Governance Indicators: Approaches, Progress, Promise

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Chapter Abstracts

1. **Governance Indicators: Development and Assessment**
   Helmut K. Anheier

This introduction to the volume first provides an overview of the emergence of the field of governance indicators over more than two decades. In addition to taking stock of the field's advancement in terms of breadth and depth of indicators and indices and in terms of data, methods, and analytical tools, the chapter highlights some of the key challenges facing the field as it develops further.

PART I What Are Indicators For and What Difference Do They Make?

2. **A Comparative Classification and Assessment of Governance Indices**
   Matthias Haber & Olga Kononykhina

For decades, academic scholars and multinational organisations have been assessing how ready governments are to meet the various political and socioeconomic challenges they face. These benchmarks of good governance have led to the creation of well-known composite indices such as the Human Development Index and the Rule of Law Index. Today, there are dozens of different governance indices, but few attempts have been made to properly classify them. We still know surprisingly little about what different kinds of indicators the indices contain and how much impact they have had. This chapter introduces and classifies thirty-seven governance indices and analyses their impact on academic research, the news media, and policy-making. The results provide new insights for the comparative analysis of composite indices and offer a useful resource for index creators.

3. **Beyond Measurement: What Is Needed for Effective Governance and Anti-corruption Reforms?**
   Francis Fukuyama & Francesca Recanatini

Since the 1990s, governance and anti-corruption have become preoccupations of the international development and research communities, leading to the proliferation of sophisticated measures, which, while a critical starting point, have not had significant impact at the country level. This chapter examines approaches to reducing corruption, including structural state reform, simplification and reduction of administrative discretion, transparency and accountability, international agreements and conventions, and anti-corruption bodies. While some approaches have produced results in specific areas, their impact has been limited. The chapter argues that we should think about corruption differently, not as a market distortion or unethical behaviour but as a misallocation of power. To address corruption requires interventions that reallocate power among stakeholders. The limited success in addressing corruption suggests that policy-makers and the international community have not been able to reallocate power, mostly due to lack of political leverage to discipline entrenched local actors.

4. Can a Civilisation Know Its Own Institutional Decline? A Tale of Indicators
Alina Mungiu-Pippidi & Roberto Martínez Barranco Kukutschka

This chapter asks if current indicators of low trust and moral decay in Europe can be better traced to facts than similar perceptions on record from the Western Roman Empire during its decline. The answer is provided by complementing individual-level analysis of corruption survey data with national-level data, using three novel fact-based indicators. The findings provide a general validation of public perception by more objective indicators. Most individuals seem to report what they observe and experience, uninfluenced by media or social status, so these negative perceptions are likely to reflect the overall practices that people observe as well as the integrity policy framework. The chapter argues that public perception does not need direct evidence to have objective evidence, and indirect indicators offer sufficient grounds for the perception of corruption and decaying standards. Nevertheless, the chapter also shows that objectivity is uneven across respondents of a survey.

PART II Measuring and Communicating Governance Solutions

5. Measuring Governance: Objective and Perceptions-based Governance Indices
James R. Hollyer

Researchers typically construct measures of governance through one of two methods (or some combination thereof): aggregation of the responses of a set of expert respondents to survey questionnaires, or aggregation of some set of factual data. This chapter examines the benefits and drawbacks to each methodology. By relying on expert respondents, researchers are able to ensure that a broad range of varied inputs inform their governance index. This methodology benefits from flexibility. By relying on carefully selected factual data and defined aggregation rules, researchers are able to ensure transparency and reliability, but typically restrict the set of information that influences their index. This chapter argues that, all else being equal, indexes that rely on objective inputs are more appropriate for theory testing, while those that rely on expert perceptions are more appropriate for ranking and assessment exercises.

6. Considerations on the Method of Constructing Governance Indices
Piero Stanig

Seemingly technical decisions about estimation are highly consequential in terms of results and interpretation of composite indices of governance. This chapter argues that the choice of the aggregation rule defines an iso-governance curve or, alternatively, a governance production function. Iso-governance curves are loaded with substance. Hence, it might be desirable to pay attention to theory when designing methodology to arrive at a composite index of governance. The chapter also suggests that discrete methods of classification hold some promise for projects that aim at measuring governance. In this case, empirical exercises would isolate 'syndromes of governance' rather than rank countries from best to worst performer. The chapter concludes with some considerations about the role of governance indices in state-of-the-art political science and political economy.

7. Innovations in Objectively Measuring Corruption in Public Procurement
Mihály Fazekas, Luciana Cingolani, & Bence Tóth

While there is continued interest in measuring governance, disagreement on how best to do so has only grown over time. To provide pointers at innovative and rigorous indicator building, this chapter documents innovations in measuring a particularly challenging governance dimension, corruption in public procurement. In hopes of inspiring future research, the chapter critically reviews objective corruption proxies using administrative data on government purchases falling in four broad categories: Tendering Risk Indicators, Political Connections Indicators, Supplier Risk Indicators, and Contracting Body Risk Indicators. The findings indicate that the best measurement instruments focus on the transaction level (micro-level) while allowing for consistent aggregations for time series and cross-country comparisons. Such actionable indicators capture behaviour as directly as possible rather than remaining at the country level. They also retain the relational or transactional aspects of governance, revealing a much more dynamic picture than widely used population and expert surveys.

8. The Opportunities and Limitations of Crowdsourcing Policy Indicators
David Osimo

This chapter aims to explore how crowdsourcing can be used for gathering data in the context of governance indicators. Crowdsourcing has been applied in recent years to many human activities, from analysing galaxies to reviewing consumer products, but governance indicators can appear too technical for non-experts to participate in. The chapter begins by illustrating the traditional challenges in data collection. It then analyses a set of real-life cases of policy crowdsourcing to understand the benefits and risks that crowdsourcing entails. Based on these cases, the chapter illustrates how crowdsourcing can help address some of the core challenges of data collection for governance indicators, and in particular it extracts key lessons learned and recommendations. It concludes that crowdsourcing can be helpful provided it is carefully designed and focuses on the quality, rather than quantity, of contributions.

9. The Reproducibility of Governance Indicators: Assessing Current Practices and Looking Forward
Christopher Gandrud

Reproducibility is a core tenant of scientific enquiry, including the study of governance and government outputs. Having full access to the data and procedures that researchers used to study a phenomenon is vital for being able to understand and trust their findings. This chapter sets out best practices for the reproducibility of governance indicators. For a governance indicator project to be 'really reproducible', the full data as well as data gathering and analysis procedures should be easily and persistently accessible. Indicator development should be fully documented, especially via a version control system. The chapter surveys the status quo level of reproducibility among prominent governance indicator projects. While most had some reproduction material available, none were really reproducible. The chapter concludes with recommendations, including calling for a shared governance indicator hosting service that focuses on encouraging reproducibility.

10. Governance Indicators and the Broken Feedback Loop: Leveraging Communications for Impact
Hazel Feigenblatt

This chapter presents an overview of the role of communications in governance indicators and discusses challenges to understanding whether, how, and why their intended audiences use or fail to use rankings, indices, and related data. These include long-standing challenges associated with ensuring that information meets the needs of different target audiences, engaging with traditional media, and using rankings to present indicators. As new technologies have changed information flows and dynamics, new challenges have emerged, including echo chambers and data graveyards. The chapter shows a broken feedback loop between governance indicator creators and their intended users that can be traced to the understanding of communications as an accessory activity, without integrating user research and frank self-assessments into the indicator creation cycle. More research should be conducted about the extent to which the current offer of indicators is meeting users' needs and the extent to which underlying theories of change remain valid.

PART III The Way Forward

11. Measuring Governance: An Assessment of the Research Challenges

Mark A. Kayser

The field of governance indicators boasts a wide and sometimes confusing abundance of competing indicators derived from different sources and methodologies. This chapter connects the arguments posed throughout this volume, delineates the frontiers of the indicators field, and identifies key challenges ahead, particularly for researchers and indicator developers. Throughout the chapter, it becomes clear that the most fruitful distinction among governance indicator systems is their purpose: indicators intended to raise public and government awareness of societal problems require distinctly different designs and standards than those intended for theory testing and effective policy design.

12. Addressing the Policy Challenge: Improving Supply of and Meeting Demands for Sound Evidence

Rolf Alter

Countries worldwide recognise the need for further efforts to develop robust and comparable policy-relevant evidence on government performance that can feed into the policy-making cycle. Despite this consensus and the growing quantity of data along with technological advances, many governments still have trouble generating, collecting, synthesising, and using evidence to inform decisions. This chapter looks at both the supply and demand sides of policy-related evidence to highlight some of the challenges faced by evidence producers and users as well as some of the solutions that have emerged and seem to hold potential. The search for appropriate indicators to monitor and evaluate open government initiatives provides a practical example of how the challenges can be dealt with. From the discussion arise a number of recommendations for improving governance indicators, the evidence on which they are based, and the way their findings can be put to use.