

IV.

Indices and Governance

The past decade has seen a proliferation of country indices and rankings, many touching on the theme of good governance. Our early review of this work in 2003 produced a list of almost fifty relevant projects.¹ Our more recent in-house survey in 2007 produced a list well over twice that long.² A handful of these projects have been ground-breaking in their approach and are now standard measures (even while continuing to spark debate). For instance, since the United Nations Development Program (UNDP) first published its *Human Development Report* in 1990, the Human Development Index (HDI) has helped to change the way that practitioners and observers talk about the relative poverty and development of nations—incorporating not only measures of per capita income and material wealth, but also attainments in education and health—in “human development.”³ Similarly, Transparency International’s Corruption Perceptions Index (CPI), launched in 1995, is monitored closely by donors and other international actors, as well as by national governments and civil society groups.⁴ In the measurement of “good governance,” in particular, the World Bank’s Worldwide Governance Indicators (WGI) project has made a notable contribution, incorporating data on perceptions of governance from numerous organizations (32 in 2008) to produce aggregate ratings in 6

¹ See Marie Besançon, *Good Governance Rankings: The Art of Measurement*, WPF Report 36 (Cambridge, MA, 2003).

² For two surveys of this literature, see United Nations Development Programme and European Commission (report prepared by Matthew Sudders and Joachim Nahem), *Governance Indicators: A Users’ Guide* (2004), available at www.undp.org/governance/docs/policy-guide-IndicatorsUserGuide.pdf (last accessed 20 August 2007), and Romina Bandura, “Measuring Country Performance and State Behavior: A Survey of Composite Indices,” A UNDP/ODS Background Paper, Prepared for the Book Project, “The New Public Finance: Responding to Global Challenges,” (New York, 2006). On related topics, see, for instance, Christiane Arndt and Charles Oman, *Uses and Abuses of Governance Indicators* (Paris, 2006); Frederik Booyen, “An Overview and Evaluation of Composite Indices of Development,” *Social Indicators Research*, LIX (2002), 115–151; and Gerardo L. Munck and Jay Verkuilen, “Conceptualizing and Measuring Democracy: Evaluating Alternative Indices,” *Comparative Political Studies*, XXXIV (2002), 5–34.

³ For critical views, see, for instance, Mark McGillivray, “The Human Development Index: Yet Another Redundant Composite Development Indicator,” *World Development*, XIX (1990), 1461–1468, and T.N. Srinivasan, “Human Development: A New Paradigm or Reinvention of the Wheel?” *American Economic Review*, LXXXIV (1994), 238–243. The *Human Development Report* has also included three other composite indices, the Human Poverty Index (HPI), the Gender-related Development Index (GDI), and the Gender Empowerment Measure (GEM).

⁴ For a critical survey of work on corruption (including the CPI), see, for instance, Stephen Knack, “Measuring Corruption in Eastern Europe and Central Asia: A Critique of the Cross-Country Indicators,” World Bank Policy Research Working Paper 3968, (Washington, D.C., 2006).

areas for over 200 countries from 1996 to 2007.⁵ Why do we need another ranking of countries and another project on governance?

The Index of African Governance is unique among these many projects in a number of key ways. First, it is one of the few to measure “governance” broadly defined. Most other work focuses on *components* of good governance—peace and security, the rule of law, corruption, political participation, human rights, sustainable development, etc. No matter how useful its approach, the CPI alone is not a measure of good governance: it is one component of a complete measure. Nor is the HDI a complete measure of good governance, for it is not designed to incorporate key aspects like security, the rule of law, and human rights.

Among other major projects there are only a few that directly address governance broadly. These include the WGI project, the World Governance Assessment conducted by the Overseas Development Institute (ODI), the United Nations Economic Commission for Africa’s (ECA) *African Governance Report*, the UNDP’s Governance Indicators Project, and the World Economic Forum’s Global Governance Initiative (GGI).

Setting us apart from these projects, our Index uniquely defines “good governance” as the delivery of key political goods, which we specify in terms of five categories, fourteen sub-categories, and fifty-seven sub-sub-categories (indicators). We argue that this definition is comprehensive and common to all countries. Good government means the supply of those core political goods, whatever the culture and whatever else the government might undertake. The delivery of those core political goods can be measured with basic figures and statistics on poverty, infrastructure, the fairness of elections, the absence of war, and so on. Such statistics can be defined, operationalized, and measured in an objective way and, if done correctly, verified and reproduced by others.

This direct definition and its component categories differ markedly from the way in which good governance is defined and assessed by others. For instance, the WGI uses a variant definition: a “set of traditions and institutions by which authority in a country is exercised. This includes (1) the process by which governments are selected, monitored and replaced, (2) the capacity of the government to effectively formulate and implement sound policies, and (3) the respect of citizens and the state for the institutions that govern

⁵ For a recent discussion on the WGI, see, for instance, Marcus J. Kurtz and Andrew Schrank, “Growth and Governance: Models, Measures, and Mechanisms,” *Journal of Politics*, LXIX (2007), 538–554, and Daniel Kaufmann, Aart Kraay, and Massimo Mastruzzi, “Growth and Governance: A Reply,” *Journal of Politics*, LXIX (2007), 555–562.

economic and social interactions among them.”⁶ The World Governance Assessment defines *governance* in reference to “how the rules of the political game are managed,” including both formal and informal rules (“rules-in-use”). Drawing a distinction between indicators of performance and process, it focuses on “governance process indicators,” which “refer to the quality of governance in terms of how outcomes are achieved.”⁷ The ECA’s *African Governance Report 2005* identifies “the core elements of good governance” as “political governance, institutional effectiveness and accountability, and economic management and corporate governance,” referring readers to the consensus statement endorsed by the Fourth African Development Forum (ADF IV) in Addis Ababa, 11–18 October 2004. It focuses on collecting perceptual data in these areas, noting that it is aimed at “gauging more empirically citizens’ perceptions of the state of governance in their countries, while identifying major capacity deficits in governance practices and institutions and recommending best practices and solutions to address them.”⁸

In other words, as this brief summary suggests, “good governance” is understood in most other work to be almost entirely a matter of *perceptions* (How do citizens rate their quality of governance? How do experts rate it?), or *process* (Has the country accepted international norms on small arms? Has it adopted free trade policies? Does the country have electoral quotas for women or minorities?), judged in terms of perceptions and often including the implementation of specific policies that are seen to be associated with good outcomes.

By contrast, our approach asserts on the one hand that some key aspects of good governance are captured by objective standards and that public perceptions are often a faulty measure of whether these standards have been met, especially when comparing nations. A *New York Times*/Pew Global Attitudes Poll of ten countries of sub-Saharan Africa, for instance, shows that 83 percent of Ivorians think that their next presidential election will be conducted fairly—more than in any other country in the sample,

⁶ From “Frequently Asked Questions” at <http://info.worldbank.org/governance/wgi/faq.htm#1> (last accessed 25 August 2008). The precise question given is “What is meant by Governance?” It further divides governance into six dimensions: Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. For further information, see in particular two WGI papers, “Governance Matters III” (pp 3–5) and “Governance Matters VII” (Appendix D).

⁷ It further divides governance processes into “six separate areas: (1) civil society, (2) political society, (3) government, (4) bureaucracy, (5) economic society, and (6) judiciary.” Goran Hyden, Julius Court, and Kenneth Mease, *Making Sense of Governance: Empirical Evidence from Sixteen Developing Countries* (Boulder, 2004), 2–3. For further information, see also www.odi.org.uk/wga_governance/.

⁸ ECA, *African Governance Report 2005*, available at www.uneca.org/agr2005/ (last accessed 25 August 2008), xiii; xiv.

including Ghana, Mali, Senegal, and South Africa, countries whose record of “free and fair” elections in recent years has been much more impressive.⁹ It is useful to know about Ivorian attitudes for a number of reasons, but, in comparing countries, would we trust that their confidence in their electoral system means that it is in better shape than others on the continent?

On the other hand, our approach is also different because it asserts that the objective standards of good governance may be reached in different ways in different countries. What matters is that some basic political goods are provided: there is no cookie cutter template for good government beyond solid performance. Through public participation—one of our core political goods—a good government may naturally reflect variations in the specific objectives and traditions of its citizens in terms of its specific policy strategies.

Another key way in which the Index of African Governance differs from other index projects on governance and related topics is its country coverage in sub-Saharan Africa, which is among the most complete and up-to-date, examining all forty-eight countries for four years (and to be updated annually). With the notable exception of the WGI, most other projects on governance cover only half or fewer of the countries in sub-Saharan Africa. For example, the ECA’s *African Governance Report 2005* covers twenty-six (plus two in North Africa) and the Worldwide Governance Assessment in Phase II covers (in sub-Saharan Africa) Ghana, Kenya, Mali, Nigeria, Tanzania, and Togo only.¹⁰ Among other surveys that compile relevant information on sub-Saharan African countries, the Afrobarometer project in its most extensive phase (Round 4) will cover twenty countries during 2008; the Global Integrity Report covers twenty for 2006 or 2007; TI’s Global Corruption Barometer covers five in 2007; and the World Bank’s Living Standards Measurement Surveys cover five countries for at least one year.¹¹ All of these projects compile useful information—some much more detailed than our own about the particular countries under study—but they do not provide a comprehensive view of sub-Saharan Africa.

Finally, the Index of African Governance is unique among many of these indices and measurement projects in its commitment to presenting clear, simple data and country rankings—figures that anyone can use to understand in consummate detail how well their

⁹ Lydia Polgreen and Marjorie Connelly, “Poll Shows Africans Wary, But Hopeful about Future” *New York Times* (25 July 2007), A6.

¹⁰ The second *African Governance Report*, to be published in late 2008, will cover an additional nine countries.

¹¹ For further information on these projects, see www.afrobarometer.org/; www.globalintegrity.org/; www.transparency.org/policy_research/surveys_indices/gcb/2006; and www.worldbank.org/lsm/.

government or another government is doing relative to others in a given year. In presenting these data, we have also sought to be as transparent as possible in highlighting data limitations and any areas where further work is needed. Thus, although we present single rankings for each country in each year, we also make available the raw numbers and the sources for each of the indicators that compose each ranking in each category for each country.