A Reputation Risk Perspective on the European Economic Crisis

Nikitas-Spiros Koutsoukis and Spyridon Roukanas

Abstract The current economic crises in Europe, and especially the case of Greece, Spain, and Italy has brought forward the complex interaction among States and Markets. At first instance, the European crises seemed to be originated in, and dominated by the Markets' financially-motivated preferences, especially in the case of Greece, Spain and Italy. However, the balance in the interplay is gradually being restored due to the unrehearsed yet coordinated and still mighty, at the European Union, State-based Political decisions to overcome the crisis, apparently in favor of a political union throughout the EU.

In this paper we are considering a reputation risk framework as a descriptive device for interpreting this interaction, the reasons that lead to it, and consequently the pitfalls that should be avoided in the future. In particular, we consider the timeline of events leading to the economic crisis, commencing form the starting subprime events at the USA, continuing with the Greek economic crisis, and consequently with other European countries, such as Italy or Spain, until we reach the present status as dictated by the Greek Private Sector Involvement (PSI) in restructuring the Greek debt. Subsequently, we present an instantiation of the reputation framework that allows us to use and interpret the State-Market interplay and its dynamics in the context of the crises. We then align the timeline with a suitably adapted reputation risk framework in order to interpret the development of the aforementioned crisis and to anticipate, where possible, its evolution henceforth. Finally, we discuss the main findings and the prospects of this work.

N.-S. Koutsoukis (✉)
Department of Political Science and International Relations, University of Peloponnese, Corinth, Greece
e-mail: nkoutsou@uop.gr

S. Roukanas
Department of International and European Studies, University of Piraeus, Piraeus, Greece
e-mail: sroukana@webmail.unipi.gr

1 Introduction

The global financial crisis that firstly occurred in the U.S.A in 2007 was a result of certain borrower's weakness to repay the mortgages of high risky they had received. The existence of the "shadow banking system" according to Paul Krugman enhanced the instability of the financial system (Krugman 2009). Gradually since 2006, house prices began to decline and the demand was limited. More and more borrowers defaulted on their payments. As mortgages were issued by sources that sold loans to financial institutions, the mortgage crisis had negative effects to international financial markets. The strong interconnection among financial markets expanded the crisis into the international banking system.

Then, the crisis became a crisis of the European financial system. It evolved as a debt crisis in certain Euro area Member States. Major reasons for the manifestation of the debt crisis on the economies of certain Member States of the Euro zone were both structural weaknesses in some economies, namely high public debt and government deficit, but also the structural and operational weaknesses of governance of European Monetary Union–EMU (The Economist 2010). In other words, and in hindsight, it appears that there are euro zone members, which lacked the fiscal rigor and institutional infrastructure that would allow them to tackle the consequences of an economic crisis equivalent to the global financial crisis in 2007. In essence this implies the lack of a unified economic governance perspective (De Grauwe 2006; Jones 2010).

The management of the crisis by the European side was almost always short-term focus and was lower than expected at each stage of the European debt crisis. Fundamental weakness of the European side was the deficit of institutionalized mechanisms of crisis management which is defined as follows. First, there was the fear of the powerful European countries that giving aid to countries like Greece would create a precedent for other countries and would therefore sought the financial support of the Member States of the Euro zone. Second, Member States of the Euro zone delayed in addressing the Greek debt crisis because of the timidity of politicians to take decisions that might affect negatively their domestic political audiences. Third reason, but of particular importance, is the fact that the Treaty provided for the prohibition of commitment of an EMU Member from other Member States (Kotios et al. 2012).

Initially, the EMU has created a funding mechanism for Greece, which occurred as a consequence of fear for a default of the Greek economy. The banking systems of Germany and France had at their disposal large amounts of Greek bonds, at aggregate of 51 and ~112 billion US or approximately 51 % of the country's foreign exposure (BIS 2010, p. 16). Gradually, as it became clear that the European debt crisis affecting other Member States of the Euro zone, the Euro zone created also

other institutions to deal with the crisis such as the European Financial Stabilization Mechanism (EFSM) (European Commission 2012a). At the same time, the European Stability Mechanism (ESM) that was adopted, has a permanent character and is aimed at ensuring financial stability in the Euro zone.

Greece as well as other Euro zone countries, such as Portugal and Ireland jointed in a support mechanism for their economy. This financial mechanism is supported by the International Monetary Fund, the European Commission and the European Central Bank. The main objective of this mechanism is the financial support of the economies of the Member States of the Euro zone and the parallel implementation of a program of fiscal and structural adjustment (European Commission 2012b). Strong criticism was expressed about the possibility of achieving the objectives set by the transnational support mechanism for the following reasons. First, the borrowing rate of the Greek economy set at too high level of about 5 % per year (Roumeliotis 2012). At the same time, Greece was required to apply a very strict fiscal adjustment program with little chance of success, which was marked by the beginning of the implementation by a number of economists (e.g. Featherstone 2011; Kotios et al. 2011).

The Greek fiscal adjustment program showed a strong deviation from the targets that have been set and consistently made decisions by the Summit on October 26, 2011. The Summit resulted in the following decisions:

(a) Voluntary haircut of private debt by 50 %,
(b) Recapitalization of Greek banks with capital of € 30 billion,
(c) Grant a loan to Greece of €130 billion and
(d) Signing of a new Memorandum (Council of the European Union 2011).

The fiscal adjustment programs in Ireland and Portugal did not lead to positive results that initially were expected. In contrast, markets felt that countries like Spain and Italy are experiencing serious financial problems consistently to borrow from the markets to refinance debt with very high interest rates.

It is now widely accepted that apart from structural weaknesses in some Euro zone economies during the crisis key factor for the expansion of the debt crisis in the Euro zone were and still remain weaknesses in the system of governance of the Euro zone.

1.1 Scope and Purpose

We find that the following remarks are valid when one looks at the described chain of events that led to the current situation in the euro zone:

– The economic interpretation, *on its own,* namely narrowing the problem to debt and deficit figures, in most cases, has failed to anticipate the likelihood of this outcome. Debt and deficit are outcomes reflecting other structural problems in an economy, but which ones?

– The political leaders and policy makers, in essence Europe's decision making echelons, both at the EU and the member-State level, have evidently failed to 'nail' the roots of the escalating crises in its tandem connection to the real economy; this holds as much for the 'in-trouble' member-states, as it does for the more fortunate states that still refrain from getting into trouble.
– The complexity, speed of development, and magnitude of this crisis in parallel to the economic modeling and political decision making inefficiencies clearly show that a synergy of hard(er) and soft(er) science methodologies is required in order to be able to anticipate, and in the worst case deal with situations like this in a pragmatic manner.

In this paper we suggest that in addition to the political and economic interpretations, there are other descriptive, and essentially qualitative models, which are often more insightful in interpreting the 'real' economy. It could be argued that, such approaches can be just as predictive as economic forecasts, and can highlight a number of the key risks which, clearly, were not anticipated and not dealt with in the situation we are facing today.

We support the view that Risk Management is such a field and is rapidly becoming a management paradigm and practice (Koutsoukis 2010). In addition we have used a reputation risk framework to interpret solely the Greek crisis (Koutsoukis and Roukanas 2011; Koutsoukis et al. 2012). In this paper we take our approach one step further and extend it to the Euro-zone members in an effort to evaluate the potential of our approach on a larger data set. Given that, evidently, the Greek crisis has not been contained at the EU level, we believe that our approach is just as relevant for a larger set of EU, and particularly Euro zone members.

This paper is organized in the following way: In Sect. 2, we consider the literature on reputation risk and present the framework considered at the State-level decision making setting. In Sect. 3, we present comparative empirical data along each of the key reputation risk drivers and discuss key observations accordingly. In Sect. 4, we discuss the main conclusions of this work and the potential of our approach.

2 A Reputation Risk Perspective

Reputation is increasingly being considered as an organizational asset which, therefore, can be managed just as any other organizational asset (e.g. Tadelis 1999; Turner 2000; Mailath and Samuelson 2001; Siano et al. 2010). From this perspective, it is easily seen that the potential of a negative impact on an organization's reputation forms the organization's '*reputation risk*.' Therefore, management of reputation risk should be part of an effective risk management strategy or process. This is a challenging feat, however, since reputation is, literally, intangible and by definition quite vague and abstract to be evaluated directly. Hence, most researchers and analysts suggest that reputation can evaluated via its effect on various stakeholders related to the organization, such as market share, partnerships and alliances, employees views, local communities and '*professional*

mediators' like journalists (Liehr-Gobbers and Storck 2011). From similar viewpoint other researchers suggest that organizational reputation has a direct effect on financial performance, namely the penultimate indicator of an organization's performance across the board (e.g. Siano et al. 2010; see also Quevedo Puente et al. 2011 for a comprehensive literature review).

Rather intuitively, many suggest that the way to measure reputation is by measuring its outcomes directly; that is by looking at perceptions regarding organization in the various stakeholder groups (e.g. for a review see also Bebbington et al. 2008).

Many researchers suggest instead that reputation consists of other more tangible qualities regarding a firm's activity, and go further to suggest that it can be managed, albeit indirectly through the management of reputation's key drivers or constituent elements (Gaultier-Gaillard et al. 2009; Rayner 2003). Others also have similar perspective on proactive reputation [risk] management, such as Murray (2003).

In this paper we adopt Rayner's perspective which focuses proactively on reputation 'drivers' (2003). This approach is in line with the elementary principle of risk management, which is to manage risks before they materialize (e.g. ISO 2009; FERMA 2003; COSO 2004; CSA 1997; AIRMIC/ALARM/IRM 2002).

2.1 The Reputation Drivers

We consider Rayner's approach as an integrative, high level approach, although it is possible to disaggregate high level risks to more detail indicators as necessary. In this approach the key reputation drivers are the following, most of them self explanatory, but we comment nonetheless:

1. Regulatory Compliance. *Is the organization playing by the rules? Does it comply with the relevant laws and regulations, standards, policies and procedures?*
2. Communications and Crisis Management. We quote directly from Gaultier-Gaillard et al. (2009) "*Does the business provide meaningful and transparent information which allows stakeholders to understand its values, goals, performance and future prospects? How good is it at handling crises?*"
3. Financial performance and long term investment value. *Is the organization a solid performer and a good investment opportunity in the long term? What is the track record showing? Were there any surprises in the past?*
4. Corporate Governance and Leadership. *What is the quality of the organization's top-level drive?*
5. Corporate Responsibility. *Is the organization a good 'citizen'? One that respects other citizens, the society and the environment?*
6. Workplace Talent and Culture. *What is the quality of the organizations people and their culture? How do the employees perceive their organization and which perceptions does the organization encourage internally?*

7. Delivering Customer Promise. *Does the organization deliver successfully, consistently and satisfactorily to its target groups?*

2.2 Reputation Risk and State-Level Decision Making

The reputation drivers presented capture two dimensions of organizational activity:

A. The interaction of an organization with the outside world (#1, #2, #3, #5 and #7)
B. The organization's internal coherence and quality of governance (#2, #3, #4, #5, and #6).

It has been suggested that reputation and its environment's (i.e. the markets') (re)actions are interrelated. From this perspective, an organization's (in)actions as well as the those of its competitors, also have a strategic impact on reputation, meaning that the reputation risk is not controlled exclusively by the stakeholder organization but also from factors in the environment. As we have also argued in the beginning of this paper this interaction implies that organizational performance may be directly affected by market (inter-)actions which affect reputation (Basdeo et al. 2006). This perspective also implies that the relationship between organizations and markets may be a spiral as opposed to the outcome of a (mis-)calculated risk taking game originating in either the markets, or the state's public financiers.

2.3 Why Use Reputation Risk to Interpret the Euro Zone Crisis?

It is well known that one of the major issues in the euro zone crisis stems from the inability of the member states to continue borrowing from the market. For reasons that are not well understood with absolute certainty to anyone yet, some member states with high deficit or national debt as a percentage of GDP or both are forced, by the markets, to borrow at increasingly higher interest rates. Eventually these rates make borrowing unsustainable, and so euro-members like Greece, Portugal, Spain, or Italy, are forced to halt growth, devaluate their economies, and take emergency measures to ensure either that they do not default or leave the euro zone. This is, naturally an oversimplified version of the current crisis which comprises of multifaceted political and economic issues and interactions.

However, the reputation risk framework we have adopted, as we will show in the next section, reveals a comprehensive and qualitative view of some of the main reasons behind the increases in state borrowing interest rates. We state that all the necessary information is already encapsulated in the debt and deficit figures, but

this is not really helping to solve the problem; solving the problem would require to identify the root causes and not just their effects.

Currently, the problematic member states in the euro zone crisis are often dealt with like oversized organizations that can only survive the crisis through flat downsizing. Certainly, downsizing may be a solution to the debt and deficit equations, but it is barely the solution to the underlying problem – which no one has accurately defined yet; if they had, the crisis would have dealt with. For any of the problem states we are only aware of the problematic outcomes on the aggregate macroeconomic indicators. As we show in this paper, our approach offers an alternative yet insightful and high level interpretation on many aspects, if not the causes of the current crisis, which are excluded from the discussion tables, and should at least be taken into consideration when trying to overcome the crisis.

3 The Euro-crisis Reputation Risk Perspective

Henceforth we adapt the reputation driver framework to an empirical framework that we use as an approximation to evaluate the reputation 'performance' of the seventeen (17) euro zone member states during the first decade of the euro, that is until the events beginning of Greek crisis in 2010.

For each of the reputation drivers we searched for indicators, which are defined at the state level that were as directly related to the definition of the reputation of the drivers as possible. In an attempt to remain pragmatic and to use reliable empirical data we have strived to sort list the indicators from either primary sources or reliable data collections, such as Eurostat or the World Bank. We understand that choosing indicators form a pool, such as Eurostat, is proprietary and pretty much a hit-and-miss game and that the process of eliciting risk indicators should be more structured, for instance by implementing other risk identification methods such as the expert opinions, scenario analysis, etc. Still, this is novel research territory and one has to start somewhere. In addition to the indicators from reputable sources, it was also necessary to analyze primary data for some reputation drivers.

3.1 Regulatory Compliance

For regulatory compliance we are using two indicators from Eurostat, namely Transposition of Community Law and New Infringement Cases.

Transposition of Community Law shows the percentage of EU directives that have been adequately enacted into national law. Naturally, there is not a single member-state with a 100 % rate of transposition. The below 100 % rate can be justified due to the naturally lengthy legislation process at the state level as well as the corresponding red tape present in each state, respectively. However, if a state

Table 1 Worst-to-best member-state ranking/ Transposition of community law

Transposition of community law		
Rank	Avg/pa	State
1	*96.33*	*Greece*
2	*96.89*	*Italy*
3	*96.92*	*Portugal*
4	97.05	Luxembourg
5	97.29	France
6	97.55	Ireland
7	97.56	Austria
8	97.61	Germany
9	97.73	Belgium
10	97.96	Netherlands
11	98.11	Finland
12	*98.22*	*Spain*
13	98.47	Cyprus
14	98.63	Estonia
14	98.63	Malta
16	98.75	Slovakia
17	98.87	Slovenia

Source: Euro stat (2012a)

performs consistently better or worse than the group average it follows that, its reputation is affected accordingly, from the regulatory compliance perspective of course.

In Table 1 we present the member-states' ranking (worst-to-best performer), by using the average percentage rate of community law transposition throughout the period of study (2000–2009) according to the data available. We note that the top-3 [worst] performers, Greece, Italy and Portugal are three of the euro zone members that are at the forefront of the euro zone crisis. Spain however is not a 'top' performer in this sense; overall, Spain is a good, an above-average performer in this particular indicator.

New Infringement Cases. This refers to the number of new infringement cases brought before the European Court of Justice. It shows the total number of new actions for failure of a Member State to fulfill its obligations brought before the Court of Justice. By definition the indicator shows regulatory 'non-compliance of a member state. Similarly, one should be able to identify better-than-average and worse-than-average performers as well. The member states' ranking from worst-to-best is shown in Table 2.

In this case, only Italy and Greece are at the top of the list. Spain is in the 5th place with Belgium (hence, there is no 6th place) and Portugal is at the 8th place. What is surprising is that Germany, presumably a custodian and guardian of the Euro zone, is in the worst performing half with a score directly comparable to the previous worst performer, and that France, presumably another strong EU custodian is the 3rd worst performer.

Table 2 Worst-to-best ranking 2000–2009/ Infringement cases

New infringement cases		
Rank	Avg/pa	State
1	*21.3*	***Italy***
2	*17.6*	***Greece***
3	17.1	France
4	13.4	Luxembourg
5	*12.9*	*Belgium*
5	*12.9*	***Spain***
7	12.0	Germany
8	*11.5*	***Portugal***
9	10.0	Austria
10	9.1	Ireland
11	6.1	Netherlands
12	4.2	Finland
13	2.8	Estonia
14	2.2	Malta
15	1.5	Slovakia
16	1.2	Cyprus
17	0.8	Slovenia

Source: Euro stat (2012b)

3.2 Communications and Crisis Management

As we discussed in the introduction, the international economic crisis unfolded fully in 2007, but Euro zone's troubles stem mostly from its weakness as a monetary union as well as some of its members and most notably Greece, Spain, Italy, and Portugal to react promptly in the aftermath of 2007. Hence, for the period of study, i.e. the decade leading to the current Euro zone crisis (largely attributed to the weakness of the Greek economy and the first support package of 2010) we have a critical event that can be used to evaluate crisis-management responses for the economies in question. From this perspective, we look at tax and spending packages (i.e. measures that impact directly economic development), especially for the period post-2007. The data is shown in Table 3. The ranking was based on the absolute value of the net effect. The lesser the absolute value of net effect the less reactive the respective economy to the economy crisis that began in 2007.

The combined effect of the Tax and Spending measures reflects the effect of fiscal policies on GDP, in other words it reflects the combined reaction of each economy to the aftermath of 2007. For instance among the troubled euro zone members, only Ireland reacted promptly by putting together measures (increase tax, reduce spending) with positive effect on its GDP. Spain, also reacted in a notable way, but in the opposite direction to Ireland: it reduced taxation and increased spending, presumably in an effort to support economic growth. In contrast Italy, Greece, and Portugal remained relatively dormant; the corresponding net effect was insignificant for Italy, and less than 1 % of their GDP in either direction (spending or taxation) for either Portugal or Greece. In other words, from a risk management

Table 3 Composition of fiscal packages total over 2008–2010 period as % of GDP in 2008

Countries	Rank	Abs.	Net effect	Tax measures					Spending measures					
				Total	Ind	Bus	Con	SoC	Total	FC	Inv	TrH	TrB	TrSnG
Ireland	1	8.3	8.3	6.0	4.5	-0.2	0.5	1.2	-2.2	-1.8	-0.2	-0.1	0.0	0.0
Luxembourg	2	3.9	-3.9	-2.3	-1.5	-0.8	0.0	0.0	1.6	0.0	0.4	1.0	0.2	0.0
Spain	*2*	*3.9*	*-3.9*	*-1.7*	*-1.6*	*0.0*	*0.0*	*0.0*	*2.2*	*0.3*	*0.7*	*0.5*	*0.7*	*0.0*
Finland	4	3.2	-3.2	-2.7	-1.9	0.0	-0.3	-0.4	0.5	0.0	0.3	0.1	0.0	0.0
Germany	4	3.2	-3.2	-1.6	-0.6	-0.3	0.0	-0.7	1.6	0.0	0.8	0.3	0.3	0.0
Netherlands	6	2.5	-2.5	-1.6	-0.2	-0.5	-0.1	-0.8	0.9	0.0	0.5	0.1	0.0	0.0
Belgium	7	1.4	-1.4	-0.3	0.0	-0.1	-0.1	0.0	1.1	0.0	0.1	0.5	0.5	0.0
Slovakia	8	1.3	-1.3	-0.7	-0.5	-0.1	0.0	-0.1	0.7	0.0	0.0	0.1	0.6	0.0
Austria	9	1.2	-1.2	-0.8	-0.8	-0.1	0.0	0.0	0.4	0.0	0.1	0.2	0.0	0.1
Greece	*10*	*0.8*	*0.8*	*0.8*	*0.8*	*0.0*	*0.0*	*0.0*	*0.0*	*-0.4*	*0.1*	*0.4*	*0.1*	*0.0*
Portugal	*10*	*0.8*	*-0.8*	*–*	*–*	*–*	*–*	*–*	*–*	*0.0*	*0.4*	*0.0*	*0.4*	*0.0*
France	12	0.7	-0.7	-0.2	-0.1	-0.1	0.0	0.0	0.6	0.0	0.2	0.3	0.0	0.0
Cyprus	13		–	–	–	–	–	–	–	–	–	–	–	–
Estonia	13		–	–	–	–	–	–	–	–	–	–	–	–
Italy	*13*	*0*	*0.0*	*0.3*	*0.0*	*0.0*	*0.1*	*0.0*	*0.3*	*0.3*	*0.0*	*0.2*	*0.1*	*0.0*
Malta	13		–	–	–	–	–	–	–	–	–	–	–	–
Slovenia	13		–	–	–	–	–	–	–	–	–	–	–	–

Source: OECD (2009)

Tax measures: *Ind* individuals, *Bus* businesses, *Con* consumption, *SoC* social contributions

Spending Measures: *FC* final consumption, *Inv* investment, *TrH* transfers to households, *TrB* transfers to businesses, *TrSnG* transfers to sub-national government

Table 4 Ranking worst-to-best euro zone members/Government deficit

Government deficit				
Rank	Avg/pa	Count x > 3 %	% years worse than limit	Member state
1	*−7.36*	*9*	*100.0*	*Greece (2000–...)*
2	−5.58	5	47.1	Slovakia
3	−5.43	5	52.9	Malta
4	*−4.5*	*9*	*52.9*	*Portugal*
5	−3.65	6	41.2	France
6	*−3.64*	*7*	*52.9*	*Italy*
7	−3.26	4	29.4	Slovenia
8	−3.19	5	41.2	Cyprus
9	*−2.99*	*4*	*23.5*	*Spain*
10	−2.93	4	23.5	Ireland
11	−2.75	4	41.2	Germany
12	−2.4	3	17.6	Austria
13	−1.72	3	17.6	Belgium
14	−1.45	3	25.0	Netherlands (1996–...)
15	0.29	0	5.9	Estonia
16	1.44	0	0.0	Finland
17	1.97	0	0.0	Luxembourg
1995–2011	*−3.06*	*6*	*46.0*	*Euro area (17 countries)*
1995–2011	*−3.06*	*6*	*46.0*	*Euro area (16 countries)*

Source: Euro stat (2012c)

perspective, it seems as if Spain took a gamble that did not pay off in the end; Italy, Greece and Portugal, seemed to underestimate the potential impact of the crisis on their economies, and scored.

3.3 Financial Performance and Long term Investment Value

For this reputation risk driver, we keep things simple. We consider only the deficit and debt figures, typically at the heart of any discussion around the euro zone crisis. In Table 4 we rank the worst-to-best performers in terms of maintaining their deficit below the 3 % limit that applies to all euro zone members, sorted by the average debt per annum. Where the data series regard as different time series we point it out in the member state column.

The results here are not really anticipated. While Greece is obviously the worst performer, it is interesting to note that only 2/17 (or less than 12 %) of the Euro zone members, on average, have really complied to the 3 % limit throughout the period of study. Germany and other strong economies countries, that are in essence 'imposing' the severe austerity measures to countries like Greece, Portugal, Spain and Italy, were average performers themselves. Most notably, Germany and France have failed on average 42 % of the times to keep their deficit at or below the 3 % limit. In contrast comparison Portugal, Italy and especially Spain were above

Table 5 Ranking, worst-to-best performers/ Government debt

Government debt		
Rank	Avg/pa	Member state
1	*110.57*	*Italy*
2	*105.44*	*Greece*
3	104.14	Belgium
4	65.79	Austria
5	64.54	Germany
6	63.48	France
7	*61.36*	*Portugal*
8	60.57	Cyprus
9	58.96	Malta
10	58.21	Netherlands
11	*53.74*	*Spain*
12	47.62	Ireland
13	45.02	Finland
14	37.14	Slovakia
15	26.09	Slovenia
16	8.38	Luxembourg
17	5.79	Estonia
1995–2010	71.70	Euro area (17 countries)
1995–2010	71.78	Euro area (16 countries)

Source: Euro stat (2012d)

average performers in this regard, although in absolute numbers their average deficits are higher than Germany's which averages below the limit at 2.75 %.

The equivalent rankings for government debt are presented in Table 5. We used the average and not the absolute government debt in order to identify the consistency of over-or under-achievement in this indicator. Again, it is surprising to see, first that Germany is among the five worst performers in this context and second that Portugal and Spain are, apparently, more consistent performers than Germany or France.

3.4 "Corporate" Governance and Leadership

There are many governance or government related indicators which may be taken into consideration but we narrowed the choice down to three indicators. The first one is Availability of eGovernance, a Eurostat indicator and then a pair of indicators related to the stability of the executive branch in each country, which we developed from primary data analysis. The first one is the percent of the 10 most recent administrations that completed a full term, and the second is the duration, in years of the 10 most recent administrations. The first indicator, we think, indicates, in the long term, the stability at the top-level decision making echelons in each member state. Higher stability shows fewer shifts in setting strategic objectives, policies and their implementation, and vice versa. The second indicator again

Table 6 eGovernment ranking worst-to-best availability

Rank	% Avail	State
1	47.5	Greece
2	55	Cyprus
3	62.5	Slovakia
4	72.37	Luxembourg
5	78.75	Belgium
6	85	France
7	93.75	Estonia
8	94.74	Germany
8	94.74	Netherlands
10	95	Finland
10	95	Slovenia
10	95	Spain
13	100	Austria
13	100	Ireland
13	100	Italy
13	100	Malta
13	100	Portugal
	84.28	EU (27 countries)
	85.82	EU (25 countries)
	90.4	EU (15 countries)

Source: Eurostat (2012e)

shows stability in the executive branch; the longer the duration of the last ten administrations the fewer the shifts in strategic objectives, policies and goals.

The data for the indicators selected are shown in succession, in Tables 6, 7, and 8.

The interpretation of the indicators is inconclusive from our point of [reputation risk] view. It shows either that these indicators are not really conclusive regarding the Governance effect on reputation, or that the executive branch stability is not a significant factor.

Having said that, we note that Italy is a poor performer in both accounts (10 governments' duration and nominal term completion rate) and Greece is also just an average performer. The relative positioning of the other two countries, Spain and Portugal is not as conclusive, but neither is a good performer on accounts. We acknowledge that, clearly, there is more work to be done, on our part, in this direction, i.e. regarding the [reputation risk's] Governance indicators.

3.5 "Corporate" Responsibility

In terms of corporate responsibility, we find that Eurostat has a spot-on indicator Transposition of community law (%) by policy area for Energy, Health & Consumer protection and Energy intensity of the economy. The indicator implies the rate at which each member state is adopting the relevant regulations and policies. The relevant worst-to-best ranking is shown in Table 9.

Table 7 Executive branch, nominal term completion rate (%) euro zone member states (multiple sources[a])

Rank	State	Ratio (%)
1	*Italy*	*34.0*
2	Belgium	37.5
3	Estonia	45.0
4	Slovakia	50.0
5	Austria	52.0
6	*Greece*	*57.5*
7	Luxembourg	58.0
8	Slovenia	60.0
9	Ireland	64.0
10	*Portugal*	*67.5*
11	*Spain*	*70.0*
12	Malta	72.0
13	Finland	72.5
13	Netherlands	72.5
15	Cyprus	76.0
16	Germany	80.0
17	France[b]	87.5

[a]The data sources typically were, per member state, the websites of the governments or executive branches, wikipedia articles per country stating the dates and duration of the governments for each country and the online repository rulers.org (http://rulers.org). The analysis was done for each country individually and the data set was compiled into the summary 'euro zone' table. From this perspective listing all sources for Tables 6 and 7 would yield an unusually large number of references ($17 \times 3 = 51$ references at least). We will be pleased, however, to give full references and citations on request – please contact the corresponding author

[b]This is taking into account that, in France, the nominal presidential term changed from 7 years to 5 years from 24/9/2000

Table 8 Duration in years of the 10 most recent governements in eurozone member states

Rank	State	Years
1	Cyprus	17
1	Estonia	17
1	*Italy*	*17*
4	Slovakia	19
5	Belgium	20
6	Slovenia	21
7	*Greece*	*22*
8	Austria	25
9	*Portugal*	*26*
10	Finland	29
10	Luxembourg	29
10	Netherlands	29
13	Germany	31
14	Ireland	32
15	*Spain*	*33*
16	Malta	35
17	France	53

Table 9 Ranking transposition of community law (%): energy, health and consumer protection

Transposition of community law		
Energy, health and consumer protection		
Rank	Avg/pa	Member
1	*94.92*	*Greece*
2	95.5	France
3	*95.51*	*Italy*
4	*96.09*	*Portugal*
5	*96.29*	*Spain*
6	96.33	Luxembourg
7	96.59	Ireland
8	96.6	Germany
9	96.85	Austria
10	96.87	Belgium
11	97.08	Netherlands
12	97.36	Finland
13	97.88	Estonia
14	98.08	Malta
15	98.45	Slovenia
16	98.63	Cyprus
17	99.18	Slovakia
2007–2009	*98.57*	*EU (27 countries)*
2004–2009	*98.47*	*EU (25 countries)*
2000–2009	*97.5*	*EU (15 countries)*

Source: Euro stat (2012f)

The usual culprits together with France are in the top positions once more. It is even more interesting to note, however, that nearly the entirely euro zone is performing worse than any group average. Only the four relatively 'smallest' economies (both in relative and absolute numbers) of Estonia, Malta, Slovenia, Cyprus and Slovakia are performing better than the group average(s). Perhaps the bar has been set too high in this regard?

3.6 Delivering "Customer" Promise

In corporate reputation terms, delivering on customer promise is more or less focusing on the product (or service) offering of the organization, which is usually measured in term of customer share, revenues, or some other organization's-reach-to-the- market type indicator. However, member states do not really target particular markets or segments, in the same way a business does, and in most situations a state's market is the state itself. Naturally, certain member states are more active in some industries and less so in others. For instance the Mediterranean countries have strong and comparable Tourism industries, whereas countries like Germany are more active in industrial markets and consumer consumption. For this purpose, we

Table 10 Ranking low-to-high of % share of extra EU-27 exports

Share of exports by member state[a]		
Rank	Avg	State
1	<0.1	Cyprus
2	0.1	Malta
3	0.14	Luxembourg
4	0.15	Estonia
5	0.37	Slovakia
6	0.46	Slovenia
7	*0.5*	*Greece*
8	*0.66*	*Portugal*
9	2.13	Finland
10	2.5	Austria
11	3.04	Ireland
12	*4.15*	*Spain*
13	5.9	Belgium
14	6.48	Netherlands
15	*11.39*	*Italy*
16	12.54	France
17	27.18	Germany

Source: Euro stat (2012g)

[a]The total is less than 100 % since the % share shown is in relation to the EU27

resorted to the (%) contribution of each member to the total EU export, in extra-EU trade. The relevant ranking is shown in Table 10.

The ranking is not surprising, although it is somewhat surprising that Italy, which, in a high-to-low ranking would be the 3rd most dominant exporter is part of the in-crisis group together with Spain (6th), Portugal (10th) and Greece (11th).

3.7   Workplace Talent and Culture

At this point we digress slightly from the 'hard' statistics of Eurostat and we delve into softer realms. Initially, we look at the corruption perceptions index (CPI) from Transparency International. The CPI is often the subject of debate as to whether it is a true indicator of corruption. However, for our purposes, the perception of corruption is obviously at the heart of reputation, therefore, quite suitable for use in the context of the framework we are considering here. The relevant data and ranking is shown in Table 11 and is organized in the following way:

– 2011 position: The position in the CPI ranks in 2011. A higher ranking number indicates that the corruption perception for the country is higher than a country with a lower rank. Greece's rank of 80 implies that Greece is perceived as far more corrupted than Finland's 2, which would be the equivalent of nearly minimal perceived corruption.

Table 11 Corruption perception index 'performance' of member states

2011	Rel rank	Lost	Gained	Steady	Start-finish	Range	State
80	*1*	*9*	*4*	*0*	*−44*	*45*	*Greece*
69	*2*	*9*	*4*	*0*	*−31*	*40*	*Italy*
66	3	7	5	1	−13	19	Slovakia
39	4	5	2	1	−14	20	Malta
35	5	6	5	2	−10	10	Slovenia
32	*6*	*6*	*3*	*4*	*−11*	*14*	*Portugal*
31	*7*	*7*	*5*	*1*	*−9*	*12*	*Spain*
30	8	5	3	1	−3	12	Cyprus
29	9	5	6	2	−2	9	Estonia
25	10	6	5	2	−3	7	France
19	11	5	7	1	9	11	Belgium
19	12	4	8	1	−4	9	Ireland
16	13	4	7	2	1	7	Austria
14	14	4	6	3	0	6	Germany
11	15	4	6	3	0	6	Luxembourg
7	16	4	6	3	1	5	Netherlands
2	17	3	5	5	0	5	Finland

Source: TI (2011)

– Rel Rank: Between the states in the Table.
– Lost: Number of times the country ranked lower (i.e. worse) than the previous year for the period of study (2000–2011).
– Gained: Number of times the country ranked higher (i.e. better) than the previous year for the period of study (2000–2011).
– Steady: Number of times the country ranked neither lower nor higher than the previous year for the period of study (2000–2011).
– Start-Finish: The difference in positions for the period of study (2000–2011) between the first and the last observation. Negative implies a worse positioning.
– Range: The difference between best and worst position for the period of study (2000–2011).
– State: The euro zone state concerned.

We interpret the CPI index in direct analogy to the workplace culture: In a culturally 'healthy' organization the perception of increased corruption should lead to at least counter corruption-perception measures and ideally to counter-corruption measures- that is, if the organization is to improve upon this reputation risk driver. The results show that only a handful of the euro zone members is doing either, since most of them have managed to worsen their CPI rank in the period of study.

In Table 12 we consider another 'soft' indicator which describes indirectly the dominant 'spirits' within each member state, as direct analogy to the workplace environment that would the equivalent aspect of this driver, if this was a corporate reputation risk evaluation.

In this context, political stability points at the internal environment of an organization, and in this case the member states. We view high(er) political stability

Table 12 Ranking worst-to-best for political stability performance

Political stability and absence of violence/Terrorism							
Rel rank	Avg	StDev	Finish-start	Loss	Gain	Steady	Member
1	74.2	3.8	6.6	0	9	0	Slovakia
2	*78.6*	*4.0*	*−5.9*	*1*	*7*	*1*	*Greece*
3	*80.9*	*4.0*	*−10.2*	*2*	*6*	*1*	*Italy*
4	81.6	3.5	10.3	0	8	1	Estonia
5	82.6	2.8	−0.2	1	7	1	Cyprus
6	83.5	3.2	−9.8	1	8	0	Slovenia
7	*87.2*	*1.9*	*−3.2*	*1*	*7*	*1*	*Spain*
8	88.4	3.6	1.6	1	7	1	France
9	88.8	1.8	0.2	0	8	1	Malta
10	*90.7*	*3.0*	*−10.4*	*2*	*6*	*1*	*Portugal*
11	92.9	2.7	1.1	0	9	0	Ireland
12	93.0	1.6	1.5	0	8	1	Austria
13	93.2	1.8	2.0	1	7	1	Belgium
14	93.2	2.2	3.5	1	8	0	Germany
15	96.1	1.9	2.9	0	9	0	Luxembourg
16	97.9	1.2	−1.4	2	6	1	Netherlands
17	98.0	1.5	1.0	1	8	0	Finland

Source: World Governance Indicators (2012)

and absence of violence/terrorism as the analogy to a workforce in peace or even harmony with its management – or, in this case the society with its governing institutions. The worst-to-best ranking in the data shows again that two of the member states (Greece, Italy) in crisis are poor performers, and the other two (Spain, Portugal) are average performers, both observations made in relation to the remaining euro zone members of course.

When viewed altogether, however it shows that in terms of workplace talent and culture, Italy and Greece are performing poorly, Spain and Portugal averagely.

4 Putting it All Together: The Comparative View

Under the reputation risk framework the main objective is to consistently pursue a 'good' performance for each reputation driver individually and all the drivers as a whole. This is the main reason why we prefer to rank the euro zone members for each driver as opposed to an absolute performance measurement. From this perspective, the approach is not dissimilar to other approaches that characterize state-level performance with a compound indicator, such as the KOF Index of Globalization (Dreher 2006; Dreher et al. 2008).

We proceed to consider how it all adds up. The combined score and ranking from all the reputation drivers is depicted in Table 13. The ranking is from worst-to-best; for each member we added their position value in each driver indicator, so that consistently 'worst' performers will always have a lower score.

Table 13 Aggregate view/reputation risk portfolio per member state

State	Rank	Sum	Drv.1		Drv.2		Drv.3		Drv.4		Drv.5		Drv.6	Drv.7
			Transp.	Infring.	Fiscal	Deficit	Debt	eGov	Gov term	Dur.	Transp.	Exports	CPI	Stability
Greece	*1*	*41*	*1*	*2*	*10*	*1*	*2*	*1*	*6*	*7*	*1*	*7*	*1*	*2*
Italy	*2*	*61*	*2*	*1*	*13*	*6*	*1*	*13*	*1*	*1*	*3*	*15*	*2*	*3*
Portugal	*3*	*92*	*3*	*8*	*10*	*4*	*7*	*13*	*10*	*9*	*4*	*8*	*6*	*10*
Slovakia	3	92	16	15	8	2	14	3	4	4	17	5	3	1
Belgium	5	96	9	5	7	13	3	5	2	5	10	13	11	13
Luxembourg	6	103	4	4	2	17	16	4	7	10	6	3	15	15
Cyprus	7	106	13	16	13	8	8	2	15	1	16	1	8	5
Spain	*7*	*106*	*12*	*5*	*2*	*9*	*11*	*10*	*11*	*15*	*5*	*12*	*7*	*7*
France	9	107	5	3	12	5	6	6	17	17	2	16	10	8
Austria	10	110	7	9	9	12	4	13	4	8	9	10	13	12
Estonia	11	113	14	13	13	15	17	7	3	1	13	4	9	4
Ireland	12	116	6	10	1	10	12	13	9	14	7	11	12	11
Malta	13	123	14	14	13	3	9	13	12	16	14	2	4	9
Germany	14	125	8	7	4	11	5	8	16	13	8	17	14	14
Slovenia	14	125	17	17	13	7	15	10	8	6	15	6	5	6
Netherlands	16	140	10	11	6	14	10	8	14	10	11	14	16	16
Finland	17	144	11	12	4	16	13	10	13	10	12	9	17	17

The reader will easily notice that the first three positions are occupied by three out of four of the euro zone members at the forefront of the crisis. Notably, Spain is consistently a better performer than the other three countries.

One could make a number of observations, given Table 13. For instance, as noted by one of our reviewers, Slovenia is also in a very difficult fiscal situation, yet in the context of the framework it is in the top 5 (best to worst) performers. Should one look more carefully though they would notice that Slovenia is in the top 10 worst-to-best performers in 7 out of the 12 indicators, which is perhaps a hint that some kind of indicator weighting is appropriate. This is also justified by Germany's position, apparently a worst performer than Slovenia. However, this line of argumentation is *not* relevant to our thesis, as it would be if we were trying to do, for example, a credit rating exercise. Our emphasis on reputation risk management implies that (a) we are trying to be proactive in the risk management perspective, and (b) from the reputation risk perspective, we are focusing a comprehensive indicator for an intangible asset: reputation. From this perspective, the ranking(s) here are only indicative of risk drivers that could present reputation risks, assuming of course that there is universal agreement on our choice of indicators for each of the reputation drivers.

Given Table 13 however, the risk-alerted decision maker would either take action to improve the performance of its constituency in as many reputation drivers as possible if he thought that the risks are immediate or materializing to the organization, or he would carefully monitor and take mitigation or avoidance actions to ensure that the risks do not materialize or evolve into undesirable outcomes for the organization. Given that the data in Table 13 (and previously) is the outcome of a decade long time series, it should be obvious that, at the EU level, the reputation driver approach could have been used as a decision making aid – in essence identifying not only some of Eurozone's weakest links, but also by specifying the qualities that are lacking in each of these links. Considering the Eurozone situation today, obviously nobody thought of this before.

5 Concluding Remarks

Taking into consideration the data and analysis presented we are inclined to suggest that the reputation drivers framework is consistent with the current situation in the Euro zone. We consider this a very positive research outcome given the presumption that reputation risk really encapsulates a comprehensive, top down view of organizational-like performance at the state level, or the view that markets (i.e. investors) would take into account, for instance at the respective state borrowing/bond markets.

We are puzzled at the same time. Spain is in crisis, although it is also an above-average-performer in this framework. This observation calls for further investigation in two directions: from our perspective, we should look more closely to the composition and application of our framework in order to improve its descriptive

capacity and correspondence to the real world. From an economic analysts' perspective, and given the analysis we presented here of course, it is important to identify the reasons that Spain is as much and in a similar crisis as the top three although apparently quite different [from the reputation risk perspective]. Perhaps the main reason Spain is in crisis is that the fiscal 'gamble' did not pay off – as discussed in 3.2 above, but not some consistent systemic weakness such as those that are captured by the reputation driver framework. Such an analysis is beyond the scope of this paper however.

Presumably a choice of different reputation driver indicators could have yielded an altogether different ranks table; for instance a different choice of indicators could have brought Spain to the 5th position and Slovenia to the 10th in Table 13 with the ranking method. But this level of position sifting is to be expected when dealing with something as intangible as reputation risk. Nonetheless, if the assumption that reputation is an aggregate performance indicator is correct, then, regardless of the choice of indicators we would expect the ranking trends to remain, more or less, consistent with our findings, especially at the top and bottom ends of the table. Similarly, another aggregation method, such as weighted scoring could also have yield a different perspective on the reputation risk of the euro zone's members. Again, we would expect the overall trends to remain consistent with our findings.

In any case, the empirical data shown here, shows that reputation risk is a promising approach that provides a valid interpretation to some of the less highlighted causes of the current euro zone crisis, such as governance, regulatory compliance, corporate responsibility which are constituent performance aspects of any organization; and we believe this is a valid analogy for states functioning [also] as organizations. From this perspective, reputation risk is a valuable decision aid; it shows that just getting the fiscal numbers 'right' is not always sufficient; if it were, then the Eurozone's Stability pact would have been the only tool necessary to avoid the crisis. Obviously, there is more to just monitoring debt and deficit, and the reputation risk framework we have utilized shows exactly that. We only hope that decision makers and the relevant stakeholders including citizens and society members will promptly take notice.

References

AIRMIC, ALARM, IRM (2002) A risk management standard. AIRMIC, ALARM, IRM. Available online at http://www.theirm.org/publications/PUstandard.html. Accessed on 20 Dec 2009

Bank for International Settlements (2010) BIS Quarterly Review September 2010, International banking and financial market developments. BIS, Switzerland

Basdeo DK, Smith KG, Grimm CM, Rindova VP, Derfus PJ (2006) The impact of market actions on firm reputation. Strateg Manage J 27:1205–1219

Bebbington J, Larrinaga C, Moneva JM (2008) Corporate social reporting and reputation risk management. Account Audit Account J 21:337–361

COSO–Committee of Sponsoring Organizations of the Treadway Commission (2004) Enterprise risk management –integrated framework. COSO NY, USA

Council of the European Union (2011) Euro summit statement, Brussels. 26 Oct 2011. Accessed on 07 Oct 2012. Retrieved from http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/125644.pdf

CSA–Canadian Standards Association (1997) CAN/CSA-Q850-97 – risk management: guideline for decision makers, Reaffirmed 2002, CSA

De Grauwe P (2006) What have we learnt about monetary integration since the Maastricht Treaty? J Common Market Stud 44(4):711–730

Dreher A (2006) Does globalization affect growth? Evidence from a new index of globalization. Appl Econ 38(10):1091–1110

Dreher A, Gaston N, Martens P (2008) Measuring globalisation – gauging its consequences. Springer, New York

European Commission (2012a) European stabilization actions – the EU's response to the crisis. Accessed on 7 Oct 2012. Retrieved from http://ec.europa.eu/economy_finance/eu_borrower/european_stabilisation_actions/index_en.htm

European Commission (2012b) Financial assistance to Greece. http://ec.europa.eu/economy_finance/eu_borrower/european_stabilisation_actions/greek_loan_facility/index_en.htm. Accessed 07 Oct 2012

Euro stat (2012a) Transposition of EU law, by policy area. Retrieved on 7 Oct 2012 from http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdgo220

Euro stat (2012b) New infringement cases. Retrieved on 7 Oct 2012 from http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdgo210

Eurostat (2012c) General government deficit (−) and surplus (+). Retrieved on 7 Oct 2012 from http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=teina200

Eurostat (2012d) General government gross debt. Retrieved on 7 Oct 2012 from http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsdde410&plugin=1

Eurostat (2012e) E-government online availability. Retrieved on 7 Oct 2012 from http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdgo320

Eurostat (2012f) Transposition of EU law, by policy area % environment, health and consumer protection. Retrieved on 7 Oct 2012 from http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do;jsessionid=9ea7d07e30e70d3c6d6844bf4791a0cfab7b9ff5b4a6.e34OaN8Pc3mMc40Lc3aMaNyTaxyNe0?tab=table&plugin=1&pcode=tsdgo220&language=en

Eurostat (2012g) Extra EU-27 trade: share of exports by member state. Retrieved on 7 Oct 2012 from http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tet00038&language=en

Featherstone K (2011) The Greek sovereign debt crisis and EMU: a failing state in a skewed regime. J Common Market Stud 49(2):193–217

FERMA–Federation of European Risk Management Associations (2003) A risk management standard, FERMA. Available online at http://www.ferma.eu/risk-management/standards/risk-management-standard/. Accessed on 9 Oct 2012

Gaultier-Gaillard S, Louisot J-P, Rayner J (2009) Managing reputational risk – from theory to practice. In: Klewes J, Wreschniok R (eds) Reputation capital. Springer Berlin Heidelberg, Berlin/Heidelberg, pp 161–178

ISO–International Organization for Standardization (2009) ISO 31000 risk management – principles and guidelines. ISO Geneva, Switzerland

Jones E (2010) The economic mythology of European integration. J Common Market Stud 44 (1):89–109

Kotios A, Galanos G, Roukanas S (2012) The Greek crisis and the crisis of Eurozone's system of governance. Ser Res Work 18(1):1–26

Kotios A, Pavlidis G, Galanos G (2011) Greece and the Euro: the chronicle of an expected collapse. Intereconomics 46(5):263–269

Koutsoukis NS (2010) Risk management standards: towards a contemporary, organization-wide management approach. Int J Bus Policy Econ 3(1):47–64

Koutsoukis N-S, Roukanas S (2011) The [Greek] crisis that should have been avoided. Sci Bull Econ Sci 10(1):21–27

Koutsoukis N-S, Sklias P, Roukanas S (2012) A reputation risk perspective on the Greek crisis. Int J Decis Sci Risk Manage 4:38–57

Krugman P (2009) The crisis of 2008 and the return of depression economics. Kastaniotis Publications, Athens

Liehr-Gobbers K, Storck C (2011) Reputation management. In: Helm S, Liehr-Gobbers K, Storck C (eds) Reputation management. Springer Berlin Heidelberg, Berlin/Heidelberg, pp 17–20

Mailath GJ, Samuelson L (2001) Who wants a good reputation? Rev Econ Stud 68(2):415–441

Murray K (2003) Reputation – managing the single greatest risk facing business today. J Commun Manage 8:142–149

OECD Economic Outlook (2009) Chapter 1 General assessment of the macroeconomic situation. Retrieved on 7 May 2012 from http://www.oecd.org/dataoecd/45/55/49864770.pdf

Quevedo Puente E, García JBD, Fuente Sabaté JM (2011) Financial impacts of corporate reputation. In: Helm S, Liehr-Gobbers K, Storck C (eds) Reputation management. Springer Berlin Heidelberg, Berlin/Heidelberg, pp 163–178

Rayner J (2003) Managing reputational risk: curbing threats, leveraging opportunities. Wiley, Chichester, UK

Roumeliotis P (2012) The unknown background to appeal at IMF: How and why we reached at memorandum. Livanis, Athens

Siano A, Kitchen PJ, Confetto MG (2010) Financial resources and corporate reputation: toward common management principles for managing corporate reputation. Corporate Commun Int J 15(1):68–82

Tadelis S (1999) What's in a name? Reputation as a tradeable asset. Am Econ Rev 89:548–563

The Economist (2010) Europe's sovereign-debt crisis, Acropolis now, the Greek debt crisis is spreading. Europe needs a bolder, broader solution—and quickly. Accessed on 7 Oct 2012. Retrieved from http://www.economist.com/node/16009099

TI–Transparency International (2011) Corruption perceptions index 2011. Retrieved on 7 Oct 2012 from http://www.transparency.org/policy_research/surveys_indices/cpi

Turner M (2000) Reputation, risk and governance. Risk management topic paper. Retrieved from http://www.marionturnerconsulting.pwp.blueyonder.co.uk/images/RM topic paper 6 – Reputation Mar 04.pdf

World Governance Indicators (2012) The Worldwide Governance Indicators (WGI) project. Accessed on Oct 2012. Retrieved from http://info.worldbank.org/governance/wgi/index.asp