Sustainable Governance Indicators

Measuring sustainable governance across OECD and EU countries

8.11.2018

JRC Week on Composite Indicators and Scoreboards

Speaker: Julia Schmidt

Bertelsmann Stiftung, Germany
Agenda

1. Measuring Sustainable Governance in OECD and EU countries

2. Main findings of the Sustainable Governance Indicators 2018

3. Concluding Remarks and Trends
Measuring Sustainable Governance in OECD and EU countries
Key Facts

- cross-national comparison of 41 OECD & EU countries
- conducted annually (since 2009)
- 136 indicators
- 100 renowned international experts
- detailed country reports for each country
- informs policy makers, academics but also the civil society
Three guiding questions

How do OECD and EU countries compare with regard to the quality of democracy?

How well-developed are the governance capacities of these countries in terms of long-term oriented political steering capacities?

How successful are the OECD and EU countries in achieving sustainable policy outcomes?
Three Analytical Pillars of Sustainable Governance

**Quality of Democracy**
- Four key dimensions of democracy
- Substantive and procedural criteria
- Focus on quality of institutions and processes

**Governance Capacity**
- Executive capacities (steering, implementation, learning)
- Executive accountability (integration of societal actors)
- Focus on quality of institutions and processes

**Sustainable Policy Performance**
- Three dimensions of sustainability
- Distinction between domestic and international activities
- Focus on policies and outcomes

Framework conditions for long-term system stability
Reform capacities
Strengths and weaknesses (need for reform)
An International Comparison of Governance Capacities

Governance

Executive Capacity
- Strategic Capacity
- Interministerial Coordination
- Evidence-based Instruments
- Societal Consultation
- Policy Communication
- Effective Implementation
- Adaptability
- Organizational Reform Capacity

Executive Accountability
- Citizens’ Participatory Competence
- Legislative Actors’ Resources
- Media
- Parties and Interest Associations
- RIA Application
- Quality of RIA Process
- Sustainability Check
Dissemination strategies – A mix is most efficient

SGI 2018 Survey

The SGI is a platform built of governance that identifies and OECD countries.

The SGI brings together all and practitioners aiming to best in sustainable governance, exchange of best practices, data set and enable the co-innovation in governance.

Policy Performance
- Economic Policies: 7.6
- Social Policies: 6.9
- Environmental Policies: 7.8

Democracy
- Quality of Democracy: 8.7
- Executive Capacity: 7.0
- Executive Accountability: 7.2

Germany
- Governance: 7.11
Challenges

- Develop a normative model describing the social constructs
- Collect and standardize the data in a transparent way
- Coordinate the expert network/data submissions
- Contextualize the time-lag between data collection and presentation
- Engage in a on-going recalibration and adjustment process
Main findings
Sustainable Governance Indicators 2018
Quality of democracy declines in a majority of countries
Declining quality of democracy is a steady trend
Growing polarization makes good governance difficult
Slight improvement in terms of policy performance.
Economy keeps up, but other policies lag behind
Governance and Policy Performance go hand in hand

**FIGURE 29: Correlation Governance and Policy Performance**

Source: SGI.
Concluding Remarks and Trends
Conclusion

- Quality of democracy is deteriorating in a majority of countries since 2011

- Problem-solving abilities within and between OECD and EU countries decline as a result of mounting political polarization

- Policy performance in terms of economic policies improve, but social and environmental policies lag far behind
Have a look at [www.sgi-network.org](http://www.sgi-network.org)

Thank you very much for your attention!

Contact:
Julia Schmidt
Program Shaping Sustainable Economies
Bertelsmann Stiftung
Email: julia.schmidt@bertelsmann-stiftung.de
Phone: + 49 5241 81 81443
Appendix
Three Analytical Pillars of Sustainable Governance

**Quality of Democracy**
- Four key dimensions of democracy
- Substantive and procedural criteria
- Focus on *quality* of institutions and processes

**Governance Capacity**
- Executive capacities (steering, implementation, learning)
- Executive accountability (integration of societal actors)
- Focus on *quality* of institutions and processes

**Sustainable Policy Performance**
- Three dimensions of sustainability
- Distinction between domestic and international activities
- Focus on *policies and outcomes*

Framework conditions for long-term system stability

Reform capacities

Strengths and weaknesses (need for reform)
The analytical pillars of the SGI

**Quality of democracy**
- Electoral processes
- Access to information
- Civil rights/political liberties
- Rule of law

**Governance capacity**
- Executive capacity
- Executive Accountability

**Policy performance**
- Economic policies
- Social policies
- Environmental policies
An International Comparison of democratic systems

### Quality of Democracy

<table>
<thead>
<tr>
<th>Electoral Processes</th>
<th>Access to Information</th>
<th>Civil Rights and Political Liberties</th>
<th>Rule of Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidacy Procedure</td>
<td>Media Freedom</td>
<td>Civil Rights</td>
<td>Legal Certainty</td>
</tr>
<tr>
<td>Media Access</td>
<td>Media Pluralism</td>
<td>Political Liberties</td>
<td>Judicial Review</td>
</tr>
<tr>
<td>Voting/Registration</td>
<td>Access to Government Information</td>
<td>Non-Discrimination</td>
<td>Appointment of Justices</td>
</tr>
<tr>
<td>Rights</td>
<td></td>
<td></td>
<td>Corruption Prevention</td>
</tr>
<tr>
<td>Party Financing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pop. Decision-Making</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
An International Comparison of Governance Capacities

Governance

Executive Capacity

- Strategic Capacity
- Interministerial Coordination
- Evidence-based Instruments
- Societal Consultation
- Policy Communication
- Effective Implementation
- Adaptability
- Organizational Reform Capacity

Executive Accountability

- Citizens’ Participatory Competence
- Legislative Actors’ Resources
- Media
- Parties and Interest Associations
- RIA Application
- Quality of RIA Process
- Sustainability Check
An International Comparison of Reform Needs

Policy Performance

Economic Policies
- Economy
- Labor Markets
- Taxes
- Budgets
- Research and Innovation
- Global Financial Markets

Social Policies
- Education
- Social Inclusion
  - Labor Market Policy
  - Unemployment
  - Long-term
  - Unemployment
  - Youth Unemployment
  - Low-skilled
  - Unemployment
  - Employment rate
  - Low Pay Incidence

Environmental Policies
- Environment Policies
- Environmental Protection Regimes
A multi-stage survey of 41 OECD and EU states

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial survey</td>
<td>The first expert responds to the questionnaire, providing scores.  And drafting a country report.</td>
</tr>
<tr>
<td>Review</td>
<td>The second expert reviews and revises the draft report, providing scores for each indicator without being able to view the first expert’s scores.</td>
</tr>
<tr>
<td>Intra-regional calibration</td>
<td>A regional coordinator reviews the report and scores provided, revising both in consultation with the experts to create the final report. The coordinator also oversees the collection of data for up to eight countries.</td>
</tr>
<tr>
<td>Inter-regional calibration</td>
<td>Regional coordinators convene to compare and calibrate across regions the results for each.</td>
</tr>
<tr>
<td>Validity check</td>
<td>In a final step, the SGI Board reviews the validity of the findings and approves the final scores.</td>
</tr>
</tbody>
</table>
Equal weighting on aggregate level

Set weighting of categories to calculate dimensions.

- P: Policy Performance
  - PA: Economic Policies
  - PB: Social Policies
  - PC: Environmental Policies

- D: Quality of Democracy
  - DA: Quality of Democracy

- GI: Executive Capacity
  - GA: Steering Capability
  - GB: Policy Implementation
  - GC: Institutional Learning

- GII: Executive Accountability
  - GD: Citizens
  - GE: Legislature
  - GF: Intermediary Organizations
  - GG: Independent Supervisory Bodies

Weightings:
- 1/3 33%
- 1/3 33%
- 1/3 33%
- 1/1 100%
- 1/3 33%
- 1/3 33%
- 1/3 33%
- 1/4 25%
- 1/4 25%
- 1/4 25%
- 1/4 25%