries around the world. The index encompasses five broad dimensions of capital access: 1. Macroeconomic and Institutional Environment 2. Banking System 3. Financial Market Development 4. International Access to Funds and 5. Sovereign Ratings. These categories encompass 54 quantitative and qualitative variables from 15 different data sources. These variables capture the progress being made in countries around the world in the democratization of capital and, in turn, their CAI scores. The maximum score of the CAI is 7.0 reflecting a better access to capital markets. Countries are ranked in descending order of CAI, and thus of capital access.

Country coverage: 85 countries

Year created: 1998

Frequency: annual

Publication where index can be found: Barth, James, Cindy Lee, Don McCarthy, Triphon Phumiwasana, Sunny Zhitao Sui and Glenn Yago. 2004. *Capital Access Index 2004: Emerging Growth in Asian Bond Markets*, Santa Monica, CA: Milken Institute

[\[http://www.milkeninstitute.org/pdf/cai\\_2004\\_32.pdf\]](http://www.milkeninstitute.org/pdf/cai_2004_32.pdf)

Relevant Website: <http://www.milkeninstitute.org/research/research.taf?cat=indexes>

### 14. **CIRI Human Rights Dataset**

Organization/Author: The CIngranelli-Richards Human Rights Data Project

Description and methodology: The Cingranelli-Richards (CIRI) Human Rights Dataset contains standards-based quantitative information on government respect for 13 internationally recognized human rights for 195 countries, annually from 1981-2004. The human rights indicators consist of Extrajudicial Killing, Disappearance, Torture, Political Imprisonment, Freedom of Speech, Freedom of Movement, and Women's Economic, Political, and Social Rights among others. The CIRI is designed for use by scholars and students who seek to test theories about the causes and consequences of human rights violations, as well as policy makers and analysts who seek to estimate the human rights effects of a wide variety of institutional changes and public policies including democratization, economic aid, military aid, structural adjustment, and humanitarian intervention. The data set contains measures of government human rights practices, not human rights policies or overall human rights conditions (which may be affected by non-state actors). CIRI's unit of analysis is the "country-year." A country-year is a particular country in a particular year. For instance, "United States 1998" is a particular country-year. It is a single snapshot of space and time -- one country in a particular year.

Country coverage: Contains information about 195 countries. For thirty-three of these countries, just added in December 2004, data only exists for 2001 and 2003.

Year created: 1981

Frequency: Updates are issued annually on August 1<sup>st</sup>.

Publication where index can be found: -

Source: <http://ciri.binghamton.edu/index.asp>

Relevant Website <http://merchantinternational.com/globalrisk.html>

### 15. **Climate Analysis Indicators Tool (CAIT)**

Organization/Author: World Resources Institute

Description and methodology: The CAIT provides a comprehensive and comparable database of greenhouse gas emissions data (including all major sources and sinks) and other climate-relevant indicators. CAIT can be used for analyzing a wide variety of data-related climate change issues and to help support future policy decisions made under the Climate Convention and in other fora. It ranks countries in different areas: 1) GHG emissions: yearly GHG emissions, Cumulative Emissions from 1950 to 2000 (MtC and Tons C per person), Carbon Intensity of Energy Use 2) Socio-economic Factors: Health, Education, Size of government, Energy Use and Governance and 3) Natural Factors: Heating and Cooling needs, Fossil Fuel Reserves, Energy Use Mix , Land area and Population.

Country coverage: all countries that are Party to the UNFCCC and two non-Parties (Brunei and Iraq)

Date created: 2004

Frequency: annual

Publication where index can be found: -

Sources/website: <http://cait.wri.org/cait.php>

## 16. Climate Change Performance Index (CCPI)

Organization/Author: Germanwatch and Climate Action Europe

Description and methodology: The CCPI is an innovative instrument that brings more transparency into international climate politics. On the basis of standardized criteria, it evaluates and compares the climate protection performance of the 56 countries that, together, account for more than 90 percent of the global energy related CO<sub>2</sub> emissions. The index's objective is to increase the political and societal pressure on those countries that have neglected their homework on climate change up to now. The index contains three partial ratings that are added up to form a differentiated picture of the climate change performance of the countries evaluated.

- First, it rates the per-capita emission trend of the previous years. The emissions are measured in four economic sectors: energy, transport, residential and industrial. Each sector is rated individually.
- Second, it shows the absolute, energy-related CO<sub>2</sub> emissions of a country taking into account its particular situation.
- Third, it evaluates the national as well as the international climate policies of a country.

The emission trend accounts for 50 percent and the climate policy for 20 percent of the total CCPI score. Hence these two ratings are weighted higher than the "current state" which accounts for 30 percent. Thus, the CCPI rewards efforts towards the reduction of CO<sub>2</sub> emissions, but prevents that those countries which reduce their emissions from a high level are rated too high.

Country Coverage: 56 countries (by the 2007 version)

Year created: 2006

Frequency: Annually

Publication where index can be found: 2006. "Climate Change Performance Index: A Comparison of the Top 53 CO<sub>2</sub> Emitting Nations." Germanwatch: Bonn.

Source: <http://www.germanwatch.org/klima/ccpi.htm>

Relevant Website <http://www.germanwatch.org/rio/ccpi2006.pdf>

## 17. Commitment to Development Index (CDI)

Organization/Author: Center for Global Development and Foreign Policy

Description and methodology: The CGD/FP Commitment to Development Index ranks 21 of the world's richest countries based on their dedication to policies that benefit the 5 billion people living in poorer nations worldwide. Each country's overall score on the CGD/FP Commitment to Development Index is the average of its scores in seven categories: 1. Quality of foreign aid 2. Openness to developing country exports 3. Policies that influence investment 4. Migration policies 5. Support for creation of new technologies 6. Security policies 7. Environmental policies.

Country coverage: 21 OECD countries

Year created: 2003

Frequency: updated annually

Publication where index can be found: "Foreign Policy" Magazine  
Source: [http://www.cgdev.org/rankingtherich/docs/Technical\\_description\\_2004.pdf](http://www.cgdev.org/rankingtherich/docs/Technical_description_2004.pdf)  
Relevant Websites: Center for Global Development  
<http://www.cgdev.org/rankingtherich/home.html>  
Foreign Policy <http://www.foreignpolicy.com/story/files/story2540.php>

**18. Composite Score of Risk – Business Risk Service (BRS)**

Organization/Author: Business Environment Risk Intelligence (BERI)  
Description and methodology: BRS provides qualitative analyses and forecasts for fifty countries offering numerical assessments (historical, present, and future) for international executives. The ratings offer assessments of operating conditions, political risk, and the foreign exchange/ external accounts position for these countries. The three perspectives form sub-indices - the **Political Risk Index (PRI)**, the **Operations Risk Index (ORI)**, and the **Remittance & Repatriation Factor (R-factor)** which are combined in a "Composite Score".  
Country coverage: 50 (developing and industrial) countries  
Year created: 1967  
Frequency: three times a year  
Publication where index can be found: Business Risk Service (BRS)  
Sources/website: <http://www.beri.com/brs.asp>

**19. Corruption Perception Index (CPI)**

Organization/Author: Transparency International  
Description and methodology: The CPI ranks countries in terms of experts' perception of corruption for 145 countries. The CPI is a composite index, based on surveys of businesspeople and assessments by country analysts. CPI Score ranges between 10 (highly clean) and 0 (highly corrupt).  
Country coverage: 145 countries  
Year created: 1995  
Frequency: annual updates  
Publication where index can be found: -  
Source: Transparency International. 2004. "A short methodological note: Transparency International Corruption Perceptions Index (CPI) 2004"  
[http://www.transparency.org/cpi/2004/dnld/method\\_note\\_en.pdf](http://www.transparency.org/cpi/2004/dnld/method_note_en.pdf)  
Website: <http://www.transparency.org/surveys/index.html#cpi>

**20. Countries at the Crossroads**

Organization/Author: Freedom House  
Description and methodology: The Freedom House *Countries at the Crossroads* survey provides a comparative evaluation of government performance in four touchstone areas of democratic governance: Accountability and Public Voice, Civil Liberties, Rule of Law, and Anticorruption and Transparency. This survey examines these areas of performance in a set of 30 countries that are at a critical crossroads in determining their political future. Freedom House designed a methodology that includes a questionnaire used both to prepare analytical narratives and for numerical ratings for each government. The survey methodology provides authors with a transparent and consistent guide to scoring and analyzing the countries under review and uses identical benchmarks for both narratives and ratings, rendering the two indicators mutually reinforcing. The final result is a system of comparative ratings accompanied by narratives that reflect both governments' commitment to passing good laws and also their records on upholding them. The methodology was revised and updated for 2005 and 2006. Most notably, a new subsection on property rights has been included under the Rule of Law section and the subsection on the rights of women, ethnic, and religious minorities has been separated into two distinct subsections under Civil Liberties. For all 30 countries in the survey, Freedom House, in

consultation with the report authors and academic advisers, has provided numerical ratings for the four thematic categories listed above. Authors produced a first round of ratings for each subcategory by evaluating each of the questions and assigning scores on a scale of 0-7, where 0 represents weakest performance and 7 represents strongest performance. The regional advisers and Freedom House staff systematically reviewed all country ratings on a comparative basis to ensure accuracy and fairness. All final ratings decisions rest with Freedom House. Scores are assigned on a scale of 0-7, where 0 represents weakest performance and 7 represents strongest performance. These ratings allow for comparative analysis of reform among the countries surveyed and are valuable for making general assessments of the level of democratic governance in a given country; they should not be taken as absolute indicators of the situation in a given country.

Country coverage: 60 countries that are at a crossroads in determining their political future

Year created: 2004

Frequency: Bi-annually

Publication where index can be found: -

Source: <http://www.freedomhouse.org/template.cfm?page=140&edition=7>

Relevant

Website

<http://www.freedomhouse.org/template.cfm?page=140&edition=7&ccrpage=29>

## 21. **Country @ratings**

Organization/Author: COFACE

Description and methodology: The Country @rating assigned by Coface reflects the average level of short-term non-payment risk associated with companies in a particular country. It reflects the extent to which a country's economic, financial, and political outlook influences financial commitments of local companies. However, international trade actors know that sound companies can operate in risky countries and unsound companies in less-risky countries and that overall risk will depend not only on a company's qualities but also on those of the country in which it operates. Ratings are based on twofold expertise developed by Coface: macroeconomic expertise in assessing country risk based on a battery of macroeconomic financial and political indicators microeconomic expertise that draws on Coface databases covering 50 million companies worldwide and 50 years experience with payment in trade flows it guarantees. Country @ratings is calculated via a battery of indicators. Coface groups the indicators in seven families and rates each one individually. The seven risk families are: 1) Growth vulnerability 2) Foreign currency liquidity crisis 3) External over indebtedness 4) Sovereign financial vulnerability 5) Banking sector's fragilities 6) Fragility of governance and geopolitical environment 7) Companies' payment behaviour. Coface determines an overall rating for each of the 150 countries monitored. Like rating agencies, Coface ranks country ratings on seven risk levels:

A1: The steady political and economic environment has positive effects on an already good payment record of companies. Very weak default probability

A2: Default probability is still weak even in the case when one country's political and economic environment or the payment record of companies is not as good as in A1-rated countries.

A3: Adverse political or economic circumstances may lead to a worsening payment record that is already lower than the previous categories, although the probability of a payment default is still low.

A4: An already patchy payment record could be further worsened by a deteriorating political and economic environment. Nevertheless, the probability of a default is still acceptable.

B: An unsteady political and economic environment is likely to affect further an already poor payment record.

C: An very unsteady political and economic environment could deteriorate an already bad payment record.

D: The high risk profile of a country's economic and political environment will further worsen a generally very bad payment record

Country coverage: 164 countries

Year created: 2005

Frequency: -

Publication where index can be found: -

Source/Website: <http://www.trading-safely.com/sitecwp/ceen.nsf> [www.cofacerating.fr](http://www.cofacerating.fr)

**22. Country Indicators for Foreign Policy (CIFP)**

Organization/Author: Carleton University (Canada)

Description and methodology: CIFP present indicators and rankings in 9 dimensions of risks: 1. History of armed conflict 2. Governance and Political stability 3. Economic performance 4. Militarization 5. Environmental stress 6. International linkages 7. Population Heterogeneity 8. Demographic Stress and 9. Human Development.

Country coverage: contains indicators for 196 countries.

Year Created: 1991

Frequency: ranked 1996-2000 and updated regularly

Publication where index can be found: -

Source/ Relevant Website: <http://www.carleton.ca/cifp/about.htm> and <http://www.carleton.ca/cifp/rank.htm>

**23. Country Performance Assessment (CPA)**

Organization/Author: Asian Development Bank

Description and methodology: The CPA is part of ADB's Performance-Based Allocation (PBA) policy guides allocation of the Asian Development Fund (ADF) resources to the eligible developing member countries (DMCs) with access to ADF. The ADF is the concessional lending window of the Asian Development Bank available to member countries that are among the poorest and least developed nations of the Asia Pacific. Under the PBA policy, allocation of ADF resources to a country is determined on the basis of performance as assessed through the country performance assessment (CPA) exercise and country needs (population and per capita income). The ADB's Country Performance Assessments assesses the quality of a country's policy and institutional framework. It gauges the extent to which the policy and institutional framework supports sustainable growth, poverty reduction, and the effective use of development assistance. The CPA criteria focus on policies and institutional arrangements, which are the key elements that are within the government's control, rather than on outcomes that can be influenced by elements beyond the government's control. Each country's performance is assessed on seventeen indicators based on:

- Coherence of its macroeconomic and structural policies
- Degree to which its policies and institutions promote equity and inclusion
- Quality of its governance and public sector management
- Portfolio quality

Beginning with the 2005 CPA exercise, ADB carries out its annual CPAs using the World Bank's country policy and institutional assessments (CPIA) questionnaire. While ADB employs the CPIA questionnaire in its assessment of country performance, the two institutions' ratings may differ for the following reasons: the use of different cut-off dates for the information which feeds into assessments, the application of different methodologies in aggregating the scores, and the fact that the CPIA questionnaire allows for differences in professional judgment.

Country Coverage: 26 countries

Year created: 2001

Frequency: Annually

Publication where index can be found: -

Source: <http://www.adb.org/ADF/PBA/fact-sheet.asp>

**24. Country Policy and Institutional Assessment and IDA Country Performance Ratings**

Organization/Author: World Bank, International Development Association (IDA)

Description and methodology: The *Country Policy and Institutional Assessment (CPIA)* is part of Performance-based Allocation (PBA) system used by the World Bank's IDA for allocating their

resources. This system is guided by an assessment of the quality of client countries' policies and institutions, to arrive at an equitable distribution of IDA funds among eligible recipient countries. The Bank conducts an annual performance assessment for its borrowing countries - known as the Country Policy and Institutional Assessment (CPIA). The CPIA assesses a country's present policy and institutional framework for fostering poverty reduction, sustainable growth and the effective use of development assistance. It includes 20 equally weighted criteria, which are grouped in four clusters: 1. Economic management 2. Structural policies 3. Policies for social inclusion and equity and 4. Public sector management and institutions. The CPIA is accompanied by two other processes: 1) the Bank's Annual Report on Portfolio Performance (ARPP) is used to determine a score for each country's implementation performance. A weighted average rating is calculated of the CPIA (80%) and the ARPP measure (20%). 2) this weighted average rating is then multiplied by the "governance factor" to produce the *Country's IDA Performance Rating (ICP)*. The governance factor is derived from the country's average rating for seven governance criteria that are part of the PBA system. Countries are grouped into quintiles (depending on the score of the Country Performance Rating) which in turn are used to allocate the funding.

Country coverage: IDA's 81 eligible borrowers

Year created: assessments since 1977, methodology changed throughout the years

Frequency: annual

Publication where index can be found: IDA (International Development Association). 2003. "Allocating IDA Funds Based on Performance - Fourth Annual Report on IDA's Country Assessment and Allocation Process". World Bank

<http://siteresources.worldbank.org/IDA/Resources/PBAAR4.pdf>

Source: IDA (2003)

Relevant Website: World Bank, "How IDA Resources are allocated"

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20052347~menuPK:116699~pagePK:83988~piPK:84004~theSitePK:73154,00.html>

## 25. **Country Risk Evaluation and Assessment Model (CREAM) Country Index**

Organization/Author: Exclusive Analysis (UK)

Description and methodology: Exclusive Analysis forecasts violent and political risks, including war, terrorism, civil unrest and business risks. The numbers on CREAM range from 0 to 10, and are designed to represent assessment of risks to assets and people. They are an aggregation of the incidents which are forecast to occur under each risk category in the various countries (combining the frequency and the scale of damage caused). There are four main categories of risk: 1. War 2. Terrorism 3. Civil Unrest and 4. Political Risk For each country, these four categories are given numerical ratings on thirty day, one year and three year horizons. They are therefore predictive, and represent the average level of risk to assets and people over the time periods in question. The ratings are as follows:

3.2 and above	Severe risk
2.4 to 3.1	High risk
1.6 to 2.3	Elevated risk
0.8 to 1.5	Caution
0 to 0.7	Low risk

Country coverage: 108 countries

Frequency: updated every 15 days

Publication where index can be found: -

Source (of methodology): <http://www.exan.info/help>

Relevant website: <http://www.exclusive-analysis.com>

## 26. **Country Risk Monitoring Service**

Organization/Author: Political and Economic Risk Consultancy, Ltd. (PERC)

Description and methodology: PERC's Country Risk Monitoring Service provides reports on the individual countries covered by their network that demonstrate how and why risk are changing in

the country concerned and what companies should be watching for in the near and medium-term that could effect the business environment.

Country coverage: 9 countries (China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, and Thailand)

Year created: 1976

Frequency: Updated monthly for each country.

Publication where index can be found: -

Source: <http://asiarisk.com/>

## 27. **Country Risk Rating**

Organization/Author: World Markets Research Centre (WMRC)

Description and methodology: WMRC incorporates two proprietary risk models: one assessing the foreign direct investment (FDI) climate for corporations; the other assessing the sovereign credit rating for international financial institutions. The *country risk-rating* model assesses the FDI climate, based on six individual ratings in each country: political, economic, legal, tax, operational and security.

Country coverage<sup>7</sup>: 202 countries

Year created: 1998

Frequency: continuously updated as needed

Publication where index can be found: -

Sources/Website: [http://www.wmrc.com/wma\\_caf.html](http://www.wmrc.com/wma_caf.html)

[http://www.wmrc.com/wma\\_caf\\_sample.html](http://www.wmrc.com/wma_caf_sample.html)

## 28. **CSGR Globalisation Index**

Organization/Author: Warwick University - Centre for the Study of Globalisation and Regionalization (CSGR).

Description and methodology: The index measures the economic, social and political dimensions of globalisation for countries on an annual basis over the period 1982 to 2001, and combines these into an overall globalisation index, or score.

There are five stages in constructing the CSGR Globalisation Index: 1) A judgment is made about the “relevant variables” that should enter the index. 2) Quantitative i.e. numerical measures of these variables are found. 3) These quantitative measures are normalised, to deal with the problem that different variables are typically measured in different units and therefore may have very different average numerical values. 4) An average or weighted average of the normalised variables is calculated, which gives a numerical score for each country in each year. 5) The numerical scores are used to determine country rankings.

In the case of the CSGR index, three separate sub-indices of globalisation (economic, social, and political) are constructed following steps 1-5. Then the simple unweighted average of these three sub-indices is calculated to give an overall globalisation index; the country rankings derived from this overall globalisation index are reported (along with the rankings from the separate economic, social, and political dimensions, giving four rankings in all).

Country coverage: 200 countries

Year created: 2004

Frequency: -

Publication where index can be found: Lockwood, Ben and Michela Redoano. 2005. “The CSGR Globalisation Index: an Introductory Guide” Centre for the Study of Globalisation and Regionalisation Working Paper 155/04.

[<http://www2.warwick.ac.uk/fac/soc/csgr/index/guide2.pdf>]

Sources/Website: <http://www2.warwick.ac.uk/fac/soc/csgr/index/>

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<sup>7</sup> Information provided by WMRC.

**29. Dashboard of Sustainability**

Organization/Author: Jochen Jesinghaus, International Institute for Sustainable Development (IISD) and European Commission Joint Research centre (JRC).

Description and methodology: The Dashboard is a free software package that illustrates the complex relationships among economic, social, instructional and environmental issues. The Dashboard focuses on the Millennium Development Goals indicator set, but features also a number of other indices, e.g. the UN CSD set, the Ecological Footprint, the ESI, CDI and various governance indices. The tool allows interactive weighting and recomposition of indicator sets, linkage analysis, interactive colour-coded maps and other specific functions aimed at visualising and handling complex indicator sets. A simple interface to Excel allows indicator developers to create their own dashboards.

Country coverage: 200 countries, 1990-2004 (MDG indicators)

Year created: 1999, refined in 2005

Frequency: following updates of MDG tables at

<http://millenniumindicators.un.org/unsd/mi/mi.asp>

Publication where index can be found: <http://esl.jrc.it/envind/mdg.htm>

Sources/Website: <http://www.iisd.org/cgsdi/dashboard.asp>,

[http://esl.jrc.it/dc/mdg8/index\\_ia.htm](http://esl.jrc.it/dc/mdg8/index_ia.htm)

**30. Democracy Score (Nations in Transit Ratings)**

Organization/Author: Freedom House

Description and methodology: This is a new rating that assesses former communist countries on how democratic or authoritarian the countries are. Previously, the Nations in Transit report presented 2 ratings: *Democratization* and *Rule of Law*. The new Democracy Score is an average of ratings of six categories: 1. Electoral process 2. Civil society 3. Independent media 4. Governance 5. Constitutional, legislative and Judicial framework and 6. Corruption. The Democracy Score scale ranges from 1 to 7 with 1 being the highest level of democratic development and 7 the lowest. Depending on the country's scores, they are grouped into the following categories: 1-2 a consolidated democracy; 3 a semi-consolidated democracy; 4 transitional government or hybrid regime; 5 a semi-consolidated authoritarian regime and 6-7 a consolidated authoritarian regime. The ratings are assigned by country report authors and revised by US and CEE-NIS academic advisors. The ratings follow a quarter-point scale. Minor to moderate developments typically warrant a positive or negative change of a quarter (0.25) to a half (0.50) point. Significant developments typically warrant a positive or negative change of three-quarters (0.75) to a full (1.00) point. It is rare that the rating in any category will fluctuate by more than a full point (1.00) in a single year.

Country coverage: 27 former communist countries

Year created: 2004

Frequency: annually

Publication where index can be found: Freedom House. (Various years). *Nations in Transit*.

Lanham, MD: Rowman & Littlefield Publishers

Source: Freedom House. 2004. "Guide to Nations in Transit Ratings"

[\[http://www.freedomhouse.org/research/nitransit/2004/guide2004.pdf\]](http://www.freedomhouse.org/research/nitransit/2004/guide2004.pdf)

Relevant Website: <http://www.freedomhouse.org/research/natransit.htm>

**31. Disaster Risk Index (DRI)**

Organization/author: UNDP

Description and methodology: measures the risk of death in disaster. The DRI enables the calculation of the average risk of death per country in large- and medium-scale disasters associated with earthquakes, tropical cyclones and floods, based on data from 1980 to 2000. It also enables the identification of a number of socio-economic and environmental variables that are correlated with risk to death and which may point to causal processes of disaster risk. In the DRI, countries are indexed for each hazard type according to their degree of physical exposure, their degree of

relative vulnerability and their degree of risk. It does not provide an overall score nor does it rank countries.

Country coverage: More than 200 countries and territories

Year created: 2004

Frequency: -

Publication where index can be found: UNDP. 2004. *Reducing Disaster Risk: A Challenge for Development*. New York: UNDP

Sources/Website: <http://www.undp.org/bcpr/disred/english/wedo/rrt/dri.htm>

## 32. **Ducroire / Delcredere Country Risks**

Organization/Author: Ducroire / Delcredere Credit Insurance

Description and methodology: Ducroire | Delcredere website allows to obtain information on any of the 239 analysed countries: \* according to the type of commercial transaction and \*according to the nature of the risk (political events/foreign currency shortage or general state of suspension of payments in the country). The information is based on the systematic analysis of each country's political and financial situations and is founded on the most reliable information sources: International Monetary Fund, World Bank, Institute of International Finance, The Economist Intelligence Unit, Wiener Institut für Internationale Wirtschaftsvergleiche, etc. The outcome of this analysis, made by Ducroire | Delcredere SA.NV's team of specialized economists, is constantly compared to our practical payment experience and that of the other credit insurers. The result of the analysis is (for each country and the various types of insured transactions) the setting of premium categories, country insurance ceilings and, if necessary, some particular terms of cover.

1. Premium categories for the insurance of export transactions

1.a. Political risk assessment

1.b. Commercial risk assessment

2. Cover capacity by country

3. Particular terms of cover

4. Market size indicators on [www.ondd.be](http://www.ondd.be)

### 1. PREMIUM CATEGORIES FOR THE INSURANCE OF EXPORT TRANSACTIONS

The cover policy for export transactions applies to the insurance of cash transactions or transactions payable with a credit period not exceeding 2 years. Countries are classified into seven categories (from 1 to 7) reflecting the intensity of political risk. This risk encompasses all events occurring abroad and assuming a case of force majeure for the insured or the buyer (foreign exchange shortages, wars, revolutions, natural disasters and government actions). Category 1 includes those countries for which political risk is the lowest and category 7 groups those countries with the highest political risk.

Countries are classified into three categories (from A to C) according to the intensity of commercial risk. This is the risk of default by a foreign private buyer, i.e. the risk of a buyer being unable to meet its financial obligations or not honouring them without any legitimate reason. Commercial risk not only depends on the situation of the buyer at its micro-level, but also on macroeconomic and systemic factors impacting on the repayment capacity of all the buyers in a country. Category A groups countries in which systemic commercial risk is the lowest, while category C groups countries with the highest risk.

Country coverage: 239 countries

Year created: 1990

Frequency: updated regularly

Publication where index can be found: -

Source/Website:

<http://www.ducroiredelcredere.be/WebDucDel/Website.nsf/weben/Country+risks?OpenDocument>  
<http://www.ducroiredelcredere.be/WebDucDel/Website.nsf/fcb407daa2d2c578c125677f002ccd69/00d08a1833de6495c125676e002bbbaa?OpenDocument&Highlight=0,explanation>

### 33. Early Motherhood Risk Ranking

Organization/Author: Save the Children

Description and methodology: *The Early Motherhood Risk Ranking* was launched in the 2004 report, and focuses on the prevalence of early marriage and early childbearing, as well as the increased risk to babies that early motherhood often creates. Data were gathered for three indicators of risks associated with early motherhood: 1. Early marriage: Percent of women aged 15 to 19 ever married 2. Prevalence of early motherhood status: Births per 1,000 women aged 15 to 19 and 3. Risk to babies: Infant Mortality Rate (IMR) for mothers under age 20. Standard scores, or Z-scores, were created for each of the indicators. Z-scores were divided by the range of Z-scores for each variable in order to control for differences in the range of possible scores. These percentage scores (i.e., actual score as percent of range of scores) were then averaged to create the index scores. The indexed risk score was calculated as a weighted average of early marriage (30 percent), early motherhood (40 percent) and risk to children (30 percent). The index scores were scaled on a scale of 0 to 100, where 100 represents the country in the sample with the highest level of risk to young mothers. Scaled scores were then ranked.

Country coverage: 119 countries

Year created: 2004

Frequency: -

Publication where index can be found: Save the Children. 2004. *State of the World's Mothers 2004: Children Having Children*. Westport, CT: Save the Children

Source (methodology): Save the Children (2004)

[http://www.savethechildren.org/mothers/report\\_2004/images/pdf/RiskRank\\_Methodology\\_p37.pdf](http://www.savethechildren.org/mothers/report_2004/images/pdf/RiskRank_Methodology_p37.pdf)

Relevant Website: [http://www.savethechildren.org/mothers/report\\_2004/index.asp](http://www.savethechildren.org/mothers/report_2004/index.asp)

### 34. Ease of Doing Business

Organization/Author: World Bank and International Finance Corporation (IFC)

Description and methodology: The *ease of doing business* measure is a simple average of the country's ranking in each of the 7 areas of business regulation and property rights protection. It intends to measure government regulations and its effect on businesses, especially on small and medium sized domestic firms. The 7 sub-indices and rankings are as follows: 1) Starting a Business 2) Hiring and Firing Workers 3) Registering Property 4) Getting Credit 5) Protecting Investors 6) Enforcing contracts 7) Closing a Business. The data is based on research of laws and regulations, with input and verification from more than 3,000 local government officials, lawyers, business consultants, and other professionals who routinely administer or advise on legal and regulatory requirements.

1. *Starting a business* records the procedures that are officially required for an entrepreneur to start an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions with relevant authorities. The survey divides the process of starting a company into distinct procedures, and calculates the costs and time necessary for accomplishing each procedure under normal circumstances. Information is also collected on the sequence in which procedures may be completed and whether procedures may be carried out simultaneously. The assumption is that the required information is readily available and that all government and non-government entities involved in the process function efficiently and without corruption.

2. *Hiring and Firing workers* focuses on the regulation of employment, specifically the hiring and firing of workers and the rigidity of working hours. Four indices are constructed: a flexibility-of-hiring index, the conditions-of-employment index, a flexibility-of-firing index and an overall employment regulation index. Each index may take values between 0 and 100, with higher values indicating more rigid regulation. The four sub-indices are then averaged to give way to the "index of employment regulation".

3. *Registering Property* covers the full sequence of procedures necessary to transfer the property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included, whether it is the

responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

4. *Getting Credit* constructs measures on credit information sharing and the legal rights of borrowers and lenders. One set of indicators measures the coverage, scope, quality and accessibility of credit information available through public or private credit registries. A second set describes how well collateral and bankruptcy laws facilitate lending. This involves four indicators and indices: Public Credit Registry Coverage, Extensiveness-of-Public-Credit-Registries Index, Private Credit Bureau Coverage and Creditor Rights index

5. *Protecting Investors* concerns three dimensions: (i) disclosure of ownership and financial information; (ii) legal protections of small investors; and (iii) enforcement capabilities in the courts or securities regulator. An index is constructed and captures seven ways of enhancing disclosure: whether laws and regulations require reporting (i) family, (ii) indirect and (iii) beneficial ownership; (iv) disclosing information on voting agreements between shareholders; (v) audit committees reporting to the board of directors; (vi) use of external auditors; and (vii) ownership and financial information is publicly available to all current and potential investors. The index varies between 0 and 7, with higher values indicating more disclosure.

6. *Enforcing contracts* measures the efficiency of the judicial (or administrative) system in the collection of overdue debt. Three main indicators of the efficiency of the judicial system on the enforcement of commercial contracts: 1. the number of procedures mandated by law or court regulation that demand interaction between the parties or between them and the judge or court officer 2. an estimate— in calendar days—of the duration of the dispute resolution process and 3. cost, including court costs and attorney fees, as well as payments to other professionals like accountants and bailiffs. The study also develops an index of the procedural complexity of contract enforcement. This index measures substantive and procedural statutory intervention in civil cases in the courts.

7. *Closing a Business* studies the time and cost of insolvency proceedings involving domestic entities.

Country coverage: 145 countries

Year created: 2004

Frequency: updated annually

Publication where index can be found: World Bank. 2005. *Doing Business in 2005: Removing Obstacles to Growth*. Washington D.C.: World Bank, IFC and Oxford University Press

Relevant Website: <http://rru.worldbank.org/DoingBusiness/>  
<http://rru.worldbank.org/DoingBusiness/Methodology/>

### 35. **E-Business Readiness Index**

Organization/Author: European Commission

Description and methodology: The e-business readiness index monitors e-business environment in the EU. It has been implemented the first time as a pilot study in 2003 in the context of the eEurope 2005 Action Plan. The eEurope 2005 Action Plan calls for a benchmarking of the target that 'by 2005, Europe should have [...] a dynamic e-business environment', specifying that 'ebusiness comprises both e-commerce (buying and selling on-line) and restructuring of business processes to make best use of digital technologies'. The components of the e-business readiness index are 12 indicators grouped into two broad classes of 'Adoption' and 'Use' of ICT technologies. The aggregation method is a weighted average of the indicators. The weights have been obtained by applying the budget allocation technique through a survey among the national experts of the e-Business Support Network. The data are collected from Eurostat through the Enterprise survey conducted in 2003.

Country coverage: 15 European countries

Year created: 2004

Frequency: annual

Publication where Index can be found: Nardo, Michela, Stefano Tarantola, Andrea Saltelli, Costas Andropoulos, Reinhard Buescher, Georgios Karageorgos, Ari Latvala, and Franck Noel. 2004.

"The e-business readiness composite indicator for 2003: a pilot study". European Commission.  
[<http://europa.eu.int/comm/enterprise/ict/policy/ebi/eur21294en.pdf>]

Source: Nardo and others (2004).  
Relevant website: <http://europa.eu.int/comm/enterprise/ict>

### 36. **Ecological Footprint**

Organization/Author: World Wildlife Fund

Description and methodology: The Ecological Footprint (EF) is a measure of the consumption of renewable natural resources by a human population, be it that of a country, a region or the whole world. A population's EF is the total area of productive land or sea required to produce all the crops, meat, seafood, wood and fiber it consumes, to sustain its energy consumption and to give space for its infrastructure. The EF can be compared with the biologically productive capacity of the land and sea available to that population.

Country coverage: 148 countries

Year created: 2000

Frequency: updated every 1-2 years

Publication where index can be found: World Wildlife Fund. (various years). *The Living Planet Report*. Gland, Switzerland: WWF

Sources: [http://www.panda.org/news\\_facts/publications/general/livingplanet/about\\_lpr.cfm#EF](http://www.panda.org/news_facts/publications/general/livingplanet/about_lpr.cfm#EF)

And Living Planet Report 2004 (pages 10-11) found at:

<http://www.panda.org/downloads/general/lpr2004.pdf>

Relevant Website: [http://www.panda.org/news\\_facts/publications/general/livingplanet/index.cfm](http://www.panda.org/news_facts/publications/general/livingplanet/index.cfm)

### 37. **Economic Freedom of the Word (EFW) Index**

Organization/Author: James Gwartney and Robert Lawson - Fraser Institute

Description and methodology: The EFW index measures the degree to which the policies and institutions of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of privately owned property. Thirty-eight components and sub-components are used to construct a summary index and to measure the degree of economic freedom in five areas: 1. size of government; 2. legal structure and protection of property rights; 3. access to sound money; 4. international exchange; and 5. regulation. Each component and sub-component is placed on a scale from 0 to 10 that reflects the distribution of the underlying data. The component ratings within each area are averaged to derive ratings for each of the five areas. In turn, the summary rating is the average of the five area ratings. Countries are ranked from highest to lowest score of economic freedom.

Country coverage: 123 countries

Year created: 1996

Frequency: annual

Publication where index can be found: Gwartney, James and Robert Lawson. 2004. *Economic Freedom of the World*. Vancouver: Fraser Institute

Source: Gwartney and Lawson (2004)

Relevant Website: <http://www.freetheworld.com/>

### 38. **Economic Vulnerability Index**

Organization/Author: Lino Briguglio on behalf of the Islands and Small States Institute, Malta

Description and methodology: The index attempts to measure the extent to which a country's economy is exposed to economic forces outside its control. One effect of this exposure is susceptibility to downside shocks. The latest version of the index (2003) consists of four components, namely trade openness (exports plus imports over GDP), export concentration (the three major categories of exports of merchandise or services as a percentage of total exports), dependence on strategic imports (imports of food and fuel over total imports of merchandise) and peripherality (transport and freight costs as a percentage of imports of merchandise). All economic vulnerability indices produced by the Islands and Small States Institute indicate that small island developing states tend to be more economically vulnerable than other groups of countries.

Country coverage: All countries for which data was available (the 2003 version covered 117 countries or all sizes and stages of development).  
Year created: 1992 as a study by Lino Briguglio commissioned by UNCTAD. It was updated in 1995 and published in *World Development* Vol 23(9), and further updated in 1997 for a United Nations meeting of experts on the vulnerability index.  
([http://www.un.org/esa/sustdev/sids/expert\\_meeting\\_vi.htm](http://www.un.org/esa/sustdev/sids/expert_meeting_vi.htm)). The most recent version was produced in 2003 by Lino Briguglio and Waldemar Galea.  
Publication where index can be found: Briguglio, Lino. 1995, "Small Island States and their Economic Vulnerabilities." *World Development* 23 (9): 1615-1632.  
Briguglio, Lino. 1997. "Alternative Economic Vulnerability Indices for Developing Countries". Report prepared for the Expert Group on Vulnerability Index, United Nations Department of Economic and Social Affairs-UNDESA, December.  
Briguglio, Lino and Waldemar Galea 2003. "Updating and Augmenting the Economic Vulnerability Index." Occasional Papers on Islands and Small States No. 2003(4). Islands & Small States Institute at the Foundation for International Studies, Valletta, Malta.  
Relevant Website: <http://home.um.edu.mt/islands/research.html>

### 39. **Education for all Development Index (EDI)**

Organization/Author: UNESCO

Description and methodology: The EDI is a measure of overall progress towards the goal of Education for All (EFA). EFA constitute 6 main education goals (called the "Dakar goals"-adopted in 2000 in The World Education Forum to be achieved by 2015. Two of these six goals also became Millennium Development Goals later in 2000). The EDI captures four goals of the six: 1. Universal primary education 2. Adult literacy 3. Quality of Education and 4. Gender. Progress towards these four goals subcategories is measured using key indicators. In the case of universal primary education the indicator chosen is the Net Enrollment Ratio (NER). In the case of achieving a 50% improvement in adult literacy by 2015 (goal 4) the adult literacy rate is used. For quality of education several indicators are used such as the repetition rate, pupil/teacher ratio, % of trained teachers amongst others.

The gender aspects of education are presented as a separate index – called the **Gender-related EFA Index (GEI)**. The GEI aims to capture the country's relative achievement in gender parity in participation in primary and secondary education and gender parity in adult literacy. It is calculated as a simple average value of the Gender Parity Index (GPI) in primary education, secondary education and adult literacy. The EDI is a simple average of the values of these four subcomponents. As each of its subcomponents is a percentage, the EDI value can vary from 0 to 100% (or 0 to 1 in ratio form). The closer a country's EDI value is to the maximum, the nearer the country is to the goal and the greater the extent of its EFA achievement. Countries are ranked in terms of level of EDI from highest to lowest and in turn into 4 categories: "Achieved goals" (EDI value of 0.95-1.00), "Close to the goal" (EDI value of 0.95-0.97), "Intermediate position" (EDI of 0.80-0.84) and "Far from the goal" (EDI less than 0.80).

Year created: 2002

Country coverage: 127 countries

Frequency: annual

Publication where index can be found: UNESCO. (Various years). "EFA Global Monitoring Report" [http://portal.unesco.org/education/en/ev.php-URL\\_ID=35874&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/education/en/ev.php-URL_ID=35874&URL_DO=DO_TOPIC&URL_SECTION=201.html)

Source (for methodology): UNESCO.2005. "Global Monitoring Report 2005" Appendix [http://portal.unesco.org/education/en/ev.php-URL\\_ID=36039&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/education/en/ev.php-URL_ID=36039&URL_DO=DO_TOPIC&URL_SECTION=201.html)

### 40. **E-Government Index**

Organization/Author: World Markets Research Centre (WMRC) and Brown University

Description and methodology: The index measures how well national governments deliver information and services online via the Internet. A 0-100 point index is constructed for each country's websites based on the availability of contact information, publications, databases, portals, and number of online services. Four points are awarded to each website for the presence of each of the following 22 features: phone contact information, addresses, publications, databases, links to other sites, audio clips, video clips, foreign language access, not having advertisements, not having user fees, disability access, having privacy policies, security policies, an index, having online services, having a portal connection, allowing digital signatures on transactions, an option to pay via credit cards, email contact information, search capabilities, areas to post comments, broadcasts of events, and option for email updates. These features provided a maximum of 88 points for particular websites. Each site then qualified for a bonus of six points if it was linked to a portal site, and another six points based on the number of online services executable on that site (1 point for one service, two points for two services, three points for three services, four points for four services, five points for five services, and six points for six or more services). The e-government index has a scale from 0 (having none of these features, no portal, or no online services) to 100 (having all 22 features plus having a portal and at least six online services). Countries scores are ranked from highest (best) to lowest (worst).

Country coverage: 196 governments

Year created: 2001

Frequency: No longer being updated/maintained

Publication where index can be found: WMRC and Brown University. 2001. "Global E-Government Survey". <http://www.worldmarketsanalysis.com/pdf/e-govreport.pdf>

Source: WMRC and Brown University (2001)

Relevant Website: [http://www.worldmarketsanalysis.com/e\\_gov\\_report.html](http://www.worldmarketsanalysis.com/e_gov_report.html)

#### **41. E-Government Readiness Index**

Organization/Author: United Nations - UNPAN

Description and methodology: the *E-Government Readiness Index* is a composite measure of the capacity and willingness of countries to use e-government for ICT-led development. It ranks government's efforts while taking into account their size, infrastructure availability and ICT penetration, and the level of education and skill development. The index assesses 50,000 features of E-government websites of 191 countries. It is constructed averaging three other indices: the Web Measure Index, the Telecommunications Infrastructure Index and the Human Capital Index. Countries are ranked from highest readiness (1.0) to lowest (0).

Country coverage: 191 Members states of the UN

Year created: 2003

Frequency: updated annually

Publication where index can be found: United Nations. 2004. *Global E-Government Readiness Report 2004: Towards Access for Opportunity*. New York: United Nations

Source: United Nations (2004)

Relevant Website: <http://www.unpan.org/egovernment4.asp>

#### **42. EIU Business Environment Rankings**

Organization/Author: Economist Intelligence Unit (EIU)

Description and methodology: It measures the quality or attractiveness of the business environment and its key components for 60 countries. The model uses quantitative data, business surveys and expert assessments reflecting the main criteria used by companies in formulating their global business strategies and investment-location decisions. The business rankings model examines ten separate criteria or categories: 1. Political environment 2. Macroeconomic environment 3. Market opportunities 4. Policy towards free enterprise and competition 5. Policy towards foreign investment 6. Foreign trade and exchange controls 7. Taxes 8. Financing 9. Labor market and 10. Infrastructure. Each category contains a number of indicators – totaling 70 - that are assessed for the last five years and the next five years. The overall scores (on a scale of 1 to

10) and rankings are based on the scores for these 70 indicators. Scores and rankings are produced for both the five-year historical period (1999-2003) and the five-year forecast period (2004-08).  
Country coverage: 60 (developing and industrialized) countries  
Year Created: 1997  
Frequency: quarterly  
Publication where index can be found: -  
Sources/Website: [http://eb.eiu.com/site\\_info.asp?info\\_name=eb\\_business\\_methodology](http://eb.eiu.com/site_info.asp?info_name=eb_business_methodology)

#### 43. **EIU Country Risk Rating**

Organization/Author: The Economist Intelligence Unit

Description and methodology: The purpose of the Country Risk Model (CRM) is to provide complete internationally comparable and regularly updated country risk scores for 100 developing and highly indebted countries, and to generate credit ratings of the relative risks from a macroeconomic and financial standpoint. The risk ratings methodology examines risk from two distinct perspectives: 1) broad categories of risk grouped in analytical categories of political, economic policy, economic structure and liquidity factors; and 2) risk exposure associated with investing in particular types of financial instruments, namely specific investment risk. This includes risk associated with taking on foreign-exchange exposure against the US dollar, foreign-currency loans to sovereigns and foreign-currency loans to banks. The CRM operates by asking the EIU's country expert to answer a series of quantitative and qualitative questions on recent and expected political and economic trends in the relevant country. Letter scores range from "A" (the lowest risk) to "E" (the highest risk). Overall scores are awarded in one-point increments, and can range from 0 ("A" category) to a maximum of 100 points ("E" category) for the highest-risk countries.

Broad categories of risk: In terms of broad analytical categories of risk, a country's current and previous ratings, for example, may break down as follows.

	Score	Rating
Political risk	43	C
Economic policy risk	23	B
Economic structure risk	37	B
Liquidity risk	28	B

These four types of general political and macroeconomic risk (political risk, economic policy risk, economic structure risk and liquidity risk) are assessed independently of their association with a particular investment vehicle. They are each given a letter grade. These factors are then used to compile an overall score and rating for the country. This overall country risk assessment can be used for making a general assessment of the risk of a crisis in the country's financial markets, where foreign investors may have exposure. It is also useful for investors wishing to get a snapshot of the generalised risk of investing in the country or for those investing in the country in an investment vehicle which is not expressly covered in the EIU's specific investment risk categories.

Political risk: pertains to the risk of exposure stemming from the political environment. The factors in this category relate to the threat of war, social unrest, disorderly transfers of power, political violence, international disputes, regime changes, institutional ineffectiveness, but also include the quality of the bureaucracy, the transparency and fairness of the political system, and levels of corruption and crime in the country in question.

Economic policy risk: relate to the quality and consistency of economic management. Open economies with low inflation and low fiscal deficits are rewarded in the model. Among the subcategories considered are monetary policy (inflation performance and interest rates), fiscal policy (magnitude of public-sector deficits and public debt/GDP), exchange-rate policy (type of exchange-rate regime), trade (barriers to an open trading system) and regulatory policies (capital controls and regulations/attitudes towards foreign investment).

Economic structure risk: examines economic variables central to solvency. Among the subcategories of risk are growth and savings (growth performance, including volatility), the current account (deficit/GDP, magnitude and degree of sustainability) and debt structure (debt/exports, interest due/exports).

Liquidity risk: examines the risk of potential imbalances between resources and obligations which could result in disruption of the financial markets. Among the factors considered are the direction of reserves, import cover, M2/reserves, the degree of a country's dependence on portfolio inflows and the size of its direct investment inflows.

Specific categories of risk: In terms of specific investment risk, a country's current and previous ratings, for example, may break down as follows.

	Score	Rating
Currency risk	27	B
Sovereign risk	33	B
Banking sector risk	30	B

Currency risk: A score and ratings are derived to assess the risk of a devaluation against the US dollar of 20% or more in real terms over the forecast period. Political, economic policy, economic structure and liquidity risk factors are taken into account in assessing the risk associated with this specific investment. Each is given a letter grade to evaluate its contribution to the overall score and rating as it pertains to foreign-currency exchange-rate risk.

Sovereign debt risk: A score and ratings are derived to assess the risk of a build-up in arrears of principal and/or interest on foreign-currency debt which are the direct obligation of the sovereign or guaranteed by the sovereign. Political, economic policy, economic structure and liquidity risk factors are taken into account in assessing the risk associated with this specific investment. Each is given a letter grade to evaluate its contribution to the overall score and rating as it pertains to sovereign debt risk.

Banking sector risk: A score and ratings are derived to assess the risk of a build-up in arrears of principal and/or interest on foreign-currency debt which are the obligation of the country's private banking institutions. In the case of banking sector risk, the model assesses whether there are likely to be payment problems within the banking sector, but not whether one particular bank is likely to experience payment problems. Political, economic policy, economic structure and liquidity risk factors are taken into account in assessing the risk associated with exposure to this sector. Each is given a letter grade to evaluate its contribution to the overall score and rating as it pertains to banking sector risk.

Ratings bands: The ratings bands of "A" to "E" as they pertain to political risk, economic policy risk, economic structure risk and liquidity risk are a convenient summary for translating the score obtained in the model into a letter category. For example, an "A" rating signifies the country is very strong in a particular category, and conversely an "E" underscores a severe weakness.

Country coverage: 100 developing and highly indebted countries

Year created: 1997 (new methodology)

Frequency: updated monthly

Publication where index can be found: Risk Ratings Review

Sources/Website: [http://www.eiuresources.com/ras/help\\_about.asp](http://www.eiuresources.com/ras/help_about.asp)

#### 44. **EIU World Wide Cost of Living Index**

Organization/Author: Economist Intelligence Unit (EIU)

Description and methodology: Compares cost of living among cities. The survey gathers detailed information on the cost of more than 160 items--from food, toiletries and clothing to domestic help, transport and utility bills--in every city. More than 50,000 individual prices are collected in each survey round. A cost-of-living index is calculated from the price data to express the difference in the cost of living between any two cities.

Country coverage: 130 cities in 90 countries

Year created: 1980

Frequency: updated in June and December of each year  
 Publication where index can be found: -  
 Source: [http://eiu.enumerate.com/asp/wcol\\_HelpIndexCalc.asp](http://eiu.enumerate.com/asp/wcol_HelpIndexCalc.asp)  
 Website: [http://eiu.enumerate.com/asp/wcol\\_WCOLHome.asp](http://eiu.enumerate.com/asp/wcol_WCOLHome.asp)

#### 45. **Emerging Markets Bond Indices**

Organization/Author: JPMorgan  
 Description and methodology: The JP Morgan bond indices (EMBI, EMBI+, EMBI Global and EMBI Global Constrained) track total returns for traded external debt instruments in the emerging markets. Included in the EMBI Global, for example, are US dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instrument issued by sovereigns classified as low or middle income by the World Bank and those countries that have restructured debt over the past 10 years. Moreover, instruments have to have face values of over U\$500 million with at least 2.5 years to maturity. Country sub-indices are used to evaluate country risk through their yield spreads (difference between country EMBI and US treasury yield).  
 Country coverage: 27 emerging economies (EMBI Global)  
 Year created: EMBI+ 1995, EMBI Global 1999  
 Frequency: updated daily  
 Publication where index can be found: -  
 Sources: JP Morgan public site: <http://www2.jpmorgan.com/MarketDataInd/EMBI/embi.html>  
 John Cavanagh and Richard Long. 1999. "Introducing the J.P. Morgan Emerging Markets Bond Index Global (EMBI Global)" J.P. Morgan Securities Inc. Methodology brief  
[\[http://faculty.darden.virginia.edu/liw/emf/embi.pdf\]](http://faculty.darden.virginia.edu/liw/emf/embi.pdf)  
 Cunningham, Alastair. 1999. "Emerging Economy Spread Indices and Financial Stability", *Financial Stability Review*, (November): 115-127  
[\[http://www.bankofengland.co.uk/fsr/fsr07art3.pdf\]](http://www.bankofengland.co.uk/fsr/fsr07art3.pdf)

#### 46. **Environmental Degradation Index (EDI)**

Organization/Author: Raghbendra Jha (Australian National University) and K.V. Bhanu Murthy (University of Delhi)  
 Description and methodology: The authors use the method of Principal Components Analysis (PCA) to construct an Environmental Degradation Index (EDI) for each country and global environmental degradation (GED) as the sum of the EDI's. They rank the countries according to the EDI. They use the EDI to relate consumption to environmental degradation. They identify outliers and influential observations among both the environmental and consumption related variables. Canonical Discriminant analysis is then used to classify development classes along environmental lines. Then they estimate a simultaneous equation model to analyze the pattern of causation between per capita income, consumption and environmental degradation. They estimate a Global Environmental Kuznets curve (GEKC) as a relation between EDI ranks and ranks of the consumption-based EDI. Six variables from the Human Development report are chosen for the EDI and then 2 of these are dropped: 1 PCFWW – Annual per capita fresh water withdrawals. 2. CENTFWW - Annual fresh water withdrawals as a percentage of water resources. 3. PAPCPM - Printing and writing paper consumed per capita. 4. PCCO2 - Per capita CO2 emission. 5. CO2SH - Share of world total CO2. 6. DEFOR – Rate of deforestation. Two variables were discarded, viz., the second (CENTFWW) and the sixth (DEFOR) and define the EDI for the *i*th country as:

$$EDI_i = \sum_{j=1}^5 w_j x_{ji}$$

where;

$w_j$  = *j* th component score,

$x_{ji}$  = value of the *j* th variable for the *i* th country; and *j* = 1,3,4 and 5.

And the Global Environmental Degradation (GED) is given by:

$$GED = \sum_{i=1}^{174} EDI_i$$

Country coverage: 174 countries

Year created: 2003

Frequency: -

Publication where index can be found: Jha, Raghbendra and K.V. Bhanu Murthy. 2006.

*Environmental Sustainability: A Consumption Approach*. New York: Routledge.

Relevant Website: <http://rspas.anu.edu.au/economics/publish/papers/wp2004/wp-econ-2004-03.pdf>

#### 47. **Environmental Performance Index (EPI)**

Organization/Author: Center for International Earth Science Information Network (Columbia University) and Yale Center for Environmental Law and Policy (Yale University)

Description and methodology: The index is designed to measure and compare environmental performance across countries. The EPI derives from a collection of data sets aggregated into four core indicators covering 1. Air quality 2. Water quality 3. Greenhouse gas emissions and 4. Land protection. This performance measure helps to uncover how well governments are achieving certain policy objectives. The ranking is constructed from highest to lowest score of performance.

Country coverage: 23 countries

Year created: 2002

Frequency: A pilot index was released in 2002, which will be transformed into the Environmental Quality Index (EQI) in 2005

Publication where index can be found: WEF. 2002. "Pilot Environmental Performance Index: An Initiative of the Global Leaders of Tomorrow Environment Task Force", World Economic Forum Annual Meeting 2002. [http://www.ciesin.columbia.edu/indicators/ESI/EPI2002\\_11FEB02.pdf](http://www.ciesin.columbia.edu/indicators/ESI/EPI2002_11FEB02.pdf)

Source: WEF (2002)

Relevant Website: <http://www.ciesin.columbia.edu/indicators/ESI/>

And <http://www.yale.edu/envirocenter/epm.htm>

#### 48. **Environmental Sustainability Index (ESI)**

Organization/Author: Center for International Earth Science Information Network (Columbia University) and Yale Center for Environmental Law and Policy (Yale University)

Description and methodology: The ESI benchmarks the ability of nations to protect the environment over the next several decades. The ESI tracks relative success for each country in five core components: 1. Environmental Systems 2. Reducing Stresses 3. Reducing Human Vulnerability 4. Social and Institutional Capacity and 5. Global Stewardship. In turn, these 5 components form a total of 21 indicators, with each indicator combining two to eight variables, for a total of 76 underlying data sets. The countries are ranked by their ESI scores – from highest (best) to lowest (worst).

Country coverage: 146 countries

Year created: 2000 – formally released in 2005

Frequency: a pilot was launched in 2000; a report followed in 2001 and 2002 (with the methodology changing that year). The Environmental Sustainability Index was formally released in Davos, Switzerland, at the annual meeting of the World Economic Forum on Friday, 28 January 2005

Publication where index can be found: Yale Center for Environmental Law and Policy and Center for International Earth Science Information Network. 2005. "2005 Environmental Sustainability Index: Benchmarking National Environmental Stewardship"

<http://www.yale.edu/esi/ESI2005.pdf>

Source: Publication above  
Relevant Website: <http://www.yale.edu/esi/>

**49. Environmental Vulnerability Index (EVI) (In process)**

Organization/Author: South Pacific Applied Geoscience Commission (SOPAC)  
Description and methodology: The EVI will quantify the vulnerability of the natural environment to damage from natural and anthropogenic hazards at national scales. The EVI project aims to promote environmental vulnerability considerations into national development planning and management thereby encouraging sustainable development. The EVI concentrates on measuring ecological vulnerability and seeks to support other vulnerability indices initiatives, including the economic vulnerability index and a soon-to-be developed social vulnerability index, as part of the global move towards determining how development could be achieved sustainably.

Country coverage: -

Year created: 2004

Frequency: Assessments every 5 years

Publication where index can be found: Several papers

Source: Alder, Jackie, Arthur Dahl, Ursula Kaly, Jonathan Mitchell, Ned Norton, Craig Pratt, Dr Michael Witter. 2004. "Report on the Environmental Vulnerability Index (EVI) Think Tank II".

<http://www.sopac.org/tiki/tiki-index.php?page=Environmental+Vulnerability+Index+Library>

Relevant Website:

<http://www.sopac.org/tiki/tiki-index.php?page=Environmental+Vulnerability+Index+EVI+Project>

**50. E-Participation Index**

Organization/Author: United Nations - UNPAN

Description and methodology: The E-Participation Index assesses the quality, usefulness and relevancy of the information and services and the willingness of countries to engage citizens in public policy making through the use of the e-government programs. The goal of e-participation initiatives is to improve the citizen's access to information and public services and participation in public decision-making. It is divided into e-information, e-consultation and e-decision-making across six general, economic and social sectors. Each country was assessed on a scale of 0-4. The index was constructed by standardizing the scores.

Country coverage: 191 Members states of the UN

Year created: 2003

Frequency: updated annually

Publication where index can be found: United Nations. 2004. *Global E-Government Readiness Report 2004: Towards Access for Opportunity*. New York: United Nations

Source: United Nations (2004)

Relevant Website: <http://www.unpan.org/egovernment4.asp>

**51. E-Readiness Rankings**

Organization/Author: Economist Intelligence Unit and Pyramid Research

Description and methodology: E-readiness measures the extent to which a country's business environment is conducive to Internet-based commercial opportunities. It is based on collection of factors that indicate how amenable a market is to Internet-based opportunities. The index uses nearly 100 quantitative and qualitative criteria (data based on EIU and Pyramid Research), grouped into 6 categories: 1. Connectivity and technology infrastructure (25% weight) 2. Business Environment (20%) (EIU's "Business Environment ranking") 3. Consumer and business adoption (20% weight) 4. Legal and policy environment (15% weight) 5. Social and cultural environment (15% weight) and 6. Support e-service (5% weight). The index ranges from 1.0 (worst score) to 10 (best score) and countries are ranked from best to worst.

Country coverage: 60 largest economies

Year created: 2000

Frequency: updated annually  
Publication where index can be found: Economist Intelligence Unit and IBM Institute of Business Value. 2004. "The 2004 e-readiness ranking - A white paper from the Economist Intelligence Unit" [http://graphics.eiu.com/files/ad\\_pdfs/ERR2004.pdf](http://graphics.eiu.com/files/ad_pdfs/ERR2004.pdf)  
Sources/Website: [http://www.ebusinessforum.com/index.asp?layout=rich\\_story&doc\\_id=367](http://www.ebusinessforum.com/index.asp?layout=rich_story&doc_id=367)

## 52. **ERG Country Classification**

Organization/Author: ERG (Export Credit Agency of Switzerland)  
Description and methodology: -  
Country coverage: 182 countries  
Year created: 1998/99  
Frequency: -  
Publication where index can be found: -  
Source/Website: <http://www.swiss-erg.com/politik/laenderliste/liste/e/index.htm>

## 53. **Ethics Indices**

Organization/Author: Daniel Kaufmann – World Bank Institute  
Description and methodology: A number of indices constructed to reflect ethics in the public sphere and the corporate sector. The theoretical range of each index is 0-100, reflecting the average percentage of firms in each country reporting an satisfactory situation on the particular ethics-related Executive Opinion Survey question.  
*CICC (Corporate Illegal Corruption Component)*: Percentage of firms in the country that give satisfactory ratings to the questions on corporate ethics, illegal political funding, state capture cost, average of frequency of bribery in procurement and active capture, corruption in banking (average of formal money laundering and bribery for loans), and percentage firms reporting 0 percent procurement and administrative bribe shares.  
*CLCC (Corporate Legal Corruption Component)*: Percentage of firms in the country that give satisfactory ratings to the questions on influencing legal political funding and undue political influence.  
*CEI (Corporate Ethics Index)*: Percentage of firms in the country that give satisfactory rating to the questions on index calculated as the average of the percentage of firms' Corporate Illegal Corruption Component and the Corporate Legal Corruption Component  
*PSEI (Public Sector Ethics Index)*: Percentage of firms in the country that give satisfactory ratings to the questions on honesty of politicians, government favoritism in procurement, diversion of public funds, trust in postal office and the average of bribe frequencies for permits, utilities and taxes.  
*JLEI (Judicial/Legal Effectiveness Index)*: Percentage of firms in the country that give satisfactory ratings to the questions on judicial independence, judicial bribery, quality of legal framework, property protection, parliament effectiveness and police effectiveness.  
*CGI (Corporate Governance Index)*: Percentage of firms in the country that give satisfactory ratings to the questions on protection of minority shareholders, quality of training, willingness to delegate authority, nepotism and corporate governance.  
For all indices, a higher value implies a higher ethical standard rating given by the country's enterprise sector. The percentage value reflects the share of the country's enterprises providing a satisfactory rating. Given the margin of error in this type of index, it is not warranted to perform seemingly precise comparisons across individual countries having ratings that do not differ vastly from each other; thus, it is also not appropriate to utilize these indices for precise country ratings.  
Country coverage: 104 countries – not ranked  
Year created: 2004  
Frequency: -  
Publication where index can be found: Kaufmann, Daniel. 2004. "Corruption, Governance and Security: Challenges for the Rich Countries and the World". In Michael E. Porter, Klaus Schwab, Xavier Sala-I-Martin, Augusto Lopez-Claros. 2004. *The Global Competitiveness Report 2004-2005*. Basingstoke: Palgrave Macmillan

**54. Ethno-linguistic and Religious Fractionalization Index and Political Instability Index**

Organization/Author: Annett, Anthony

Description and methodology: the *index of fractionalization*, measured along ethnolinguistic and religious scales, is a proxy for the number of competing groups in society. The index of fractionalization is defined as one half times the value of ethnolinguistic fractionalization plus one half times the value of religious fractionalization: this index is the principle proxy for conflict between competing groups.

The index of ethnolinguistic fractionalization and the index of religious fractionalization are defined as follows. For a given number of groups in society, the index measures the probability that two randomly selected individuals from the country in question will not belong to the same group. Formally, it can be calculated from the following formula:

$$\text{Fractionalization} = 1 - \sum_{i=1}^M \left( \frac{n_i}{N} \right)^2, \quad i = 1, \dots, M.$$

N is the total population and  $n_i$  is the number of people belonging to the  $i$ -th group. Specifically, two such indices will be defined, ethnolinguistic fractionalization and religious fractionalization. The former divides the country into ethnolinguistic groups while the latter concentrates on different religious groupings.

*Political instability* is captured by the following indicators: (1) genocidal incidents involving communal victims or mixed communal and political victims (2) the occurrence of a civil war (3) the number of assassinations per thousand population; (4) the number of extraconstitutional or forced changes in the top government elite and/or its effective control of the nation's power structure ; (5) the number of illegal or forced changes in the top government elite, any attempt at such change, or any successful or unsuccessful armed rebellion whose aim is independence from the central government; (6) violent demonstrations or clashes involving more than a hundred citizens involving the use of physical force ; (7) the number of major government crises, where a crisis is defined as any rapidly developing situation threatening to bring the downfall of the present regime, excluding instances of revolt aimed at overthrow ; (8) the number of times in a year that a new premier is named and/or 50 percent of the cabinet posts are occupied by new ministers; and (9) the number of basic alterations in a state's constitutional structure, the extreme case being the adoption of a new constitution that significantly alters the prerogatives of the various branches of government combined index.

Country coverage: more than 100 countries

Year created: 2001

Frequency: -

Publication where index can be found: Annett, Anthony. 2001. "Social Fractionalization, Political Instability, and the Size of Government" International Monetary Fund Staff papers, (48)3: 561-592

Sources/Website: <http://www.imf.org/External/Pubs/FT/staffp/2001/03/annett.htm>.

**55. Eurochambres Economic Survey (EES) Indicators**

Organization/Author: Eurochambres

Description and methodology: The Economic Survey is an annual, qualitative regional survey of business expectations in Europe. It is based on a harmonised questionnaire sent to entrepreneurs from 23 EU Member States as well as Bulgaria, Croatia, Romania and Turkey during the autumn 2004. Over 76,000 companies responded. Data have been aggregated at regional level, with 119 European regions included. A set of 12 questions were posed to companies on their past, current and short term business expectations (4 indicators: 1. total turnover, domestic sales and export sales 2. employment 3. investment and 4. business confidence). Entrepreneurs were asked to give

a qualitative response, i.e. "better than the previous year", "the same as the previous year" or "worse than the previous year". Responses from entrepreneurs were collected and aggregated using random and representative sampling techniques thereby guaranteeing representativity by size, sector and region. In most countries all regions participated in the survey. In some, often smaller states, the country as a whole was regarded as "a region". The regional results have then been centralised in each country, a national weighted aggregate was calculated and extensive comments on the results have also been prepared. Subsequently EUROCHAMBRES brought the national reports and regional data together, and prepared a European report on the main trends resulting from the survey. National and European results presented in the European Analysis were weighted according to national GDPs. Also when calculating averages or other aggregates (Euro Zone countries, survey average etc.), GDP was used for weighting.

Country coverage: 27 countries

Year created: 1993

Frequency: annual (2005 is the 12th edition)

Publication where index can be found: Eurochambres. 2005. "Eurochambres Economic Survey 2005: The Business Climate in Europe's Regions in 2005". Brussels: Eurochambres

Sources/Website: [http://www.eurochambres.be/PDF/pdf\\_ees2005/EES2005%20part%20one.pdf](http://www.eurochambres.be/PDF/pdf_ees2005/EES2005%20part%20one.pdf)

## 56. European Innovation Scoreboard (EIS) and Summary Innovation Index (SII)

Organization/Author: European Commission

Description and methodology: The EIS is the instrument developed by the European Commission, under the Lisbon Strategy, to evaluate and compare the innovation performance of the Member States. The EIS 2004 includes innovation indicators and trend analyses for all 25 EU Member States, as well as for Bulgaria, Romania, Turkey, Iceland, Norway, Switzerland, the US and Japan. The EIS is part of a package together with the European competitiveness report and the enterprise scoreboard. Innovation is defined as "the renewal and enlargement of the range of products and services and the associated markets; the establishment of new methods of production, supply and distribution; the introduction of changes in management, work organization, and the working conditions and skills of the workforce."

The EIS is based on 20 indicators. They are combined into a composite indicator, the *Summary Innovation Index (SII)*, which provides an overview of the relative national innovation performances. The SII is calculated for all countries, based on a number of available indicators, which can vary from 12 to 20 depending on the country. The 20 indicators (see below) are used in calculating the composite Innovation Index:

### 1. Human Resources for Innovation (5 Indicators)

- 1.1 S&E graduates
- 1.2 Working Population with tertiary education
- 1.3 Lifelong learning (% work pop)
- 1.4 Employment med/hi-tech manufacturing (% of total workforce)
- 1.5 Employment high-tech services

### 2. Creation of new knowledge (4 indicators)

- 2.1 Public R&D expenditures (% GDP)
- 2.2 Business R&D expenditures (% GDP)
- 2.3.1 EPO high-tech patents (per million pop)
- 2.3.2 USPTO high-tech patents (per million pop)
- 2.4.1 EPO patents (per million pop)
- 2.4.2 USPTO patents (per million pop)

### 3. Transmission and application of knowledge (4 indicators) (% of all SMEs)

- 3.1 SMEs innovating in-house
- 3.2 SMEs innovation co- operation
- 3.3 Innovation expenditures (% turnover)
- 3.4 SMEs using non-tech change

### 4. Innovation finance, output and markets (7 indicators)

- 4.1 Share of High-tech venture capital inv.
- 4.2 Share of early stage venture capital in GDP
- 4.3.1 New-to-market products (% turnover)
- 4.3.2 New-to-firm products (% turnover)
- 4.4 Internet access (composite indicator)
- 4.5 ICT expenditures (% of GDP)
- 4.6 Share of manufacturing value added in hi-tech sectors

Country coverage: 33 countries (25 EU + 8)  
Year created: 2000  
Frequency: annual  
Publication where index can be found: Commission of the European Communities. 2004.  
“European Innovation Scoreboard 2004: Comparative Analysis of Innovation Performance”.  
Commission Staff Working Paper. Brussels.  
[[http://trendchart.cordis.lu/scoreboards/scoreboard2004/scoreboard\\_papers.cfm](http://trendchart.cordis.lu/scoreboards/scoreboard2004/scoreboard_papers.cfm)]  
Sources: Commission of the European Communities (2004). For more on the Methodology of the SII please refer to “2004 European Innovation Scoreboard: Methodology Report” Available at  
[http://trendchart.cordis.lu/scoreboards/scoreboard2004/pdf/eis\\_2004\\_methodology\\_report.pdf](http://trendchart.cordis.lu/scoreboards/scoreboard2004/pdf/eis_2004_methodology_report.pdf)  
Relevant Website: [http://trendchart.cordis.lu/tc\\_innovation\\_scoreboard.cfm](http://trendchart.cordis.lu/tc_innovation_scoreboard.cfm)

#### **57. Failed States Index**

Organization/Author: Foreign Policy and Fund for Peace  
Description and methodology: The index is compiled using the Fund for Peace's internationally recognized methodology, the Conflict Assessment System Tool (CAST). It assesses violent internal conflicts and measures the impact of mitigating strategies. In addition to rating indicators of state failure that drive conflict, it offers techniques for assessing the capacities of core state institutions and analyzing trends in state instability. Using 12 social, economic, political, and military indicators, we ranked states in order of their vulnerability to violent internal conflict. The resulting index provides a profile of the new world disorder of the 21st century and demonstrates that the problem of weak and failing states is far more serious than generally thought.  
Country coverage: 148 countries  
Year created: 2005  
Frequency: annual  
Publication where index can be found: Foreign Policy  
Source/Website: [http://www.foreignpolicy.com/story/cms.php?story\\_id=3098](http://www.foreignpolicy.com/story/cms.php?story_id=3098)  
<http://www.fundforpeace.org/programs/fsi/fsindex.php>

#### **58. Financial Times Credit Ratings**

Organization/Author: FT Interactive Data  
Description and methodology: -  
Country coverage: 80 emerging markets  
Frequency: -  
Publication where index can be found: “FT Credit Ratings in Emerging Markets”  
Sources/Website: [http://www.ftid.com/products/data\\_type/descriptive/ratings.shtml](http://www.ftid.com/products/data_type/descriptive/ratings.shtml)

#### **59. Food Insecurity**

Organization/Author: Food and Agriculture Organization of the United Nations (FAO)  
Description and methodology: FAO reports on global and national efforts to reach the goal set by the 1996 World Food Summit: to reduce by half the number of undernourished people in the world by the year 2015. It monitors progress in hunger reduction based on accurate, reliable and timely methods that measure the prevalence of hunger, food insecurity and vulnerability and that also illustrate changes over time. FAO presents the latest estimates of the number of undernourished people and the proportion by country. It also presents the countries with food emergencies and their causes (“hunger hotspots”).  
Country coverage: world  
Year created: -  
Frequency: yearly  
Publication where index can be found: FAO. Various years. *The State of Food Insecurity in the World*. Rome: FAO

Source: FAO. 2004. *The State of Food Insecurity in the World 2004: Monitoring progress towards the World Food Summit and Millennium Development Goals*. Rome: FAO  
Relevant Website: [http://www.fao.org/sof/sofi/index\\_en.htm](http://www.fao.org/sof/sofi/index_en.htm)

**60. Forbes Capital Hospitality Index (FCHI)**

Organization/Author: Forbes

Description and methodology: Forbes began with a list of principles employed by the U.S. Chamber of Commerce when considering international investments. Seeking out several of the world's top institutions of sociological and economic theory, they gathered the results of surveys, statistical studies and socio-economic data on each of the 135 countries in the index, assigning relative percent-rankings for each of the chamber's largely qualitative principles. Then they aggregated scores across ten separate categories to develop the first Forbes Capital Hospitality Index. The FCHI measures macroeconomic indicators like GDP growth and international trade, along with societal factors affecting investment, including poverty, bureaucracy, technological advancement and corruption. Scores represent a 'percent rank' whereby a score of 80 is better than 80% of countries in each of ten categories for which data is available. Total score takes an average across those categories (no less than 7 out of 10) for each country.

Country coverage: 135 countries

Year created: 2006

Frequency: -

Publication where index can be found: Forbes magazine

Source/Website: [http://www.forbes.com/2006/02/03/capital-hospitality-intro-cz\\_jg\\_0206caphosp.html](http://www.forbes.com/2006/02/03/capital-hospitality-intro-cz_jg_0206caphosp.html)

**61. Foreign Direct Investment Confidence Index**

Organization/Author: AT Kearney - Global Business Policy Council

Description and methodology: The index serves to gauge the likelihood of investment in specific markets in order to gain insight into likely trends in future global FDI flows. It relies on a survey to executives of 42 different countries that express their views of other 64 countries, receiving 90% of FDI flows. The index is computed as a weighted average of a number of high, medium, low and "no interest" responses to a question about the likelihood of direct investment in a market over the next one to three year period. Index values are based on non-source country responses about various markets. For example, the index ranking the US reflects all non- US company responses about the US market. All index values have been calculated on a scale of 0 to 3, with 3 representing "highly attractive" and 0 "non-attractive".

Country coverage: 42 countries

Year created: 1998

Frequency: annually

Publication where index can be found: AT. Kearney. Various years. *FDI Confidence Index*.

Source (methodology): AT. Kearney Global Business Policy Council. 2004. *FDI Confidence Index 2004*. Alexandria, VA: AT Kearney

[http://www.atkearney.com/shared\\_res/pdf/FDICIOct\\_2004\\_S.pdf](http://www.atkearney.com/shared_res/pdf/FDICIOct_2004_S.pdf)

Relevant Website: <http://www.atkearney.com/main.taf?p=5,3,1,89>

**62. FORELEND – Lender's risk rating**

Organization/Author: Business Environment Risk Intelligence (BERI)

Description and methodology: It provides executives in banks and corporations with perspective on the capacity and willingness of 50 countries to meet obligations in convertible currency during a five-year period. The lender's risk rating is a weighted score comprised of a computerized quantitative rating (ability of a country to raise the needed foreign exchange to meet debt obligations), a qualitative rating (competence, corruption, loan profile, etc.), and a political/economic rating (stability of the nation's power structure and direction of the economy).

Country coverage: 50 (developing and industrial) countries

Year created: 1978  
Frequency: three times a year  
Publication where index can be found: FORELAND  
Sources/Website: <http://www.beri.com/forelend.asp>

**63. Gender Empowerment Measure (GEM)**

Organization/Author: UNDP  
Description and methodology: The GEM examines whether women and men are able to actively participate in economic and political life and take part in decision-making. It captures gender inequality in three key areas: 1) Political participation and decision-making power, as measured by women's and men's percentage shares of parliamentary seats 2) Economic participation and decision-making power, as measured by two indicators— women's and men's percentage shares of positions as legislators, senior officials and managers and women's and men's percentage shares of professional and technical positions 3) Power over economic resources, as measured by women's and men's estimated earned income (PPP US\$).  
Country coverage: 177 countries  
Year created: 1995  
Frequency: updated annually  
Publication where index can be found: UNDP. Various years. *Human Development Report*. New York: Oxford University Press  
Sources/Website: [http://hdr.undp.org/docs/statistics/indices/technote\\_1.pdf](http://hdr.undp.org/docs/statistics/indices/technote_1.pdf)

**64. Gender Equity Index (GEI)**

Organization/Author: Social Watch  
Description and methodology: It ranks countries according to their performance in the dimensions relating to gender equity, using the same method that Social Watch uses in other areas. That is, the values shown relate to the average of each country's performance in the different dimensions of analysis, which in this case are: education, economic activity and empowerment. The final ranking was calculated by taking a non-weighted average of each country's rating in each area. The countries were classified into four categories in line with their distribution within each indicator. The average for each area was calculated according to the average values in the classification. With this first breakdown distances were eliminated and the distribution was homogenized; therefore the result of the GEI is a basic criterion for ranking by relative position and not according to the conceptual levels of the indicators. Where two or more countries appear in the same relative position, they are ranked alphabetically.  
Country coverage: 134 countries  
Year created: 2004  
Frequency: yearly  
Publication where index can be found: Social Watch Report 2004 and 2005  
Sources/Website: Methodology of gender equity:  
[http://www.socialwatch.org/en/informeImpreso/pdfs/methodology2005\\_eng.pdf](http://www.socialwatch.org/en/informeImpreso/pdfs/methodology2005_eng.pdf)  
Ranking: [http://www.socialwatch.org/en/informeImpreso/pdfs/gei2005\\_eng.pdf](http://www.socialwatch.org/en/informeImpreso/pdfs/gei2005_eng.pdf)

**65. Gender Gaps**

Organization/Author: Augusto Lopez-Claros and Saadia Zahidi for the World Economic Forum (WEF)  
Description and methodology: The Gender Gap measures the extent to which women have achieved full equality with men in five critical areas: 1. economic participation 2. economic opportunity 3. political empowerment 4. educational attainment and 5. health and well-being. To create the rankings, the data used in this study come from publicly available sources, including the World Development Indicators of the World Bank, and the Human Development Report of UNDP, as well as the annual Executive Opinion Survey of the World Economic Forum. The

questions from the Executive Opinion Survey included in this study use a 1 to 7 scale. The mean response of all respondents in a particular country is the final score reported for that country on the relevant variable. The “hard” data taken from other international organizations is reported on different scales or units. To make all data comparable, hard data was normalized to a 1 to 7 scale, with the best value in each category being allotted a 7, and the worst value a 1. Once both survey and hard data are on the same scale, the scores for each country are calculated by taking the unweighted mean of all the variables within a particular category. Finally, the overall scores for each country are calculated as an unweighted average of the scores obtained in each of the five categories. Scores are reported on a scale of 1 to 7, with 7 representing the maximum gender equality.

Country coverage: 58 countries

Year created: 2005

Frequency: -

Publication where index can be found: Lopez-Claros, Augusto and Saadia Zahidi. 2005. *Women's Empowerment: Measuring the Global Gender Gap*. Geneva/Cologne: World Economic Forum.

[http://www.weforum.org/pdf/Global\\_Competitiveness\\_Reports/Reports/gender\\_gap.pdf](http://www.weforum.org/pdf/Global_Competitiveness_Reports/Reports/gender_gap.pdf)

Source/ Relevant Website:

<http://www.weforum.org/site/homepublic.nsf/Content/Global+Competitiveness+Programme%5CWomen's+Empowerment:+Measuring+the+Global+Gender+Gap>

#### **66. Gender Gaps Scores in Education**

Organization/Author: Population Action International (PAI)

Description and methodology: Gender Gap Score reflects the average difference between primary and secondary level gross enrollment rates for boys and girls. These rates, which may exceed 100 percent because they include out-of-age group enrollment, are capped at 105 in calculating this score to minimize biases created by high overage enrollment. Countries are ranked by their 1995 Gender Gap Scores into the following categories: Large Gap, Moderate Gap, No Gap, and Reverse Gap (favoring girls).

Country coverage: 126 countries

Year created: 1998

Frequency: -

Publication where index can be found: Conly, Shanti R. and Nada Chaya. 1998. *Educating Girls: Gender Gaps and Gains*. Washington D.C.: PAI

[http://www.populationaction.org/resources/publications/educating\\_girls/index.htm](http://www.populationaction.org/resources/publications/educating_girls/index.htm)

Source: Conly and Chaya (1998)

Relevant Website: <http://www.populationaction.org/issues/gender/index.htm>

#### **67. Gender-related Development Index (GDI)**

Organization/Author: UNDP

Description and methodology: The GDI measures achievement in the same basic capabilities as the Human Development Index (HDI), but takes note of inequalities in achievement between women and men. It adjusts the average achievement to reflect the inequalities between men and women in the following dimensions: 1) A long and healthy life, as measured by life expectancy at birth 2) Knowledge, as measured by the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio 3) A decent standard of living, as measured by estimated earned income (PPP US\$).

Country coverage: 177 countries

Year created: 1995

Frequency: updated annually

Publication where index can be found: UNDP. Various years. *Human Development Report*. New York: Oxford University Press

Sources/Website: [http://hdr.undp.org/docs/statistics/indices/technote\\_1.pdf](http://hdr.undp.org/docs/statistics/indices/technote_1.pdf)

**68. G-Index (Globalization Index)**

Organization/Author: Foreign Policy and AT Kearney

Description and methodology: The index attempts to measure the extent of globalization in 62 countries by bringing together indicators in 4 key areas: 1. Political engagement (number of memberships in international organizations, UN Security Council Mission in which the country participates and foreign embassies the country hosts), 2. Technology (number of internet users, Internet hosts and secure servers), 3. Personal contact (international travel and tourism, international telephone traffic and cross-border transfers) and 4. Economic integration (trade, FDI and portfolio capital flows, and income payment and receipts). For most variables, each year's inward and outward flows are added, and the sum is divided by the country's nominal economic output or, where appropriate, its population. Political engagement figures are treated differently, with participation in U.N. Security Council missions divided by the total number of missions active in each year and embassies and international organizations remaining as absolute numbers. This process produces panels of data that enable comparisons between countries of all sizes. The resulting data panels for a given variable are then compared and "normalized" through a process that values the single lowest data point at zero and the highest at one, while assigning relative values between zero and one to the remaining data points in the panel. For example, if the variable is trade, the maximum value of inward and outward trade flows is 341 percent of GDP (recorded for Singapore in 1995) while the minimum is 15.3 percent of GDP (for Brazil in 1996). These data points are valued at one and zero, respectively, with all others falling in between. Country scores are summed across the panels, with double weighting on FDI and portfolio capital flows due to their particular importance in the ebb and flow of globalization. Internet indicators and political indicators are collapsed into a single variable each. The Internet variable is then double weighted in the final calculation, as are the international telephone traffic scores, reflecting their status as important means by which ideas and information are spread across national borders. Globalization Index scores for every country and year are derived by adding the scores across panels.

Country coverage: 62 countries

Year created: 2001

Frequency: annual

Publication where index can be found: "Foreign Policy" Magazine (March/April issue)

Sources/Website: <http://www.foreignpolicy.com/wwwboard/g-index.php>;

<http://www.atkearney.com/main.taf?p=5,4,1,93>

**69. G-Index (Globalization Index)**

Organization/Author: World Markets Research Centre (WMRC)

Description and methodology: It measures economic connectivity between the national economy and the rest of the world – a measure of economic interdependence rather than size or level of development of a country's economy. The G-Index is the outcome of 6 major groupings: 1. International Trade (with a weight of 50%) 2. Foreign Direct Investment (with a weight of 10%) 3. Private capital flows (weight of 10%) 4. Service exports (weight of 20%) 5. Internet Hosts (weight of 5%) and 6. International Telephone traffic (weight of 5%). The maximum score for the index is 100 or 100%. Countries are ranked from top to bottom in degree of globalization.

Country coverage: 185 countries

Year created: 2001

Frequency: annual

Publication where index can be found: WMRC. 2001. "G-Index – Globalisation measured"

[http://www.worldmarketsanalysis.com/pdf/g\\_indexreport.pdf](http://www.worldmarketsanalysis.com/pdf/g_indexreport.pdf)

Source (methodology): WMRC (2001)

Relevant Website: [http://www.wmrc.com/wma\\_ef.html](http://www.wmrc.com/wma_ef.html)

**70. Global Civil Society Index (GCSI) -pilot**

Organization/Author: Helmut Anheier and Sally Stares – The Centre for the Study of Global Governance – London School of Economics

Description and methodology: The Global Civil Society Index is a first approximation to allow a comparative ranking of countries and regions in terms of their participation and inclusion in global civil society. The index is a composite measure of separate component indicators, each measuring a distinct aspect, covering two units of analysis: organizations and individuals. Organizations makes up the infrastructure of global civil society while individuals gives it meaning and agency (individual action).

#### 1. Organizations:

The *organizational infrastructure* of global civil society is measured by the density of international NGOs and associations over a given population. Specifically, infrastructure would refer to the density of international NGOs and associations in a particular country.

2. Individuals: In the individuals unit of analysis, indicators of civility and participation are chosen.

The *civility of individuals*, as a measure of cosmopolitan values such as ‘tolerance’, and possibly also ‘democratic values’, or ‘hospitality’. Civility would be a combined measure of cosmopolitan values such as tolerance.

The *participation of individuals*, as measured by membership in, and volunteering for, global civil society organizations; and the participation of individuals in political action.

The GCSI index is calculated with two approaches: An HDI approach, using the formula below for each indicator and then the GCSI score is a combination of the scores of the 3 sub-components: infrastructure, participation and civility

$$I_i = \frac{\text{(Observed score - minimum score)}}{\text{(Maximum score - minimum score)}}$$

The second approach is using confirmatory factor analysis.

Country coverage: 176 countries considered but only 33 have complete information (on the organisational database of the Union of International Associations, the individual-level data from the World Values Survey, and equivalent data from the European Values Survey.)

Year Created: 2002

Frequency: -

Publication where index can be found: Anheier, Helmut and Sally Stares. 2002. “Introducing the Global Civil Society Index”. In Marlies Glasius, Mary Kaldor and Helmut Anheier, eds. *Global Civil Society 2002*. New York: Oxford University Press.

Source/Website:

[http://www.lse.ac.uk/Depts/global/Yearbook/PDF/PDF2002/GCS2002%20pages%20\[data1\]%20.pdf](http://www.lse.ac.uk/Depts/global/Yearbook/PDF/PDF2002/GCS2002%20pages%20[data1]%20.pdf)

## **71. Global Climate Risk Index**

Organization/Author: Germanwatch

Description and methodology: The Global Climate Risk Index 2006 analyses how much countries and country groups have been affected by the impacts of weather-related loss events (storms, floods, droughts etc.). The figures for 2004, the latest available data, as well as those for the past 20 years show that less developed countries are the most affected. Thus, it is very likely that global climate change, which is expected to cause changes in extreme weather events, increasingly threatens many of these countries. The analyses are based on the data of the NatCatSERVICE of Munich Re. The following indicators of affectedness were observed:

- Death toll
- Deaths per 100,000 inhabitants
- Amount of Overall losses in US Dollars
- Overall losses in relation to the Gross Domestic Product (GDP)

The indicators are also analyzed with regard to their long-term trends by identifying the countries most affected according to the average of annual figures in the past 20 years. The CRI is calculated by aggregating the figures for 2004 which are the most current basis of information, and the last decade 1995-2004. A general finding of the CRI is that less developed countries are proportionally much more affected by weather-related damage events.

Country Coverage: 173 countries

Year created: 2006

Frequency: Annually

Publication where index can be found: Anemuller Sven, Stephan Monreal, and Christoph Bals. 2006. "Global Climate Risk Index 2006: Weather-Related Loss Events and Their Impacts on Countries in 2004 and in a Long-Term Comparison." Germanwatch: Bonn.

Source: <http://www.germanwatch.org/klak/cr06.pdf>

## 72. **Global Competitiveness Index**

Organization/Author: World Economic Forum (WEF)

Description and methodology: The Global Competitiveness Index was launched in the 2004/2005 Global Competitiveness Report. The WEF has historically presented two indices in their annual Global Competitiveness Report: 1) the "Growth Competitiveness Index" (GCI) and 2) the "Business Competitiveness Index" (BCI). However, these two indices have been consolidated into a new and a more comprehensive index - the "Global Competitiveness Index", which eventually will replace them in future editions.

Competitiveness is defined as the set of institutions, policies and factors that determine the level of productivity in a country. The new *Global Competitiveness Index* is a unified approach, capturing both the macroeconomic and microeconomic foundations of competitiveness as well as the static and dynamic consequences. The Global Competitiveness Index is a weighted average of three sub-indices: basic requirements, efficiency enhancers and innovation factors which comprise 12 pillars of competitiveness. Countries are ranked in decreasing order of competitiveness.

Basic requirements: 1. Institutions 2. Infrastructures 3. Macroeconomic Stability 4. Security 5. Basic Human Capital

Efficiency enhancers: 5. Advance Human Capital 6. Goods Market Efficiency 7. Labor Market Efficiency 8. Financial Markets Efficiency 9. Technological Readiness 10. Openness and Market size

Innovation: 11. Business Sophistication 12. Innovation

Apart from the Global Competitiveness Index, the traditional indices presented in the Global Competitiveness Report are the GCI and BCI. Both the GCI and BCI rank countries from top to bottom in their competitiveness. The *Growth Competitiveness Index (GCI)* is composed of three "pillars," critical to economic growth: 1) the quality of the macroeconomic environment 2) the state of a country's public institutions and 3) a country's technological readiness. The GCI combines publicly available hard data and the Forum's Executive Opinion Survey. These three pillars are brought together as three indices of the GCI: the macroeconomic environment index, the public institutions index, and the technology index.

The *Business Competitiveness Index (BCI)* complements the GCI and evaluates the underlying microeconomic conditions defining the current sustainable level of productivity in each of the countries covered. While macroeconomic and institutional factors are critical for national competitiveness, these are necessary but not sufficient factors for creating wealth. Wealth is actually created at the microeconomic level by the companies operating in each economy. The BCI evaluates two specific areas: 1) the sophistication of the operating practices and strategies of companies, and 2) the quality of the microeconomic business environment in which a nation's companies compete.

Country coverage: 104 countries

Year created: the new Global Competitiveness Index in 2004; the Growth Competitiveness Index in 2001 and the Business Competitiveness Index in 1999.

Frequency: annual

Publication where index can be found: "Global Competitiveness Report", various years

Sources/Website: <http://www.weforum.org/>

## 73. **Global Entrepreneurship Monitor**

Organization/Author: Babson College and London Business School

Description and methodology: is an annual assessment of the national level of entrepreneurial activity. Initiated in 1999 with 10 countries, expanded to 21 in the year 2000, with 29 countries in 2001 and 37 countries in 2002. GEM 2006 will conduct research in 39 countries. The research program, based on a harmonized assessment of the level of national entrepreneurial activity for all participating countries, involves exploration of the role of entrepreneurship in national economic growth.

Country coverage: 37 countries in 2002; 39 in 2006

Year created: 1999

Frequency: every 2 years

Publication where index can be found: Global Entrepreneurship Monitor Report

Source/Website: <http://www.gemconsortium.org/about.asp>

#### **74. Global Hunger Index (GHI)**

Organization/Author: International Food Policy Research Institute (IFPRI)

Description and methodology: The GHI measures hunger and malnutrition in developing and transitioning countries. The index was designed to help mobilize political will and promote good policies by ranking countries and illustrating trends. Countries are ranked according to three dimensions of hunger: child malnutrition, child mortality, and estimates of the proportion of people that are calorie deficient. The GHI has been calculated for the following four years: 1981, 1992, 1997, and 2003. Since the index ranks countries for four different years it also gauges process over time. The index ranks countries on a 100-point scale, with 0 being the best score (no hunger) and 100 being the worst, though neither of these extremes is achieved in practice. In general values greater than 10 indicate a serious problem, values greater than 20 are alarming, and values exceeding 30 are extremely alarming.

Country Coverage: 94 developing countries and 22 countries in transition

Year created: 2006

Frequency: -

Publication where index can be found: Weisman, Doris. 2006. "2006 Global Hunger Index: A Basis for Cross Country Comparisons." Washington D.C., IFPRI.

Source: <http://www.ifpri.org/media/20061013GHI.asp>

Relevant Website <http://www.ifpri.org/pubs/ib/ib47.pdf>

#### **75. Global Investment Prospects Assessment (GIPA)**

Organization/Author: UNCTAD

Description and methodology: The Global Investment Prospects Assessment (GIPA) is designed to assess short- and medium-term prospects for FDI. It analyses predicted future patterns of FDI flows at the global, regional, national, and industry levels from the perspectives of global investors, host countries and international FDI experts. It is made up of three surveys: 1) A worldwide survey of the largest TNCs with headquarters in developed and developing countries and in Central and Eastern Europe 2) A worldwide survey of international FDI experts who typically assist TNCs in their overseas location decisions. 3) A worldwide survey of national investment promotion agencies (IPAs) regarding their perception of TNCs' investment strategies and of FDI prospects for their respective countries and regions. Countries are ranked by their attractiveness as FDI destinations.

Country coverage: Global

Year created: 2004

Frequency: -

Publication where index can be found: "Prospects for Foreign Direct Investment and the Strategies of Transnational Corporations, 2004-2007" and "GIPA Research Notes"

Sources/Website: <http://www.unctad.org/Templates/Page.asp?intItemID=3341&lang=1>

**76. Global Natural Disasters Risk Hotspots**

Organization/Author: Center for Hazards and Risk Research (Columbia University) and Hazard Management Unit (World Bank)

Description and methodology: Natural disaster risk hotspots are countries or regions whose populations or economic activities are at extreme risk from multiple natural hazards. The hotspots project team compiled event data for six natural hazards—earthquakes, volcanoes, landslides, floods, drought, and cyclones—to identify regions of significant hazard activity throughout the world. The hotspots maps show the specific regions of the world at highest risk from natural disasters. Using population data and Gross Domestic Product (GDP) at the sub-national level, the team and their international partners then assessed the risks of mortality and economic loss for combined hazards.

Country coverage: Global

Year created: 2004

Frequency: -

Publication where index can be found: Dilley, Maxx, Robert S. Chen, Uwe Deichmann, Arthur L. Lerner-Lam and Margaret Arnold. 2005. *Natural Disaster Hotspots: A Global Risk Analysis*. Washington D.C.: World Bank (Forthcoming in April 2005)

Dilley Maxx and others. 2005. "Natural Disaster Hotspots: A Global Risk Analysis Synthesis Report" [<ftp://ftp.ciesin.columbia.edu/pub/hotspots/synthesisreport.pdf>]

Source: <http://www.earth.columbia.edu/news/2004/story10-29-04.html>

Relevant Websites:

<http://www.ldeo.columbia.edu/res/pi/CHRR/Hotspot/hotspotmain.html>

<http://directory.ei.columbia.edu/displayproject.php?projectid=74>

**77. Global Production Scoreboard**

Organization/Author: Global-production.com

Description and methodology: The Global Production Scoreboard benchmarks emerging economies as locations for global production activities. The Scoreboard uses a set of indicators, measuring potential and performance-related dimensions of individual countries. The indicators included in the Scoreboard have been selected to permit intercountry comparisons, regarding not only the potential, but also the performance of emerging economies as locations for global production activities. The Indicators used are the following:

Labour cost: Hourly wage cost, comparison index (South Korea = 100)

Skill base: Availability of skilled manpower in the labour force

R&D capacity: Potential for technological development activity

Infrastructure: Availability of 'basic' and 'modern' infrastructure

Government: Contribution of government to an environment conducive to international business activity

Export growth: Average annual rate of growth (%) in the export of manufactured goods

High-tech exports: Share (%) of 'high tech' products in total exports of manufactured goods

Specialisation: Strength of a country's specialisation in the export of Sector X products

Definition of commodity groups (in: SITC, Revision 3)

Country coverage: 25 emerging economies

Year created: 2003

Frequency: annual

Publication where index can be found: As of 2006, Global Production Scoreboard annual report

Source/Website: <http://www.global-production.com/scoreboard/index.htm>

**78. Global Quality of Living**

Organization/Author: Mercer Human Resource Consulting

Description and methodology: The report provides a City-to-City Index Comparison that summarises the difference in the quality-of-living between any two cities. The total index is based on the following categories: Consumer goods, Economic environment, Housing, Medical and

health considerations, Natural environment, Political and social environment, Public services and transport, Recreation, Schools and education, Socio-cultural environment.  
Country coverage: 250 cities worldwide  
Year created: -  
Frequency: annual  
Publication where index can be found: “Global Quality of Living Report”  
Sources/Website: <http://www.mercerhr.com/summary.jhtml/dynamic/idContent/1173370>

**79. Global Retail Development Index (GRDI)**

Organization/Author: AT Kearney  
Description and methodology: This index measures the attractiveness of countries for retail business and ranks them from highest to lowest attractiveness based on their GRDI score. The index value has a 0 (lowest) to 100 (highest) point scale. Moreover, countries are also grouped into “countries to consider” and “countries to avoid”. The index is constructed for 30 countries which have been pre-selected from a list of 185 based on: country risk of more than 70 in the Euromoney country-risk score, with a population of more than 2 million and GDP per capita of more than \$2,000. The GRDI is composed of 4 sub-indices (each with a 0 to 100 scale and with key variables making up that sub-index): 1) country risk (25% weight), 2) Market attractiveness (25%), 3) market saturation (30%) and 4) time pressure (20%). The indices are composed using hard data from different sources.  
Country coverage: 30 top emerging markets (selected from 185 countries)  
Year created: 2002  
Frequency: annual  
Publication where index can be found: AT Kearney. 2004. “The 2004 Global Retail Development Index – Emerging Market Priorities for Global Retailers”  
[http://www.atkearney.com/shared\\_res/pdf/GRDI2004Monograph\\_S.pdf](http://www.atkearney.com/shared_res/pdf/GRDI2004Monograph_S.pdf)  
Sources/Website: <http://www.atkearney.com/main.taf?p=5,3,1,79>

**80. Global Risk Service**

Organization/Author: Global Insight - WMRC  
Description and methodology: measures investment risk on a global scale through a comprehensive and reliable measurement of business, economic, financial, and political risks. The assessments are done based on quantitative and qualitative review of the 51 risk factors for each country. These factors range from immediate risks, such as tax policies and currency depreciation, to secondary risks, including government instability and trade conflicts. After assigning each risk factor a 1-to-100 rating, an overall risk rating for each country is established. This overall country risk rating is determined within the context of its geographic region and the larger global economic outlook. The Global Risk Service develops assessments of country risk over one- and five-year time horizons (updated quarterly) and provides in-depth reports on individual countries.  
Country Coverage: 120 countries  
Year created: -  
Frequency: No longer being updated/maintained  
Publication where index can be found: -  
Sources/Website: <http://www.globalinsight.com/Highlight/HighlightDetail1452.htm>

**81. Global Terrorism Index**

Organization/Author: World Markets Research Centre (WMRC)  
Description and methodology: is designed to assess the risk of terrorism in 186 countries, and against these countries’ interests abroad, over the next 12 months. The ratings methodology is based on five components: Motivation, Presence, Scale, Efficacy and Prevention. The individual rating scores for the five separate factors range from 1 to 10 (1=lowest risk, 10=highest risk), with each variable having a separate weighting depending on its significance.

Country coverage: 186 countries  
Year created: 2003  
Frequency: -  
Publication where index can be found: WMRC. 2004. "WMRC Global Terrorism Index 2003/4"  
Sources/Website: [http://www.worldmarketsanalysis.com/application/t-index\\_2003.html](http://www.worldmarketsanalysis.com/application/t-index_2003.html)

## 82. Governance Indicators

Organization/Author: World Bank Institute

Description and methodology: governance is defined as the set traditions and formal and informal institutions that determine how authority is exercised in a particular country for the common good, thus encompassing: (1) the process of selecting, monitoring, and replacing governments; (2) the capacity to formulate and implement sound policies and deliver public services; and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them. For measurement and analysis, the three dimensions in this definition are unbundled to comprise two measurable concepts per each of the dimensions above, for a total of six governance components: 1. voice and external accountability that is, the government's preparedness to be externally accountable through their own country's citizen feedback and democratic institutions, and a competitive press, thus including elements of restraint on the sovereign 2. political stability and lack of violence, crime, and terrorism 3. government effectiveness which includes the quality of policymaking, bureaucracy, and public service delivery 4. lack of regulatory burden 5. rule of law which includes the protection of property rights, judiciary independence and 6. control of corruption. To construct these 6 aggregate indices (Control of Corruption Index, Government Effectiveness Index, Political Stability, Regulatory Quality Index, Rule of Law Index and Voice and Accountability Index) data is drawn from 25 separate sources constructed by 18 different organizations covering 250 individual variables which measure perceptions of governance. The authors present the point estimates of the dimensions of governance as well as the margins of error for each country for the four periods. They use an Unobserved Component Model (UCM) to aggregate the various responses in the broad 6 clusters. This model treats the "true" level of governance in each country as unobserved, and assumes that each of the available sources for a country provide noisy "signals" of the level of governance. The UCM then constructs a weighted average of the sources for each country as the best estimate of governance for that country. The weights are proportional to the reliability of each source. The resulting estimates of governance have an expected value (across countries) of zero, and a standard deviation (across countries) of one. This implies that virtually all scores lie between -2.5 and 2.5, with higher scores corresponding to better outcomes. These 6 clusters are used to capture countries' relative position with each other.

Country coverage: 199 countries (for Voice and Accountability Index), 186 countries for Political Stability and 195 countries for all other dimensions.

Year created: 1996

Frequency: Updated every 2 years

Publication where index can be found: Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi.

2005. "Governance Matters IV: Governance Indicators for 1996-2004. World Bank Institute Working paper. [<http://www.worldbank.org/wbi/governance/pdf/GovMatters%20IV%20main.pdf>]

Sources/Website: <http://www.worldbank.org/wbi/governance/govdata2002/>  
<http://info.worldbank.org/governance/kkz2002/q&a.htm>

## 83. Grey Area Dynamics (GAD)

Organization/Author: The Merchant International Group Limited (MIG)

Description and methodology: MIG's Global Risk department keeps a constant check on events as they occur across the globe. They identify key emerging sources of risks to assets, personnel, and business markets. These criteria include extremism, organized crime and legal safeguards along with seven other risk factors that contribute to the overall macro-level country risk. GAAD assessments of over 150 countries worldwide are quantified on a quarterly basis to produce Grey

Area Dynamics™ (GAD) ratings. These provide a medium to long-term quantitative assessment of non-conventional risks on a country-specific and risk category-specific basis. Their ratings are used by international clients in the public and private sectors to provide comparative analysis of non-conventional risks, and can be integrated into a proprietary risk-management system. The company's analysis also considers country risks on a short-term basis. For instance, their GAD Instability Indicators rate over 75 countries on a weekly basis for short-term destabilising factors such as terrorist activity, civil unrest and political instability.

Country coverage: over 150 countries

Year created: 1994

Frequency: GAD assessments are quantified on a quarterly basis.

Publication where index can be found: -

Source: <http://merchantinternational.com/downloads/GADintro.pdf>

Relevant Website <http://merchantinternational.com/globalrisk.html>

#### 84. Happiness Index

Organization/Author: Ruut Veenhoven

Description and methodology: Provides rankings of Average Happiness, Happy Life Years, Equality of Happiness and Inequality Adjusted Happiness. Life-satisfaction is assessed by means of surveys in general population samples. Most scores are based on responses to the following question: "All things considered, how satisfied or dissatisfied are you with your life-as-a-whole now? Scale ranges from 1 "dissatisfied" to 10 "satisfied".

*The Average Happiness Rank*: measures how much people enjoy their life-as-a-whole on scale of 0 to 10.

*Happy Life Years* is an estimate of how long and happy the average citizen will live in that nation in this era. Computation: 0-1 enjoyment of life multiplied by expected length of life.

*Equality of happiness* measures how much citizens differ in enjoyment of their life-as-a-whole. Inequality in happiness can be measured by the dispersion of responses to survey-questions. The degree of dispersion can be expressed statistically in the standard deviation.

*Inequality-Adjusted Happiness* measures how well nations combine level and differences in happiness. Inequality-Adjusted-Happiness is measured as a linear combination of the mean and the standard deviation of the distribution of happiness in a nation. This index is expressed in the following formula:  $IAH = 9.60(m - 0.414s) + 4$ , where  $m$  is the mean response to a question on happiness in a nation and  $s$  is the sample standard deviation of the responses, happiness being measured with a 0 to 10 scale ranging from most unhappy (0) to most happy (10). On this index a score of 100 means that everybody is completely happy; e.g. that all respondents in the sample rated their happiness 10 on a 0 to 10 scale. A score of 0 would represent the worst possible society with respect to both level and equality of happiness. Intermediate scores may either mean that the average is high in spite of sizable inequality or that happiness is low on average but equally so in the country.

Country coverage: 90 countries

Year created: 1984

Frequency: -

Publication where index can be found: Veenhoven, Ruut, "Average happiness in 90 nations 1990-2000", World Database of Happiness, Rank Report 2004

Sources/Website: [www2.eur.nl/fsw/research/happiness](http://www2.eur.nl/fsw/research/happiness)

[http://www2.eur.nl/fsw/research/happiness/hap\\_nat/nat\\_fp.htm](http://www2.eur.nl/fsw/research/happiness/hap_nat/nat_fp.htm)

#### 85. Human Development Index (HDI)

Organization/Author: UNDP

Description and methodology: The HDI is a measure of human development and based on 3 main components: 1. A long healthy life measured by life expectancy at birth 2. Knowledge measured by the adult literacy rate (weight of 2/3) and combined primary, secondary and tertiary gross

enrollment ratio (weight of 1/3) and 3. A decent standard of living measured by the GDP per capita. For each of these 3 components a sub-index is constructed: the GDP index, the education index and the life expectancy index. These sub-indices for the HDI are calculated following this formula, expressed as a value of 0 to 1:

Sub-index= (actual value-minimum value of indicator) / (maximum value-minimum value of indicator).

The HDI then is an average of these 3 sub-indices: 1/3 of the life expectancy index + 1/3 of the education index + 1/3 of the GDP index. Countries are ranked from highest score of HDI (better human development) to lowest score (lower human development). All countries included in the HDI are classified into three clusters by achievement in human development: high human development (with an HDI of 0.800 or above), medium human development (0.500–0.799) and low human development (less than 0.500).

Country coverage: 177 countries

Year created: 1990

Frequency: updated annually

Publication where index can be found: UNDP. Various years. *Human Development Report*. New York: Oxford University Press

Sources/Website: [http://hdr.undp.org/docs/statistics/indices/technote\\_1.pdf](http://hdr.undp.org/docs/statistics/indices/technote_1.pdf)

## 86. Human Poverty Index (HPI)

Organization/Author: UNDP

Description and methodology: The *Human Poverty Index (HPI)* is divided into 2 groups of countries. HPI-1 for developing countries and HPI-2 for select OECD countries. HPI-1 measures deprivations in the three dimensions of human development. This includes three subcomponents (all expressed in % so no sub-index needs to be created): 1) deprivation from a long and healthy life = probability at birth of not surviving to age 40 times 100 2) deprivation from knowledge = adult illiteracy rate and 3) deprivation from a decent standard of living = unweighted average of population without sustainable access to an improved water source and children under weight for age. A formula is applied using these 3 deprivations to come up with the HPI-1 score.

For HPI-2, there are 4 dimensions of deprivation: 1) A long and healthy life—vulnerability to death at a relatively early age, as measured by the probability at birth of not surviving to age 60. 2) Knowledge—exclusion from the world of reading and communications, as measured by the percentage of adults (aged 16–65) lacking functional literacy skills. 3) A decent standard of living—as measured by the percentage of people living below the income poverty line (50% of the median adjusted household disposable income). 4) Social exclusion—as measured by the rate of long-term unemployment (12 months or more). A formula is applied using these 4 deprivations to come up with the HPI-2 score.

Country coverage: 177 countries

Year created: 1997

Frequency: updated annually

Publication where index can be found: UNDP. Various years. *Human Development Report*. New York: Oxford University Press

Sources/Website: [http://hdr.undp.org/docs/statistics/indices/technote\\_1.pdf](http://hdr.undp.org/docs/statistics/indices/technote_1.pdf)

## 87. Human Rights Commitment Index

Organization/Author: Hans-Otto Sano & Lone Lindholt - The Danish Institute for Human Rights

Description and methodology: The Human Rights Commitment Indicators include indicators of conduct. They focus attention on government formal and actual behaviour in relation to human rights. The focus is on four dimensions of Human Rights Commitment. Four sets of indicators were chosen:

*Formal Commitment* measures acceptance of human rights instruments including regional human rights conventions and incorporation of human rights in national constitutions. The formal commitment indicator has four components: Ratification of fundamental international and regional

human rights instruments, ratification of other UN human rights conventions, reservations to international or regional conventions, and national Bills of Rights.

*Commitment to civil and political rights* measures whether governments violate eight human rights standards, which can all, be found in the key international and regional conventions. These are: 1. Extra-judicial killings /disappearances, 2. Torture and ill-treatment, 3. Detention without trial, 4. Unfair trial, 5. Participation in the political process, 6. Freedom of association, 7. Freedom of expression, and 8. Discrimination except gender discrimination which is measured separately.

*Commitment to Economic, Social and Cultural Rights* measures the degree to which governments fulfill their obligations on economic, social rights and cultural rights. Two components have been included as regards this indicator, i.e., the proportion of government expenditure spent on health and education as a percentage of the gross domestic production, and the gross national income in combination with achievements of progress in the human development indicators health and education.

*Commitment to eradication of gender discrimination* measures degrees of gender discrimination and not whether it occurs or not. It should be noted that gender discrimination prevails in any country examined. The two components included in this index intend to flag the issue rather than define it precisely. This indicator measures government employment of women at all levels together with achievements of progress in the UNDP defined Gender Development Indicators.

Country coverage: 42 countries with regional scores

Year created: 2000

Frequency: -

Publication where index can be found: Sano, Hans-Otto and Lone Lindholt. 2000. "Human Rights Indicators: Country data and methodology 2000" The Danish Institute for Human Rights.

[<http://www.humanrights.dk/upload/application/bd50e713/indicator-full.pdf>]

Sources/Website: <http://www.humanrights.dk/departments/international/PA/Concept/Indicato/>

## **88. Index Measuring the Strictness of Employment Protection Legislation (EPL)**

Organization/Author: OECD

Description and methodology: The index is broken down into three components: 1. Regulations governing the terms and conditions of permanent contracts in case of individual dismissals 2. Additional provisions in the face of mass layoffs and 3. Regulations governing the possibility of hiring on temporary contracts. These three components correspond to 18 basis measures. The index is constructed in several steps. These 18 items are scored in comparable units and are normalized to range from 0 to 6, with higher scores representing stricter regulation. Then successive weighted averages are formed, thus constructing three sets of summary indicators that correspond to successively more aggregated measures of EPL strictness. The last step is to compute for each country, an overall summary indicator based on the three subcomponents: strictness of regulation for regular contracts (weight of 5/12), temporary contracts (weight of 5/12) and collective dismissals (2/12).

Country coverage: 28 OECD countries

Year created: 1999

Frequency: late 1990s and 2003

Publication where index can be found: OECD. 2004. *OECD Employment Outlook 2004*. Paris: OECD

[http://www.oecd.org/document/62/0,2340,en\\_2649\\_201185\\_31935102\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/62/0,2340,en_2649_201185_31935102_1_1_1_1,00.html)

Sources/website: <http://www.oecd.org/dataoecd/6/32/33736760.pdf>

## **89. Index of Economic Freedom**

Organization/Author: Heritage Foundation and Wall Street Journal

Description and methodology: Economic freedom is defined as the absence of government coercion or constraint on the production, distribution, or consumption of goods and services beyond the extent necessary for citizens to protect and maintain liberty itself. To measure economic freedom and rate each country, the authors of the Index study 50 independent economic

variables falling into 10 broad categories, or factors, of economic freedom: 1. Trade policy 2. Fiscal burden of government 3. Government intervention in the economy 4. Monetary policy 5. Capital flows and foreign investment 6. Banking and finance 7. Wages and prices 8. Property rights 9. Regulation 10. Informal market activity. All 10 factors are equally important to the level of economic freedom in any country - the factors are weighted equally. Each country receives its overall economic freedom score based on the simple average of the 10 individual factor scores. Each factor is graded according to a unique scale. The scales run from 1 to 5. A score of 1 signifies an economic environment or set of policies that are most conducive to economic freedom, while a score of 5 signifies a set of policies that are least conducive to economic freedom. In addition, following each factor score is a description—"better," "worse," or "stable"— to indicate, respectively, whether that factor of economic freedom has improved, worsened, or stayed the same compared with the country's score last year. Finally, the 10 factors are added and averaged, and an overall score is assigned to the country. The four broad categories of economic freedom in the Index are: a) Free—countries with an average overall score of 1.99 or less; b) Mostly Free—countries with an average overall score of 2.00 to 2.99; c) Mostly Unfree—countries with an average overall score of 3.00 to 3.99; and d) Repressed—countries with an average overall score of 4.00 or higher.

Country coverage: 161 countries

Year created: 1995

Frequency: updated annually

Publication where index can be found: Miles, Marc A., Edwin J. Feulner, and Mary Anastasia O'Grady. Various years. *Index of Economic Freedom*. Washington D.C. and New York: The Heritage Foundation and Dow Jones & Company, Inc.

Source: Miles, Feulner and O'Grady (2005)

Relevant Website: <http://www.heritage.org/research/features/index/>

## 90. **Index of Human Insecurity**

Organization/Author: Global Environmental Change and Human Security (GECHS) Project

Description and methodology: a classification system that distinguishes countries based on how vulnerable or insecure they are, and groups together those countries that possess similar levels of insecurity. Human security is a function of a four components: social, political, environmental, and institutional. Four indicators were selected for each of the four categories, thus yielding a standard set of 16 indicators. These are as follows: 1. Environment: net energy import, soil degradation, safe water and arable land 2. Economy: real GDP per capita, GNP per capita growth, Adult illiteracy rate and value of imports and export of goods and services 3. Society: urban population growth, young male population, maternal mortality rate and life expectancy 4. Institutions: public expenditures on defense versus education, primary and secondary, gross domestic fixed investment, degree of democratization and human freedom index. Countries were assigned a number between one and ten for each indicator in which they had a known or estimated value. The corresponding IHI value was then calculated for each country in each year as the average category value for all indicators.

Country coverage: global

Year created: 2000

Frequency: -

Publication where index can be found: "The Index of Human Insecurity", AVISO Issue No. 6, January 2000.

Sources/Website: [http://www.gechs.org/aviso/avisoenglish/six\\_lg.shtml](http://www.gechs.org/aviso/avisoenglish/six_lg.shtml)

## 91. **Index of Human Progress**

Organization/Author: Fraser Institute (Canada)

Description and methodology: The Index of Human Progress is a variant of the United Nations' Human Development Index by using unadjusted GDP per capita (1995 US dollars) and by including six additional indicators that measure desirable outcomes. The Index is formed with 4

sub-indices with equal weight: 1. Health (each sub-component with equal weight): life expectancy, infant mortality (per 1,000 live births), mortality of children under five years of age (per 1,000 live births) and adult mortality rate (number of adults per 1,000 adults, not expected to survive to age 60 2. Education: literacy rate and combined enrollment ratio (equal weights) 3. Technology: number of televisions (per 1,000 persons), number of radios (per 1,000 persons) and telephone service (per 1,000 persons) (equal weights) and 4. GDP: unadjusted GDP per capita in 1995 US dollars. The Index of Human Progress uses the same general formula as the Human Development Index to arrive at the indicator values:

Indicator value= (country value – min. value) / (max. value – min. value)

Where “country value” is the value observed for the country of interest. Instead of assumed minimum and maximum values, the Index of Human Progress uses the observed minimum and maximum values across all countries for each indicator in the base year, 1975. Values are calculated for the indicators for 1975, 1980, 1985, 1990, 1995, and 1999, where data are available. For sub-indices that contain more than one indicator, the values of the indicators are averaged to arrive at the score for the sub-index. The overall score for the Index of Human Progress is an average of the scores from each of the four sub-indices, Health, Education, Technology, and GDP. Country coverage: 128 countries (for the full index)

Year created: 2001

Frequency: -

Publication where index can be found: Emes, Joel and Tony Hahn. 2001. “Measuring Development - An Index of Human Progress”. Fraser Institute Occasional Paper Number 36, Vancouver, Canada

Sources/Website: <http://www.fraserinstitute.org/shared/readmore.asp?snav=pb&id=332>  
<http://www.fraserinstitute.ca/admin/books/files/MeasuringDevelopmentIHP.pdf>

## 92. **Index of Knowledge Societies (IKS)**

Organization/Author: United Nations, Department of Economic and Social Affairs

Description and methodology: The IKS is a synthetic measure that aims at capturing a Member State’s achievement as far as the conditions fundamental for the development of a Knowledge Society are concerned. Such conditions are grouped into three main dimensions: Assets, Advancement and Foresightedness, each of which is measured by a number of underlying indicators. “Assets” are represented by: a large pool of young and educated people (as measured by expected schooling and proportion of people below age 15); and the development of the means through which information can flow (as measured by the diffusion of newspapers, the Internet, main phone lines and cellular phones). “Advancement” is the degree to which a Member State nurtures and advances its human and informational resources, as measured by: public health expenditure, research and development expenditure, (low) military expenditure, pupil/teacher ratios in primary education, and a proxy of the “freedom from corruption” indicator. “Foresightedness” is the degree to which a Member State grows and develops along its path to a Knowledge Society, while minimizing the impact of negative externalities on people and the natural environment, as measured by: low child mortality rates, equality in income distribution (GINI Index), protected areas as percentage of a country’s surface, and CO2 emissions per capita. The underlying indicators are expressed in different units and may have different interpretations (positive/negative impact on a Knowledge Society). Therefore the first step for the calculation of IKS has been to express each underlying indicator in a homogeneous and comparable way. Performance in each indicator is expressed as a value between 0 and 1 by applying the following general formula:

$$Index\ Value = \frac{Actual\ Value - Minimum\ Value}{Maximum\ Value - Minimum\ Value}$$

According to this formula, the country with the lower performance will get an Index value of zero; the country with the best performance will be assigned a value of one; while all other countries will have values reflecting their relative distance from the best and worse performer. As mentioned above, some indicators have different interpretations with respect to the IKS. In some

cases a high value represents a positive outcome, as for example, expected years of schooling, or research and development expenses, while in other cases a high value is, according to the logic of IKS, detrimental, as emissions of CO2 or military expenditure. In these latter cases we have reversed the Index value to make the interpretation of the value the same as that of all other indicators. The formula used to express these indicators as a value between 0 and 1 is, therefore, the following:

$$\text{Index Value} = 1 - \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

With this approach all indicators bear the same meaning: the higher the value, the better; and the same interpretation is given to IKS: the higher the value achieved by a country the better its performance as a Knowledge Society. Once the single indicators have been standardized according to the formulas described above, we have calculated an Index corresponding to each dimension (Assets Index, Advancement Index and Foresightedness Index) by averaging the values of the underlying indicators. IKS is calculated by averaging the values of all the three dimensions' indices.

Country coverage: 45 countries

Year created: 2005

Frequency: -

Publication where index can be found: UN. 2005. "Understanding Knowledge Societies In twenty questions and answers with the Index of Knowledge Societies". New York.

Source/Website: <http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN020643.pdf>

### 93. **Index of Social Vulnerability to Climate Change (SVI)**

Organization/Author: Katharine Vincent, Tyndall Centre for Climate Change Research

Description and methodology: The SVI is an index that empirically assesses relative levels of social vulnerability to climate change-induced variations in water availability which allows cross-country comparison in Africa. A theory-driven aggregate index of social vulnerability was formed through the weighted average of five composite sub-indices: economic well-being and stability (20%), demographic structure (20%), institutional stability and strength of public infrastructure (40%), global interconnectivity (10%) and dependence on natural resources (10%). Countries are ranked from highest to lowest social vulnerability, depending of the score of the Social Vulnerability Index (SVI) with 1 being highest vulnerability and 0 lowest in a comparative basis.

Country coverage: 22 African countries

Year created: 2004

Frequency: -

Publication where index can be found: Vincent, Katharine. 2004. "Creating an index of social vulnerability to climate change for Africa" Tyndall Centre for Climate Change Research Working Paper 56

Sources/Website: [http://www.tyndall.ac.uk/publications/working\\_papers/wp56.pdf](http://www.tyndall.ac.uk/publications/working_papers/wp56.pdf)

### 94. **Innovation Capacity Index**

Organization/Author: Michael E. Porter and Scott Stern - World Economic Forum

Description and methodology: It measures country's innovation capacity and ranks countries in terms in descending order of innovative capacity. The Innovation capacity index is a composite of four other sub-indices: 1) Proportion of Scientists and Engineers Sub-index, 2) Innovation Policy Sub-index, 3) Cluster Innovation Environment Sub-index and 4) Linkages Sub-index. The overall index results in a simple average of these 4 sub-indices.

Year created: 2001

Country coverage: 75 countries

Frequency: -

Publication where index can be found: "The Global Competitiveness Report 2001-2002"

Sources/Website: [http://www.isc.hbs.edu/Innov\\_9211.pdf](http://www.isc.hbs.edu/Innov_9211.pdf)

**95. Institutional Investor Country Credit ratings**

Organization/Author: Institutional Investor Magazine

Description and methodology: The ratings are based on surveys to sovereign credit analysts at banks and investment institutions which rate the creditworthiness of countries around the world.

Country coverage: 173 countries

Year created: 1979

Frequency: Twice a year (March and September)

Publication where index can be found: "Institutional Investor"

Sources/Website: <http://www.institutionalinvestor.com/>

<http://www.prnewswire.co.uk/cgi/news/release?id=130089>

**96. Internal Market Scoreboard and Internal Market Index**

Organization/Author: European Commission

Description and methodology: The *Internal Market Scoreboard* examines the records of member-states in ensuring that the internal Market works in practice. It does so by first examining how quickly and how well each of the Member States transposes Internal Market directives into national law. The Scoreboard also highlights the number of infringement proceedings taken against each Member State. Given the vital role European standards play in reducing the cost and administrative burdens in doing business in the European Union, it is important that they are transposed by national standards organisations. The Scoreboard reports on the transposition records of the national standards organisations. Lastly, the Scoreboard also focuses on how well the Internal Market is functioning in practice in two ways. Firstly, the Internal Market Index aims to track progress in the Internal Market towards becoming a fully functioning single market. Secondly, the Commission has carried out a study on price convergence which is another indicator of how well the Internal Market is functioning.

*The Internal Market Index* tracks over time the effects of Internal Market policy. Internal Market policy aims to achieve the free circulation of goods, services, capital and workers within the European Union. The Index is computed as a weighted sum of 12 base indicators: 1. Sectoral and ad hoc state aid 2. Values of pension fund 3. Telecommunication costs 4. Electricity prices 5. Gas prices 6. Relative price level 7. Retail lending interest rate over savings rate 8. Intra-EU Foreign Direct Investment 9. Intra EU trade 10. Workers from other Members States 11. Value of published public procurement and 12. Postal tariffs. The weights have been provided though the budget allocation method\* by involving a panel of national experts on the internal market (the Internal Market Advisory Committee). The Index is calculated by aggregating the data from each of the Member States. Although all the data is not available for all Member States, it is possible to measure the extent to which the index has increased in each Member State. This does not allow ranking Member States' relative Internal Market performance. A rapid increase in the index may simply indicate that a Member State started from a low level and a slow increase could be a sign that a Member State started from a level where there was little room for further improvement. But it is possible to see how much the index has increased in each Member State since 1994 – and to identify the variables within the index responsible for the change. The weights have been provided though the budget allocation method (Jesinghaus 1997) by involving a panel of national experts on the internal market (the Internal Market Advisory Committee).

Country coverage: EU countries

Year created: Scoreboard in 1997, the Index in 2002 and in 2004

Frequency: yearly

Publications where index can be found: Tarantola, Stefano, Michaela Saisana, and Andrea Saltelli. 2002. "Internal Market Index 2002: Technical details of the methodology". European Commission Joint Research Centre, Ispra, Italy.

[http://europa.eu.int/comm/internal\\_market/score/docs/score11/im-index-2002\\_en.pdf](http://europa.eu.int/comm/internal_market/score/docs/score11/im-index-2002_en.pdf)

European Commission. Various years. "Internal Market Scoreboard". Brussels.

and Tarantola, Stefano, R. Liska, A. Saltelli, N. Leapman, C. Grant. 2004. "The Internal Market Index 2004". European Commission Joint Research Centre, Ispra, Italy.

[http://europa.eu.int/comm/internal\\_market/score/docs/relateddocs/2004-im-index\\_en.pdf](http://europa.eu.int/comm/internal_market/score/docs/relateddocs/2004-im-index_en.pdf)

Sources: the above

Relevant websites: [http://europa.eu.int/comm/internal\\_market/score/index\\_en.htm](http://europa.eu.int/comm/internal_market/score/index_en.htm)

\* see Jesinghaus in Moldan, Bedrich, and Suzanne Billharz, eds. 1997. *Sustainability Indicators: Report of the Project on Indicators of Sustainable Development*. SCOPE 58. Chichester and New York: John Wiley & Sons. <http://www.icsu-scope.org/downloadpubs/scope58/contents.html>

## 97. International Country Risk Guide (ICRG) Ratings - Composite Risk Rating

Organization/Author: Political Risk Services (PRS Group)

Description and methodology: the ICRG evaluates economic, political and financial risk and warn of major changes. Its rating comprises 22 variables in three subcategories of risk: political, financial, and economic. A separate index is created for each of the subcategories. The Political Risk index composed of Government Stability, Socioeconomic Conditions, Investment Profile, Internal Conflict, External Conflict, Corruption, Military in Politics, Religious Tensions, Law and Order, Ethnic Tensions, Democratic Accountability, Bureaucracy Quality is based on 100 points. The Financial Risk index composed of Foreign Debt as a Percentage of GDP, Foreign Debt Service as a Percentage of XGS, Current Account as a Percentage of XGS, Net Liquidity as Months of Import Cover; Exchange Rate Stability is based on 50 points. Lastly, the Economic Risk index is composed of GDP per Head of Population, Real Annual GDP Growth, Annual Inflation Rate, Budget Balance as a Percentage of GDP, Current Account Balance as a Percentage of GDP is based on 50 points. The following formula is used to calculate the aggregate political, financial and economic risk:

$CPFER(\text{country X}) = 0.5(\text{PR} + \text{FR} + \text{ER})$

CPFER = Composite political, financial and economic risk ratings

PR = Total political risk indicators

FR = Total financial risk indicators

ER = Total economic risk indicators

The risk points awarded to each risk component or calculated for each Risk Category or the Composite Risk show the degree of risk. In each case, the higher the number, the lower the risk.

The composite scores, ranging from zero to 100, are then broken into categories:

Very High Risk 00.0 to 49.9 percent

High Risk 50.0 to 59.9 percent

Moderate Risk 60.0 to 69.9 percent

Low Risk 70.0 to 79.9 percent

Very Low Risk 80.0 to 100 percent

Country coverage: 140 countries

Year created: 1980

Frequency: monthly

Publication where index can be found: "International Country Risk Guide"

Sources/Websites: <http://www.icrgonline.com>

<http://www.prsgroup.com/icrg/icrg.html>

<http://www.icrgonline.com/page.aspx?page=icrgmethods>

## 98. International Index of Social Progress (ISP)

Organization/Author: Richard Estes - University of Pennsylvania

Description and methodology: the ISP consists of 45 social indicators divided among 10 sectors of development: Education, Health Status, Women Status, Defense Effort, Economic, Demographic, Geo-graphic, Political Chaos, Cultural Diversity, and Welfare Effort. Statistically weighted versions of the index (WISP) are used periodically to assess the changing capacity of the world-as-

a-whole and major world regions to provide for the basic social and material needs of their populations.

Country coverage: 163 countries

Year created: 2003

Frequency: -

Publication where index can be found: -

Sources/Website: <http://caster.ssw.upenn.edu/~restes/world.html>

[http://caster.ssw.upenn.edu/~restes/Estes%20Papers/Global%20Change%20Indicators\\_2003.pdf](http://caster.ssw.upenn.edu/~restes/Estes%20Papers/Global%20Change%20Indicators_2003.pdf)

## 99. **Investment and Performance in the Knowledge Based Economy**

Organization/Author: European Commission

Description and methodology: The two composite indicators refer to the overall investment and performance in the transition to the knowledge-based economy. They focus on the 'knowledge dimension' of that transition and, therefore, do not take into account the other dimensions (e.g. employment, sustainable development, etc.) of the Lisbon Agenda.

The *composite indicator of investment in the knowledge-based economy* addresses the two crucial dimensions of investment: creation and dissemination of new knowledge. It includes key indicators relating to R&D effort, investment in highly-skilled human capital (researchers and PhDs), the capacity and quality of education systems (education spending and life-long learning), purchase of new capital equipment that may contain new technology, and the modernisation of public services (e-government). The second composite indicator regroups the four most important elements of the *performance in the transition to the knowledge-based economy*: productivity, scientific and technological performance, usage of the information infrastructure and effectiveness of the education system. The aggregation method is the weighted average of sub-indicators, based on a conceptual grouping of the indicators. These conceptual groups may contain one indicator or several. The different conceptual groups are given equal weightings, while within each group the components indicators are also accorded an equal weight.

Country coverage: 15 European countries, USA and Japan

Year created: 2002 (with reference to 1995-1999 data)

Frequency: 2 years

Publication where Index can be found: European Commission. 2004. *Key Figures 2003-2004 Towards a European Research Area Science, Technology and Innovation*. Brussels

[[ftp://ftp.cordis.lu/pub/indicators/docs/ind\\_kf0304.pdf](ftp://ftp.cordis.lu/pub/indicators/docs/ind_kf0304.pdf)]

Sources/Website: <http://www.cordis.lu/indicators/publications.htm>

## 100. **Inward FDI Performance Index**

Organization/Author: UNCTAD

Description and methodology: The Inward FDI Performance Index ranks countries by the FDI they receive relative to their economic size. It is the ratio of a country's share in global FDI inflows to its share in global GDP. A value greater than one indicates that the country receives more FDI than its relative economic size, a value below one that it receives less (a negative value means that foreign investors disinvest in that period). The index thus captures the influence on FDI of factors other than market size, assuming that, other things being equal, size is the "base line" for attracting investment. These other factors can be diverse, ranging from the business climate, economic and political stability, the presence of natural resources, infrastructure, skills and technologies, to opportunities for participating in privatization or the effectiveness of FDI promotion.

Country coverage: 140 countries

Year created: 1988

Frequency: annual

Publication where index can be found: UNCTAD. Various years. *World Investment Report*. New York and Geneva: United Nations.

Source (methodology): <http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2469&lang=1>

Relevant Website: <http://www.unctad.org/Templates/Page.asp?intItemID=2468&lang=1>

#### 101. Inward FDI Potential Index

Organization/Author: UNCTAD

Description and methodology: The Inward FDI Potential Index captures several factors (apart from market size) expected to affect an economy's attractiveness to foreign investors. It is an average of the values (normalized to yield a score between zero, for the lowest scoring country, to one, for the highest) of 12 variables (no weights are attached): 1. GDP per capita, an indicator of the sophistication and breadth of local demand (and of several other factors), with the expectation that higher income economies attract relatively more FDI geared to innovative and differentiated products and services 2. The rate of GDP growth over the previous 10 years, a proxy for expected economic growth. 3. The share of exports in GDP, to capture openness and competitiveness 4. As an indicator of modern information and communication infrastructure, the average number of telephone lines per 1,000 inhabitants and mobile telephones per 1,000 inhabitants 5. Commercial energy use per capita to measure the availability of traditional infrastructure 6. The share of R&D spending in GDP captures local technological capabilities 7. The share of tertiary students in the population, indicating the availability of high-level skills 8. Country risk, a composite indicator capturing some macroeconomic and other factors that affect the risk perception of investors. The variable is measured in such a way that high values indicate less risk 9. The world market share in exports of natural resources, to proxy for the availability of resources for extractive FDI 10. The world market share of imports of parts and components for automobiles and electronic products, to capture participation in the leading TNC integrated production systems (WIR02) 11. The world market share of exports of services, to seize the importance of FDI in the services sector that accounts for some two thirds of world FDI 12. The share of world FDI inward stock, a broad indicator of the attractiveness and absorptive capacity for FDI, and the investment climate.

Country coverage: 140 countries

Year created: 1988

Frequency: annual

Publication where index can be found: UNCTAD. Various years. *World Investment Report*. New York and Geneva: United Nations.

Source (methodology): <http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2470&lang=1>

Relevant Website: <http://www.unctad.org/Templates/Page.asp?intItemID=2468&lang=1>

#### 102. Latin American Index of Budget Transparency

Organization/Author: DFID-Peru / The International Budget Project

Description and methodology: In general transparency implies that the reasons for all governmental and administrative decisions, as well as the costs and resources committed in the application of these decisions, are accessible, clear, and communicated to the general public. Transparency in public spending is particularly relevant given the central character of the budget of any government. The true objectives, commitments, and priorities of those in control of the government are tangibly expressed in the budget. Applied budget analysis therefore allows evaluation of who truly wins and loses with the distribution of public resources. In addition, this type of analysis reveals the degree of efficiency and effectiveness of public spending, by revealing potential cases of corruption.

The index is based on a questionnaire containing 70 questions measuring budget transparency. The questionnaire is distributed to the following budget experts: 1. Legislators (Representatives and/or Senators) participating in the budget commission 2. Communications media: Journalists who write about the budget in newspapers and magazines with national coverage were chosen. 3. Academics or researchers that are experts on the subject 4. Civil society organizations (CSOs) working on issues related to the budget, accountability, transparency, corruption, and public resource monitoring were chosen. The questionnaire contained 70 questions grouped into three categories: 1. Scores of budget transparency at different levels: an assessment of budget transparency conditions in general and assessments of the specific processes or topics of budget

formulation, approval, execution, oversight, citizen participation, and access to information. 2. Assessments of the importance of each of the budget stages or related topics (formulation, approval, execution, oversight, citizen participation, and access to information) 3. Specific questions on the level of transparency in the budget. These questions are built as Likert scales in a range of 1 to 5, to simultaneously measure agreement and its degree.

The results are reported with two units or scales. The score of general transparency conditions and scores by stage or process are the averages obtained in the experts survey using a scale of 1 to 100. The Budget Transparency General Index is given by a score of this type. On the other hand, the percentage is reported of positive or “agreement” responses for specific variables and questions. This percentage is the sum of the “agree” and “totally agree” responses (values 4 and 5) among the total of valid responses, in the following scale: 1 Do not agree 2 3 Neither agree 4 5 Totally at all nor disagree agree.

A total of 14 variables were built from 49 specific questions. The variables and the number of questions integrating each of them are detailed as follows:

<b>Variable</b>	<b>Total questions</b>
Citizen participation in the budget	5
Authority and participation of the legislature in the budget	3
Information on macroeconomic criteria of the budget	2
Changes in the budget	1
Budget allocation	4
Budget oversight	5
Evaluation of the internal comptroller	1
Capacities of the institutions of external oversight	3
Accountability	7
Control over federal officials	5
Responsibilities among governmental levels	1
Information on federal debt	4
Quality of information and statistics in general	4
Timeliness of budget information	4
<b>TOTAL</b>	<b>49</b>

Country coverage: 10 Latin American countries

Year created: Released in 2001 for 5 countries

Frequency: updated in 2003 for 10 countries

Publication where index can be found: DFID - The International Budget Project. 2003. *Latin American Index of Budget Transparency 2003: A Comparison of 10 countries*. Peru: DFID  
<http://www.internationalbudget.org/themes/BudTrans/English.pdf>

Source: DFIF (2003)

Relevant Website: <http://www.internationalbudget.org/themes/BudTrans/LA03.htm>

### 103. **KOF Index of Globalization**

Organization/Author: KOF-Swiss Federal Institute of Technology Zurich

Description and methodology: The index measures the three main dimensions of globalization: economic, social, and political. In addition to three indices measuring these dimensions, an overall index of globalization and sub-indices referring to actual economic flows, economic restrictions, data on personal contact, data on information flows, and data on cultural proximity are calculated. In constructing the indices of globalization, each original variable has been transformed to an index on a zero to ten scale, where ten is the maximum value for a specific variable over the period 1970-2003, and zero is the minimum value.<sup>1</sup> Higher values denote more globalization. When higher values of the original variable indicate higher globalization, the formula  $((V_i - V_{min}) / (V_{max} - V_{min}) * 10)$  has been used for transformation. Conversely, when higher values indicate less globalization, the formula is  $((V_{max} - V_i) / (V_{max} - V_{min}) * 10)$ . The weights for calculating the sub-indices are determined using principal components analysis. The analysis partitions the variance of the variables used in each sub-group. The weights are then determined in a way that maximizes the variation of the resulting principal component, so that the indices

capture the variation as fully as possible. The same procedure is applied to the sub-indices in order to derive the overall index of globalization.

Country coverage: 123 countries

Year created: 2002

Frequency: annual

Publication where index can be found: Dreher, Axel . 2006. "Does Globalization Affect Growth? Evidence from a new Index of Globalization" *Applied Economics* 38 (10): 1091-1110.

Source/Website: <http://www.kof.ch/globalization>

#### **104. ITU Digital Access Index (DAI)**

Organization/Author: International Telecommunications Union (ITU)

Description and methodology: The DAI measures the overall ability of individuals in a country to access and use new ICTs. The DAI is built around four fundamental factors that impact a country's ability to access ICTs: infrastructure, affordability, knowledge and quality. A fifth factor, actual usage of ICTs, is important for matching the theory of the index with the reality in a country. The inclusion of usage also captures other aspects not explicitly accounted for in the other four factors. Eight indicators are used to represent the five factors. Each indicator is divided by a "goalpost" the maximum value established for that indicator (Table 5.1). Each indicator is then summed to obtain an overall index score. The DAI has been calculated for 178 economies and are classified according to high, upper, medium and low ICT access. The DAI allows countries to see how they compare to peers and their relative strengths and weaknesses. It also provides a transparent and globally measurable way of tracking progress towards improving access to ICTs.

Country coverage: 178 countries

Year created: 2002

Frequency: -

Publication where index can be found: International Telecommunications Union (ITU). 2003.

*World Telecommunication Development Report 2003: Access Indicators for the Information Society*. Geneva: ITU

[[http://www.itu.int/ITU-D/ict/publications/wtdr\\_03](http://www.itu.int/ITU-D/ict/publications/wtdr_03)]

Source: ITU (2003)

Relevant Website: <http://www.itu.int/ITU-D/ict/dai>

#### **105. Least Secure Countries**

Organization/Author: Human Security Centre

Description and methodology: The new Human Security Centre dataset distinguishes itself as it includes two categories of political violence, non state violence and one-sided violence, not considered by other conflict datasets. No international organization collects data on regional or global political violence trends, which complicates the task of mapping threats to human security. There is a dearth of reliable information, methodologies are complex and often contested, and findings are sometimes contradictory, or at the very least, appear to be so. In the absence of official statistics, the *Human Security Report* draws on a range of different data sources including a new dataset on political violence created especially for the Report. It also relies on commissioned background papers by key experts, and other reports and studies. By providing a comprehensive annual assessment of the incidence, severity, and consequences of political violence around the world, the *Human Security Report* provides the trend data and analysis that is essential to evidence-based security policy. Although the report does not provide a composite index of human security, as the existing datasets used to measure human insecurity are not comprehensive enough amongst other reasons—nevertheless, the report provides three parallel measures of the world's least secure countries: 1) The Uppsala/Human Security Centre dataset. The figures are the 'best estimates' of death rates from political violence in 2003. They include both battle-related deaths and deaths from one-sided violence. 2) The Political Terror Scale from the University of North Carolina, Asheville, which measures core human rights abuse. Countries are scored on a scale from 5 (worst) to 1 (best), based on human rights violations in 2003. 3) The

World Bank's composite Political Instability and Absence of Violence Index, a measure that gauges the probability that a government 'will be destabilized or overthrown by possibly unconstitutional and/or violent means, including domestic violence and terrorism. Countries are ranked on a scale from 0 (worst) to 100 (best).

Country coverage: over 150 countries

Year created: 2005

Frequency: Annually

Publication where index can be found: -

Source: <http://www.humansecurityreport.info/>

Relevant Website:

#### **106. Lisbon Scorecard**

Organization/Author: Centre for European Reform

Description and methodology: provides a comprehensive assessment of EU's progress on the Lisbon Agenda. The Scorecard picks out countries doing big progress and those falling behind ("heroes" versus "villains"). In 2005 the scorecard includes a ranking of all the EU members-states on their economic reform performance.

Country coverage: EU countries

Year created: 2000

Frequency: yearly

Publication where index can be found: Murray, Alasdair and Aurore Wanlin. 2005. *The Lisbon Scorecard V: Can Europe Compete?* London: Centre for European Reform

Sources/Website: <http://www.cer.org.uk/publications/602.html>

#### **107. Living Planet Index (LPI)**

Organization/Author: World Wide Fund (WWF)

Description and methodology: The Living Planet Index (LPI) is an indicator of the state of the world's biodiversity: it measures trends in populations of vertebrate species living in terrestrial, freshwater, and marine ecosystems around the world. The LPI is the average of three separate indices measuring changes in abundance of 555 terrestrial species, 323 freshwater species, and 267 marine species around the world.

Country coverage: global

Year created: 1998

Frequency: annual

Publication where index can be found: Living Planet Report

Publication where index can be found: World Wildlife Fund. Various years. *The Living Planet Report*. Gland, Switzerland: WWF

Source: [http://www.panda.org/news\\_facts/publications/general/livingplanet/about\\_lpr.cfm#LPI](http://www.panda.org/news_facts/publications/general/livingplanet/about_lpr.cfm#LPI)

Relevant Website: [http://www.panda.org/news\\_facts/publications/general/livingplanet/index.cfm](http://www.panda.org/news_facts/publications/general/livingplanet/index.cfm)

#### **108. McKinsey Global Confidence Index**

Organization/Author: McKinsey & Co.

Description and methodology: The Confidence Index is a barometer of the attitudes of business executives about the economy's near-term prospects. It expresses, in a single figure, responses to a standard set of four questions about current economic conditions and expectations. An index above 50 means that positive responses outnumber negative ones. The surveys of global executives garnered responses from 5,500 chief executives and other senior corporate leaders around the world: 11 percent from the developed countries of the Asia-Pacific region, 31 percent from Europe, 41 percent from North America, and 18 percent from developing markets. The index scores are presented for regions as well as key countries.

Country coverage: global

Year created: 2004  
Frequency: annual  
Publication where index can be found: “McKinsey Global Survey of Business Executives”  
Source: [http://www.mckinseyquarterly.com/article\\_abstract.aspx?ar=1461&L2=21&L3=34](http://www.mckinseyquarterly.com/article_abstract.aspx?ar=1461&L2=21&L3=34)  
(Login required)  
Relevant Website: <http://www.mckinseyquarterly.com/>

**109. Major Military Spenders**

Organization/Author: Stockholm International Peace Research Institute (SIPRI)  
Description and methodology: Ranks countries in terms of their level of military expenditure in US \$bn, at constant (2000) prices and exchange rates  
Country coverage: Global  
Year created: 1969  
Frequency: annual  
Publication where index can be found: SIPRI. Various Years. *SIPRI Yearbook*. Oxford: Oxford University Press.  
Source/ Website: [http://web.sipri.org/contents/milap/milex/mex\\_major\\_spenders.pdf](http://web.sipri.org/contents/milap/milex/mex_major_spenders.pdf)  
[http://www.sipri.org/contents/milap/milex/mex\\_sources.html](http://www.sipri.org/contents/milap/milex/mex_sources.html)

**110. Media Sustainability Index (MSI)**

Organization/Author: International Research and Exchanges Board (IREX)  
Description and methodology: The Media Sustainability Index provides in-depth analysis of the conditions for independent media in 20 countries across Europe and Eurasia. The MSI is designed to assist policymakers and implementers in these and other fields by analyzing the various elements of a media system and pointing to areas where assistance can be most effective in developing a sustainable and professional media system. The MSI assesses five objectives in shaping a successful media system:

1. Legal and social norms protect and promote free speech and access to public information.
2. Journalism meets professional standards of quality.
3. Multiple news sources provide citizens with reliable and objective news.
4. Independent media are well-managed businesses, allowing editorial independence.
5. Supporting institutions function in the professional interest of independent media.

The scoring is done in two parts. First, a panel of experts is assembled in each country, drawn from representatives of local media, NGOs, professional associations, international donors, and media-development implementers. While each country’s panel has a slightly different composition; for the most part, the same panelists are invited to return in order to maintain an element of consistency. The panelists meet to discuss the objectives and indicators and to devise combined scores and analyses. In the second stage of the scoring process the panelists’ scores are reviewed by IREX in country staff and Washington DC, media staff, which then score the countries independently of the MSI panel. Using the combination of scores, the final scores are determined. This method allowed the MSI scores to reflect both local media insiders’ views and the views of international media- development professionals. A score was attained for each objective by rating seven to nine indicators, which determine how well a country meets that objective. Each indicator is scored on a 0-4 scale with 4 being the best. The averages of all the indicators are then averaged to obtain a single, overall score for each objective. Then, objective scores are averaged to provide an overall score for each country. IREX interprets the final scores as follows:

Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press

advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

Country coverage: 20 countries across Europe and Eurasia

Year created: 2000

Frequency: Annually

Publication where index can be found: -

Source: <http://www.irex.org/msi/index.asp>

Relevant Website <http://www.irex.org/msi/2005/MSI05-summary.pdf>

### 111. Millennium Challenge Account country rankings

Organization/Author: US Government Millennium Challenge Corporation (MCC)

Description and methodology: The rankings of the MCC are used to select countries for MCA assistance. "Candidate countries" are those countries that are eligible for assistance from the International Development Association, have a per capita income equal to or less than \$1415, and are not ineligible to receive United States economic assistance. Countries are selected in terms of three broad dimensions: ruling justly, investing in their people, and encouraging economic freedom. The MCC uses 16 objective indicators to measure country performance on these three criteria. To qualify, candidate countries are expected to score above the median on half of the indicators in each of the three criteria areas and above the median on the corruption indicator specifically. The 16 variables are as follows: Ruling Justly includes: 1. Civil Liberties 2. Political Rights 3. Voice and Accountability 4. Government Effectiveness 5. Rule of Law 6. Control of Corruption Encouraging Economic Freedom includes: 1. Country Credit Rating 2. 1-year Consumer Price Inflation 3. Fiscal Policy 4. Trade Policy 5. Regulatory Quality 6. Days to Start a Business Investing in People includes: 1. Public Expenditures on Health as Percent of GDP 2. Immunization Rates: DPT3 and Measles 3. Public Primary Education Spending as Percent of GDP 4. Primary Education Completion Rate

Country coverage: 70 countries

Year created: 2003

Frequency: annual

Publication where index can be found: -

Source: [http://www.mca.gov/countries/selection/methodology\\_report.pdf](http://www.mca.gov/countries/selection/methodology_report.pdf)

Relevant Website: <http://www.mca.gov/countries/rankings/index.shtml>

### 112. Mineral Extraction Risk Assessment (MERA)

Organization/Author: Business Environment Risk Intelligence (BERI)

Description and methodology: The Mineral Extraction Risk Assessment (MERA) is a forecast and risk ratings for those countries which are expected to show a rapid growth in oil, gas, and mineral extraction capacity. The risk assessment is composed of two sub-indices: 1. the Exploration and Development Sub-index and the 2. Financial Sub-index.

Three risks are the bases for the *Exploration and Development Sub-index (E&D)*: (1) Contract, (2) Physical, and (3) Operations. E&D comprise 75% of the overall country assessment. The *Financial Sub-index*, 25% of the overall assessment, rates the possibility of losing the invested

capital. Nationalization implies compensation; confiscation indicates seizure with no compensation. This sub-index allows for disputed and inadequate payment by the host country.

*Weighting*

<b>1. Exploration and Development Sub-index</b>		<b>75%</b>
Contract Risk:	Continuity of Terms	25%
Physical Risk:	Personnel Injuries/Fatalities	10%
	Damage to Facilities	15%
Operation Risk:	BRS Composite Score	25%
<b>2. Financial Sub-index</b>		<b>25%</b>
Financial Risk:	Nationalization	10%
	Confiscation	15%

**Ratings Scale:**

0-34 Prohibitive Risk: Exploration activity is not recommended. Jeopardy to investment and personnel is excessive regardless of oil potential.

35-49 High Risk: Exploration activity is recommended only when oil potential is very high and contract risk is moderate.

50-69 Moderate Risk: Exploration activity is generally recommended. The probability of interference with commercial development is minimal.

70-100 Low Risk: Exploration activity is recommended. Full commercial development is probable.

Country coverage: 145 countries

Year created: 1982

Frequency: annual

Publication where index can be found: "The Mineral Extraction Risk Assessment"

Sources/Website: <http://www.beri.com/mera.asp>

**113. Mother's Index**

Organization/Author: Save the Children

Description and methodology: The *Mothers' Index* aims to assess where it is best and worst to be a mother. It is based on a composite of separate indices for women's and children's well-being. The Index relies on information published by governments, research institutions and international agencies. The six indicators of women's well-being are: 1. Lifetime risk of maternal mortality 2. Percent of women using modern contraception 3. Percent of births attended by trained personnel 4. Percent of pregnant women with anemia 5. Adult female literacy rate 6. Participation of women in national government. The four indicators of children's well-being are: 1. Infant mortality rate 2. Gross primary enrollment ratio 3. Percent of population with access to safe water 4. Percent of children under age 5 suffering from moderate or severe nutritional wasting.

Country coverage: 119 countries

Year created: 2000

Frequency: updated annually

Publication where index can be found: "State of the World's Mothers" report

Source (methodology):

[http://www.savethechildren.org/mothers/report\\_2004/images/pdf/Index\\_Rank\\_pp28\\_36.pdf](http://www.savethechildren.org/mothers/report_2004/images/pdf/Index_Rank_pp28_36.pdf)

Relevant Website: [http://www.savethechildren.org/mothers/report\\_2004/index.asp](http://www.savethechildren.org/mothers/report_2004/index.asp)

**114. National Biodiversity Index (NBI)**

Organization/Author: UNEP - Convention on Biological Diversity (CBD)

Description and methodology: The NBI index is based on estimates of country richness and endemism in four terrestrial vertebrate classes and vascular plants. Vertebrates and plants are ranked equally with index values ranging between 1.000 (maximum) and 0.000 (minimum). The

NBI includes some adjustment allowing for country size. Countries with land area less than 5,000 sq km are excluded. Countries are not ranked; just the NBI score is presented.

Country coverage: 195 countries

Year created: 2001

Frequency: -

Publication where index can be found: UNEP / CBD. 2001. *Global Biodiversity Outlook*.

Montreal: CBD

Sources/Website: <http://www.biodiv.org/gbo/gbo-pdf.asp>

#### **115. Networked Readiness Index (NRI)**

Organization/Author: World Economic Forum (WEF)

Description and methodology: The NRI measures the degree of preparation of a nation or community to participate in and benefit from ICT developments. The NRI is a composite of three other dimensions: 1) the environment for ICT offered by a given country 2) the readiness of the country's key stakeholders (individuals, business and governments) to use ICT and 3) the usage of ICT amongst key stakeholders. In turn, these 3 dimensions are sub-indices themselves with equal weights in the overall NRI, formed by the following: 1) Environment component index: market environment, political and regulatory environment and infrastructure environment 2) Readiness Component Index: Individual readiness, business readiness and government readiness and 3) Usage Components Index: Individual usage, business usage and government usage. This represents 48 variables. Countries are ranked from highest to lowest readiness.

Country coverage: 104 countries

Year created: 2001

Frequency: annual update

Publication where index can be found: WEF. Various years. *Global Information Technology Report*

Sources: [http://www.weforum.org/pdf/Gcr/GITR\\_2003\\_2004/Framework\\_Chapter.pdf](http://www.weforum.org/pdf/Gcr/GITR_2003_2004/Framework_Chapter.pdf)

Relevant website:

<http://www.weforum.org/site/homepublic.nsf/Content/Global+Competitiveness+Programme%5C+Global+Information+Technology+Report>

#### **116. Official Development Assistance (ODA) Rankings**

Organization/Author: OECD – Development Co-Operation Directorate (DAC)

Description and methodology: Ranks donors in terms of Net ODA as a % of GNI and Net ODA amounts. It is used to assess if donors meet the 0.7% GNI target.

Country coverage: 23 DAC members

Year created: 1960

Frequency: annual

Publication where index can be found: OECD/DAC. Various years. *Development Cooperation Report*. Paris: OECD.

Sources/Website: [http://www.oecd.org/department/0,2688,en\\_2649\\_33721\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,2688,en_2649_33721_1_1_1_1_1,00.html)  
[www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

#### **117. Offshore Location Attractiveness Index**

Organization/Author: AT Kearney

Description and methodology: the index measures the viability of countries as offshore destinations based on three dimensions: their financial structure, people skills and availability and business environment. It aims to assist companies understand and compare the factors that make countries attractive as potential locations for offshore services. The index is based on data gathered from corporate surveys, IT and BPO activities, availability of skilled labor and national initiatives to promote offshoring. A total of 39 measurements were gathered with the following structure: 1) financial structure (40% weight in index) includes variables such as average wages,

relative tax burden, cost of corruption and fluctuating exchange rates, telecommunication systems amongst others 2) people skills and availability (30% weight in the index) includes variables such as total workforce, university educated workforce, existing IT and business process outsourcing (BPO) market size, scores of standardized education and language tests amongst others 3) Business environment (weight of 30%) includes variables such as investor and analyst ratings of overall business and political environment, AT Kearney's Foreign Direct Investment Confidence Index, extent of bureaucracy and software piracy rates amongst others. Thus, financial structure is rated on a scale from 1 to 4 while the other 2 components on a scale from 1 to 3 for an overall score. Countries are ranked from highest score (more attractive as offshore destination) to lowest (less attractive as offshore destination).

Country coverage: 25 countries - both developing and industrial

Year created: 2003

Frequency: annual

Publication where index can be found: AT Kearney. 2004. "Making Offshore Decisions: A.T. Kearney's 2004 Offshore Location Attractiveness Index"

[http://www.atkearney.com/shared\\_res/pdf/Making\\_Offshore\\_S.pdf](http://www.atkearney.com/shared_res/pdf/Making_Offshore_S.pdf)

Source: AT Kearney (2004)

Relevant Website: <http://www.atkearney.com/main.taf?p=5,3,1,75>

#### 118. **Opacity Index (O-Factor)**

Organization/Author: Kurtzman Group / PriceWaterhouseCoopers (PWC)

Description and methodology: The index aims to measure "opacity", defined as the lack of clear, accurate, formal, easily discernible, and widely accepted practices in the world's capital markets. A composite "O-Factor" score for each country is based on opacity data in five different areas that affect capital markets: a) corruption, b) legal system, c) government macroeconomic and fiscal policies, d) accounting standards and practices (including corporate governance and information release), and e) regulatory regime. The index draws upon 65 objective variables from 41 sources. The countries are ranked from lowest score (more transparent conditions) to higher score (more opaque conditions).

Country coverage: 48 countries - developing and industrial

Year created: launched by PWC in 2001

Frequency: Updated in 2004

Publication where index can be found: Kurtzman, Joel, Glenn Yago and Triphon Phumiwasana. 2004. "The Global Costs of Opacity Measuring business and investment risk worldwide: The Opacity Index: Research Overview" The Kurtzman Group.

<http://www.kurtzmangroup.com/opacity.pdf>

Relevant Website: [http://www.kurtzmangroup.com/opacity\\_index.htm](http://www.kurtzmangroup.com/opacity_index.htm)

#### 119. **Outward FDI Performance Index**

Organization/Author: UNCTAD

Description and methodology: The *Outward FDI Performance Index* is calculated as the share of a country's outward FDI in world FDI as a ratio of its share in world GDP. The Index reflects two sets of factors that determine outward FDI by transnational corporations (TNCs) headquartered in a given country: 1. "Ownership advantages", or firm-specific competitive strengths of TNCs (such as innovation, brand names, managerial and organizational skills, access to information, financial or natural resources, and size and network advantages) that they are exploiting abroad or wish to augment through foreign expansion and 2. "Location factors", which reflect primarily economic factors conducive to the production of different goods and services in home and host economies, such as relative market size, production or transport costs, skills, supply chains, infrastructure and technology support. Driven by the competitive pressures of a globalizing world economy, both factors work together to lead firms to invest abroad by establishing foreign affiliates. These affiliates then become a source of the competitive strength of their respective corporate networks.

Country coverage: 128 countries

Year created: 1988  
Frequency: annual  
Publication where index can be found: UNCTAD. Various years. *World Investment Report*. New York and Geneva: United Nations.  
Source: <http://www.unctad.org/Templates/WebFlyer.asp?intItemID=3242&lang=1>  
Relevant Website: <http://www.unctad.org/Templates/Page.asp?intItemID=2468&lang=1>

## 120. Overall Health System Achievement Index

Organization/Author: World Health Organization (WHO)  
Description and methodology: How well a health system does its job requires two inquiries: 1) how to measure the outcomes of interest – that is, to determine what is achieved with respect to the three objectives of good health, responsiveness and fair financial contribution (attainment) And 2) how to compare those attainments with what the system should be able to accomplish – that is, the best that could be achieved with the same resources (performance). *Overall health system attainment* is a composite or summary measure. This composite measure of achievement in the level of health, the distribution of health, the level of responsiveness, the distribution of responsiveness and fairness of financial contribution has been constructed based on weights derived from the survey of over one thousand public health practitioners from over 100 countries.<sup>22</sup> The composite is constructed on a scale from 0 to 100, the maximum value. The weights on the five components are 25% level of health, 25% distribution of health, 12.5% level of responsiveness, 12.5% distribution of responsiveness and 25% fairness of financial contribution. The mean value and uncertainty intervals have been estimated for overall health system achievement using the uncertainty intervals for each of the five components. Uncertainty intervals for the ranks as well as the value of overall health system achievement are also provided.

Country coverage: 191 countries

Year created: 2000

Frequency: -

Publication where index can be found: Murray, Christopher JL, Jeremy Lauer, Ajay Tandon, Julio Frenk. (no date). “Overall Health System Achievement for 191 Countries” Discussion Paper Series No. 28 EIP/GPE World Health Organization.

<http://w3.who.org/healthreport/pdf/paper28.pdf>

AND

World Health Organization. 2000. *World Health Report 2000 - Health Systems: Improving Performance*. Geneva: WHO. <http://www.who.int/whr/2000/en>

Sources/Website: [http://www.who.int/health-systems-performance/docs/efficattain\\_docs.htm](http://www.who.int/health-systems-performance/docs/efficattain_docs.htm)

## 121. Overall Health System Performance Index

Organization/Author: World Health Organization (WHO)  
Description and methodology: How well a health system does its job requires two inquiries: 1) how to measure the outcomes of interest – that is, to determine what is achieved with respect to the three objectives of good health, responsiveness and fair financial contribution (attainment) And 2) how to compare those attainments with what the system should be able to accomplish – that is, the best that could be achieved with the same resources (performance). *Health performance* measures how that health outcome compares to what might have been achieved with the resources available in the country. The index of performance on the level of health reports how efficiently health systems translate expenditure into health as measured by disability-adjusted life expectancy (DALE). Performance on the level of health is defined as the ratio between achieved levels of health and the levels of health that could be achieved by the most efficient health system. More specifically, the numerator of the ratio is the difference between observed DALE in a country and the DALE that would be observed in the absence of a functioning modern health system given the other non-health system determinants that influence health, which are represented by education. The denominator of the ratio is the difference between the maximum possible DALE that could have been achieved for the observed levels of health expenditure per capita in each country and

the DALE in the absence of a functioning health system. Econometric methods have been used to estimate the maximum DALE for a given level of health expenditure and other non-health system factors using frontier production analysis. The relationship between life expectancy and human capital at the turn of the century was used to estimate the minimum DALE that would have been expected in each country (at current levels of educational attainment) in the absence of an effective health system. Overall performance of health systems was measured using a similar process relating overall health system achievement to health system expenditure. Maximum attainable composite goal achievement was estimated using a frontier production model relating overall health system achievement to health expenditure and other non-health system determinants represented by educational attainment.

Country coverage: 191 countries

Year created: 2000

Frequency: -

Publication where index can be found: World Health Organization. 2000. *World Health Report 2000 - Health Systems: Improving Performance*. Geneva: WHO.

<http://www.who.int/whr/2000/en>

Sources/Website: [http://www.who.int/health-systems-performance/docs/efficattain\\_docs.htm](http://www.who.int/health-systems-performance/docs/efficattain_docs.htm)

## 122. Overall Market Potential Index

Organization/Author: Michigan State University, Center for International Business Education and Research (MSU-CIBER)

Description and methodology: The index aims to assist companies in comparing the Emerging Markets in terms of market potential. The index is constructed based on 8 dimensions encompassing 19 variables. These eight dimensions form, in turn, 8 sub-indices: 1. Market Size (variables: urban population and electricity consumption) with a weight of 10/50 2. Market Growth Rate (variables: Average annual growth rate of commercial energy use between years 1996-2001 and Real GDP growth rate (%)) with a weight of 6/50 3. Market Intensity (variables include GNI per capita estimates using PPP (US Dollars) and Private consumption as a percentage of GDP (%)) with a weight of 7/50 4. Market Consumption Capacity (Percentage share of middle-class in consumption/income) with a weight of 5/50 5. Commercial Infrastructure (variables include Telephone mainlines (per 100 habitants), Cellular mobile subscribers (per 100 habitants), Number of PC's (per 100 habitants), Paved road density (km per million people), Internet hosts (per million people), Population per retail outlet, Television sets (per 1000 persons)) with weight of 7/50 6. Economic Freedom (variables include Economic Freedom Index by Heritage Foundation Political Freedom Index by Freedom House) with weight of 5/50 7. Market Receptivity (variables Per capita imports from US (US Dollars) and Trade as a percentage of GDP (%)) with weight of 6/20 and 8. Country Risk (Country risk rating by Euromoney) with weight of 4/50. The index is based on a scale of 0-100 and countries are ranked from highest market potential (the maximum being 100) to lowest (the minimum being 0).

Country coverage: 24 emerging markets

Year created: 1995

Frequency: annual

Publication where index can be found: -

Sources/Website: Cavusgil, S. Tamer. 1997. "Measuring the Potential of Emerging Markets: An Indexing Approach", *Business Horizons* 40(1): 87-91.

<http://globaledge.msu.edu/ibrd/marketpot.asp> and <http://ciber.msu.edu/Research/MPI/default.asp>

## 123. Oxfam Survey of Donor Practices

Organization/Author: Oxfam International

Description and methodology: The survey was undertaken in June–July 2004, with staff in various ministries in 11 developing countries, distributed evenly across regions. They were asked to express their opinions on various dimensions of donor practice by rating and commenting on donors with whom they had worked over the previous two years. Approximately 80 data points

were generated for each donor, and donors for which there were not considered to be sufficient data were excluded from the final results.

Country coverage: European Commission, Germany, Japan, UK, US and the World Bank were rated

Year created: 2004

Frequency: -

Publication: Oxfam International. 2005. *Paying the Price: Why Rich countries must invest now in a war on poverty*. Oxford: Oxfam

[http://www.oxfam.org.uk/what\\_we\\_do/issues/debt\\_aid/downloads/mdgs\\_price.pdf](http://www.oxfam.org.uk/what_we_do/issues/debt_aid/downloads/mdgs_price.pdf)

Sources/Website: Oxfam International (2005)

#### 124. Political and Economic Risk Map

Organization/Author: AON and Oxford Analytica

Description and methodology: It rates the economic and political risks in more than 200 territories worldwide, and includes a table of key supply chain disruption events and threats, and a list of 2006's most significant global stress points. Political, economic and social environments can shift at a moment's notice, disrupting business operations for anyone involved in international commerce. Companies can be subjected to discriminatory action – or inaction – of foreign governments and third parties, potentially leading to forced shutdowns, relocations and other unforeseen expenses. It classifies countries into low risk, medium-low risk, medium risk, medium-high risk and high risk.

Country coverage: 200 countries

Year created: 2006

Frequency: -

Publication where index can be found: -

Source/Website: [http://www.aon.com/about/publications/issues/political\\_risk\\_map.jsp](http://www.aon.com/about/publications/issues/political_risk_map.jsp)

#### 125. Political Rights and Civil Liberties Ratings

Organization/Author: Freedom House

Description and methodology: Freedom House measures freedom according to two broad categories: political rights and civil liberties. Political rights enable people to participate freely in the political process, including through the right to vote, compete for public office, and elect representatives who have a decisive impact on public policies and are accountable to the electorate. Civil liberties allow for the freedoms of expression and belief, associational and organizational rights, rule of law, and personal autonomy without interference from the state. Each country and territory is assigned a numerical rating on a scale of 1 to 7. A rating of 1 indicates the highest degree of freedom and 7 the least amount of freedom. The ratings process is based on a checklist of 10 political rights questions (grouped into three subcategories) and 15 civil liberties questions (grouped into four subcategories) done by a group of experts and academics. Raw points are awarded to each of these questions on a scale of 0 to 4, where 0 points represents the smallest degree and 4 points the greatest degree of rights or liberties present. The highest number of points that can be awarded to the political rights checklist is 40 (or a total of up to 4 points for each of the 10 questions). The highest number of points that can be awarded to the civil liberties checklist is 60 (or a total of up to 4 points for each of the 15 questions). The total number of points awarded to the political rights and civil liberties checklists determines the political rights and civil liberties ratings. Each pair of political rights and civil liberties ratings is averaged to determine an overall status of "Free," "Partly Free," or "Not Free." Those whose ratings average 1.0-2.5 are considered Free; ratings of 3.0-5.0 are considered Partly Free and 5.5-7.0 are Not Free.

Country coverage: 192 countries

Year created: 1972

Frequency: annual

Publication where index can be found: Freedom House. Various years. *Freedom in the World: The Annual Survey of Political Rights and Civil Liberties*.

Source: <http://www.freedomhouse.org/research/freeworld/2004/methodology.htm>

Relevant Website: <http://www.freedomhouse.org/research/index.htm>

#### 126. **Political Terror Scale (PTS)**

Organization/Author: Mark Gibney and Matthew Dalton, Purdue University

Description and methodology: The Political Terror Scale is a widely used data set measuring the levels of political violence in various countries. Countries are ranked on a scale of 1-5 according to their level of terror the previous year. A country's level of terror is based on the descriptions of these countries provided in the Amnesty International and U.S. State Department Country Reports. The levels are as follow:

Level 1: Countries under a secure rule of law, people are not imprisoned for their views, and torture is rare or exceptional. Political murders are extraordinarily rare.

Level 2: There is a limited amount of imprisonment for nonviolent political activity. However, few are affected; torture and beatings are exceptional. Political murder is rare.

Level 3: There is extensive political imprisonment, or a recent history of such imprisonment. Execution or other political murders and brutality may be common. Unlimited detention, with or without trial, for political views is accepted.

Level 4: The practices of the Level 3 are expanded to larger numbers. Murders, disappearances, and torture are a common part of life. In spite of its generality, on this level violence affects primarily those who interest themselves in politics or ideas.

Level 5: The violence of Level 4 has been extended to the whole population. The leaders of these societies place no limits or means or thoroughness with which they pursue personal or ideological goals.

Two people are responsible for coding each country. In the case of a disagreement a third party steps in, therefore, employing a rule of majority vote. Coders are asked to provide a score and a few comments rationalizing their decision. Inter-coder reliability between the two original coders is in the range of 70-90 percent. Usually, however, a more informal means of dispute resolution is employed. Oftentimes where there is disagreement the original coders will be asked to re-read certain country reports. After this, it is not unusual for a fair amount of discussion to ensue concerning why certain countries were given the scores they had been given. In nearly every instance, then, there eventually is unanimity. Where the various parties simply cannot agree, the lower score is used.

Country coverage: over 175 countries

Year created: early 1980s

Frequency: Annually

Publication where index can be found: -

Source:

<http://www.unca.edu/politicalscience/images/Colloquium/faculty-staff/Gibney%20Doc/Gibney%20Political%20Terror%20Scale.pdf>

Relevant Website:

<http://www.unca.edu/politicalscience/DOCS/Gibney/Political%20Terror%20Scale%201980-2005.pdf>

#### 127. **Polity IV Country Scores**

Organization/Author: Center for International Development and Conflict Management, Monty G. Marshall and Keith Jagers

Description and methodology: The Polity IV Country Reports are designed to provide greater transparency in Polity coding decisions. For each of the 161 countries covered in the study, the report provides a summary of Polity codes and a graphic illustration of changes in Polity scores from 1946 (or date of independence) through 2003. In addition, it includes indicators of major episodes of armed civil conflict. The summary information is followed by a narrative description

of the quality of regime authority for 2004 on each of the three conceptual categories: executive recruitment, executive constraints, and political competition.

Country Coverage: 161 countries

Year created: 2003

Frequency: Annually

Publication where index can be found: -

Source: [http://www.cidcm.umd.edu/polity/country\\_reports/report.htm](http://www.cidcm.umd.edu/polity/country_reports/report.htm)

**128. Pollution-Sensitive Human Development Index (HDPI)**

Organization/Author: Lasso de la Vega and Urrutia

Description and methodology: the index's methodology is based on that used for human development index (HDI) but it incorporates into the HDI an environmental factor, measured in terms of CO2 emissions from industrial processes per capita. HDPI penalizes those countries, which have obtained growth in income at the expense of damaging the environment.

Country coverage: 165 countries

Year created: 2001

Frequency: -

Publication where index can be found: Lasso de la Vega, M.C. and A.M. Urrutia. 2001. "HDPI: A framework for pollution-sensitive human development indicators", *Environment, Development and Sustainability* 3: 199–215.

Sources/Website: <http://www.environmental-expert.com/magazine/kluwer/envi/art2.pdf>

**129. Press Freedom Index**

Organization/Author: Leonard R Sussman and Karin Deutsch Karlekar - Freedom House

Description and methodology: It assesses the degree to which each country permits the free flow of information. The data is gathered from correspondents overseas, staff travel, international visitors, the findings of human rights and press freedom organizations, specialists in geographic and geopolitical areas, the reports of governments and multilateral bodies, and a variety of domestic and international news media. The index is formed based on three broad categories: the legal environment, the political environment, and the economic environment. Each country is rated in three categories, with the higher number being the least free. A country's total score is based on the total of the three categories: a score of 0-30 places the country in the free-press group, 31-60 in partly-free, and 61-100 in the not free-press group.

Country coverage: 192 countries and one territory

Year created: 1980

Frequency: updated annually

Publication where index can be found: Freedom House. Various years. *Freedom of the Press: A Global Survey of Media Independence*

Source: <http://www.freedomhouse.org/research/pressurvey/methodology2004.pdf>

Relevant Website: <http://www.freedomhouse.org/research/pressurvey.htm>

**130. Programme for International Student Assessment (PISA)**

Organization/Author: OECD

Description and methodology: PISA is an internationally standardized assessment that was jointly developed by participating countries and administered to 15-year-olds in schools. Tests are typically administered to between 4,500 and 10,000 students in each country. PISA assesses how far students near the end of compulsory education have acquired some of the knowledge and skills that are essential for full participation in society. In all cycles, the domains of reading, mathematical and scientific literacy are covered not merely in terms of mastery of the school curriculum, but in terms of important knowledge and skills needed in adult life. In the PISA 2003 cycle, an additional domain of problem solving was introduced to continue the examination of

cross-curriculum competencies. Countries are ranked in terms of scores in Mathematical Literacy, Problem Solving, Reading Literacy and Scientific Literacy.  
Country coverage: 41 countries (OECD and developing countries) in the 2003 assessment  
Year created: 2000  
Frequency: every 3 years  
Publication where index can be found: OECD. 2004. *Learning for Tomorrow's World – First Results from PISA 2003*. Paris: OECD  
Source/Relevant Website: <http://www.pisa.oecd.org>

**131. Progress in International Reading Literacy Study (PIRLS)**

Organization/Author: TIMSS and PIRLS International Study Center (Boston College) and the International Association for the Evaluation of Educational Achievement (IEA)  
Description and methodology: PIRLS measure trends in fourth-graders' reading achievement every four years. PIRLS assessed a range of reading comprehension strategies for two major reading purposes – literary and informational. More than half of the questions were in the constructed-response format, requiring students to generate and write their answers.  
Country coverage: 35 countries (in 2001)  
Year created: 2001  
Frequency: every 5 years (2006 is the next one)  
Publication where index can be found: Mullis, I.V.S., Martin, M.O., Gonzalez, E.J., & Kennedy, A.M. 2003. *PIRLS 2001 International Report: IEA's Study of Reading Literacy Achievement in Primary Schools*. Chestnut Hill, MA: Boston College  
[[http://isc.bc.edu/pirls2001i/PIRLS2001\\_Pubs\\_IR.html](http://isc.bc.edu/pirls2001i/PIRLS2001_Pubs_IR.html)]  
Sources/Website: <http://www.timss.org/>

**132. Pro-Poor Policy (PPP) Index**

Organization/Author: Nanak Kakwani and Hyun H. Son -International Poverty Centre, UNDP  
Description and methodology: The Pro-Poor Policy (PPP) index, measures the pro-pooriness of government programmes, as well as basic service delivery in education, health, and infrastructure. The PPP index is defined as the ratio of actual proportional poverty reduction from a government programme, to the proportional poverty reduction that would have been achieved in a counterfactual situation when every individual in society had received exactly the same benefits from the programme. The value of the PPP index, framed in the realm of perfect targeting, provides a means to assess the targeting efficiency of government programmes.  
Country coverage: 18 countries (Thailand, Russian Federation and Vietnam + 15 African countries)  
Year created: 2005  
Frequency: -  
Publication where index can be found: Kakwani, Nanak and Hyun H. Son. 2005. "On Assessing Pro-Pooriness of Government Programmes: International Comparisons". International Poverty center Working Paper No. 6. UNDP, Brasilia.  
Source/Relevant Website: <http://www.undp-povertycentre.org/newsletters/WorkingPaper6.pdf>

**133. Public Integrity Index**

Organization/Author: Center for Public Integrity  
Description and methodology: the Public Integrity Index measures three things: 1) The existence of public integrity mechanisms, including laws and institutions, that promote public accountability and limit corruption 2) The effectiveness of these mechanisms 3) The access that citizens have to public information to hold their government accountable. More specifically, indicators of existence assess the laws, regulations, and agencies or equivalently functioning mechanisms that are in place in a particular country. Indicators of effectiveness assess such aspects of public integrity as protection from political interference; appointments that support the independence of

an agency; professional, full-time staff and funding; regular reports to the legislature; independently initiated investigation; and imposition of penalties. Indicators of citizen access assess the ready availability of public reports to citizens within a reasonable time period and at a reasonable cost. Other features assessed by the Integrity Indicators include participation; accountability, such as giving reasons for policy decisions; immunity from prosecution; conflict-of-interest regulations; and safety—i.e., freedom from threats of injury, harm, or death. The Integrity Indicators that make up the Public Integrity Index are divided into six main governance categories and 21 sub-categories. The Global Integrity team consulted widely on the final set of indicators that went into the field with the aim of retaining the distinctiveness and avoiding conceptual conflation at the sub-category level.

*Public Integrity Index Categories*

I Civil Society, Public Information and Media

I-1 Civil Society Organizations

I-2 Access to Information Law

I-3 Freedom of the Media

II Electoral and Political Processes

II-1 National Elections

II-2 Election Monitoring Agency

II-3 Political Party Finances

III Branches of Government

III-1 Executive

III-2 Legislature

III-3 Judiciary

IV Administration and Civil Service

IV-1 Civil Service Regulations

IV-2 Whistle-Blowing Measures

IV-3 Procurement

IV-4 Privatization

V Oversight and Regulatory Mechanisms

V-1 National Ombudsman

V-2 Supreme Audit Institution

V-3 Taxes and Customs

V-4 Financial Sector Regulation

VI Anti-Corruption Mechanisms and Rule of Law

VI-1 Anti-Corruption Law

VI-2 Anti-Corruption Agency

VI-3 Rule of Law and Access to Justice

VI-4 Law Enforcement

The Public Integrity Index groups countries into five tiers based on their public integrity systems:

Very strong (90-100)

Strong (80-90)

Moderate (70-80)

Weak (60-70)

Very Weak (Below 60)

For the purpose of producing the Public Integrity Index, a fairly simple aggregation method is used. Definitive indicator and sub-indicator scores are determined by the social scientists and reviewers as discussed previously. Each indicator score is then averaged within its parent subcategory, which produces a sub-category score. The sub-category score is in turn averaged with the other subcategory scores in a parent category. Category scores are averaged to produce a country score.

Country coverage: 25 countries

Year created: 2004

Frequency:

Publication where index can be found:

Source/Website: <http://www.globalintegrity.org/default.aspx?act=10#4>

**134. Qualitative Risk Measure in Foreign Lending (QLM-FE) – Financial Ethics Index**

Organization/Author: Business Environment Risk Intelligence (BERI)

Description and methodology: measures factors that have a direct influence on meeting international obligations but that cannot be assessed through regularly published statistics. The 11 criteria listed below have a weighted total of 20. Each criterion is rated from 5 (best case) to zero (worst case). Therefore, a perfect country would receive a score of 100 (20 x 5).

	<i>Weighting</i>
Level of resolve toward honoring international obligations	3.0
Foreign loan structure and terms:	
Range, concessionary to short term	2.0
Current market terms	1.0
Corruption in financial transactions:	
Direct fraud	2.0
Indirect diversion of funds	1.5
Concessionary loans and grants:	
Level of access	1.5
Influence of strategic importance	1.5
Net technocratic competence:	
Overall assessment	2.5
Political interference	1.5
Legal framework:	
Convertibility for principal, interest, fees	2.0
Taxation constraints	1.5

Country coverage: 115 countries

Year created: 1999

Frequency: annual

Publication where index can be found: “QLM-FE Annual Report”

Sources/Website: <http://www.beri.com/qlm.asp>

**135. Quality of Life Index**

Organization/Author: Economist Intelligence Unit (EIU)

Description and methodology: index based on a methodology that links the results of subjective life-satisfaction surveys to the objective determinants of quality of life across countries. The starting point is survey results to derive the weight of the different determinant of quality of life. Nine determinants were gathered: 1) Material wellbeing: GDP per person, at ppp in \$ 2) Health: Life expectancy at birth, years 3) Political stability and security: Political stability and security ratings EIU 4) Family life: Divorce rate (per 1,000 population), converted into index of 1 (lowest divorce rates) to 5 (highest) 5) Community life: Dummy variable taking value 1 if country has either high rate of church attendance or trade-union membership; zero otherwise. 6) Climate and geography: Latitude, to distinguish between warmer and colder climes. 7) Job security: Unemployment rate, %. 8) Political freedom (Freedom House): Average of indices of political and civil liberties. Scale of 1 (completely free) to 7 (unfree) 9) Gender equality: Ratio of average male and female earnings, latest available data. Each dimension is weighted. Scores are based on a scale from 0 to 10, countries being ranked from highest quality of life (highest score) to lowest.

Country coverage: 111 countries

Year created: 2004

Frequency: -

Publication where index can be found: “The World in 2005”

Source/Website: [http://www.economist.com/media/pdf/QUALITY\\_OF\\_LIFE.pdf](http://www.economist.com/media/pdf/QUALITY_OF_LIFE.pdf)

**136. Quality of Workforce Index (QWI)**

Organization/Author: Business Environment Risk Intelligence (BERI)

Description and methodology: is a detailed assessment of labor conditions in 42 countries for 7 years of history, the present year, and forecast for next year. The objective of QWI is to measure the quality of the workforce and provide business with a means of (1) comparing countries and (2) making such decisions as the degree to which capital-intensive operations are feasible. The measure for both manufacturing and services is based on 15 criteria grouped under three sub-indices. The weights for the three sub-indices reflect their relative importance to the quality of a workforce. Workforce Performance receives a weighting of 40%. Workforce Characteristics receives a weight of 35% (this sub-index measures the attributes of the workforce that contribute to its ability to perform) Workforce Organization and Practices, with a weight of 25%, is about the environment within which personnel work; this sub-index measures the legal framework for labor and attitudes of workers and their unions affecting worker performance. The ratings given for each criterion are relative to all 42 countries. For example, if a country's management quality had improved in 2000 compared to 1990, its rating could decline if other countries improved even more during the same period.

Country coverage: 42 (30 OECD and 12 non-OECD) countries

Year created: 1980

Frequency: regular updated

Publication where index can be found: QWI Report

Sources/Website: <http://www.beri.com/qwi.asp>

### 137. **Reproductive Risk Index**

Organization/Author: Population Action International

Description and methodology: The index is composed of 10 indicators of reproductive health. The ten indicators of reproductive health composing the Reproductive Risk Index are: adolescent fertility, contraceptive prevalence, antenatal care, skilled attendance at delivery, anemia among pregnant women, HIV/AIDS prevalence among adult females, HIV/AIDS prevalence among adult males, abortion policy, total fertility rate (TFR), and maternal mortality ratio (MMR). Reproductive Risk Index combines TFR and MMR into the indicator Lifetime Risk of Death from Pregnancy and Childbirth (LTR) to which a logarithmic function is applied. LTR indicates the risk associated with each pregnancy and the number of times a woman becomes pregnant. The observed range for seven of the resulting nine indicators is then transformed into a range of 0 to 100. For each of these seven indicators, each country is located in the new range, giving the country at the top of the range for each indicator a score of 100 and the country at the bottom of the range a score of zero. For the construction of the Reproductive Risk Index, LTR is given a weight of two to reflect the importance of the two indicators from which it is derived. The final composite index score is derived by dividing the sum of the eight-scaled values and the two assigned scores by 10. The maximum value of the index a country can have is 95 because the maximum scores assigned to prevalence of anemia and abortion policies are 70 and 80 respectively.

Country coverage: 133 countries

Year created: 2001

Frequency: -

Publication where index can be found: Population Action International. 2001. *The PAI Report Card 2001- A World of Difference: Sexual and Reproductive Health & Risks*. Washington D.C: PAI.

<http://www.populationaction.org/resources/publications/worldofdifference/pdfs/englishbooklet.pdf>

Source (methodology):

[http://www.populationaction.org/resources/publications/worldofdifference/rr2\\_methodology.htm](http://www.populationaction.org/resources/publications/worldofdifference/rr2_methodology.htm)

Relevant Website:

<http://www.populationaction.org/resources/publications/worldofdifference/index.htm>

**138. Responsible Competitiveness Index**

Organization/Author: Alex MacGillivray, John Sabapathy and Simon Zadek from AccountAbility – Institute of social and ethical accountability

Description and methodology: The Responsible Competitiveness index explores the potential for corporate responsibility practices to contribute to national competitiveness. Two country level performance indices are presented: the *National Corporate Responsibility index*, describing the comparative performance of 51 countries in embracing corporate social responsibility and providing and enabling environment for more responsible business practices in the future and the *Responsible Competitiveness Index*, which explores the links between corporate social responsibility and the competitiveness of the same group of countries.

Country coverage: 51 countries

Year created: 2003

Frequency: -

Publication where index can be found: MacGillivray, Alex, John Sabapathy and Simon Zadek. 2003. *Responsible Competitiveness Index 2003: Aligning Corporate Responsibility and the competitiveness of Nations*. Accountability and the Copenhagen Centre.

Source/Website: [http://www.accountability.org.uk/uploadstore/cms/docs/Exec\\_Summary.pdf](http://www.accountability.org.uk/uploadstore/cms/docs/Exec_Summary.pdf)  
<http://www.accountability.org.uk/research/default.asp?pageid=29>

**139. Science and Technology Indicators**

Organization/Author: European Commission

Description and methodology: compares a set of indicators of science, knowledge and technology for EU countries as part of the Lisbon Strategy.

Country coverage: European countries

Year created: 2001

Frequency: annual

Publication where index can be found: European Commission. 2003. *Third European Report on Science & Technology Indicators 2003: Towards a Knowledge-based Economy*. Brussels: European Commission. [http://www.cordis.lu/indicators/third\\_report.htm](http://www.cordis.lu/indicators/third_report.htm)

Source: European Commission (2003)

Relevant Website: <http://www.cordis.lu/indicators/publications.htm>

**140. Social Watch Scorecard – Thematic areas**

Organization/Author: Social Watch

Description and methodology: The Social Watch reports on the ten commitments of the World Summit for Social Development and the critical areas of concern of the Beijing Platform for Action. The scoreboard assesses governments and international institutions in their fulfillment of commitments. It evaluates countries' present situation and rate of change (if progress or regressed).

*The situation a country is in* according to each indicator is given by the last available value for that indicator. Each country is assigned a value from 1 to 4 (1 indicates worst situation and 4 indicates best situation) according to the distribution of values for each indicator and the value for all the indicators for that area is then given by the average of these values for each country. In this way a self-referential ranking is obtained, independent of the distance from the goals or from specific conceptually defined levels. This ranking was only applied to those countries with information for at least half the indicators that make up the overall thematic area. To avoid giving a false impression of accuracy, the average values were rescaled to create four country categories: Countries in better situation, Countries above average, Countries below average, Countries in worse situation, A fifth group is also presented showing information for those countries which lack sufficient data to be included in the ranking.

The *rate of change for each* country is obtained by considering the variation in the values of the indicator over the time period within which the measurements are made. The quotient between the variation in the indicator and the time period reflects the rate of change for the item in question.

The values for this rate of change have also been rescaled in sections (using a reference scale from 1 to 5). A series of symbols are used to illustrate the changes in order to make the information easier to read and to avoid the false impression of accuracy given by a numerical value. The categories defined in this rescaling are as follows: "Significant progress" applies to those countries, which are progressing at rates above the average for all countries making progress. "Slight progress" applies to those countries, which are progressing at rates below the average for all countries making progress. "Stagnant" refers to those countries where no changes (or quantitatively insignificant changes) have been recorded over the period in question. "Slight regression" applies to those countries, which are regressing at rates below the average for all countries regressing (i.e. they are regressing more slowly). "Significant regression" applies to those countries, which are regressing at rates above the average for all countries regressing (i.e. they are regressing more rapidly)

Country coverage: 174 countries

Year created: 1999

Frequency: annual

Publication where index can be found: Social Watch. 2004. *Social Watch Annual Report 2004: Fear and Want Obstacles to Human Security*. Montevideo: Social Watch

Sources/Website: <http://www.socwatch.org.uy/en/avancesyRetrosesos/index.htm>

#### 141. Sovereign Credit Rating

Organization/Author: Capital Intelligence

Description and methodology: an assessment of a sovereign government's ability and willingness to fulfill its local and foreign currency obligations in a timely manner. Central to this assessment is an analysis of the main determinants of public debt dynamics (e.g. economic growth, fiscal stance), the country's capacity for generating foreign exchange from domestic factors of production, its ability to attract the means for debt servicing from external sources, and the soundness of fiscal, monetary and exchange rate management.

Country coverage: -

Year created: 1985

Frequency: updated regularly

Publication where index can be found: -

Source/Website: <http://www.ciratings.com>

#### 142. Sovereign Credit Rating

Organization/Author: FitchIBCA Duff & Phelps<sup>8</sup>

Description and methodology (the methodology can be accessed in the US Department of State website or the Fitch website - login required): ratings are based on a series of analysis of data. Questionnaires are sent to relevant officials seeking information about indebtedness and debt servicing capacity. A series of interviews are conducted where policy is assessed together with the tradable sector, the country's sensitivity to shocks and availability to absorb them, an assessment of political risk as well as a set of orthodox indicators (such as the ratio of debt to exports and the like). Subject areas covered are the following: i. Demographic, educational and structural factors ii. Labor market analysis iii. Structure of output and trade iv. Dynamism of the private sector v. Balance of supply and demand vi. Balance of payments vii. Analysis of medium-term growth constraints viii. Macroeconomic policy ix. Trade and foreign investment policy x. Banking and finance xi. External assets xii. External liabilities xiii. Politics and the state xiv. International position. Countries are assigned a short term and a medium/long term rating. One key factor in assigning the short term rating is the country's official foreign reserve holding compared to

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<sup>8</sup> Fitch merged in 1997 with IBCA Ltd., acquired Duff & Phelps and Thomson BankWatch in 2000. See History of the company at <http://www.fitchratings.com/corporate/aboutFitch.cfm?detail=2>

imports. Other factors are taken into account as well, such as export earnings volatility or high level of overseas short term investments. The ratings assigned to countries are as follows:

### *Long-Term Credit Ratings*

#### Investment Grade

AAA Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA Very high credit quality. 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A High credit quality. 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

BBB Good credit quality. 'BBB' ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment-grade category.

#### Speculative Grade

BB Speculative. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

B Highly Speculative. 'B' ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.

CCC, CC, C High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. A 'CC' rating indicates that default of some kind appears probable. 'C' ratings signal imminent default.

DDD, DD, and D Default. The ratings of obligations in this category are based on their prospects for achieving partial or full recovery in a reorganization or liquidation of the obligor. While expected recovery values are highly speculative and cannot be estimated with any precisions, the following serve as general guidelines. 'DDD' obligations have the highest potential for recovery, around 90%-100% of outstanding amounts and accrued interest. 'DD' indicates potential recoveries in the range of 50%-90% and 'D' the lowest recovery potential, i.e. below 50%.

### *Short-Term Credit Ratings*

F1 Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.

F3 Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.

B Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near-term adverse changes in financial and economic conditions.

C High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment.

D Default. Denotes actual or imminent payment default.

Country coverage: more than 80 countries

Year created: 1924

Frequency: updated regularly

Publication where index can be found: -  
Source (methodology): U.S. Department of State. 1998. "Fitch Sovereign Ratings" Bureau of African Affairs. Washington, D.C. <http://www.state.gov/p/af/rls/rpt/12354.htm>  
Fitch Sovereign Ratings: Rating Methodology 12 August 1998  
[http://www.fitchratings.com/corporate/reports/report\\_frame.cfm?rpt\\_id=116361](http://www.fitchratings.com/corporate/reports/report_frame.cfm?rpt_id=116361) (LOGIN required but no payment necessary)  
Relevant company website:  
[http://www.fitchratings.com/corporate/sectors/sector.cfm?marketsector=1&sector\\_flag=5&body\\_content=about](http://www.fitchratings.com/corporate/sectors/sector.cfm?marketsector=1&sector_flag=5&body_content=about)

#### **143. Sovereign Credit Rating**

Organization/Author: Moody's  
Description and methodology: -  
Country coverage: 100 sovereign nations  
Frequency: updated regularly  
Year created: Started in 1914 with US bonds  
Publication where index can be found: -  
Source/Website: <http://www.moodys.com/cust/default.asp>

#### **144. Sovereign Credit Rating**

Organization/Author: Standard and Poor's  
Description and methodology: Sovereign credit ratings reflect S&P's opinions on the ability and willingness of sovereign governments to service their commercial financial obligations in full and on time. A rating is a forward-looking estimate of default probability. Standard & Poor's appraisal is both quantitative and qualitative. Standard & Poor's divides the analytical framework for sovereigns into 10 categories and each sovereign is ranked on a scale of one (the best) to six for each of the 10 analytical categories. There is no exact formula for combining the scores to determine ratings. The analytical variables are interrelated and the weights are not fixed, either across sovereigns or over time. Most categories incorporate both economic and political risk, the key determinants of credit risk. Economic risk addresses the government's ability to repay its obligations on time and is a function of both quantitative and qualitative factors. Political risk addresses the sovereign's willingness to repay debt. The 100 sovereigns Standard & Poor's monitors carry ratings between 'AAA' and 'SD' (Selective Default).  
Year created: 1916  
Country coverage: 100 countries  
Frequency: updated regularly  
Publication where index can be found: -  
Source: David T Beers and Marie Cavanaugh. 2004. "Sovereign Credit Ratings: A Primer"  
<http://www2.standardandpoors.com/servlet/Satellite?pagename=sp/Page/FixedIncomeBrowsePg&r=1&b=2&s=17&ig=&i=&l=EN&fi=&fig=&fs=&fr=&ft=&f=3>  
Older version:  
David T Beers, Marie Cavanaugh and Takahira Ogawa. 2002. "Sovereign Credit Ratings: A Primer" <http://www.securitization.net/pdf/SovereignCreditRatings3402.pdf>

#### **145. Sovereign Risk Rating**

Organization/Author: World Markets Research Centre (WMRC)  
Description and methodology: WMRC incorporates two proprietary risk models: one assessing the foreign direct investment (FDI) climate for corporations; the other assessing the sovereign credit rating for international financial institutions. Sovereign credit ratings are principally used by the financial sector and those with financial responsibilities. The WMRC sovereign credit risk-rating model assesses:

1) the financial risks on individual governments and sub-sovereign borrowers; and 2) the prevailing credit conditions and areas of financial risk faced by both domestic and foreign businesses. WMRC sovereign ratings are systematically benchmarked against all comparable sovereign, long-term foreign exchange ratings from Moody's, Standard & Poor's and Fitch IBCA. An industry consensus sovereign rating is derived by WMRC through this benchmarking process by aligning ratings scales and models. This highlights common areas of agreement and divergence of ratings opinion on sovereign risk. Risk ratings are re-evaluated whenever an event occurs that impacts on the investment climate of a particular country. WMRC's risk-rating email alert instantly informs users whenever a country or sovereign risk-rating change is triggered.

Country coverage: 202 countries

Year created: 1998

Frequency: updated whenever necessary

Publication where index can be found: -

Sources/Website: [http://www.wmrc.com/wma\\_caf.html](http://www.wmrc.com/wma_caf.html)

[http://www.wmrc.com/wma\\_caf\\_sample.html](http://www.wmrc.com/wma_caf_sample.html)

#### **146. Stability Index**

Organization/Author: Deutsche Bank and Eurasia Group

Description and methodology: It is a qualitative comparative political and economic index designed specifically to measure stability in emerging markets. The research provides an "early warning" system which helps anticipate critical trends and provides a measure for the country's capacity to withstand political, economic, security, and social shocks.

Country coverage: 24 emerging countries

Year created: -

Frequency: updated quarterly

Publication where index can be found: "Deutsche Bank Eurasia Group Stability Index"

Sources/Website: <http://www.eurasiagroup.net/si/index.html>

#### **147. Sustainability Index**

Organization/Author: Zurich Cantonal Bank (ZKB)

Description and methodology: The sustainability ratings intend to fill a gap left by traditional credit ratings, which include only minimal information on the environmental situation and on social factors. For many investors, a key factor when deciding to make a sustainable investment is the conviction that in the end sustainable business practices pay off, since risks can be recognized at an early stage and new opportunities can be exploited. Both natural resources and stable political and social conditions are key preconditions for a healthy economy. The evaluation of sustainability is based on 100 largely quantitative, but in part also qualitative, environmental and social aspects. Environmental and social aspects each receive a 50 % weighting in the rating. The sustainability rating is based on a scale of 1 to 10 points and is calculated using the arithmetic mean of the environmental and social ratings. The sub-areas include the following: 1) Environment: energy, water, resources, greenhouse effect, air quality, biodiversity, mobility and environmental policy 2) Social Area: security and stability, human rights, standard of living, health, education and culture, progress, equality, international commitments. In each area, the country with the poorest performance receives 1 point and that with the best performance 10 points.

Country coverage: 30 OECD countries

Year created: launched in 1999, with the first rating in 2002 having included the social area.

Frequency: Updated every 2 years

Publication where index can be found: "Sustainability Rating for Countries"

Source/ Website: [http://www.zkb.ch/zkb/nachhaltigkeit-en/pdf/rating\\_04.pdf](http://www.zkb.ch/zkb/nachhaltigkeit-en/pdf/rating_04.pdf)

**148. Tax Misery and Reform Index**

Organization/Author: Forbes

Description and methodology: Tax Misery & Reform Index offers a global view of the top marginal rates of taxation--the ones that typically most affect a successful entrepreneur. The Misery scores is a sum of six tax rates: Corporate income, personal income, wealth tax, employer social security, employee social security and VAT/sales.

Country coverage: 50 major business spots (countries).

Year created: 2000

Frequency: annual

Publication where index can be found: Forbes magazine

Source/Website: <http://www.forbes.com/global/2006/0522/032.html>

**149. Technology Achievement Index**

Organization/Author: UNDP

Description and methodology: The *TAI* was introduced in the 2001 Human Development Report and aims to capture how well a country is in creating and diffusing technology and building a human skill base—reflecting capacity to participate in the technological innovations of the network age. The *TAI* focuses on 4 dimensions of technology that are equally weighted in the index: 1) Creation of technology (Patents granted per capita and Receipts of royalty and license fees from abroad per capita) 2) Diffusion of recent innovations (Internet hosts per capita and High- and medium-technology exports as a share of all exports) 3) Diffusion of old innovations (Logarithm of telephones per capita - mainline and cellular combined - and Logarithm of electricity consumption per capita) and 4) Human skills (Mean years of schooling and Gross enrolment ratio at tertiary level in science, mathematics and engineering). The information used to construct the index was based on international data series and rankings were made for 72 countries - for which data was available. In turn, these countries are classified into Leaders (*TAI* > than 0.50), Potential Leaders (*TAI* 0.35-0.49); Dynamic Adopters (*TAI* 0.20-0.34) and marginalized (*TAI* < 0.20).

Country coverage: 72 countries

Year created: 2001

Frequency: -

Publication where index can be found: UNDP. Various years. *Human Development Report*. New York: Oxford University Press

Source/ Website: <http://hdr.undp.org/reports/global/2001/en/pdf/techindex.pdf>

**150. The Observer Human Rights Index**

Organization/Author: Guardian Unlimited

Description and methodology: There are two methodologies: The first - the simple ranking - represents the incidence of 10 headline abuses given a score that relates to the intensity of the abuses in each country. However, this methodology does not take into account the relative development and wealth of individual countries pushing some of the world's most disadvantaged countries to the top. The second methodology doubles the score for the three most serious abuses - extra-judicial executions, disappearances and torture/inhuman treatment. In this weighted table the individual countries' Human Development Index (HDI) has also been factored in. The use of the HDI has the effect of scoring wealthy abusers of human rights more harshly than countries with deep economic and social problems.

Country coverage: 100 countries

Year created: 1999

Frequency: -

Publication where index can be found: "The Observer Human Rights Index"

Relevant Website: <http://www.guardian.co.uk/rightsindex/0,2759,201749,00.html>

### 151. Total Wealth

Organization/Author: World Bank

Description and methodology: the World Bank offers new estimates of total wealth, including produced capital, natural resources, and the value of human skills and capabilities, which show that many of the poorest countries in the world are not on a sustainable path. It offers a ranking of countries according to total wealth, with tables highlighting the 10 wealthiest and the 10 poorest countries. The wealth estimates are composed of the following components:

- Total wealth
- Produced capital
  - Machinery and structures
  - Urban land
- Natural capital
  - Energy resources (oil, natural gas, hard coal, lignite)
  - Mineral resources (bauxite, copper, gold, iron, lead, nickel, phosphate, silver, tin, zinc)
  - Timber resources
  - Nontimber forest resources
  - Cropland
  - Pastureland
  - Protected areas

Intangible capital is calculated as a residual, thus as the difference between total wealth and the sum of produced and natural capital.

Country coverage: 118 countries

Year created: 2005

Frequency: -

Publication where index can be found: World Bank. 2005. *Where is the Wealth of Nations? Measuring Capital for the XXI Century*. Washington, D.C.

<http://siteresources.worldbank.org/INTEEI/Home/20666132/WealthofNationsconferenceFINAL.pdf>

Source/Website:

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20648103~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

### 152. Tourism Competitiveness Monitor

Organization/Author: World Travel and Tourist Council

Description and methodology: tracks a wide range of information which indicates to what extent a country offers a competitive environment for travel and tourism development. The Competitiveness Monitor is based on a set of social and economic data that are available and comparable across all countries. The data is compiled using a series of indicators, which form eight indices, which are recalibrated to allow across the board comparisons. These are: 1. Price Competitiveness 2. Human Tourism 3. Infrastructure 4. Environment 5. Technology 6. Human Resources 7. Openness and 8. Social. The Monitor uses a 'traffic light' system to indicate the relative positions, rather than the absolute performance of different countries. Green, amber and red lights indicate respectively, above average, average and below average performance.

Country coverage: 200

Year created: 2002

Frequency: -

Publication where index can be found: -

Source/ Website: <http://www.wttc.org/frameset3.htm>

### 153. Trade and Development Index (TDI)

Organization/Author: UNCTAD

Description and methodology: the Trade and Development index (TDI) uses indicators to assess the level of trade and development in 110 countries. It uses an innovative conceptual and

quantitative framework looking systematically at the interactions among different factors that determine trade and human development outcomes. The usefulness of the TDI lies in its integration of three key functions: monitoring the trade and development performance of countries; diagnosing and identifying factors affecting their performance; and providing a policy tool for national and international action to keep trade focused on development and poverty reduction. The constituent elements of TDI are grouped under three broad sets of determinants which will be referred to as dimensions: structural and institutional (SI); trade policies and processes (TP); and level of development (LD). The relationships among these dimensions, which themselves are composed of a number of components, are complex, mutually interacting and multi-directional, so that each of the components is both a cause of change in others and an outcome of the influences of the latter. Finally, these components are composed of a set of indicators. The three broad dimensions of the TDI comprise 11 components, which in turn are composed of 29 indicators. In constructing the TDI, the indicators are aggregated to form the respective components. The weighted sum of the components is the TDI. The determinants of trade and human development are as follows:

#### 1. Structural and institutional factors

- Human capital - The level of health and education of the population: how healthy and skilled is the workforce?
- Physical infrastructure - Physical infrastructure is essential to the productive capacity of an economy. Transport and information and communication technologies have considerable potential to promote trade.
- Financial environment - Functioning financial markets strongly affect economic growth, in particular how businesses raise and manage funds. Credit can be used to finance working capital.
- Institutional quality - The quality of public administration and government effectiveness: good institutions contribute to a favourable business environment and are key to solid economic performance.
- Economic structure - The relationship between trade and development is likely to be strongly affected by the structure of the economy.
- Environmental sustainability - Intensive productive activity can damage the environment. Environmental degradation can then lead to poor health, which hinders human development. Low levels of human development can hamper economic development.

#### 2. Trade policies and processes

- Openness to trade - This is the degree to which foreign goods have penetrated the domestic market. In the long term, it is generally agreed, trade liberalization is good for development. However, there can be short- and medium-term adjustment costs.
- Effective access to foreign markets - Access to foreign markets is an important component of export performance.

#### 3. Level of development

- The level of development reflects the following measures of economic, social and gender development.
- Economic development - GDP per capital in terms of purchasing power parity
- Social development - Adult literacy, school enrolment ratios and life expectancy at birth
- Gender development - The UNDP Gender Development Index is used as an indicator.

The TDI is conceptualized as having a positive relationship with trade and development performance. In other words, a higher value of the TDI reflects a higher trade and development performance, and vice versa. A companion of TDI value is TDI ranking, which gives an assessment of any country performance relative to the whole country sample. TDI values should then serve as a tool to track the progress of countries in respect of trade and development performance across countries and over time.

Country coverage: 110 countries

Year created: 2005

Frequency: -

Publication where index can be found: UNCTAD. 2005. *Development Countries in International Trade 2005: Trade and Development Index*. New York and Geneva.  
[http://www.unctad.org/en/docs/ditctab20051\\_en.pdf](http://www.unctad.org/en/docs/ditctab20051_en.pdf)  
Source/Website:  
<http://www.unctad.org/Templates/webflyer.asp?docid=6443&intItemID=1397&lang=1>

**154. Transnationality Index of Host Economies**

Organization/Author: UNCTAD  
Description and methodology: the index is calculated for each country as the average of the following four shares: 1. FDI inflows as a share of gross fixed capital formation 2. FDI inward stock as a percentage of GDP 3. Value added of foreign affiliates as a percentage of total national value added and 4. Employment of foreign affiliates as a percentage of total employment. The index is calculated only for those countries which have the available data for each of these 4 components. Countries are ranked from higher transnationality to lower by groups: developed countries, developing countries and CEE.  
Country coverage: countries that have data for the 4 shares are selected  
Year created: 2003  
Frequency: yearly  
Publication where index can be found: UNCTAD. Various years. *World Investment Report*. New York and Geneva: United Nations.  
Source: UNCTAD. 2004. *World Investment Report 2004: The Shift Towards Services*. Geneva: UNCTAD  
Relevant Website: <http://www.unctad.org/Templates/Page.asp?intItemID=1485&lang=1>

**155. Trends in International Mathematics and Science Study (TIMSS)**

Organization/Author: TIMSS and PIRLS International Study Center (Boston College) and the International Association for the Evaluation of Educational Achievement (IEA)  
Description and methodology: The Trends in International Mathematics and Science Study is designed to help countries all over the world improve student learning in mathematics and science. It collects educational achievement data at the fourth and eighth grades to provide information about trends in performance over time together with extensive background information to address concerns about the quantity, quality, and content of instruction.  
Country coverage: 46 countries  
Year created: 1995  
Frequency: the 2003 study is the 3<sup>rd</sup> comparison since 1995 (1995, 1999, 2003)  
Publication where index can be found: Martin, Michael O. 2005. *TIMSS 2003 User Guide for the International Database* Chestnut Hill, MA: TIMSS & PIRLS International Study Center, Boston College. [<http://isc.bc.edu/timss2003i/userguide.html>]  
Gonzales, Patrick, Juan Carlos Guzmán, Lisette Partelow, Erin Pahlke, Leslie Jocelyn, David Kastberg, and Trevor Williams. 2004. *Highlights From the Trends in International Mathematics and Science Study (TIMSS)*. U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office.  
<http://nces.ed.gov/pubs2005/2005005.pdf>  
Source/Relevant website: <http://www.timss.org>

**156. Under Five Mortality Rank – U5MR (Child Welfare)**

Organization/Author: UNICEF  
Description and methodology: UNICEF ranks wellbeing of children in countries through the indicator “Under 5 mortality rate” (U5MR). Countries are ranked in descending order of the value of the indicator – from worst to best (i.e. countries with high U5MR are ranked at the top).  
Country coverage: 192 countries  
Year created: 1996  
Frequency: annual

Publication where index can be found: UNICEF. Various years. *State of the World's Children*. New York: UNICEF  
Source: <http://www.unicef.org/sowc05/english/index.html>  
Relevant website: <http://www.unicef.org/sowc>

### 157. **Water Poverty Index (WPI)**

Organization/Author: Peter Lawrence, Jeremy Meigh and Caroline Sullivan for the Centre for Ecology & Hydrology at Wallingford (UK)

Description and methodology: the WPI is a measure, which links household welfare with water availability and indicates the degree to which water scarcity impacts on human populations. Such an index makes it possible to rank countries (and communities within countries) taking into account both physical and socio-economic factors associated with water scarcity. The index is constructed with five major components, each with several sub-components. The five components are 1) Resources 2) Access 3) Capacity 4) Use and 5) Environment. The basic calculation is based on the following formula:  $(x_i - x_{min}) / (x_{max} - x_{min})$

where  $x_i$ ,  $x_{max}$  and  $x_{min}$  are the original values for country  $i$ , the highest value country, and the lowest value country respectively. The indices therefore show a country's relative position and for any one indicator this lies between 0 and 1. The maximum and minimum values are usually adjusted so as to avoid values of more than 1. Any remaining values above 1 or below zero are fixed at 1 and 0, respectively. Within each of the five components, sub-component indices are averaged to get the component index. Each of the five component indices is multiplied by 20 and then added together to get the final index score for the WPI, which is in the range 0 to 100.

Country coverage: 147 countries

Year created: 2002

Frequency: -

Publication where index can be found: Lawrence, Peter, Jeremy Meigh and Caroline Sullivan. 2002. "The Water Poverty Index: International Comparisons". Keele University, and Centre for Ecology & Hydrology.

Source/Website: Lawrence and other (2002) and <http://www.nwl.ac.uk/research/WPI/>

### 158. **Wealth of Nations Triangle Index**

Organization/Author: Money Matters Institute

Description and methodology: The Wealth of Nations Triangle Index, recalculated twice a year since 1996, is built on the premise that sustainable growth is dependent on balance. Thus, Economic Environment, Social Environment, and Information Exchange variables make up equal legs of an equilateral triangle. Each leg contains 21 variables, chosen for both their relevancy and consistency over the years. Each variable is given equal weighting, based on a desire for simplicity, transparency, and balance among the three legs. For each variable, raw data is converted into an Index score from 0 to 100, with 0 representing the worst performance against all other nations and 100 the best performance. Index scores are combined for each leg and then totaled. The best possible score for each triangle is 800; the best possible overall score is 2400. The variables and indicators are as follows:

#### **Economic Environment Variables**

*National Economy*: GDP growth rate; GNI (PPP) per capita; Annual inflation rate; Gross domestic capital formation; Replaced Currency Controls - September 2003; Gross domestic savings rate; Government deficit/surplus (% of GDP); Current account balance

External debt/GDP; Debt services/exports; Foreign non-gold reserves/imports

Internationalization of the Economy: Trade (% of GDP); Foreign direct investment (% of GDP); Portfolio investment (liability); Market capitalization;

*Business Environment*: Economic Freedom Index; Corruptions Perception Index; Real exchange rate; Money velocity (GDP/M2); Interest rate spread (over LIBOR); State-owned enterprises (% of GDP); Commercial property protection

#### **Social Environment Variables**

*Stability and Development:* Income Distribution; Male-female professional wage parity; Male-female education parity; Unemployment rate; Refugees as % of population; Territorial disputes; Political Rights Index; Independent Rule of Law; Passenger vehicles in use (per 1000); Road quality

*Health:* Life expectancy; Labor force growth rate; National healthcare program (% coverage/expenditures); Pension-age population/labor force; Physicians (per 1000); Grain acreage under cultivation per capita; Daily calorie supply

*Natural Environment:* Protected land (% of total land); CO2 emissions (tons per capita); Population with access to clean water; Government commitment to the environment

#### **Information Exchange Variables**

*Information Aptitude:* Newspaper readership (per 1000 inhabitants); Literacy rate; Students completing the tertiary level; Math, science, engineering students (%)

English as primary language for business;

*Information Infrastructure:* PCs in residential use (per 1000); Number of independent newspapers per capita; Cable TV households (per 1000); Satellite TV coverage; Telephone quality; Price international phone calls (3 minutes)

*Information Distribution:* Annual Visitor To Population Ratio; Replaced Books Published Annually - September 2003; Radio / TV Broadcast Service (per 100,000); Replaced Radio Ownership - September 2003 ; TV ownership (per 1000); Telephone mainlines (per 1000); Cellular phones (per 1000); Government IT expenditures (% of GDP); Press Freedom Index; Internet hosts (per 10,000); Telephones (per 1000); Internet users (% of population); Replaced Fax Machines - September 2003.

Country coverage: 70 countries

Year created: 1995/96

Frequency: twice a year until 2003

Publication where index can be found:

Source/Website: [http://www.moneymattersinstitute.org/html/wealth\\_of\\_nations\\_index.html](http://www.moneymattersinstitute.org/html/wealth_of_nations_index.html)

#### **159. Welfare Index**

Organization/Author: Department of Economic Statistics - Sweden

Description and methodology: The Welfare Index aims to describe the level of welfare in OECD countries and the efficiency of these countries to create a high economic standard and welfare for their citizens. The 4 components of the Welfare Index measure economic standard, leisure time, health (3 indicators) and environment (3 indicators). The aggregation method is a simple average of the 4 components.

Country coverage: 27 OECD countries

Year created: 2004

Frequency: -

Publication where Index can be found: Department of Economic Statistics. 2004.

“Background Facts on Economic Statistics 2004:15 - Comparing welfare of nations”. Stockholm.

Sources/Website:

[http://www.scb.se/Statistik/OV/OV9999/2004A01/OV9999\\_2004A01\\_BR\\_X100ST0415.pdf](http://www.scb.se/Statistik/OV/OV9999/2004A01/OV9999_2004A01_BR_X100ST0415.pdf)

#### **160. Wellbeing Indices**

Organization/Author: Robert Prescott-Allen

Description and methodology: Prescott Allen has elaborated four wellbeing indices: the Human Wellbeing Index (HWI), Ecosystem Wellbeing Index (EWI), Wellbeing Index (WI) and Wellbeing Stress Index (WSI). The HWI and EWI are comprehensive measures of the quality of life and the environment. The Wellbeing Index juxtaposes the HWI and EWI so they can be compared while the WSI shows how much human wellbeing each nation obtains for the amount of ecosystem stress it causes. Countries are ranked in terms of these 4 indices.

Country coverage: 180 countries

Year created: 2001

Frequency: -

Publication where index can be found: Prescott-Allen, Robert. 2001. *The Wellbeing of Nations: A Country-by-Country Index of Quality of Life and the Environment*. Washington: Island Press

### 161. **World City Networks - Global Network Connectivity Rankings**

Organization/Author: Peter J. Taylor and Robert E. Lang – Brookings Institution

Description and methodology: It studies inter-city relations in the world cities – the world city network – with a formally specified, empirically-based model, measuring the interlocking network of global advanced service firms.

Data was collected on a large number of global service firms across a large number of cities covering all regions of the world. Six key producer service sectors were chosen—accounting, advertising, banking/finance, insurance, law, and management consulting—those with offices in 15 or more cities, including at least one city in each of North America, Western Europe, and Pacific Asia. A total of 100 firms were collected: 18 in accounting, 15 in advertising, 23 in banking/finance, 11 in insurance, 16 in law, and 17 in management consulting—across 315 cities worldwide. Cities are defined broadly as “city regions” or metropolitan areas, but in practice the service offices considered were largely concentrated in the central city, especially in downtowns. Each firm’s distribution of offices was determined and coded each city in terms of its importance, or “service value,” in the firm’s office network. To compute this value, two types of information about individual city offices were employed: the size of the office as a service provided (e.g. the number of partners based in a law firm’s office), and the extra-locational functions of a city office (e.g., a regional headquarters). Using this data, an interlocking model was developed consisting of a simple matrix arraying world cities against global service firms. Using this matrix, connectivity of the 315 cities within the world city network was measured. This measure was based upon the assumption that the more important an office is within a firm’s network, the more flows—of information, knowledge, ideas, plans, etc.—it will generate. That is, greater connections expected between two cities with important offices of a firm than between another pair of cities that both house more modest offices. They treat products of service values for pairs of cities as indicating connection potentials. Summing all such products for a given city for all firms across all other cities defines the city’s global network connectivity (GNC). To make comparisons easier, these sums were converted into relative measures of GNC, reporting them as proportions of the highest GNC score that is computed from this data, that for London.

Country coverage: 123 cities of the original 315 cities in the data

Year created: 2005

Frequency: -

Publication: Taylor, Peter J. and Robert E. Lang. 2005. “U.S. Cities in the ‘World City Network’”.

The Brookings Institution Survey Series – February

[[http://www.brookings.edu/dybdocroot/metro/pubs/20050222\\_worldcities.pdf](http://www.brookings.edu/dybdocroot/metro/pubs/20050222_worldcities.pdf)]

Source: Taylor and Lang (2005)

Relevant website: [http://www.brookings.edu/metro/pubs/20050222\\_worldcities.htm](http://www.brookings.edu/metro/pubs/20050222_worldcities.htm)

### 162. **World Competitiveness Scoreboard**

Organization/Author: Stephane Garelli - International Institute for Management Development (IMD)

Description and methodology: The index is based on 4 main competitiveness factors with 5 sub-factors each: 1) Economic performance (Domestic economy, international trade, international investment, employment and prices) 2) Government efficiency (public finance, fiscal policy, institutional framework, business legislation and societal framework) 3) Business Efficiency (productivity, labor market, finance, management practices and attitudes and values) 4) Infrastructure (Basic infrastructure, Technological infrastructure, scientific infrastructure, health and environment and education). Each of the 5 sub factors are weighted equally at 5%. A set of 323 indicators are gathered: hard data (statistics) represents 2/3 of the total weight and the IMD Executive Opinion Survey represent 1/3 of the total weight in the index. Of the 323 indicators only

241 are used in the overall index – the remaining 82 are used as background information. A standardized value is computed for each of the 241 criteria/indicators, and then a ranking of each of the criteria/indicators is done individually for the 60 countries (from best to worst). Since the indicators are standardized, different indices can be constructed and these are given scores. With these scores, rankings are made for the Overall Scoreboard, the Competitiveness Factors Ranking and the Sub-factors ranking. The Overall Scoreboard aggregates the standardized values for 241 ranked indicators. Countries are ranked from best to worst in terms of competitiveness.

Country coverage: 60 countries

Year created: 1989

Frequency: updated annually

Publication where index can be found: Garelli, Stephane. Various years. *World Competitiveness Yearbook*. Lausanne: IMD

Source: Methodology and Principles of Analysis by Suzanne Rosselet-McCauley

<http://www01.imd.ch/documents/wcc/content/methodology.pdf>

Relevant Website: <http://www02.imd.ch/wcy>

### 163. World Cue PRO

Organization/Author: Intelligent Risk Systems (iJET)

Description and methodology: iJET is a for-profit travel consultancy that alerts travelers, expatriates and decision makers to events and situations in real time to help them avoid or minimize risk and travel disruptions abroad. Worldcue PRO provides a platform for corporate security, travel, risk and human resources managers to access iJET's proprietary intelligence database. This gives clients continuously updated destination-specific advisories and intelligence for 183 countries and 282 cities worldwide. It covers 10 categories of intelligence, including Security, Health, Transportation, Entry / Exit, Culture, Weather / Environment, Financial and Communications. Worldcue® PRO also includes powerful user management tools allowing for real-time notification services and pushed alerts. Through this service clients can be notified of Travel Alerts immediately via "push" technology by region, country and/or city, and receive changes to selected Country Security Assessment Ratings (CSARs).

Country coverage: 183 countries

Year created: 1999

Frequency: daily real time reports

Publication where index can be found: -

Source: <http://www.ijet.com/index.asp>

### 164. World Military Expenditures and Arms Transfers rankings

Organization/Author: US Department of State

Description and methodology: Ranks countries according to 17 indicators of military importance (7 absolute and 10 relative indicators): 1. military expenditures 2. Armed forces 3. Arms exports 4. Arm imports 5. GNP 6. Central Government expenditures and 7. Population.

Country coverage: 167 countries

Year created: 1971 - the WMEAT 1999/2000 is the 28<sup>th</sup> edition

Frequency: updated regularly – last in 2003 (with 1999/2000 figures)

Publication: "World Military Expenditures and Arms Transfers" (WMEAT)

Sources/Website: [http://www.state.gov/t/vc/rls/rpt/wmeat/1999\\_2000](http://www.state.gov/t/vc/rls/rpt/wmeat/1999_2000)

### 165. World Press Freedom Ranking

Organization/Author: Reporters Without Borders (*Reporters sans frontières*)

Description and methodology: This index measures the amount of freedom journalists and the media have in each country and the efforts made by governments to see that press freedom is respected. The index is based on questionnaires based on the main criteria for such freedom and

asking for details of direct attacks on journalists (such as murders, imprisonment, physical assaults and threats) and on the media (censorship, confiscation, searches and pressure). It also asked about the degree of impunity enjoyed by those responsible for such violations. It also records the legal environment for the media (such as punishment for press offences, a state monopoly in some areas and the existence of a regulatory body) and the behavior of the state towards the public media and the foreign press. It also noted the main threats to the free flow of information on the Internet. The survey also takes into account the excesses of armed militias, underground organizations and pressure groups that can be serious threats to press freedom.

Country coverage: 139 countries

Year created: 2002

Frequency: -

Publication where index can be found: "World Press Freedom Ranking"

Source: [http://www.rsf.fr/article.php3?id\\_article=4118](http://www.rsf.fr/article.php3?id_article=4118)

Relevant Website: [http://www.rsf.fr/article.php3?id\\_article=4116](http://www.rsf.fr/article.php3?id_article=4116)