Governance as a global development goal: borrowing from existing measures?

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Governance as a development goal

- Governance and development
- How do we measure it?
- Can we monitor governance goals?
- What can go wrong? Examples
1. Governance and development

• Is the effectiveness of rules, policies and the functioning of public bodies that affect the lives of the members of a community
  – But no agreed definition...

• Development: Governance as *intrinsically* and *instrumentally* valuable
Governance and development (2)

• Three separate dimensions seen as key to development
  – Bureaucratic and administrative
  – Legal infrastructure
  – Accountability

• All three relate to the capacity of the state to implement rules and policies effectively

• SDG 16: Peace, Justice and Strong Institutions
What does SDG 16 say? ‘Illustrations’

• *Peace, Justice and Strong institutions*
  - **16.3** Promote the rule of law at the national and international levels, and ensure equal access to justice for all [legal capacity]
  - **16.5** Reduce bribery and corruption [accountability]
  - **16.6** Develop effective, accountable and transparent institutions at all levels [accountability, state capacity]
  - **16.7** Ensure responsive, inclusive, participatory and representative decision-making at all [accountability]
2. How to measure it: methodology

**Table 2. Classification and properties of governance measures**

<table>
<thead>
<tr>
<th>Type of measure based on:</th>
<th>Objective</th>
<th>Subjective</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proxies from hard data</td>
<td>De jure rules</td>
</tr>
<tr>
<td>Advantages</td>
<td>Not affected by observer’s bias.</td>
<td>(1) Not affected by observer’s bias; (2) can isolate specific governance dimensions.</td>
</tr>
<tr>
<td>Limitations</td>
<td>(1) express outcomes of governance; (2) do not address specific governance aspects.</td>
<td>May not capture the functioning of informal mechanisms.</td>
</tr>
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</table>
Example - Governance quality after 1990: short-lived improvement?
Example – Using tax effort to proxy for fiscal capacity

• Can we use Tax/GDP as a proxy of fiscal capacity?
  – Compare the USA, Sweden and Denmark
  – Non-resource tax/GDP (2005-2013 average)
    • USA = 17.5%
    • Sweden = 25.3%
    • Denmark = 40.2%

• Are governance measures in line with the concept we want to capture?
3. Using existing measures to monitor governance

• Short term, practice of monitoring governance affected by:
  – Limited country coverage
  – Time consistency
  – How often?
  – Composite/catch-all index? Or disaggregated measures?
## Example - Monitoring with WGI Is?

### Governance quality the world around: World Governance Indicators, 2000-2010

#### Panel (a): Voice and Accountability

<table>
<thead>
<tr>
<th>Year</th>
<th>Whole sample</th>
<th>Advanced Economies</th>
<th>Developing Economies</th>
<th>Transition Economies</th>
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</table>

#### Panel (b): Government Effectiveness

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<tr>
<td>2010</td>
<td>5.03</td>
<td>0.40</td>
<td>200</td>
<td>8.08</td>
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</table>
Monitoring: thinking long term

• Negative: pressure to select measures may mean political and technical challenges to changes in governance quality
• Positive: increased pressure on governments and experts to improve measurement
• Reflecting on who measures and monitors
  – Trade-off between the short-term task of identifying governance measures and the long-term objective of promoting the institutionalisation of governance statistics
4. Final thoughts

• Governance as a Post 2015 Development Goal? Be mindful...

• Short run, measurement faces significant technical challenges

• Long run, reflecting on which dimensions and measures should be included: instrumental vs. intrinsic value of governance
Based on...

SDG 16 proposed indicators

- **Peace, Justice and Strong institutions**
  - **16.3: Rule of law**
    - Percentage of referred cases of sexual and gender-based violence against women and children that are investigated and sentenced
  - **16.5 Reduce bribery and corruption**
    - Perception of public sector corruption
    - Revenues, expenditures, and financing of all central government entities are presented on a gross basis in public budget documentation and authorized by the legislature
  - **16.6 Develop effective, accountable and transparent institutions at all levels**
    - Same as 16.5
  - **16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels**
    - Percentage of seats held by women and minorities in national parliament and/or sub-national elected office according to their respective share of the population (modified MDG Indicator)