

However, Russia received the exact same rating in 2006 as it did in 2005—a 6 for political rights and 5 for civil liberties (on a scale of 1 to 7, with the lowest score being 7.) Russia has been included in the Not Free category since 2004, as a function of the systematic erosion of rights, including the flawed nature of Russia's parliamentary elections in December 2003 and presidential elections in 2004, the further consolidation of state control of the media, and the imposition of official curbs on opposition political parties and groups within that country. In the latest survey, Freedom House did note with concern that the inde-

pendent media, civil society groups and political opposition, among other independent actors, have come under further repression from the Russian authorities in the last year.

A total of 45 countries—representing a wide range of performance in political rights and civil liberties—are in the Not Free category this year. North Korea and Libya are given the lowest possible scores within that category, a 7 for political rights and civil liberties, and are therefore considered among the world's most repressive regimes.

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## Opinion

### Bertelsmann Transformation Index (BTI)

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Since 2003, the Bertelsmann Transformation Index (BTI) has measured the progress made by 119 (as of the next issue, 124) transition and developing countries on their path to becoming democracies with rule of law and socially responsible free-market economies. The index also assesses the quality of political governance. So far, there have been two issues of this index (BTI 2003 and BTI 2006), which is intended as a metric of political and economic system transformation. Compared to other indices, the BTI stands out by virtue of its broad analytical approach.

The BTI is published every two years, though one year late in 2006. It is characterized by a clear normative orientation along the guidelines of democracy, the rule of law, and a socially responsible free-market economy; it is based on expert investigative methods that not only collate the available data and information, but also interpret it contextually; and it provides full transparency in terms of data and individual results. Adopting a comprehensive perspective, the BTI not only investigates the political and economic aspects of transformation (status index), but also evaluates the consistency and efficiency with which political actors have implemented reform projects in the individual countries, taking into account the various external preconditions (management index).

The three composite indices of the BTI consist of five criteria relating to political and seven criteria relating to economic transformation (status index) as well as four criteria for political governance (manage-

ment index). The category "political transformation" encompasses more than 18 indicators for the criteria of statehood, political participation, rule of law, stability of democratic institutions, as well as political and social integration. The BTI's measurement of the level of democracy, compared to that of other studies, is based on a conception of democracy that goes far beyond holding free and fair elections and also takes into account the degree of civil society participation and rule of law. The analysis of free-market transformation includes more than 14 indicators for the criteria of socio-economic development levels, regulation of markets and competition, stability of currencies and prices, private property, social order, performance of the national economy, and sustainability. Here, the BTI does not rely only on a set of established core data for macro-economic indicators, but also investigates social and sustainable aspects of economic development.

As the first global index to analyze and compare the governance performance of administrations using independently collected data, the BTI finally assesses a range of criteria including the scope for shaping the environment, resource efficiency, consensus-building, and international cooperation. In analyzing political management, the so-called “degree of difficulty” also takes into account the external structural parameters that have an impact on political activity. These include three qualitative (structural difficulties, civil society traditions, intensity of social conflicts) and three quantitative indicators (level of education, economic performance, institutional capacities of the state).

Crucial factors for the validity and reliability of the BTI include the coherence of assessments, the quality of country surveys, and the integrity and competence of more than 250 national and regional experts who are integrated into the BTI’s assessment process. Based on 49 individual questions, the country experts offer an assessment for each of the 119 countries in terms of their compliance with a total of 17 criteria. This is done not only by awarding points,

but also through country studies that offer comments on the analysis that forms the basis of the assessments. A second country expert, usually from the country in question, comments, critiques, and complements the assessments and offers a second independent, quantitative appraisal. Subsequently, the coherence of the individual values is evaluated in a regional context and in the context of inter-regional conferences. The evaluations are finally discussed and approved in a final evaluation round of the BTI Board, consisting of scientific experts and practitioners in the field of development.

The BTI grading scale ranges from one point (worst) to ten points (best grade). The status index values are derived by means of simply averaging. The management index multiplies the average of criteria assessment with a factor derived from the difficulty level that takes into account the structural conditions of transformation management. The next BTI will be published in November 2007.

*Translated from German by Christopher Findlay*

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<http://www.bertelsmann-transformation-index.de/16.0.html?&L=1>

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