**WHAT IS BERTELSMANN FOUNDATION**

- The largest private operating non-profit foundation in Germany
- Its main aims are to promote reforms and democracy, especially in government, social and economic contexts

**WHAT IS TRANSFORMATION INDEX**

- A global ranking that analyzes and evaluates development and transformation processes in countries
- It provides comprehensive information on successful political and economic transformation management to agents of reform in government, civil society and development organizations

**WHAT BERTELSMANN TRANSFORMATION INDEX COVERS**

- BTI thoroughly examines 128 countries. The quantitative data collected for the Bertelsmann Transformation Index is outlined and ranks them in two indices:
  - The Status index
  - The Management Index
WHAT IS THE MANAGEMENT INDEX

- The Management Index reviews and evaluates the reform activities of political decision makers, providing valuable information on the key factors of success and failure for states on their way to the market-based democracy.

HOW ARE THE MANAGEMENT INDEX SCORES CALCULATED

- The Management Index scores represent the mean value of four management criteria, based on 14 questions, used in assessing the quality political management and are weighted by a fifth criterion, Level of Difficulty:
  - Steering Capability
  - Resource efficiency
  - Consensus-Building
  - International Cooperation
WHAT IS LEVEL OF DIFFICULTY

- The level of difficulty evaluation accounts for the fact that the quality of transformation management is shaped by each state's unique structural conditions.

- These structural conditions are the following:
  - traditions of civil society
  - Intensity of Conflicts
  - Level of Education
  - Economic Performance
  - Institutional Capacity

- The more adverse a country’s structural conditions and the more limited its available resources, the higher good governance is scored in the Management Index.
WHAT IS STATUS INDEX

- the Status Index shows a country’s achieved state of development on the way to democracy and a market economy

HOW ARE STATUS INDEX SCORES CALCULATED

- Represent the mean value of the scores for the dimensions "Political Transformation" and "Economic Transformation"

- The mean value was calculated using the exact, unrounded values for both these dimensions, which, in turn, were derived from the ratings for the five political criteria (based on 18 indicators) and the seven economic criteria (based on 14 indicators)
WHAT IS THE STATUS INDEX POLITICAL TRANSFORMATION

- **Democracy** – *five criteria* based on a total of 18 questions used in assessing the state of political transformation:
  - Stateness
  - Political Participation
  - Rule of Law
  - Stability of democratic Institutions
  - Political and Social Integration

WHAT IS THE STATUS INDEX ECONOMIC TRANSFORMATION

- **Market Economy** - *seven criteria* based on a total of 14 questions used in assessing the state of economic transformation:
  - Level of Socio-economic Development
  - Organization of the Market and Competition
  - Currency and Price Stability
  - Private Property
  - Welfare Regime
  - Economic Performance
  - Sustainability
**GEORGIA’S RANKING**

- Up from 95th in 2003 to 53rd in 2012 for Management Index Ranking (Improvement by 42 steps)
- Up from 79th in 2003 to 58th in 2012 for Status Index Ranking (Improvement by 21 steps)

Georgia’s Management Ranking Compared to Other Countries in 2012

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Bertelsmann Transformation Index

Georgia’s Management Ranking and Its Index

 Management Index Breakdown

Georgia’s Status Ranking and Its Index

 Status Index Breakdown

level of difficulty
management performance
Economic Transformation
Political Transformation
Bertelsmann Transformation Index

Status Index Compared to Neighboring Countries in 2012

- Czech Republic: 9.6
- Estonia: 9.0
- Lithuania: 9.6
- Latvia: 9.4
- Turkey: 7.8
- Ukraine: 8.8
- Georgia: 7.4
- Armenia: 7.7
- Russia: 5.8
- Azerbaijan: 6.1

Management Index Compared to Neighboring Countries in 2012

- Taiwan: 3.0
- Estonia: 1.9
- Lithuania: 1.9
- Latvia: 2.2
- Turkey: 3.0
- Georgia: 5.5
- Ukraine: 6.0
- Armenia: 4.0
- Azerbaijan: 4.0
- Russia: 4.6

- Economic Transformation
- Political Transformation

level of difficulty
management performance