

Helpdesk Research Report: Evaluation of Governance Programme Indicators

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Query: Identify and summarise the literature on evaluation of performance indicators for governance programmes.

Enquirer: DFID

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1. Overview

Literature on performance indicators for governance programmes is sparse, and disparate in nature. In general such literature criticises the approach of applying quantitative indicators to governance programmes, or criticises the confusion of which aspects to monitor. The main weakness in the literature is a clear understanding of the relationship between governance projects and wider governance. While there is a large body of literature providing advice in selecting and designing indicators there is little evaluating governance programmes indicators per se. Most recently there has been a growth in what Kaufman (2007) defines as 'improved' indicators. There is a debate surrounding their validity with participatory and mixed method approaches to evaluation seeming to respond best to criticism of governance assessments.

Critical literature

Several theorists argue governance or democracy cannot be measured with numbers. Reducing democracy to narrow quantitative indicators results indicators insufficiently grounded in the complexities of the political context (Crawford, 2003). When quantitative indicators are employed they tend to dominate analysis and thinking. Qualitative analysis is marginalised with quantitative indicators taken as an objective truth though objective measures are not, in reality, possible (Carothers, 1999).

Others criticise the use of governance programme indicators in relation to the purposes they serve. Governance programme indicators can arguably serve just three purposes (based on Carothers, 1999):

- 1) to justify investment into aid programmes
- 2) to provide information to manage and optimise programmes
- 3) to engage in deep learning about causalities and the nature of change

Crawford (2003) argues that the evaluation processes and by nature the indicators involved are solely oriented to fulfilling donor needs (purpose 1). Furthermore the evaluation process itself creates the appearance of governance programmes as externally imposed.

A further criticism relates to conflation of 'levels' to which the indicator relates. Indicators can be applied to different levels depending on what is being measured. These levels are termed differently by different organisations. One example relates to the steps or temporal levels of the programme process (i.e. input, process, output, outcome, impact). Another example of levels relates to the spatial levels at which the output and/or impact operate (Axworthy, 2008): i) Micro (project outputs); ii) Meso (between micro and macro) and iii) Macro (national or country-level). Meso indicators link programme/project results to higher level impacts – i.e. micro to macro. Axworthy (2008) points out such meso indicators are largely absent though recent work (e.g. Gaventa and Barrett, 2010; World Bank AGI, 2010) point the way towards identifying such indicators. At the same time macro indicators are used by evaluators, sometimes unconsciously, to judge projects. Improvement in country-level governance indicators has on occasions been attributed to projects with little plausible connection. Likewise successful projects (judged by micro indicators) have been cut following a deteriorating national governance situation.

Evaluating and Designing Indicators

Though there is literature on choosing programme indicators and general governance assessment literature there seems to be very little literature which truly evaluates governance programme performance. While there has been a growth of country-level governance assessments there has also been an increase in literature that evaluates them.

Williams and Siddique (2008) point out that many of the governance indicators have methodological issues. Different indicators have strengths and limitations which those who employ these measurements need to be aware of. They argue that there is no one perfect measurement and it is important to find a measurement appropriate to the context.

Arndt and Oman (2006) discuss in detail the uses and abuses of governance indicators. One chapter takes an in-depth look at the KKZ Composite Indicators, arguably the most widely used indicators of governance assessment. They highlight important statistical failings including the likelihood of correlation of errors among sources and sample bias. They further argue that there is a lack of comparability over time and that the indicators lack transparency.

There is a significant amount of literature which outlines how to choose and design indicators such as the World Bank PRSP Sourcebook (2002). The section on indicators itself illustrates the complexity and the challenge involved in designing indicators. The report differentiates between different indicators such as input, output, outcome, etc and then provides features of an ideal indicator. This includes being direct, relevant, difficult to manipulate, and trackable. Though the sourcebook identifies what is important it also notes that there may be financial and practical limitations. Of note is that the sourcebook does not prioritise different aspects or features in degrees of importance. Neither does the book comment on governance indicators in particular.

A further World Bank Poverty Guidance note (2004) gives further features a good indicator should have. These are be direct, vary across dimensions, have a direct link to interventions, be relevant, be consistent, be difficult to manipulate, be easy and cheap to measure, be easy to understand, be reliable and be consistent with data availability and collection capacity.

Scott and Wilde (2006) point out that most indicators are developed by external stakeholders to compare nation states and are not designed to help countries undertake governance reforms. They suggest a framework for selecting indicators which are more pro-poor and also gender-sensitive. They outline four senses in which indicators may be considered pro-poor or gender specific. These are: disaggregated by poverty status or sex; specific to the poor or gender specific; implicitly pro-poor or gendered; chosen by the poor, or chosen separately by men and women.

The Vera Institute of Justice (2003) has produced a guide to measuring progress toward safety and justice, which could provide useful lessons for governance programming. The guide suggests that indicators can take different forms but they must be capable of reflecting changes in short time periods. The guide states that disaggregating data within individual indicators enhances their ability to affect change. Finally they suggest that units be chosen that are easily understood by the widest possible audience.

Booth and Lucas (2002) note that survey-based analysis of poverty trends can be inaccurate while service-delivery surveys, problem-oriented commissioned studies and participatory impact monitoring (PIM) can be useful complements to administrative data. They also note that tracking financial and non-financial inputs can lead to pro-poor policy improvements.

'Improved' Indicators

In response, in part, to criticisms outlined earlier there have been several attempts at revised indicators, some of which have impacted programming.

The World Bank's Actionable Governance Indicators (AGI) have been designed to identify the links between projects and wider governance effects and assess these intermediary processes. These indicators are designed to be transparent, contestable, subjective in-part and politically sensitive. The term 'actionable' suggests that these indicators highlight governance failings which can be acted on and resolved. The data has recently been made available on-line with supporting documentation.

'Second-generation' indicators (e.g. Knack et al., 2003) were essentially modifications of governance indicators to improve political acceptability and specificity. Both AGI and second-generation indicators have been criticised in part because concepts of political acceptability and 'actionability' are somewhat liable to change (see Kaufman and Kray, 2007).

Ivanyina and Shah (2010) have recently produced a paper championing a 'citizen-centric' approach to governance. They criticise other governance indicators for being based on the opinions of primarily foreign interest groups. Instead they use sources such as the 'World Value Survey' to create a subjective measure of governance.

Several theorists have argued for a participatory approach. Carothers (1999) suggests evaluators look beyond indicators of success and examine all effects the project had. He also suggests the use of open-ended and participant-observer methods. Crawford (2003) suggests that informed national actors should control the evaluation process and provide the key input of local knowledge and analysis. This process in itself can act as a tool in improving governance. Participatory development would enable a more critical appraisal of international donor activities and greater ownership of assistance programming, while strengthening local action for democratic change (Axworthy, 2008). The IDRC workshop (1999) suggested setting up a stakeholder workshop to develop the programme indicators.

Holland et al (2007) outlines a study which involved a participatory approach to refine indicators but at the same time produce a comparable baseline. The study produces an initial set of indicators based on a framework by Alsop, Bertelsen and Holland (2006) which is then tested using score-cards in group discussion settings, followed by an ethnographic study. This method produces indicators which serve multiple purposes – a set of quantifiable indicators for benchmarking purposes with a further set of contextual qualitative indicators which feedback into programme design and produce a better understanding of change. This mixed methodology approach provides an example of a process to produce context-specific yet comparable indicators. However this approach is contingent on a project management system which is flexible and incorporates ongoing learning into project design.

2. Critical Literature

Carothers, T., 1999, 'Giving out grades: Evaluation', Chapter 10 in 'Aiding democracy abroad: the learning curve' Carnegie Endowment

<http://books.google.co.uk/books?id=R7RGfnIL7LUC&lpg=PR7&ots=r67P7aExyA&dq=Aiding%20Democracy%3A%20The%20Learning%20Curve&lr&pg=PA281#v=onepage&q&f=false>

Carothers argues most of the indicators employed for democracy programmes are flawed. Reducing elements of democracy to two or three extremely narrow quantitative indicators does “irremediable violence to those concepts”. Though USAID missions present some qualitative analysis along with numerical information drawn from the indicators, such analysis becomes supplementary at best and numerical information dominates discussions. Carothers argues that aid providers must start by accepting that definitive evaluations – objective assessments that establish with certainty the democratic value of particular aid programmes – are not possible. Subjectivity in evaluations is inevitable and interpretation is necessary. Aid organisations must clarify the purposes of their evaluations. He cites three different purposes: 1) to provide material to justify investment into aid programmes; 2) to provide information necessary for managing and optimising democracy assistance projects; and 3) to engage in deep learning about democracy aid. Instead of attempting to determine whether a project produced certain preset indicators of success, the evaluators should seek to examine all effects the project had – intended, unintended, direct, indirect, material, psychological, and so on. This involves open-ended rather than targeted questioning and interviewing a wider range of people, not just direct partners. Carothers also suggested greater use of participatory and participant-observer methods.

Crawford, G., 2003, 'Promoting Democracy from Without - Learning from Within (Part I)', Democratization, 10: 1, 77 — 98

<http://www.informaworld.com/openurl?genre=article&issn=1351%2d0347&volume=10&issue=1&spage=77>

(Part II)', Democratization, 10: 2, 1 — 20

<http://www.informaworld.com/openurl?genre=article&issn=1351%2d0347&volume=10&issue=2&spage=1>

Crawford argues that conventional evaluation methodology in this field, notably the logical framework approach suffers from a number of deficiencies and limitations. It produces narrow, project-based analysis using quantitative operational performance indicators that are insufficiently grounded in the complexities of the political context in which such assistance takes place. This is oriented to fulfilling donor needs by demonstrating success and usefulness, with the evaluation process itself reproducing the negative characteristic of democracy promotion as an external imposition, with limited input from local actors. Crawford advocates a ‘genuinely’ participatory approach in which informed national actors control the evaluation process and provide the key input of local knowledge and analysis. It is asserted that positive outcomes can include a more critical appraisal of international donor activities, greater internal authorship over external democracy assistance, and a strengthening of local action for democratic change. Crawford argues that in this way, the act of evaluation can itself act as a democratic tool in creating citizen deliberation and action.

International Development Research Centre (IDRC), 1999 'Evaluating Governance Programs Report of a workshop 8 April 1999' IDRC, Ottawa

http://www.idrc.ca/en/ev-1-201-1-DO_TOPIC.html

Participants in this workshop seemed to produce contradictory statements. Initially they note that some of the evaluation tools in use today such as Logical Framework Analysis, Results Based Management, and Indicators-based studies, were developed with a different purpose, primarily the evaluation of discrete, blueprint-type projects (i.e., infrastructure projects) and have little fit with complex and iterative, governance program agendas. Later on, however, they praise the logical framework as an analytical planning tool that clarifies the logic and linkages through time between a programme's inputs (resources), outputs (immediate

results), outcomes (short-term results and narrower effects of the programme) and impacts (longer-term results and broader effects).

In general this workshop seemed to promote the approach of Participatory Development of Governance Performance Indicators. A stakeholder workshop would be organised to develop the programme objectives, activities and indicators (quantitative and qualitative) against which progress towards objectives will be monitored and measured. Indicators can be revised when necessary in a flexible manner, and stakeholders can learn from mistakes and successes.

The participants criticised participatory evaluations and self-assessments which provide a "snapshot" assessment of the project, usually only after a time period has elapsed since the programme launch (ex-post). Participants also noted that several government agencies evaluate only up to the level of programmes due to methodological and cost-ineffectiveness issues.

Axworthy, T. ed., 2008 'Creating Democratic Value: Evaluating Efforts To Promote Democracy Abroad. Final Report' Centre for the Study of Democracy, Ontario, Canada
http://www.queensu.ca/csd/publications/Creating_Democratic_Efforts-Final.pdf

This report stresses the importance of local citizens of the countries that the international community is trying to assist helping define evaluation objectives and indicators. Participatory development of indicators would enable a more critical appraisal of international donor activities and greater ownership of assistance programming, while strengthening local action for democratic change. This paper raises the issue of micro, meso and macro indicators. For public administration reform programs, micro indicators, commonly expressed as project outputs, have always been common. Macro indicators have recently proliferated with a wide range of governance indexes, scores and surveys. A set of empirical meso indicators able to link programme/project results to higher level impacts is largely absent. Consequently changes in macro level indicators are virtually impossible to tie to sectoral democracy assistance work. If evaluation is to contribute to more effective policy and programs, it should be measured against bench marks from country-specific strategic plans. These, in turn, need to be based on initial assessments of where the country is on each of the dimensions of democratic development. Country-specific strategic plans should be used both to establish and monitor progress for the system as a whole and to establish criteria and indicators to assess the effects of programs and projects in each of the sectors targeted by the strategic plan. Projects would be designed to incorporate indicators of impact based on the strategic objectives of programs and sectors. The focus would not be on the project as such but on how and how effectively its activities have contributed to the realization of objectives in the strategic plan. Evaluation must be reality-based and involve a wider circle of country stakeholders, including the possibility of full participatory evaluations.

3. Evaluating and Designing Indicators

Williams, A. and Siddique, A., 2008, 'The use (and abuse) of governance indicators in economics: a review' Economics of Governance 9:131–175
<http://www.springerlink.com/content/3630401q64n33424/fulltext.pdf>

This paper reviews the common governance indicators used in empirical analysis. These include:

- Objective measures: measures of political instability and violence, political institutions, polity database, database of political institutions, political constraint index.
- Subjective measure: Freedom house index of civil and political liberties, International country risk guide (ICRG), Business Environment Risk Intelligence, Business International, Country policy and institutional assessment (World Bank).
- Survey based data
- Composite rankings: Transparency International, Governance indicators ('KKZ indicators'), Economic freedom index (EFI)

- 'Second generation' indicators

They point out a variety of methodological issues researchers should take note of when trying to quantify governance. The authors note that there is no perfect measurement. Different measures have their strengths and limitations and researchers need to be aware of this. They need to make sure that they are specific in which aspect of governance they are purporting to investigate, and whether the data they are using is as accurate a representation as possible.

Arndt, C. And Oman, C., 2006, 'In-depth Analysis of KKZ Composite Indicators' Chapter 4 of 'Uses and Abuses of Governance Indicators' OECD Development Centre, OECD
<http://www.oecd.org/dataoecd/21/16/40037762.pdf>

This chapter takes an in-depth look at the strengths and weaknesses of what the authors argue is the most carefully constructed and widely used indicators: the KKZ Composite Indicators. Problems associated with their construction or use, of which users seem widely unaware, include: i) the likelihood of correlation of errors among the 37 sources from which the composite WBI indicators are constructed, which significantly limits the statistical legitimacy of using them to compare countries' scores; ii) their lack of comparability over time; iii) sample bias; and iv) insufficient transparency.

World Bank, 2002, 'Chapter 3: Monitoring and Evaluation', in PRSP Sourcebook, World Bank, Washington, D.C.
http://povlibrary.worldbank.org/files/4480_chap3.pdf

This paper defines the process of selecting indicators in reference to PRSP programmes and illustrates the difficulty in defining and selecting indicators. In this paper indicators are classified into two categories: intermediate and final. 'Final' indicators suggest some sort of effect on an individuals' well-being. Intermediate indicators can be further divided into "input" or "output" indicator, depending on the stage of the process. Outputs differ from outcomes because they are fully under the control of the agency that provides them. Although the main objective of the monitoring system is to track progress in poverty outcomes and impacts, both final (outcome and impact) and intermediate indicators (input and output) should be tracked. Monitoring final indicators helps to judge progress toward the goals set though final indicators are the result of several factors, many of which are outside the control of policymakers and program administrators. Intermediate indicators, on the other hand, generally change as a result of actions by the government and other agents. Moreover, final indicators generally change slowly over time, while intermediate indicators change more rapidly, giving an indication, if not on what is happening with well-being, at least what is happening with some of its determinants. This can make it possible to take corrective action while a program is being implemented. Finally, information on intermediate indicators is often easier to collect. Final and intermediate indicators should be complemented with other selected indicators to measure overall country performance and account for the context in which the poverty reduction strategy is being implemented.

This paper argues that a good indicator:

- is a direct and unambiguous measure of progress—more (or less) is unmistakably better;
- is relevant—it measures factors that reflect the objectives; varies across areas, groups, over time, and is sensitive to changes in policies, programs, and institutions;
- is not easily diverted by unrelated developments and cannot be easily manipulated to show achievement where none exists; and
- can be tracked (better if already available), is available frequently, and is not too costly to track.

The choice of indicators is dependent on the types of data that are available in a country, as well as on what can be feasibly monitored given resource and capacity constraints. The process of selecting indicators should start from an analysis of what is available and what is

feasible, and indicators that are not yet available should be included in the monitoring system only if it is realistic to set up a mechanism to collect and analyze data on such indicators. The decision on the level of disaggregation of indicators is as important as the choice of indicators itself. Indicators can be disaggregated along various dimensions, including location, gender, income level, and social group. The authors note that disaggregating indicators by areas, groups, and the like usually has political consequences and must be done carefully. Furthermore, monitoring indicators disaggregated by administrative area almost always requires complementary efforts to build capacity for monitoring and analysis in the decentralized administrative units.

World Bank, 2004, 'Poverty Monitoring Guidance Note 1: Selecting Indicators', World Bank, Washington, D.C.

http://siteresources.worldbank.org/INTPAME/Resources/Selective-Evaluations/NotelIndicators_eng_Apr04_doc.pdf

This paper expands on the Chapter 3 of World Bank (2002) and defines further what makes good indicators. These are:

- Be direct, unambiguous measure of progress, i.e. more (or less) is invariably better.
- Vary across group, areas, and over time.
- Have a direct link with interventions.
- Be relevant for policy making, i.e. at the level of disaggregation relevant for decision-making.
- Be consistent with the decision-making cycle
- Not be easily manipulated or blown off course by unrelated developments.
- Be easy to measure and not too costly to measure.
- Be easy to understand.
- Be reliable.
- Consistent with data availability and data collection capacity.

Scott, C. and Wilde, A., 2006, 'Measuring Democratic Governance: A framework for selecting pro-poor and gender sensitive indicators', United Nations Development Programme, Oslo

<http://www.undp.org/oslocentre/docs06/Framework%20paper%20-%20entire%20paper.pdf>

Most indicators are developed by external stakeholders to compare nation states and are not designed to help countries undertake governance reforms. This UNDP guide presents a framework for generating pro-poor gender sensitive indicators to help policy makers monitor and evaluate democratic governance at the country level. It argues that indicator selection is itself a governance process. Even when indicators are developed by national stakeholders, they often fail to focus on poorer groups and the different experiences of men and women. The Democracy Assessment Framework from The International Institute for Democracy and Electoral Assistance (IDEA) is a useful source of basic principles. From it, key democratic values can be drawn: participation, representation, accountability, transparency, responsiveness, efficiency and equity.

There are four senses in which indicators may be considered pro-poor or gender specific:

- Disaggregated by poverty status or sex.
- Specific to the poor or gender specific.
- Implicitly pro-poor or gendered.
- Chosen by the poor or chosen separately by men and women.

Three tools can be used to assess the need for pro-poor and gender sensitive indicators:

- A set of key questions themed around areas of governance
- A process flow chart showing steps within legal, administrative and political processes

- An integrated indicator matrix providing an overall picture of where gender sensitive and pro-poor indicators are needed.

The following points are important in relation to the implementation of this framework:

- The framework can be applied to seven areas of governance: parliamentary development, electoral systems and processes, human rights, justice, access to information and the media, decentralisation and local governance, and public administration reform and anti-corruption.
- Countries where no poverty monitoring system is in place can follow a timetable of activities leading up to indicator selection. This begins with an announcement of the intention to develop pro-poor gender sensitive ways of measuring governance.
- Substantial data is needed to support pro-poor and gender sensitive indicators. This may be from single or multiple sources including surveys, administrative data and qualitative methods. Second-generation indicators promise to improve the quality of statistics.
- These tools can only be used to promote pro-poor and gender sensitive governance if they are supported by a range of national stakeholders. Inclusive and participatory debate should inform indicator selection and processes of data collection and evaluation.

Vera Institute of Justice, 2003, 'Measuring Progress toward Safety and Justice: A Global Guide to the Design of Performance Indicators across the Justice Sector', Vera Institute of Justice, New York.

http://www.vera.org/download?file=9/207_404.pdf

This guide is aimed at programme managers to help develop appropriate indicators in programmes delivering safety, security and justice. The guide does not recommend the use of particular indicators, but describes a process by which each country or programme can develop a customised set of indicators. It outlines principles that should inform the choice of indicators. Firstly indicators can present data in many different forms. Common forms include proportions, ranks, dichotomous indicators, and indices. Whatever their form, indicators must also be capable of reflecting changes in relatively short time periods: a month, a quarter of a year, or a year. Disaggregating data within individual indicators greatly enhances their ability to register improvements in equality of security and access to justice. Finally, choose units for your indicators that are easily understood by the widest possible audience.

Booth, D. and Lucas, H. 2002, 'Good Practice in the Development of PRSP Indicators', Overseas Development Institute (ODI) Working Paper 172, ODI, London

http://www.odi.org.uk/publications/working_papers/wp172.pdf

In looking at the development of PRSP indicators this paper illustrates some of the challenges to identifying indicators. They find that knowing which intermediate variables to monitor is not easy; the selection needs to involve strategic thinking. Tracking financial and non-financial inputs can lead to policy improvements that are important for poverty reduction. Despite its aura of technical superiority, survey-based analysis of poverty trends can be very inaccurate. They note that service-delivery surveys, problem-oriented commissioned studies and participatory impact monitoring (PIM) have been proven to be useful complements to administrative data. They also note that successful arrangements are likely to be those that are well supported politically and also permit swift executive action when necessary.

4. Recent approaches

World Bank, 2010, Actionable Governance Indicators (AGI)

<http://go.worldbank.org/BN5GB74IV0>

AGI Presentation: An Update (In Full)

<http://siteresources.worldbank.org/EXTPUBLICSECTORANDGOVERNANCE/Resources/286304-1235411288968/fULLvERSION.pdf?resourceurlname=fULLvERSION.pdf>

AGI Definition and Measurement Paper

<http://siteresources.worldbank.org/EXTPUBLICSECTORANDGOVERNANCE/Resources/286304-1235411288968/AGINote.pdf?resourceurlname=AGINote.pdf>

AGIs are designed to provide evidence on the characteristics and functioning of particular elements and sub-elements of the various dimensions of governance. They effectively aim to track the “missing middle” between inputs and outputs, and outcomes. Inputs and outputs here refer to the project inputs and outputs as well as the programme and policy outputs. Outcomes refer to the broader governance outcomes, often measured at a national level. AGIs are not necessarily objective and can include subjective or perceptions-based indicators. They aim to be narrow and explicit to the context to be more actionable which also means they are contestable in nature. The World Bank web site allows interested parties to submit information to challenge these indicators. The indicators fall under the themes of political accountability, checks and balances, public sector management, civil society and media, private sector and decentralisation and local participation. The World Bank has produced an AGI Data Portal where at present there are 1182 indicators derived from 13 sources.

Knack, S., Kugler., M and Manning, N., 2003, 'Second-generation Governance Indicators', *International Review of Administrative Sciences*, vol. 69, no. 03, pp. 345-364.

<http://ras.sagepub.com/content/69/3/345.abstract>

This paper produces a design for ‘second generation’ indicators which aim to improve on ‘first generation’ indicators. The second generation indicators must meet the following criteria:

1. *Generated through a transparent process.* Proposed indicators should be replicable through a well-documented process. The data should come from sources that are politically acceptable.
2. *Available across many countries and over time.* Broad country coverage is necessary for testing relationships between indicators and valued outcomes. Ideally an institutionalized procedure is in place or could reasonably be set up to collect data on the proposed indicator in the future.
3. *High quality and accurate.* Indicators should be measured in a consistent manner across countries and values should reflect what the indicator purports to measure.
4. *Specific.* Indicators should measure either a particular set of governance institutions or a defined output; and should not be unduly affected by forces exogenous to the aspect of government it is trying to capture.

The second generation indicators aim to improve on the first generation in terms of political acceptability and specificity. The paper notes that if consensus is key to developing governance indicators that promote institutional change, then sensitivity to the often-justified concerns of governments is key to that consensus. The first-generation of governance indicators often linked governance to a variety of development outcomes but were of limited value in building ownership for reform by developing-country governments. Furthermore measures should be institutionally specific so that reformers know which institutions to reform and how to do so.

Kaufman D., and Kray A., 2007, 'On Measuring Governance: Framing Issues for Debate', *Issues paper prepared for the January 11 2007 Roundtable on Measuring Governance, World Bank, Washington, D.C.*

http://siteresources.worldbank.org/INTWBIGOVANTCOR/Resources/1740479-1149112210081/2604389-1167941884942/On_Measuring_Governance.pdf

This paper contends that: (1) all governance indicators have weaknesses; (2) there are no easy solutions in measuring governance; and that (3) the links from governance to development outcomes are complex. A wide range of indicators – both across and within countries – are currently available to measure governance and the investment climate. However, any proxy for governance is by definition an imperfect measure of broader governance dimensions. The failure to disclose margins of error may lead to a false sense of accuracy or to an over-interpretation of small changes over time or across countries. Further, even 'improved' indicators (such as 'second-generation' and 'actionable' indicators) are insufficient in themselves. Focusing on highly specific 'actionable' indicators is not necessarily useful. The areas of governance within policymakers' control and therefore amenable to 'actionable' measurement may not be areas that impact significantly on development outcomes. Attention should be paid to 'action-worthy' indicators in order to ensure support for difficult reforms that are essential for impact. It is important to move beyond false dichotomies (aggregative versus individual, objective versus subjective, 'action-worthy' versus outcome). The complex relationship between governance and development outcomes must be taken into account when measuring governance. Policymakers must recognise and fully exploit the synergies among different types of indicators (including aggregate and individual, objective and subjective, 'action-worthy' and outcome).

Ivanyna, M. and Shah, A., 2010 'Citizen-centric Governance Indicators: Measuring and Monitoring Governance by Listening to the People and Not the Interest Groups' World Bank, Washington DC

http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2010/01/14/000158349_20100114114441/Rendered/PDF/WPS5181.pdf

This paper argues that available governance indicators are unsuitable for conducting development dialogue, allocating external assistance, and influencing foreign direct investment. These indicators do not conceptualize governance and fail to capture how citizens perceive the governance environment and outcomes in their countries. The paper conceptualises governance. It defines it as “an exercise of authority and control to preserve and protect public interest and enhance the quality of life enjoyed by citizens” with four dimensions: responsive governance, fair governance, responsible governance and accountable governance. The authors construct a uniform and consistent framework for measuring governance quality across countries and over time based on citizens' evaluations. Using data from the World Values Survey (and other sources) the authors implement this framework into practice and build citizen-centric governance indicators for 120 countries over the period 1994 to 2005. The authors comment that these rankings significantly differ from those provided by available indicators that mostly capture foreigners' (mostly interest groups) or 'arm-chair' experts' opinions. It is possible to criticise the data set used in that the questionnaires would differ in some degree from country to country and random sampling will be limited due to practical difficulties. At the same time these indicators can be disaggregated to reflect governance perceptions dependent on education-level, gender and income allowing better targeting of governance programmes.

Holland, J., et al., 2007, 'Monitoring Empowerment in Policy and Programme Interventions: Combining Qualitative and Quantitative Approaches' Working Paper DRAFT

http://www.q-squared.ca/pdf/Q2_WP45.pdf

This paper outlines a process consisting of score cards, facilitated discussions, and one-to-one Participatory Ethnographic Evaluation Research (PEER) to produce a set of qualitative and quantitative indicators. The score card is developed through a process outlined by Alsop et al., 2006 to generate indicators specific to the context. The score cards use i) recall questions which allow respondents to recall the frequency and types of interaction that they

have had with different institutions, and (ii) perception questions which allow respondents to apply a score to their evaluation of qualitative dimensions of those interactions (see Figure 1). The score card measures are assessed in focus groups followed by a discussion of three questions: (a) Defining the problem/issue; (b) Diagnosing the problem; (c) Identifying solutions. This is followed by confidential in-depth PEER to allow researchers to “drill down” beneath the habitual interactions to examine research questions including finding what the obstacles are to challenging and transforming what can be deep rooted social institutions. The data generated by participants serve different purposes. There are a core set of quantifiable indicators, comparable across time and locations for benchmarking purposes. A further set of contextual and qualitative indicators allow the generation of “local” narratives, analysis and action for change by combining tacit local knowledge and expert knowledge. This itself can feed into programme design, adapting methodology to context

The authors commend this method. They note that it is important to avoid reducing the measurement and analysis of empowerment simply to a set of indicators. The empowerment framework focuses on a dynamic and iterative relationship between agency and opportunity structure, taking into account the highly contextual nature of power relations.

Alsop R, Bertelsen, M., and Holland, J., 2006, ‘Chapter 3 Methodological Issues in Measuring Empowerment’ and ‘Chapter 5 Applying the Empowerment Framework to Operations’ in ‘Empowerment in Practice: From Analysis to Implementation’, Washington D.C.: The World Bank

<http://books.google.co.uk/books?id=GPLZGEG00e8C&lpg=PP1&pg=PP1#v=onepage&q&f=false>

Chapter 3 outlines a mixed methods approach to gathering, recording, and analyzing both qualitative and quantitative empowerment information. Chapter 5 discusses application of the framework in project and policy operations. Underlying the employment of this mixed methodology is a change in approach of project management from ‘hard’ to ‘soft’ systems methodologies. The latter of which involves bureaucracies using information systems to become learning organisations that behave flexibly to improve project outcomes, as opposed to a rigid tick-box approach. The authors define a monitoring, information flow, and decision-making (MID) system for project management. This system “nests” information flows within it to support decision-making and to enhance understanding of the process impacts of project interventions. The system empowers those performing different roles in implementation to collect, analyze, and react to monitoring information appropriate to their. It also allows for the flow of minimum data between the different actors, carrying information adequate to their decision-making needs but no more.

Gaventa, J. and Barrett, G., 2010, 'So What Difference Does It Make? Mapping the Outcomes of Citizen Engagement', Centre on Citizenship, Participation and Accountability (Citizenship DRC), IDS

http://www.drc-citizenship.org/publications/CDRC_Outcomes_Paper.pdf

This paper presents the results from a meta-case study — the synthesis of a large sample of qualitative research. According to the authors this facilitates a degree of generalisability that could not be achieved by the weight of a single research study. The authors suggest that as opposed to the linear relationship between citizen engagement (e.g. voice and participation) to development outcomes as is commonly hypothesised, intermediate outcomes are equally important. Engagement can strengthen the practices and efficacy of participation, through more effective action, the transfer of skills across issues and arenas, and the thickening of alliances and networks. This can help to contribute to building responsive states, which deliver services, protect and extend rights, and foster a culture of accountability. It can also contribute to a broader sense of inclusion of previously marginalised groups within society and has the potential to increase social cohesion across groups. This paper promotes the use of alternative research methodologies to better understand governance processes. These help identify intermediate outcomes to be monitored and supported as opposed to the orthodoxy of supporting state institutions first.

Holland, J., et al., 2009, Measuring Change and Results in Voice and Accountability Work'

<http://www.dfid.gov.uk/Documents/publications/evaluation/meas-chge-res-voice-acc-wk.pdf>

This Working Paper offers a range of Voice and Accountability (V&A) indicators based on DFID's CAR (Capability, Accountability and Responsiveness) Framework. The authors suggest steps for building monitoring and evaluation frameworks for V&A interventions. It provides a check list of management issues, and some ideas for data collection. It does not make any judgement about the indicators identified.

5. Further materials

For further information about participatory and mixed method approaches see:

World Bank - Empowerment

<http://go.worldbank.org/U72REYP4F0>

Peer Ethnographic Evaluation Research (PEER)

<http://www.options.co.uk/peer>

For further information on governance indicator literatures see:

UNDP, 2006 'General Governance Indicators Literature'

www.undp.org/.../Bibliography_of_governance_and_democracy_indicators_resources.pdf

UNDP 2007, Governance Indicators: A Users' Guide (2nd Edition)

http://www.undp.org/oslocentre/docs07/undp_users_guide_online_version.pdf

UNDP Oslo Governance Centre – Democratic Governance Assessments

http://www.undp.org/oslocentre/flagship/democratic_governance_assessments.html

For further information on USAID governance indicators see:

USAID, 1998, 'Handbook of Democracy and Governance Program Indicators'

http://pdf.usaid.gov/pdf_docs/PNACC390.pdf

USAID, 2000, 'Decentralization and Democratic Local Governance Programming Handbook'

http://pdf.usaid.gov/pdf_docs/PNACH300.pdf

USAID, 2010, 'User's Guide to DG Programming'

http://pdf.usaid.gov/pdf_docs/PNADR500.pdf

USAID Evaluating Democracy and Governance Effectiveness (EDGE)

http://www.usaid.gov/our_work/democracy_and_governance/technical_areas/dg_office/evaluation.html

6. Additional Information

Author

This query response was prepared by **Sumedh Rao**: sumedh@gsdrc.org

Contributors

Jacques Ould-Aoudia (Agence Française de Développement)

Jeremy Holland (Oxford Policy Management)

Joachim Nahem (UNDP)

Ed Connerley (USAID)

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