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*
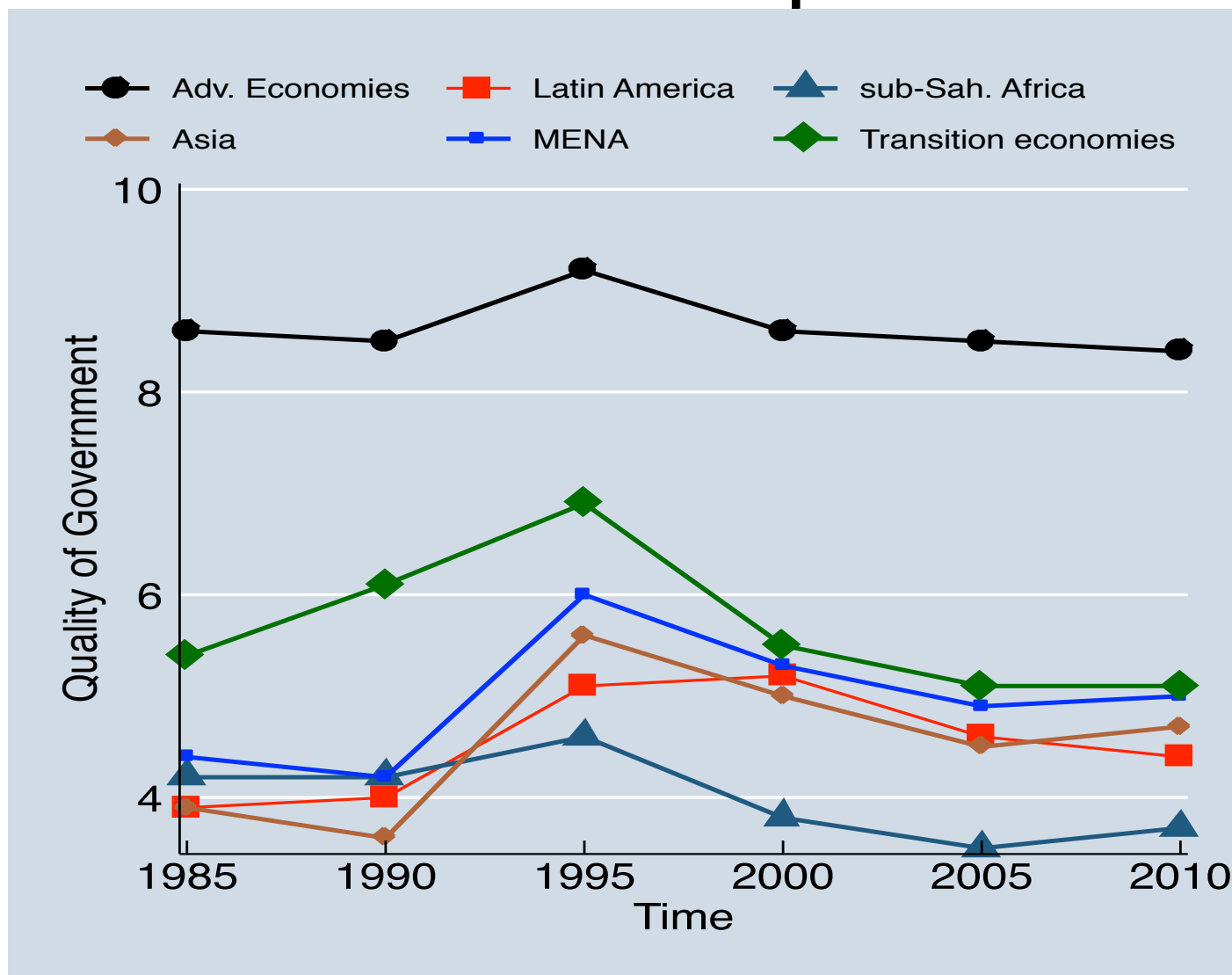
What does SDG 16 say? 'Illustrations'

- ***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

Type of measure based on:	Objective		Subjective
	Proxies from hard data	*De jure* rules	De facto rules
Advantages	Not affected by observer's bias.	(1) Not affected by observer's bias; (2) can isolate specific governance dimensions.	Capture formal and informal rules.
Limitations	(1) express outcomes of governance; (2) do not address specific governance aspects.	May not capture the functioning of informal mechanisms.	(1) Affected by observer's bias; (2) unable to isolate specific governance dimensions.

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 WGIs?

Governance quality the world around: World Governance Indicators, 2000-2010				
Panel (a): *Voice and Accountability*				
Year		**2000**	**2005**	**2010**
Whole sample	Mean	4.90	4.95	4.96
	CV	0.41	0.41	0.41
	N	194	200	201
Advanced Economies	Mean	7.45	7.58	7.39
	CV	0.11	0.11	0.11
	N	30	30	30
Developing Economies	Mean	4.25	4.23	4.26
	CV	0.39	0.38	0.39
	N	132	138	140
Transition Economies	Mean	4.35	4.33	4.28
	CV	0.43	0.48	0.51
	N	32	32	31
Panel (b): *Government Effectiveness*				
Year		2000	2005	2010
Whole sample	Mean	4.99	5.02	5.03
	CV	0.41	0.40	0.40
	N	193	200	200
Advanced Economies	Mean	8.26	8.22	8.08
	CV	0.12	0.11	0.11
	N	30	30	30
Developing Economies	Mean	4.16	4.10	4.11
	CV	0.33	0.34	0.35
	N	131	138	139
Transition Economies	Mean	4.31	4.55	4.65
	CV	0.32	0.34	0.34
	N	32	32	31

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…

- Hulme, David and Savoia, Antonio and Sen, Kunal, *Governance as a Global Development Goal? Setting, Measuring and Monitoring the Post-2015 Development Agenda*. ESID Working Paper No.32, University of Manchester

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)