

Working Paper 287

**Governance assessments for local stakeholders:
What the World Governance Assessment offers**

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January 2008

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ISBN 978 0 85003 862 0

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Disclaimer

We are grateful for the financial support of NORAD for this project. The views presented in this paper are those of the authors and do not necessarily represent the views of NORAD.

Executive summary

In the spirit of the Paris Declaration and for other reasons – political as well as technical – there is a growing interest among donors to make governance assessments more relevant to national stakeholders. Global assessments aimed at placing countries on a scale in response to indicators that have been unilaterally picked by those making these assessments are gradually giving way to those over which local stakeholders have a greater say. This more ‘participatory’ approach is aimed at integrating governance concerns into national political reform agendas in ways that previous approaches have not allowed. While this concern is praiseworthy and holds the potential for more civic activism, it also raises new issues that must be addressed. First of all, does this domestication of the governance project mean the abandonment of a universal or global agenda? Second, how will actors and observers know about progress and the reasons behind it? Third, how can national governance assessments be carried out at a cost that is commensurate with the results they produce?

The World Governance Assessment (WGA) which started at the United Nations University in 1999 and has been operating as a project at the Overseas Development Institute in London since 2004, has through two rounds of data collection, developed and tested a methodology for doing governance assessments that combines input from local stakeholders with an analysis of a common set of governance indicators that has proved valid and capable of producing interesting and relevant insights for activists and observers alike. By adopting a political process approach, the assessment is theoretically based. Indicators are not chosen randomly but are representative of key issues in six separate but linked governance arenas. Data is being collected from a cross-section of well-informed persons (WIPs) from ten key stakeholder groups in each country using local country coordinators – typically academics, local survey researchers or consultants. In addition to collecting quantitative data these coordinators also encourage informants to provide comments of a more qualitative nature and as they submit the data these coordinators provide a narrative report about how they did it and what may be some explanations for the findings in their data.

This report introduces the basic features of the WGA and highlights interesting findings of the second round that was conducted in 10 countries in the global South during 2006. It presents an overview of the methodology and the special Study Management System, a capacity-building component that is also an important part of what WGA offers. This report ends by showing the niche that the WGA occupies in comparison with other governance approaches and by offering suggestions about how to proceed from here indicating the value of conducting a regionally based third round, such as sub-Saharan Africa where it would serve as a valuable complement to such projects as the Peer Review Mechanism administered by NEPAD, the Ibrahim Index of African Governance and the assessments being conducted by various national statistical offices.

1. Introduction

The Paris Declaration on Aid Effectiveness is an important milestone in the evolution of international development assistance and cooperation. Resulting from a High Level Forum in the French capital on February 28-March 3, 2005 it calls for greater national ownership of the operational development strategies in countries receiving foreign aid, more harmonisation among donors to avoid duplication and excessive bureaucratic loads at the recipient end, a stronger results orientation and the acceptance of a mutual accountability between donors and recipients of aid. Countries vary in the degree to which they have adopted the new principles of development cooperation but, for instance, the growing popularity of direct budget support to recipient country governments is a strong indication of the Declaration's impact.

The new approach is driven by administrative as well as political factors. Donors had begun to accept – even before the Declaration – that development assistance spread out on a large number of projects and programs made little difference to a country's development. Moreover, it proved to be administratively costly. In a more political perspective, there was also a growing realisation that recipients needed to sense a greater ownership of the development assistance if it were to have more lasting impact. Governments receiving such assistance should be allowed to determine on their own how it would be allocated within an agreed-upon framework with the donors.

The essence of the Paris Declaration is the principle of partnership. This implies a relationship of trust where the recipient country is given leeway to prove itself competent and committed to agreed-upon principles and performance indicators. Donor attention is moved away from concerns with scattered and dispersed projects and programs and instead concentrated on macro issues and indicators. This shift in approach toward a closer partnership with government means that donors harmonise their approach at the country level with a view to providing space for recipient country institutions to act independently while still holding them accountable for adherence to a set of principles that form part of their 'good governance' agenda.

The latter agenda calls for attention not only to what is being achieved but also how it is achieved. Procedural or process issues become important and imply a realignment of power relations in the country. In fact, governance – or the realignment of power relations – is viewed in donor circles as the bedrock on which economic growth, poverty reduction and the improvement in the quality of life and social well-being rests i.e. the MDGs.

The partnership relation has a direct bearing on what to do with the governance agenda and how to undertake governance assessments. When conducted by international agencies like the World Bank Institute or Transparency International, these assessments have been viewed in recipient countries as being mainly for foreign consumption. Donors have also realised the problem of engaging partner institutions in these countries. In short, governance assessments have largely served to place individual countries on global scales of how well (or how poorly) they do on a set of indicators selected by the international agencies conducting these assessments.

With the Paris Declaration comes partnership; with partnership comes an expectation of trust; and, with such an expectation, the scope for more genuine political dialogue. This politically more 'intimate' relationship carries its own challenges. Are donors ready to speak out if they see serious breaches in the mutual accountability relation? Are recipients ready to take seriously not only critique but also suggestions for changes in the domestic power structures and relations – the essence of governance?

One way out of this political challenge has been to let the locals take over the task of assessing governance in their country. Instead of having a donor-driven assessment, it is now owned and directed by national actors. The assumption here is that by such a shift, governance issues are going to become

part of a political reform process that has its own ‘drivers of change’. It is still too early to say how far such a scenario will play itself out in a constructive fashion, but one thing seems clear: a consultative and inclusive process focuses more on activism than analysis! The idea of measuring progress toward specific governance goals becomes, if not impossible, nonetheless very difficult. In short, the Paris Declaration is turning governance assessments into projects where political aspects tend to overshadow scientific ones and subjective criteria take the place of objective ones.

Leaving governance assessments to locals may be the easy way out of the challenges that the Paris Declaration raises. It leaves any political controversies and administrative burdens in their hands. External agencies only need to provide the money and the odd technical assistance expert to help out on the sideline. But will the governance momentum that has lasted already for a decade and a half be boosted or will it suffer from this new approach? Unless the process is truly inclusive and consultative there is a great risk that citizens in these recipient countries will become even more cynical about the intentions of their governments. In such a scenario, there is no doubt that the governance concept will be compromised and we may witness the end of the governance era.

The challenge, therefore, is to find an approach that enhances the continued relevance of governance both as an analytical tool and a civic activation mechanism. This means taking into consideration the basic principles of the Paris Declaration of national ownership and local consultation as well as its emphasis on the need to strengthen monitoring institutions and the use of diagnostic tools. The World Governance Assessment, which has been in existence for eight years and has conducted two rounds of governance assessments in the global South, fits this bill. This report will first provide an introduction of the project before demonstrating some of its more interesting and pertinent findings. It ends with a look to the future and a proposal for what to do next.

2. The World Governance Assessment

Julius Court¹ started the WGA at United Nations University in Tokyo in 1999 and it moved with him to the Overseas Development Institute in 2004. Goran Hyden joined him as co-coordinator of the project in 2000. Kenneth Mease joined the project in 2001 to assist in the statistical analysis and help tighten and improve the methodology for future application. Marta Foresti and Verena Fritz, both of the Overseas Development Institute, became involved in the project in 2005.

The title of the project was chosen not because it aimed for a global coverage but because it intended to collect data in select countries in all the UN-defined regions of the world. The first round was carried out in twenty-three different countries in partnership with the UNDP and local institutions in 2000/2001. Findings from sixteen of the countries² were published United Nations University Working Papers and as a book - *Making Sense of Governance: Empirical Evidence from Sixteen Developing Countries* (Lynne Rienner 2004). The second round covered ten countries³ and the findings are published in this paper.

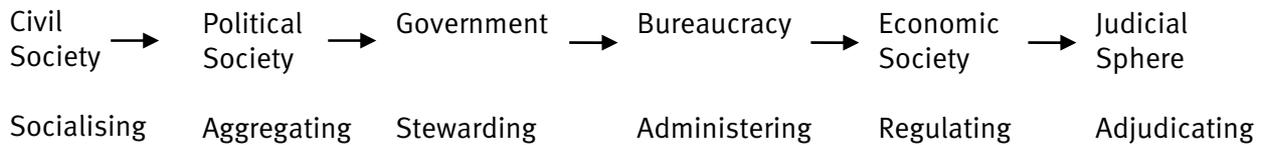
Because governance is a contested concept it became paramount to find a clear and coherent definition that tied it to empirical reality. A review of the literature suggested that the usage of the concept differs between those, on the one hand, who view governance as concerned with rules of conducting public affairs, and those, on the other, who associate it with steering or controlling public affairs. The former tends to emphasise the institutional determinants of choice, whereas the latter concentrates on how choices get implemented. Because of their results orientation the international donors have been inclined to adopt a use of governance that reflects the latter position. The WGA has

¹ Now Governance Advisor in the Department for International Development (DfID), London.

² Argentina, Bulgaria, Chile, China, India, Indonesia, Jordan, Kyrgyzstan, Mongolia, Pakistan, Peru, Philippines, Russia, Tanzania, Thailand and Togo.

³ Argentina, Bulgaria, Indonesia, Kyrgyzstan, Mongolia, Namibia, Peru, Trinidad and Tobago, Uganda

used the former focusing on a better understanding of the ‘rules of the game’ and the norms underlying what is deemed legitimate or not. It adopts an input-output theoretical perspective on governance that separates the political process into six separate, yet interrelated arenas:



With this theoretical perspective WGA focuses on process, not performance. It examines rules rather than results. Governance is treated as both activity and process in the sense that it is viewed as reflective of human intention and agency but is itself a process that sets the parameters for how policy is made and implemented. Analytically speaking, governance becomes a meta-activity that influences outcomes in an indirect manner depending on the nature of the rules adopted and the legitimacy they acquire in public. With this in mind, the following working definition has been used in the WGA research:

‘Governance refers to the formation and stewardship of the formal and informal rules that regulate the public realm, the arena in which state as well as economic and societal actors interact to make decisions.’

Governance deals with the constitutive rather than the distributive side of the political system. The latter is a function of policy, while the former is a function of governance. The two must be conceptually kept apart in the same way as policymaking and administration are.

Level	Activity	Concept
Meta	Politics	Governance
Macro	Policy	Policymaking
Meso	Program	Administration
Micro	Project	Management

The WGA also differs from the majority of other instruments aimed at measuring governance in that it tries to avoid assuming that ‘good’ governance is the standards adopted by liberal democracies in the West. Its purpose is not to rank countries on a ladder in terms of how close they are to an optimum that is derived from the qualities of one particular model of governance. The project instead relies on six principles that are not country or region-specific but reflect universal human values. These six theoretical principles were drawn from consultations with a number of academics and practitioners and inspired by the Universal Declaration of Human Rights are: (1) participation, (2) fairness, (3) decency, (4) accountability, (5) transparency, and (6) efficiency. The first three of these refer to state-society relations, while the latter three refers to operational aspects of the state. This approach allows the WGA to avoid some of the ethnocentric biases that are associated with other governance projects. It also allows it to be more holistic and reflective on what determines the quality of governance in a country at any one time. With a cross-section of well-informed persons (WIPs), the WGA is also able to show how similar or different perceptions of governance might be among different categories of people. How WGA researchers go about their work is described in some detail below.

2.1 Methodological evolution

A study is no better than the methodology it applies. The WGA has been field tested twice and the result is that it now offers a robust set of field methods and analytical techniques that compares well with any other data collection effort in the governance area. This section will first briefly introduce the methodology used in the first round and continue with a discussion of the improvements that were made in the second round.

The focus on the rules that guide the political process and the way issues are transacted from one arena to another within this regime led to the following definition of each arena:

- **Civil Society**, where the rules for political participation, socialisation and articulation of demands are the main focus
- **Political Society**, where the rules for aggregating policy is the principal focus through an assessment of the rules for electing political representatives and their own role both vis-à-vis government and the public
- **Government**, where we are interested in the norms guiding its role as steward of societal or public interests
- **Bureaucracy**, where we are interested in the rules that influence the operations of the civil service and its interaction with society
- **Economic Society**, where our interest centres on the rules that shape state-market interactions in a global economy
- **Judiciary**, where our interest is foremost in the rules that guide the operations of dispute and conflict resolving institutions

The next task was to identify a number of valid indicators for each arena. Having decided that the number should not be too high or too low, the final number was five per arena. The first WGA questionnaire, therefore, was comprised of thirty items, each using the same five-point response scale. Informants are asked to rate various issues concerning governance as either very high, high, moderate, low, or very low. The items are equally divided into six sections covering six arenas mentioned above. The design also included the six principles listed in the previous section.

The survey was administered to groups of well-informed persons (WIPs). The ten groups included people working in the government, business, non-governmental organisations (NGOs), parliament, legal professions, international organisations, the civil service, academia, religious organisations, and the media.

A series of recommendations based on the lessons learnt from the first round were made before the second round in 2006. Using outside referees to assist, these recommendations included the labeling of the WGA scale items to increase the feasibility of making cross-country comparisons. In addition, six new items were developed to allow each principle to be measured across each of our six arenas, providing a 6-by-6 matrix of 36 indicators.

It is important to note that the WGA is a scale, not an index. Most efforts to assess governance are based on an index e.g. Worldwide Governance Indicators project, Ibrahim Index of African Governance, Transparency International's CPI. These indices combine a variety of different types of data from different sources collected by different methods often for very different purposes. The process of weighting these diverse data is often quite complex and always very subjective. The WGA on the other hand is a dedicated theoretically based scale that employs the same indicators and methodology in each country.

A second set of improvements included doubling the sample sizes from 35 to 70 completed surveys per country, development of an online country coordinator training site, development of a centralised online study management system for the country coordinators and the overall survey director, centralised online data entry, and two online surveys for our WIPs to fill out directly on the Internet – one in English, the other in Spanish.

The second round began in February 2006 in five countries. The rest joined the study within a couple of weeks. Six countries were repeated from the previous round – Argentina, Bulgaria, Indonesia, Kyrgyzstan, Mongolia and Peru. The same country coordinators were available to help out in the second round in all but one of our original countries, the exception being Mongolia, where a new coordinator was found. Four new countries were added – Palestine, Trinidad, Uganda and Namibia. The country

coordinators from these four countries and Mongolia were identified in conjunction with presentations of the WGA at InWEnt's annual training session on Measuring Democracy, Governance and Human Rights. Although the time that each country coordinator needed varied, most had completed their survey by the end of the summer 2006.

The second round included fewer countries than the first but there are reasons for that. First of all, NORAD had provided funding at an early point in time but it proved more difficult than expected to raise the additional funds, so a decision was made to move ahead with the money provided by NORAD. A second reason is that there was need to ensure that the methodology was really fully understood and applied by the country coordinators. To that effect, a good amount of money was used on study management and making the survey accessible on the Internet. The result is that while there are fewer countries there is a larger number of informants and, above all, an improved validity and quality of the data. Below is a more detailed explanation of some of the major innovations and improvements.

Changing a questionnaire must always be done carefully and for a good reason. By changing it, in this case a scale designed to measure governance in a broadly defined manner across six contextual arenas, the ability to measure across time and knowing what is being measured is at risk of being lost. Keeping this in mind, several months were spent carefully working on a new and improved WGA instrument.

Some referees had strongly suggested labelling the Very High and Very Low response choices in each question in order to provide informants with a better sense of what are the parameters of choice. This approach was adopted in favour of one that implied labelling all the choices. The latter led to too many complications and disagreements with regard to what the right choice in question would be. With the two end-points defined in advance, it also became easier for informants to understand the nature of the question and what it tried to get at.

Another important change that was made in the second round focused on the indicators and the questions asked to obtain information about them. Much of this was inspired by comments received from country coordinators and WIPs in the first round. Attention was also paid to which new indicators should be included as they were expanded from 30 to 36. With the help of the referees, the effort aimed at including a better fit between indicators and principles. Adjustments were made accordingly so that the 6-by-6 matrix would be as tight and coherent as possible (see Table 1). Experience in the second round suggests that these amendments were a step in the right direction.

The use of local country coordinators has enabled the WGA to become an important mechanism for generating information that can be used by civil society activists and also building competence for carrying out surveys and assessments of governance. The specifics of how the coordinators are trained and the details of the Study Management System that serves as the main mechanism for building capacity and monitoring the assessments can be found in Appendix One.

Table 1. Matrix of governance arenas, principles and indicators

Principle/ Arena	<i>Participation</i>	<i>Fairness</i>	<i>Decency</i>	<i>Accountability</i>	<i>Transparency</i>	<i>Efficiency</i>
Civil society	1. Freedom of association	2. Society free from discrimination	3. Freedom of expression	4. Respect for governing rules	5. Freedom of the media	6. Input in policy making
Political society	7. Legislature representative of society	8. Policy reflects public preferences	9. Peaceful competition for political power	10. Legislators accountable to public	11. Transparency of political parties	12. Efficiency of legislative function
Government	13. Intra-governmental consultation	14. Adequate standard of living	15. Personal security of citizens	16. Security forces subordinated to civilian government	17. Government provides accurate information	18. Efficiency of executive branch
Bureaucracy	19. Civil servants' shape policy	20. Equal opportunities to public services	21. Civil servants respectful towards citizens	22. Civil servants accountable	23. Civil service decision-making transparent	24. Merit-based system for recruitment
Economic society	25. Private sector consulted on policy	26. Regulations equally applied	27. Government's respect private property rights	28. Regulating private sector to protect workers	29. Transparency in international trade policy	30. Interventions free from corruption
Judiciary	31. Non-formal processes of conflict resolution	32. Equal access to justice for all citizens	33. Human rights incorporated in national practice	34. Judicial officers held accountable	35. Clarity in administering justice	36. Efficiency of the judicial system

2.2 Results of the second round

This section begins by showing the scope of the second round dataset collected and the approach used to analyse the data. It also discusses the reliability and validity of the WGA data and how it correlates with other relevant governance data. It continues by examining the findings at the aggregate level before discussing some of the more interesting findings in each arena with reference to specific countries. It ends with a discussion of how the WGA findings in select countries relate to the Millennium Development Goals.

2.3 Scope and approach

The second round WGA dataset consists of 733 separate responses from ten countries. Each informant was asked thirty-six questions about the quality of governance in their country as of 2006.⁴ They were also asked to assess how it was in 2001 (five years ago). In addition, to rating governance on our 36

⁴ Cases with up to 5 missing values for the 36 WGA indicators were used. Each missing value was replaced with the mean value of the indicator from the same stakeholder group, from the same country. Cases with more than 5 missing values were discarded.

indicators informants did two other things: (1) they answered questions about specific contextual variables that influence governance and (2) over 70% of the informants offered more than 5000 qualitative comments about the state of governance in the various arenas and in the country at large. On top of all this information, there are valuable commentaries and summaries by the country coordinators that throw light on the context as well as the reasons why informants have answered one way or the other. This mix of quantitative and qualitative data is unique and offers a much richer, yet analytically coherent, perspective on governance than other projects.

Because the sample size was considerably smaller in the first round of the WGA, only descriptive statistics was used to analyse the data. In the second round – with a larger number of informants – it has become possible to use also regression analysis. By building regression models the analysis now includes attempts to identify the factors that help explain the varying perceptions of governance. Admittedly, what is being presented here is only a sample of the overall findings, but the bottom-line is that the WGA is beginning to get a handle on which factors drive higher or lower perceptions of governance across countries or in a given country.

Informants were asked to assess six contextual variables that had been identified as potentially significant:

- The extent of separation of power in the country ('Separation of Power')
- The extent to which government promotes information and education about good governance ('GG Info and Ed')
- The extent to which cultural or ethnic make-up affects quality of governance ('Ethno/Cultural Makeup')
- The role that women play in governing the country ('Women in Government')
- How well government responds to the poorest 20% of the population (Govt.'s Response to Poorest 20%)

The extent to which the budget process is transparent ('Budget Transparency')

In addition, the search for explanatory variables includes a distinction between 'Non-government' and 'Government' WIPs. The former includes informants from the following groups: NGOs, International Organisations, Business, Media, Judicial, Religious and Academics. The latter are those more directly associated with the state: Government Ministers, Civil Servants⁵ and Parliamentarians. The analysis also explores how female WIPs differ from their male counterparts in assessing governance. The 36 variables used to assess governance by arena and principles are listed above in Table 1.

2.4 Reliability and validity

As was done after the first round, the results of the second round were compared with those of other projects or studies measuring governance. Testing for reliability the WGA scale attained a Cronbach's Coefficient Alpha of .94 out of a possible 1.00. This score is exactly the same as the one received in the first round. It confirms that the WGA, while offering data other studies do not, is not an outlier but addressing central governance concerns.

Comparing select items from the WGA with the 2006 Transparency International ratings on corruption for the same ten countries, the correlation is .70 and significant at the .02 level. The correlation with the 2005 WGI assessment in these ten countries is .54 and only significant at the .10 level. In the first round the correlation was higher at .77. This decline may be explained by a variety of factors: the second WGA included fewer countries than the first; changes were made to the scales between the first and second

⁵ Civil servants are treated as being in the government group here because they are at the service of those in power and tend to associate with government views on issues of governance.

rounds; and, the second WGA is from 2006 while the WGI is for the year before.⁶ In any circumstances, the ‘distance’ between the WGI and the WGA is not necessarily problematic given the difference in design and use of data. In sum, therefore, the WGA stands the tests of reliability and validity to the point where its relevance to academics and policy practitioners is not in question.

2.5 Aggregate findings

The purpose of the WGA is not to identify the level of corruption in a given country; nor is it an attempt to push a particular governance agenda. Its objective is rather to examine governance in broad political terms with a view to highlighting how comfortable people knowledgeable about governance are with the ‘rules of the game’. The WGA responses provide a measure of the legitimacy of the regime as it applies to the political system as a whole as well as the specific arenas. Because informants also provide information about their sense of the quality of governance five years ago, it is possible to identify trends in levels of legitimacy of the rules that guide the political process.

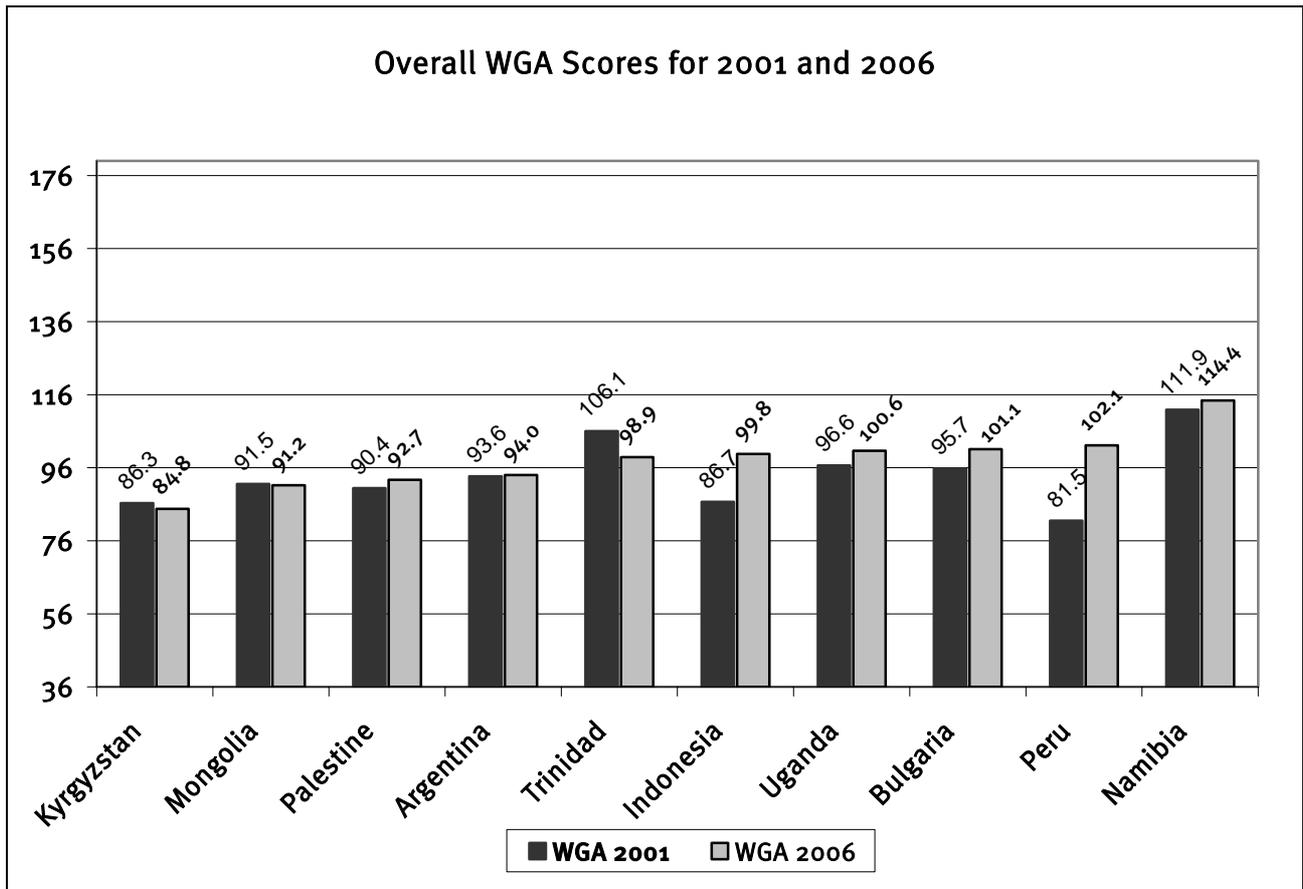
This is vital background information for the citizens, civil society groups and anyone interested in investing or providing development aid in a country. It is often the quality of the system as a whole rather than the quality of specific institutions that tends to determine whether a firm or an aid agency decides to get involved in a particular country.

The WGA reports on responses by those who tend to monitor governance most closely. Because it is based on information provided by well-informed persons in participating countries, it offers an alternative to those many other governance studies that take for granted that ‘good’ governance is the same as the formal rules prevailing in Western countries and identical to the agenda pushed by the international development community. The WGA offers an understanding of the qualitative dimensions of the political system that stems not from the assessment by foreign experts, but by local people who are well placed and informed to make these judgments. It does not necessarily answer all the questions that people are interested in asking about the quality of governance in a particular country but it offers governance information that cannot be found elsewhere. It is with these points in mind that the presentation of the substantive findings should be read.

The range of the WGA scale is from a low of 36 to a possible high of 180 for the overall scale and 6 to 30 for the six societal arenas and the six principles. The first figure shows the overall scores per country. The scores hover around the middle of the scale with a few more above the average than those falling below. Over all, there is relatively little change between the perceptions of governance in 2001 and those in 2006. *Peru* and *Indonesia* are the only two countries that show some significant improvement.

It may also be of interest to show the overall mean scores per arena. As expected, some governance arenas are better performers than others as indicated in Table 2. According to the second round findings, the two arenas that seem especially problematic are political society and bureaucracy. This suggests that those that have benefited from liberalisation – civil and economic societies – score generally better as do governments in their stewardship over society and the judiciary. The problems lie with the arenas that are most critical to how the political machinery works. Aggregating and implementing policies appear on the whole to be the more problematic functions.

⁶ For a more detailed discussion of the qualitative and quantitative analysis and the WGA methodology, please see Appendix 2.

Figure 1. WGA overall mean scores 2001 and 2006 by country

This finding is reiterated in the aggregate mean scores for each principle. The more problematic principles are those that relate to how the state operates: accountability, transparency, and especially efficiency. The principles that relate to how state interacts with society tend generally to have a higher score than those that highlight how the state machinery works.

Table 2. Disaggregated mean scores by Governance Arena 2006 and 2001

	Civil Society	Political Society	Government	Bureaucracy	Economic Society	Judiciary
2006	21.62	17.90	19.20	16.14	19.79	19.77
2001	20.70	17.54	19.07	15.72	19.54	19.29
Difference	+ 0.98	+ 0.36	+ 0.13	+ 0.42	+ 0.25	+ 0.48

Table 3. Mean scores by Governance Principle 2006 and 2001

	Participation	Fairness	Decency	Accountability	Transparency	Efficiency
2006	17.86	15.80	18.32	15.86	15.90	14.26
2001	17.01	15.40	17.66	15.33	14.99	13.67
Difference	+ 0.85	+ 0.40	+ 0.66	+ 0.53	+ 0.91	+ 0.59

Because the ten countries included in the second round are quite different and were not chosen on a structured sample basis, it would be wrong to make too much out of these aggregate scores. They are highlighted here largely to demonstrate what kind of data can be generated if the approach to assessing governance is functional rather than normative. By relying on a theory-driven framework that assumes governance is best assessed in the context of an input-output process and its norms are not derived from a particular model of government, but from a set of universally recognised principles, the

findings show that countries that may not be fully democratic or free are still viewed by their own stakeholders as possessing legitimacy with regard to many, if not all, indicators of governance. This is confirmed by comparing the WGA data with the Freedom House designation of the same countries.

There are five low-income countries in the WGA 2006 Survey – Uganda, Kyrgyzstan, Mongolia, Palestine and Indonesia – and five middle-income countries – Namibia, Bulgaria, Peru, Argentina and Trinidad. Whereas the low income countries tend to fall toward the lower end of the scale and the middle-income countries toward the upper end, the mean country scores are not exactly correlated with Gross National Income per Capita. As can be seen in Table 4, Uganda is an outlier among the low-income countries, Argentina among the middle-income countries.

Table 4. WGA mean scores and designation compared to Freedom House designation

Country	WGA 2006 Score	FH Designation
Kyrgyzstan	84.75	Partly Free
Mongolia	91.22	Free
Palestine	92.72	Not Free
Argentina	94.01	Free
Trinidad	98.91	Free
Indonesia	99.79	Free
Uganda	100.63	Partly Free
Bulgaria	101.06	Free
Peru	102.13	Free
Namibia	114.41	Free

Examining Table 5 below, we find again that issues relating to how government operates are among the most important shaping perceptions of governance. Thus, at the aggregate level, the strongest association is found with ‘separation of powers’, ‘transparency of the budget process’ and ‘Does government promote information and education about good governance?’ Simply put, lower scores on these indicators are associated with lower assessments of governance: at this stage we are not claiming causality. Together with ‘women in government’ these are the variables that also appear to be the most important factors explaining perceptions of governance when the analysis is disaggregated per country, arena or individual indicator.⁷ It is important to acknowledge that they don’t perform in identical fashion in each country – there is variation among them – but they are clearly factors to watch out for when looking for answers to what drives governance perceptions.

⁷ The scoring of the six contextual variables (see page 9) was recoded, reversing the scores to see how lower scores on these items might influence perceptions of governance scores. The decision to recode was taken because none of the 10 countries evaluated scored very high on the 2006 WGA scale. This means that in the original coding, higher ratings on these contextual factors were associated with (had) higher governance evaluations, depending on the contextual factor examined.

Table 5. Regression analysis of the WGA scale for all WIPs in all countries⁸

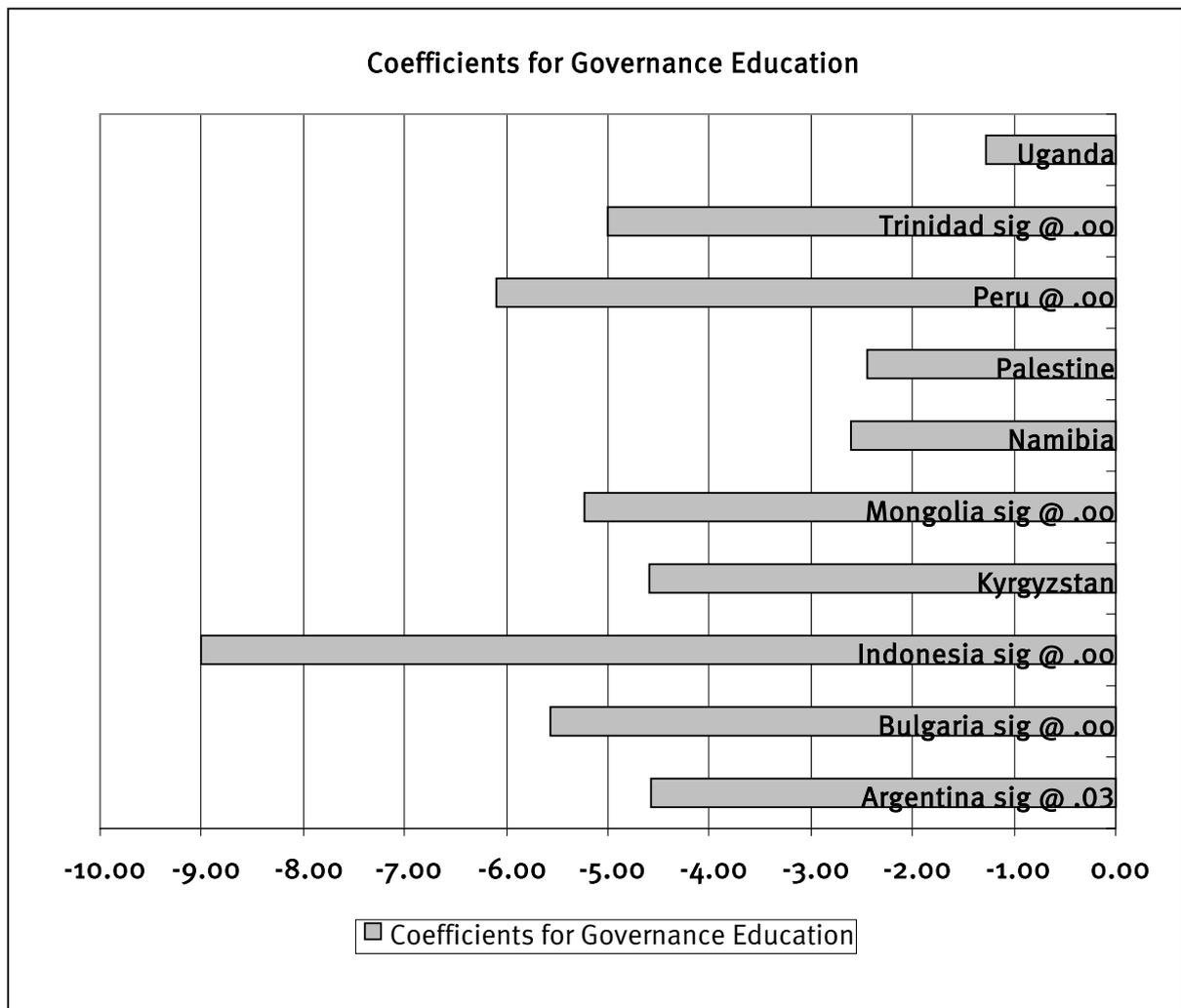
Variable	All Countries
Budget Transparency	-4.79**** (.6264)
Separation of Power	-5.16**** (.6592)
Govt.'s response to Poorest 20%	-3.19**** (.8056)
GG Info and Ed by Govt.	-4.26**** (.6360)
Ethno/Cultural Makeup	-.875 (.8770)
Women in Government	-3.23**** (.4615)
Female WIP	-1.71* (1.001)
Low versus Middle Income	3.05 (2.056)
Non Government WIPs	-4.26*** (1.501)
Constant	171.27**** (2.891)
N	727
R SQ.	.66
Number of clusters (country) = 10	(Standard Errors in Parentheses)
* P < 0.15; ** P < 0.10; *** P < 0.05; **** P < .01	

Examining Figure 2 below, we can see that negative responses to the government efforts to educate the public about good governance are associated with lower governance assessments by our informants – inside and outside the government and are significant in 6 of our 10 countries. Moreover, the overall mean score reported for government's efforts to promote information and education about governance is only 2.52, with nine of the ten countries scoring below 3 or 'moderate' on our 5-point scale; Namibia scored 3.16. Some of our informants explain with their own words how they feel about the government's efforts on educating the public about governance below in Box 1.

We believe these findings have policy implications. In more advanced democracies civil society organisations often take the lead in disseminating information and educating the public about crucial issues. Donors can step into this void and make a difference by helping qualified civil society organisations fill this knowledge gap. Moreover, as we discuss in our concluding remarks, we see this as the key to helping developing countries' civil society organisations grow into a more mature state, where they move from being primarily contractors for donors to becoming government 'watchdogs' and educators of the public on the good governance and other issues.

⁸ Entries are Unstandardised Coefficients from Ordinary Least Squares Regression with clustered robust standard errors. The cluster factor is Country.

Figure 2. Coefficients for government's efforts to promote education about good governance for all countries



Box 1. Select voices about Government's Attempts to Educate the Public about Good Governance

- In general, the Argentine governments do not emphasise teaching governance issues; instead they seek through shortcuts and sophisms to mislead the public. (Argentina)
- There is not a system for civil education. The concept of good governance is not well-known. The term 'good management' is used only by a small circle of politicians by foreign councilors' suggestion. (Bulgaria)
- There is a distortion of information from the government to the public concerning education program of good governance. What are delivered in the program are only the good, but not also the bad sides of governance. (Indonesia)
- There is a need to redefine/draw a comprehensive National Civic Education Programme which broadly involves a number of stakeholders (Uganda)
- Although government talks about 'governance' the institutional reforms, engaging the populace as strategic partners and the change required in the role and functioning of the state have not been meaningfully addressed. Few citizens have a concept of governance, as opposed to government. (Trinidad)
- This is clearly not seen to be in the interest of the governing officials! (Trinidad)

2.6 Examining specific indicators and arenas

Turning now to arena-specific scores, a closer examination of the six indicators for the civil society arena reveals a definite variation in assessments. There are markedly lower scores for the extent to which actors in civil society respect governing rules. The same applies to the extent to which civil society is capable of having an input into public policy. The perception that civil society actors tend to ignore rules in order to achieve their objectives is particularly evident in Argentina, Kyrgyzstan and Palestine. In all three places informants also see deterioration from the situation in 2001. When it comes to civil society's ability to influence public policy there is a slight improvement in a majority of the countries from 2001 to 2006, but the scores are much lower than for those that characterise the relative freedom that civil society enjoys today. Improvements in civil society ability to influence policy are especially marked in Indonesia, Kyrgyzstan and Peru while Trinidad and Bulgaria record declines. The reasons for the relative weakness of civil society to influence public policy are of two different types, as revealed in comments by the WGA informants. One blames civil society actors: they are not organised sufficiently well to articulate interests and opinions that matter to people, including the poor. The other reason focuses on the reluctance of state actors to encourage and facilitate such an input. The presence of donors demanding that their agenda is followed is cited as one reason. Another is that strict economic policies discourage policy-makers from opening up the policy process to societal actors whose main interest is to claim public resources. Yet another factor that is mentioned is the belief that those who control the state wish to make policies that they and no others will benefit from most.

Because civil society is one of the more interesting arenas when it comes to recorded comments by WGA informants, it may be worthwhile to showcase the voices of a select number of informants. The comments are divided into two principal groups: non-government stakeholders, i.e. those who occupy a position outside the state, and political incumbents, i.e. those associated with the political establishment, whom we refer to as 'government' WIPs or stakeholders. These voices are presented in Box 2.

As this specific analysis of the civil society arena suggests, society and the market may be freer than before, but politics tends to remain closed. One of the lowest scores among the indicators is for the transparency of civil service decision-making. The donor community has spent much money and expertise in the past two decades in trying to reform the public sector. One of its objectives has been to make the civil service more transparent and publicly accountable. As Table 5 indicates the perception of governance in the policy implementation arena is particularly low with respect to the openness of the decision-making process in government.

While there has been some improvement in Indonesia and Peru, the prevailing perceptions in the other countries are that civil service decision-making remains shut. The scores on this indicator tend to be confirmed by the indicator measuring civil service accountability. Although scores are a little higher across countries on this indicator they do add weight to the observation that withholding information to the public is a problem in these countries.

This observation can also be applied to the judicial arena where the lowest governance scores – with the exception of equal access to justice – are with regard to how clear the rules for administering justice are and how efficient the judicial system is in handling cases. Public institutions are not viewed as easily penetrable and their mode of operation is treated as an internal rather than a public matter.

Box 2. Select voices about Governance in Civil Society.

Non-Government Stakeholders:

- By now the oppression is not from government, but other communities and groups [like fundamentalist] that do not like the persons/groups who express their freedom [Comment by an Indonesian informant regarding the respect for rules in civil society].
- The main problem is clan division in politics and economics. For people of non-title nationalities it is difficult and sometimes impossible to find job in state agencies [A Kyrgyzstan informant commenting on the problems facing civil society].
- Civil society groups may have an input but this may not be considered or taken seriously. Many times input from civil society is not taken into consideration [A Trinidadian commenting on the constraints to civil society input into public policy].
- Government should view civil society organisations as partners not enemies [A Ugandan commenting on the limitations facing civil society in the policy process].
- Government and its institutions retaliate with economic and selective exclusion if they do not approve of your opinions [A Namibian informant commenting on government's treatment of civil society actors]

Government Stakeholders:

- Although avenues are there, people do not make full use of these, e.g. lobbying parliamentarians in order to influence policies [A Namibian government stakeholder commenting on civil society input into policy].
- Regulation is needed to prevent the 'free press' from using mass media to promote/incite divisiveness in the society as is the case with some radio talk shows [A Trinidadian government stakeholder commenting on the nature of civil society there].
- There are no discriminations in society; it is prohibited by Constitution [A Mongolian political incumbent commenting on the status of civil society].
- Citizens do not participate much, and in many cases, they seek the way to break the law and excuse the observance of it because others do not comply [An Argentinean government stakeholder commenting on civil society there].
- I have not observed or heard any form of discrimination. All people enjoy the services of Government and the only problem is scarcity of resources [A Ugandan government stakeholder commenting on civil society].

It should be added here that the separation of power variable is also a strong explanatory variable of low assessments of governance in the economic society arena. All coefficients, as shown in Figure 2 are negative and significant in seven of the ten countries. What these findings indicate is that the power that government officials exercise, formally or informally, in regulating the market and the business sector is highly problematic. It does show once more that the root causes of corruption and other problems in implementing policy are found in the way power is distributed. Tackling corruption, therefore, implies an approach that goes beyond simply amending a law here or there. It involves a better understanding of how the rules of the game apply across the board of the political system and how power is formally or informally constituted.

Table 6. Means scores for the six policy implementation indicators 2001 and 2006

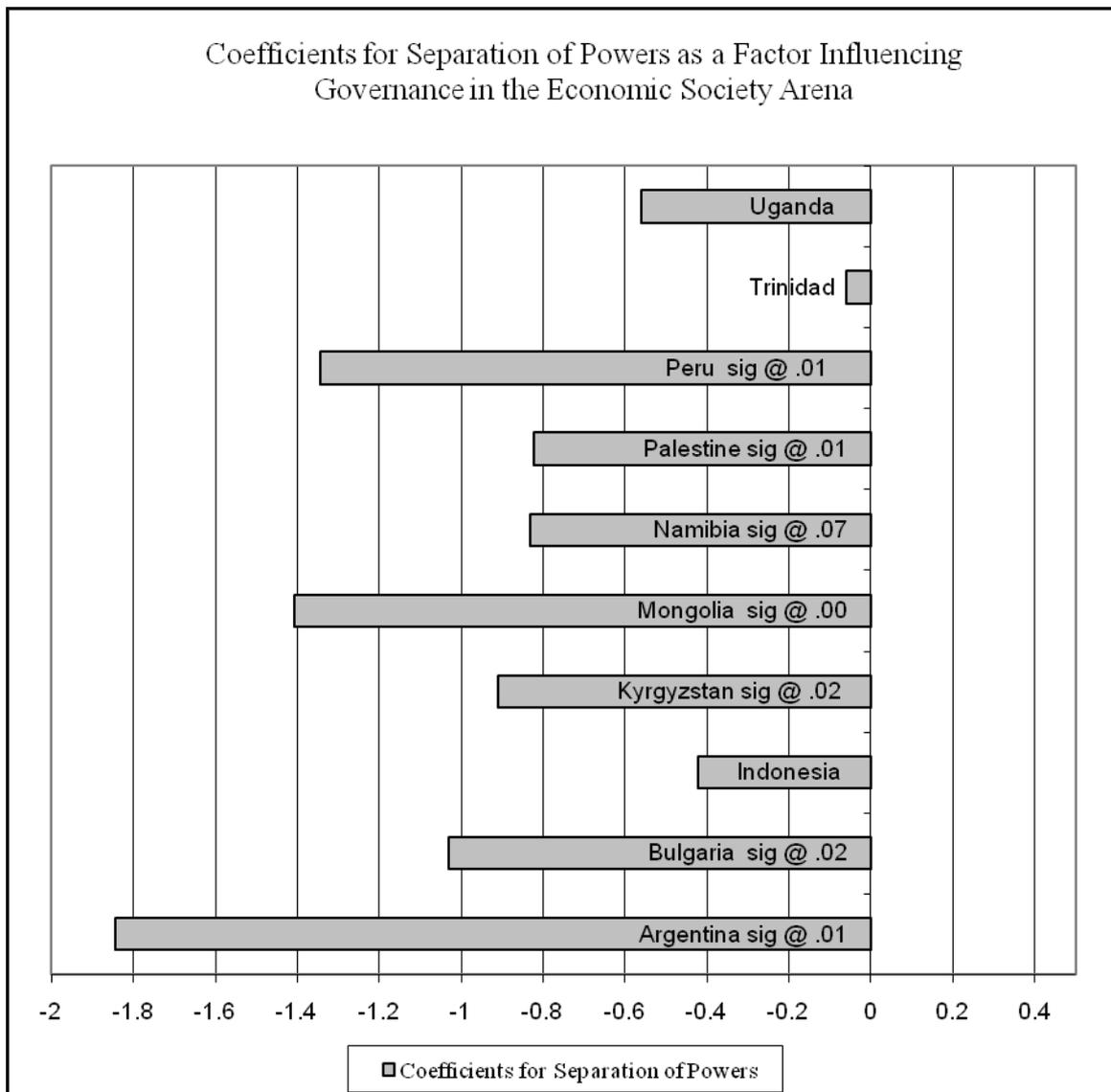
Country	Civil servants shape policy		Equal opportunity to public service		Civil servants respectful toward citizens		Civil servants accountable		Civil service decision-making transparent		Merit-based system for recruitment	
	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006
Argentina	2.40	2.39	2.36	2.47	2.48	2.47	2.27	2.40	1.86	2.01	1.93	1.88
Bulgaria	2.71	2.97	2.77	3.03	2.54	2.81	2.36	2.71	2.10	2.31	2.33	2.53
Indonesia	2.45	2.66	2.32	2.70	2.11	2.49	2.03	2.47	1.95	2.31	1.91	2.43
Kyrgyzstan	2.64	2.57	2.45	2.36	2.26	2.09	2.22	2.14	2.03	2.12	1.82	1.76
Mongolia	2.67	2.61	2.59	2.56	2.31	2.15	2.03	2.05	2.01	2.16	2.16	1.99
Namibia	2.79	2.92	2.68	2.76	2.59	2.54	2.65	2.84	2.66	2.69	2.36	2.38
Palestine	2.17	2.09	2.45	2.50	2.67	2.64	2.30	2.24	2.21	2.32	2.01	2.26
Peru	2.71	3.13	2.13	2.40	2.22	2.68	1.96	2.46	2.01	2.69	2.03	2.24
Trinidad	2.83	2.61	3.03	2.75	2.53	2.38	2.44	2.31	2.37	2.17	2.18	2.05
Uganda	2.53	2.69	2.55	2.54	2.65	2.73	2.61	2.75	2.35	2.48	2.28	2.19

One of the hypotheses guiding the analysis of the WGA has been that those identified as ‘non-government’ WIPs or stakeholders would be more critical of the quality of governance than those labelled ‘political incumbents’. Clearly these differences are seen in the comments regarding governance in the civil society arena reported above in Box 1. Moreover, as in the first round, we found that on some of the WGA governance indicators, WIPs outside of government are significantly more critical of governance in some countries than in others.⁹ Their assessment is particularly low in Mongolia, Namibia, Indonesia and Argentina. Somewhat surprisingly, given recent political turbulence in Uganda, there is a more positive view of the role that parties and parliament play.

It does suggest that the rules that determine the influence that lawmakers have in that country are appreciated. Interestingly, a similarly positive view among those outside the government in Uganda can be found with reference to the rules affecting policy implementation. Comments by informants indicate that this appreciation relates to assessments of the rules for decentralising authority to local councils. In the case of Mongolia the non-government WIP variable is constantly negative, although not always significant. Our data also shows that those inside the government often disagree with those outside, but that on several issues their views are quite similar.

⁹ T-tests were performed on the mean scores of the non-government and government WIP groups on all WGA indicators at the aggregate and country levels. We also want to add that most of these significant differences were less than .5 of a point on a 5-point scale, suggesting that government WIPs may differ, but the differences while significant are not very large.

Figure 3. Coefficients for separation of powers in economic society



The concluding observation is that within each arena and principle, countries vary widely in the factors impacting perceptions of governance. There is no single or simple truth when it comes to understanding the drivers of perceptions of good governance. What the WGA shows is that the way power is constituted and distributed matters. It also indicates that government failure to meet the needs of the really poor has an influence on perceptions of governance. Beyond these generalisations, however, it is prudent to conclude, that 'the devil is in the details', i.e. that a fuller understanding of how political structures are formally and informally constituted in each country is necessary for more effective governance and policy interventions.

2.7 WGA and the Millennium Development Goals

There is yet little research on how improvements in governance affect poverty and equity. Such research is also difficult because of limited data both for the MDGs and for governance indicators. Here, we present some governance issues critical to the success of the MDGs that can be explored using the WGA data.

The Millennium Development Goals project of the United Nations is a particularly ambitious effort to achieve poverty reduction. It recognises that a favourable policy framework for this exercise is necessary. Individual policy designs, however professional, will make no difference without attention to the framework within which it is formulated and eventually implemented. The MDGs, therefore, pay attention to governance variables.

The United Nations has a different conceptualisation of governance that divides into two types: economic and political. The variables, consequently, tend to be somewhat different from those used by the WGA. Nonetheless, there is some overlap that makes a comparison both feasible and worthwhile. As indicated in a recent UN report on the subject matter, this overlap can be found in reference to all six governance arenas of this project (United Nations 2007). The discussion below is based on the WGA scores for variables that are conceived as relevant to the MDGs. It is focused on four out of the ten countries. Argentina is a middle-income and an older democratic country; Namibia is the highest scoring country in the second round; Indonesia has experienced consistent gains in regard to most of the MDG indicators; and Uganda is one of the poorest countries where democracy is fledgling due to a powerful and interventionist executive. The relevant WGA variables and the scores per country are summarised below in Table 7.

When is a policy framework favourable? This is a question that can only be answered in a discretionary fashion. For the purpose of this analysis, a score of 3 is considered reasonable enough as indication that the rules of the game are satisfactory and that they are facilitating rather than obstructing policy objectives relating to the MDGs. If the score is 2 or lower, it can be argued that the country is in trouble. So does a downward trend between 2001 and 2006. With these definitions in mind, it is possible to take a closer look at each of the four countries.

Argentina. The WGA civil society scores for ‘freedom of association’ and ‘freedom from discrimination’ were pretty steady over the past five years at 4.07 and 3.31 respectively, but there was a .5-point drop in ‘freedom of expression’. One of our non-government key stakeholders put it this way: ‘deterioration in the freedom of expression can be verified, manifested in disqualifications of opinions that are opposite to government.’ Another expressed a similar opinion: ‘Personal freedom of expression has deteriorated given the growing fear of being repressed by the federal and provincial governments.’ While there has been a drop, it is necessary to stress that compared to other countries, Argentina’s score on freedom of expression is on the higher side at 3.33 on our 5-point scale.

‘Peaceful competition for political power’ was about the same, down less than .2 at 3.07, while there was a .6 gain, from 2.23 to 2.80 in the government’s attempts to provide an adequate standard of living. The roles of the military and personal security experienced small changes and were at 4.17 and 2.43 respectively. Examining transparency and accountability in the civil service there was less than a .2 increase over the past 5 years. In 2006 transparency scored 2.01 and accountability 2.40. Both of these scores while improving are below 3, the moderate level on our scale. When rating the degree to which business transactions were free from corruption, Argentinean WIPs gave a score of 2.08, up slightly from 5 years ago but still at the ‘low’ level. Protecting workers from abuse moved up .65 to 2.95 and applying regulations evenly was about the same at 2.23. Finally in the dispute resolution area, the rating given to equal access to all citizens went up slightly to 2.31, while incorporating human rights accords into the justice system went up .5 to 3.52, moving closer to the ‘high’ level on our 5-point scale.

These scores tend to confirm that politically Argentina is still reeling from the effects of the financial crisis that afflicted the country’s economy in 2001. The current government has a more pro-poor orientation than its predecessors, but it is also perceived as wishing to dictate to others what needs to be done. The tentative conclusion that can be drawn from the WGA with regard to the prospects for reaching the MDGs is that the conditions of governance are on the whole favourable but the policy framework is not without threats.

Indonesia. The WGA civil society score for ‘freedom of association’ had a .8 gain to 4.24, while ‘freedom from discrimination’ remained steady at 2.81 and ‘freedom of expression’ moved up .6 to

3.78. One WIP confirmed it by saying: 'Since the reform resulting from free general elections, they have committed to adopt democratic principles with proactive parliament, freedom of press and expression.' 'Peaceful competition for political power' was about the same, up less than .2 at 3.05. There was also a slight gain from 2.35 to 2.46 in the government's attempts to provide an adequate standard of living. The role of the military recorded an increase of just over .5 from 2.47 to 2.9. Here is how one WIP put it: 'The military no longer has a role in parliament. There has been open debate about handing over military owned enterprises to the civilian government.' Personal security experienced a small increase from 2.40 to 2.57.

There were increases in the scores for transparency and accountability in the civil service: accountability rose very little to 2.30 to 2.47, transparency from 1.95 to 2.31, a modest gain but in the right direction. Similar modest increases were recorded in the economic sector. When rating the degree to which business transactions were free from corruption, Indonesia's score was up .4 to 1.95, still at a 'low' level. Protecting workers from abuse in the private sector moved up slightly to 2.58 and applying regulations evenly was up just under .4 to 2.82. Finally in the dispute resolution area, the rating given to equal access to all citizens went up slightly from 1.91 to 2.15, while incorporating human rights accords into the justice system went up .5 to 2.99.

Indonesia has generally improved its scores with regard to variables deemed significant for achieving the MDGs. The problem areas seem to be a perception that corruption in the business sector is high and another that access to justice is not even. These perceptions confirm what other governance surveys also show. **Namibia.** The WGA civil society scores for 'freedom of association' and 'freedom from discrimination' were up slightly over the past five years at 4.19 and .3.18 respectively. There was a .3 increase in 'freedom of expression' to bring it to 3.94. Peaceful competition for political power was about the same, up less than .2 at a respectful 3.60. The government's attempts to provide an adequate standard of living remained steady at just over the 'moderate' level at 3.06. The role of the military was about the same at 3.97. Personal security was also constant at 3.24.

There were small positive increases for transparency and accountability in the civil service. In 2006 transparency was about the same at 2.69 and accountability rose .2 to 2.84. Both of these scores are moving closer to our 'moderate' level of 3. Scores in the economic society arena were more or less flat. The degree to which business transactions are perceived as free from corruption is about the same as five years ago at 2.82, while protecting workers from abuse moved up a bit to 3.57. Applying regulations evenly was about the same at 3.13. Finally in the dispute resolution area, providing equal access to all citizens went up slightly to 3.24, while incorporating human rights accords into the justice system went up .2 to 3.62, moving closer to the high level on our scale.

These results suggest that the governance climate is reasonably good and should not get in the way of Namibia meeting their MDG goals. The political turbulence that occurred in conjunction with choosing the successor to President Sam Nujoma, the new nation's founding father, seems not to have affected the perceptions informants have of the rules of the game.

Uganda. The WGA civil society score for 'freedom of association' experienced a gain of .6 to 3.53 over period from 2001 to 2006. One Ugandan WIP put it this way: 'Freedom of association in Uganda is highly accepted with the return to multi-partyism a year ago. Any body can form an association, be it political or otherwise.' 'Freedom from discrimination' was up slightly to 3.14. There was a small gain in 'freedom of expression' from 3.19 to 3.35. Here is what one non-government WIP said: 'Uganda enjoys one of the highest per capita FM radio access in the region. Citizens are free to air their opinions freely. But the freedom of expression is hampered by sedition laws still on the books.'

Peaceful competition for political power was about the same, up .1 to 2.53. Government's attempts to provide an adequate standard of living held steady at 2.53. The role of the military was similarly constant at 2.50, while personal security went up slightly to 3.06.

Table 7. MDGs and the WGA in 2006 – Mean scores for WGA MDG indicators

Country	Civil Society Arena						Interest Agg.		Government Stewardship					
	Freedom of Association		Freedom from Discrimination		Freedom of Expression		Peaceful competition for political power		Adequate Standard of Living		Military Subordinate to Civilian Govt.		Personal Security	
	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006
Argentina	4.04	4.07	3.28	3.31	3.82	3.33	3.22	3.07	2.23	2.80	3.99	4.17	2.51	2.43
Bulgaria	4.16	4.21	3.23	3.29	3.79	3.90	3.54	3.69	2.06	2.13	3.06	3.14	2.29	2.26
Indonesia	3.49	4.24	2.81	2.81	3.16	3.78	2.88	3.05	2.35	2.46	2.47	2.99	2.40	2.57
Kyrgyzstan	3.62	4.05	3.12	2.85	3.24	3.53	2.64	2.35	2.20	2.20	3.01	3.03	2.43	2.01
Mongolia	3.67	4.19	3.49	3.52	3.68	3.81	3.01	3.16	2.33	2.36	3.44	3.36	2.48	2.39
Namibia	3.91	4.19	3.10	3.18	3.66	3.94	3.49	3.60	3.00	3.06	3.91	3.97	3.26	3.24
Palestine	3.61	3.86	3.53	3.67	3.38	3.78	2.93	3.74	2.28	2.22	2.64	2.32	2.14	1.58
Peru	2.99	4.18	2.65	2.94	2.51	4.25	2.54	3.51	2.38	2.87	2.72	3.49	2.34	2.41
Trinidad	4.20	4.17	3.00	2.70	4.15	4.06	4.00	3.77	2.91	2.56	4.13	4.09	2.77	1.94
Uganda	2.95	3.53	3.05	3.14	3.19	3.35	2.44	2.53	2.54	2.53	2.48	2.50	2.95	3.06

Country	Policy Implementation				Economic Society						Dispute Resolution			
	Civil servants accountable		Civil service decision-making transparent		Regulations equally applied		Regulating private sector to protect workers		Business transactions free from corruption		Equal access to justice for all citizens		Human rights incorporated in national practice	
	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006	2001	2006
Argentina	2.27	2.40	1.86	2.01	2.27	2.23	2.30	2.95	1.95	2.08	2.24	2.31	3.04	3.52
Bulgaria	2.36	2.71	2.10	2.31	2.81	3.15	2.29	2.67	1.99	2.16	2.59	2.73	3.24	3.53
Indonesia	2.03	2.47	1.95	2.31	2.45	2.82	2.41	2.58	1.59	1.95	1.91	2.15	2.47	2.99
Kyrgyzstan	2.22	2.14	2.03	2.12	2.19	2.36	2.15	2.08	1.62	1.58	1.92	1.81	2.59	2.46
Mongolia	2.03	2.05	2.01	2.16	2.35	2.17	2.24	2.24	1.83	1.48	2.43	2.29	3.13	3.28
Namibia	2.65	2.84	2.66	2.69	3.12	3.13	3.44	3.57	2.85	2.82	3.16	3.24	3.46	3.62
Palestine	2.30	2.24	2.21	2.32	2.11	2.24	2.36	2.37	2.21	2.41	2.34	2.32	2.67	2.70
Peru	1.96	2.46	2.01	2.69	2.32	2.74	2.18	2.88	2.22	2.62	1.60	1.81	2.21	3.21
Trinidad	2.44	2.31	2.37	2.17	2.81	2.63	2.84	2.70	2.38	2.41	2.58	2.48	3.06	3.02
Uganda	2.61	2.75	2.35	2.48	2.31	2.21	2.20	2.28	1.77	1.64	2.46	2.60	3.01	3.28

There was a small gain in the civil service scores of less than .2 over the past 5 years. In 2006 transparency scored 2.48 and accountability 2.75. Both of these score while improving are below 3, the ‘moderate’ or ‘satisfactory’ level on our scale. In the economic society arena when asked to assess how far business transactions were free from corruption, Ugandan WIPs see a slight decrease to an already low score from 1.77 to 1.64. Protecting workers from abuse rose very slightly to 2.28 and applying regulations slipped a bit to 2.21. Finally in the dispute resolution area, the rating given to equal access to all citizens went up slightly to 2.60, while incorporating human rights accords into the justice system rose almost .3 to 3.28.

Uganda’s score on the MDG indicators are on the low side with only the civil society arena scores above a satisfactory level (3 or greater on our 5-pont scale). The others are all below that level with the Economic Society arena looking especially problematic. These scores tend to confirm the view of Uganda as a country afflicted by considerable corruption and a system of government that still suffers from many weaknesses.

Table 8. Drivers of perceptions concerning the WGA MDG indicators

Variable	All Countries
Input in policy making	-.97**** (.2082)
Budget Transparency	-1.88**** (.4096)
Separation of Power	-2.02**** (.4250)
Govt.’s response to Poorest 20%	-1.69*** (3907)
GG Info and Ed by Govt.	-1.13*** (3638)
Ethno/Cultural Makeup	-33 (2928)
Women in Government	-1.14**** (3143)
Non Government WIPs	-1.25** (2082)
Contant	65.56****
N	727
R-square	.60
Number of Clusters (Country) = 10	(Standard errors in parenthesis)
* P < 0.15 ; ** P < 0.10 ; *** P < 0.05; **** P < .01	

2.8 Drivers of perceptions concerning the WGA MDG indicators

In this analysis we summed the 14 individual WGA MDG indicators into a scale. We find again, as we did above in our analysis of the drivers of perceptions of overall governance assessments (see table 6) that issues relating to how government operates are among the most important shaping perceptions of governance. Thus at the aggregate level, the strongest relationships are found with ‘separation of powers’, ‘transparency of the budget process’, ‘government’s efforts to address the needs of the poorest 20%, as well as for ‘Does government promote information and education about good governance?’ In addition, we looked at the degree to which civil society impacts the policy process and this too proved to be negative and significant. Together with ‘women in government’ these are the variables that also prove to be the most important factors explaining perceptions of our MDG governance variables governance when the analysis is disaggregated per country, arena or individual indicator. Simply put, these factors are consistently associated with lower score on the WGA MDG

scale: we are not claiming causality. As before, it is important to note that these variables do not perform in identical fashion in each country – there is variation among them – but they are clearly factors to watch out for when looking for answers to what drives perceptions of our WGA MDG governance indicators.

2.9 What are the achievements and value of WGA?

The second round of the WGA was important as a means of further testing the methodology and providing further training of country coordinators responsible for conducting governance assessments. This does not mean that the findings are of no value. They are but because the assessment was carried out in response to who were interested to join the project rather than as a result of a planned strategy, the full value of what the WGA can accomplish was never realised. What we know about its potential based on the first two rounds can be summarised as follows:

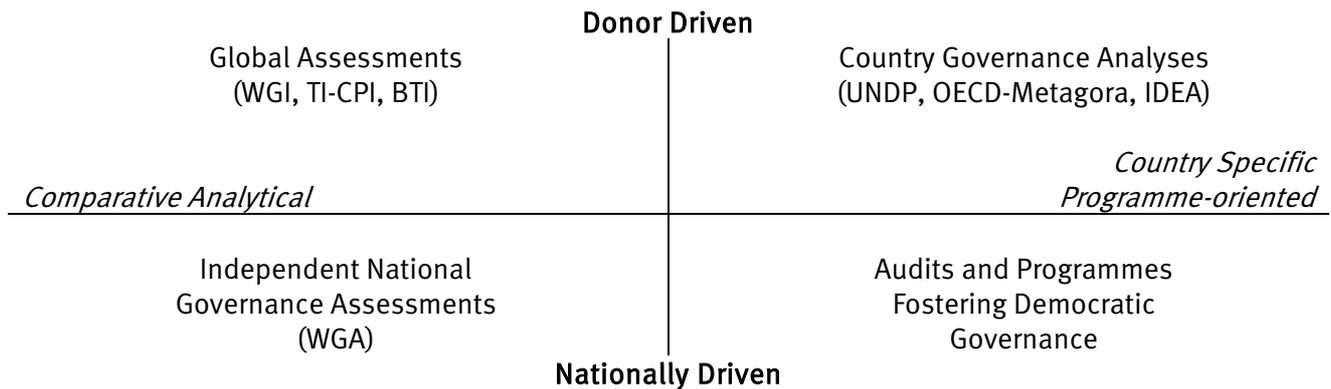
- It offers a theory-driven analysis of governance, thus giving it academic credibility
- It provides an operational definition of the concept allowing for systematic data collection
- It treats governance as a measure of the legitimacy of specific rules guiding the political process thus stressing its essentially political nature
- It provides perceptions of governance among local stakeholders thus making it relevant for policy-makers and other actors
- It works with primary data from local stakeholders, from both state and non-state actors and use local researchers to do the initial analysis
- It is not an index, like most governance indicators that are comprised of different sources of data often employing complex weighting procedures. Instead, it is a dedicated scale of 36 indicators that are easy to understand and interpret
- It makes the individual level data (stripped of any identifying characteristics) available to the public
- It offers an understanding of how context influences governance thus transcending the limits of other assessments
- It serves as a valuable complement to other measures to promote better governance through civic action e.g. as a ‘citizens watchdog’
- It helps build local capacity for conducting governance assessments thus enhancing local ownership of the process
- It is cost-effective thus allowing for more extensive data collection
- It can be used in DevInfo to monitor progress toward the Millennium Development Goals

These are a range of qualities that have become more appreciated in the post-Paris Declaration period. They point to local ownership and involvement; they emphasise the need for strengthening the analytical tools for assessing governance; and, they highlight the political nature of achieving improved governance.

2.10 The WGA: What next? Where does WGA fit in?

As suggested above, there is wide variety of governance assessment being pursued by different international agencies and, increasingly, by national actors. It is not necessarily easy to immediately know which particular assessment tries to achieve what. One way of getting some order in this myriad of activities is to distinguish them along two separate parameters: (a) whether they are primarily analytical or programmatic (i.e. focusing on tackling particular problems) and (b) whether they are donor-driven or managed by national actors. This produces the following categories into which by far the majority of all governance assessments can be grouped:

Figure 4. Types of governance assessments



WGI= World Governance Indicators; TI-CPI= Transparency International: Corruption Perception Index; BTI= Bertelsmann Transformation Index; UNDP= United Nations Development Programme; OECD=Organisation for Economic Cooperation and Development; IDEA-DA= International Institute for Democracy and Electoral Assistance: Democracy Assessment.

The global assessments are informative about country rankings but suffer from methodological limitations. They are either an aggregation of existing data, like the WGI, or relying on assessments made by experts using existing data. The various assessments that are made by international or national agencies with a view to promoting democratic governance in particular countries are directly applied to action. They put activism above analysis. They are attractive to many civil society organisations who wish to play their part in political reform activities, but they typically lack the patience that is necessary to wait for an independent analysis of the situation. This type of assessments produces an instant feeling of satisfaction, but it leaves out the possibility for meaningful measure of progress.

The only governance assessment that really tries to create an independent analysis using local country coordinators and thus provide a baseline for measuring performance over time is the World Governance Assessment. It provides information that not only civil society but also government may act upon. It covers the whole political process and is thus broader than those that focus only on democracy. Furthermore, by not being normatively tied to a particular normative model of governance, it leaves space for local actors not only to interpret it in their own way but to act on it feeling a sense of ownership. For these reasons, the WGA fills a gap on the map of governance assessments, that is attractive at a point when the Paris Declaration and the international donor community think of how to foster national ownership also of the instruments for assessing governance. It is uniquely placed to serve both donor and local interests.

2.11 Options for the way forward

There are plans to carry out a third round of the WGA. As regards the scope of a third round, there are various options under consideration. One would be to select a particular region, e.g. sub-Saharan

Africa (or a part of it) to start with a cluster of countries that are similar in most basic respects. A second option would be to do a global survey with a sample of countries from the various UN-designated regions of the world. This would resemble the first round which included countries from all these regions.

The WGA is also open to the possibility of conducting assessments on demand from particular countries or clients. Although the intention is to retain the core of the WGA scale, i.e. the questions related to the 36 indicators that were used in the second round, additional questions would seek to identify contextual variables that explain governance perceptions. Some of those used in the second round would be used but others added, e.g. perceptions of whether their country is seen as moving forward or backward (upward or downward). The WGA is also open to the possibility of adding a small number of questions that prospective sponsors of a third round are interested in. There is, however, a limit to how many additional questions should be included since making the instrument too lengthy may discourage participation and reduce engagement.

The important thing is to continue nurturing local capacity for doing governance assessments. The group of current Country Coordinators constitutes a valuable resource for the project and it is anticipated that they may have a role to play as advisors in the future whether this relates to analysis or how the WGA can be used for raising civic consciousness.

There are at least three more reasons that justify the creation of an independent civil society based index of governance. The first is that governance, as the first two WGA rounds have demonstrated, is driven by factors that are specific to particular contexts. Although the WGA works with categories that are universal, it is also appropriate for more region-specific assessments. Using a smaller sub-set of countries allows for a deeper analysis that uncovers factors that global surveys or assessments fail to take note of.

The second reason is ownership. The international community already provides a battery of measures of development and various aspects of governance but local citizens have little, if any, role in these exercises. Because it is dawning on members of the international community that these global measures have little impact on thinking and behavior in many developing countries, a region-specific governance assessment makes more sense since it would pave the way for greater inputs from local stakeholders. The WGA would remain independent but would collaborate with local institutions and, in addition to conducting regular assessments, would also help build local capacity for making such assessments.

In addition, many countries and development organisations, such as the French organisation DIAL with their 1-2-3 surveys and the Metagora project, supported by Paris21 and the OECD are using national statistical offices (NSOs) to collect governance data. These offices may have the most capacity and experience carrying out large studies of typical citizens but there is concern among many that they are not immune to political pressure and possible manipulation of the results. Moreover, others are also concerned with having representatives of the government asking potentially sensitive questions about the performance of the regime introducing bias into the responses of typical citizens.

While CSOs have blossomed during the past fifteen years, there is a scarcity of real CSO watchdogs. This part of the project increases ownership and has the potential to move civil society to a new more mature level, similar to civil society organisation in most countries where democratic forms of governance are institutionalised. In the next round the WGA plans to increase its engagement with civil society organisations in the data collection process, as well as dissemination of the results. This will increase ownership, develop watchdog type CSOs and help raise civic consciousness in civil society and the general public concerning issues of good governance. We also believe CSOs are the appropriate agents to step in where government has shown reluctance to educate the general public about good governance. We are currently exploring the possibility of partnering with another group at ODI to help us with this two-pronged approach to using the WGA as means to help develop CSO watchdogs and raise civic consciousness in the general public about governance.

The WGA would help overcome this and encourage local activists, political parties and others to take these issues seriously and increase the chance of addressing the lack of civil society being able to impact the policy process or for that matter, improving good governance in their countries. This orientation is also in line with the growing interest among bilateral donors to ensure that in the wake of the Paris Declaration with its emphasis on partnership with government, civil society actors are not ignored but given support to become more important actors in the political field. The WGA has the advantage that it is field-tested and feasible, both technically and financially. We suggest that the worst that can happen is to create a new scheme that is complicated, costly and will take considerable time and human resources to develop, test and implement. With the MDG deadline approaching, we simply cannot wait.

The third reason is the gap between rhetoric and practice in the governance field that plagues areas of the world, such as Africa. For example, African governments have committed themselves to the peer review mechanisms that the African Union has approved under the auspices of the New Partnership for African Development (NEPAD). While this is a step in the right direction, it continues to suffer from the weaknesses that the second round of the WGA identifies as a major problem not only in Africa but also in other countries – the lack of transparency in government and its reluctance to share information with the public.

In Africa the newly created Ibrahim Index of African Governance mixes development outcomes into governance and some of the data sources are external. Combining the various sources of data, from inside and outside the country, is a complex process and the weighting subjective. Simply put, local stakeholders may not easily understand the complex processes used in constructing these measure to assess governance in their countries. The WGA uses only one data source that employs the same methodology in each country, and the indicators are easy to understand.

To sum up, we believe we have the right tool for the right time at the right cost. Our approach builds capacity of local researchers, provides a sense of ownership, captures local context and allows for cross-country comparison. Moreover, we do not rely on numbers alone, our mixed method approach provides the context necessary for understanding the many nuanced reasons why governance matters and how it matters differently depending on where you are and who you are.

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Appendices

Appendix 1: The WGA training and capacity building programme

A Country Coordinator training site was set up with one of the WGA partners – InWEnt in Germany <http://www.gc21.de>. InWEnt specialises in training and capacity building for people in developing countries on a number of topics, including HIV/AIDS, environmental issues and statistics. They have built a state-of-the-art web-based learning facility called Global Campus 21. The site is password protected and offers a range of features including a work or lesson area, chat room, a place to share files and documents, and an area to pose questions. Each member of a group is listed in the group directory with a photo.

Training of the country coordinators began in October 2005 and was very comprehensive, totalling 53 pages of information. The goal was to produce a source of information for the WGA 2006 survey that would answer all questions concerning the background, sampling implementation and data processing. Another goal was to offer a one-stop survey research information centre for our coordinators and their staff for survey research work outside the WGA. Comments from the country coordinators have been very positive. For instance, the country coordinator in Namibia, Justine Hunter of the National Institute for Democracy (NID), was so impressed with this resource she requested us to allow a group of students, who had been chosen for advance training in the social sciences, to access the WGA Country Coordinator Training facility: of course we said ‘Yes’. These students are part of NID’s Mentorship Program that attempts to contribute to academic capacity building among students at Namibia’s tertiary institutions.

When the WGA is repeated again in the future, the experience of this round suggests that the online training should be supplemented with either a brief face-to-face training session or possibly an online video-conference training session or sessions. The possibility to use SKYPE in the next round to allow for more personal communications is also under consideration.

The WGA study management system and data collection (SMS)

To increase the oversight of the data collection process it became necessary to develop software that would allow each country coordinator to manage his or her part of the survey online at the WGA web site. Following many hours of development and testing by the survey director the WGA study management system was launched in early December 2005¹⁰. The CCs began training on the software almost immediately and following this initial practice, the program was further upgraded in January 2006. The software has performed beyond expectations with regard to online management, documentation and oversight. The WGA web survey instruments and SMS are state of the art, yet performed very well in countries where the Internet infrastructure is still quite poor. The basic features of the SMS are contained in the box below:

¹⁰ Kenneth Mease was assisted in this exercise by Jim Martinez of the University of Florida.

Box 3. Basic Features of the WGA Study Management System

Country overview: Country coordinators manage his or her part of the study in the password-protected country level study management window. This window provides a snapshot of the study in each country. It provides information about the number of completed responses, refusals, ineligible and cases that have not been started. This window also provides counts by each WIP group and the entire country.

WIP group level: By clicking on any of the stakeholder (WIP) groups in the Country Window, the country coordinators are taken to a window that provides detailed information on each person assigned to that particular group, including name, status, number of contacts, and last contact date.

Information central window: By clicking on an individual person, the CC is directed to the Information Central Window where he or she can update and record information about that informant. The informant window contains all the information on correspondence, the type used (web, paper, fax, etc.). There are specific modules dealing with sample Information, Incoming Surveys, Viewing Data, as well as Data Entry and Data Verification of non-web responses.

Online help: With a view to making the system as user-friendly as possible, there is also an online help section that provides detailed information on the entire SMS – from the menus of information to examples of how each screen works.

Online data collection: All surveys are entered online, including those that were completed on paper by the informants. The SMS and online data collection system is a very robust database architecture with its own password protection.

The survey director's view: The Survey Director can access every feature in each country. In addition to being able to look at progress in real time, an activity log also shows how often the CCs access the SMS, which pages they work on and how long they work. Preliminary results suggest a strong positive correlation between the use of the SMS and success in completing the WGA survey. This is especially true for those coordinators who used the WGA contact record feature to log contacts with informants.

No system or method is ever perfect and there is always a room for improvement. One such area is the training concerning the survey implementation procedures and the SMS software. In this second round everyone had to climb a rather steep learning curve. With more time in the future, this learning can be made less taxing. The overall conclusion with regard to methodology, however, is that the WGA has developed a reliable and coherent system for measuring governance indicators while at the same time building capacity among local survey researchers in participating countries.

Appendix 2: Summary of methodology and data analysis strategy

This appendix has three sections. First, it offers a more detailed explanation of the WGA sampling strategy. Second, it provides the guidelines for selecting our country coordinators. Finally, there is a brief explanation of the data analysis strategy.

Section 1: The WGA sampling strategy section 2:

After much debate and advice from various experts, we have decided to continue to use reputational sampling. In the countries which participated in the first round of the WGA, we tried to include past WGA participants. In new countries, we select our well-informed stakeholders using two non-probability sampling methods:

In *reputational, purposive, or judgmental sampling*, informants are selected for their supposed representativeness of the population of interest as determined by 'experts', or because they are capable of offering the desired information. In our situation, we looking for people who are well-informed on issues related to governance. Based on their reputation to the CC or from repeated appearances in newspaper articles concerning governance issues, we recruit them to participate in our study.

Snowball samples are a type of judgmental sampling. After an initial set of WIPs known by reputation or from appearances in newspapers, radio or TV in our case we use them to help select subsequent elements (WIPs). For example, each CC usually starts with a list of well-informed stakeholders in each of the ten stakeholder groups. At the conclusion of the interview the CC then asks the WIP for the names of several people who like them is knowledgably on governance issues. Efforts are made to seek a balanced sample and avoid selecting people who are all like-minded. Note that judgment samples are useful so long as the researcher is aware of their limitations. This type of sampling is commonly with elite populations, such as activists or in our case well-informed persons (WIPs), who know about the state of governance in their country.

Identifying well-informed persons from 10 key Stakeholder Groups: This assessment relies on a relatively small number of expert opinions from a cross-section of persons representing different perspectives on governance – the ten groups we are targeting are explained in detail below.

In order to make any meaningful comparisons it is important that each country assessment obtains a minimum of 7 WIP responses each for the 10 groups – i.e. a minimum of 70 responses per country. This means that CCs should try to identify at least 10 WIPS for each Stakeholder group.

However, the final size of Stakeholder Group (SG) sample size will be determined by the amount of variance found as we collect the data – a benefit of using the Internet. If we find a lot of variance within a group, we will increase the sample size of that group. Additional sample will be added and released as needed by the CC in consultation with the WGA study director.

The ideal profile of a well-informed person or WIP is somebody who has significant experience in the respective country. They need to answer questions on the main arenas of governance in their country over the past 5 years. The respondents are to be selected from the following types of organisations or contexts. Here are the guidelines for selection within each category:

- **Government:** This category includes all politically appointed individuals, whether full ministers, deputy or assistant ministers, politically appointed director generals or state secretaries. Ensure that they come from a cross-section of ministries and indicate whether they come from central (federal) government or any other level of government.
- **Parliament:** This includes all politically elected individuals in legislative institutions (in some countries members of parliament may not be elected). Ensure that respondents as much as possible are chosen in accordance with the distribution of seats by party or any other relevant

criteria. Indicate whether respondents come from national (federal) or provincial (regional, state) legislatures.

- **Civil Service:** This category includes individuals appointed to positions in the bureaucracy. Ensure that respondents are selected from among the top echelons distributed among a cross-section of departments or ministries. Indicate whether respondents come from central (federal) civil service or any other level of government service.
- **Business:** This category refers to businesspersons. In order to keep this group homogenous, only top managers or directors should be selected.
- **Media:** This group includes persons employed in the media sector (radio, television, newspapers). Respondents should be selected from a cross-section of the industry, preferably from both privately and publicly owned institutions. Priority should be given to those who deal with news rather than entertainment or sports.
- **Religious Organisations:** This group includes leading figures in churches, mosques, temples and other religious institutions. Respondents should be selected as much as possible so as to reflect the distribution of religious beliefs in the country.
- **Legal and Judicial Field:** This group includes judges, magistrates and attorneys. Respondents should be selected from among both those sitting in courts and those who work as private lawyers.
- **Institutions of Higher Education:** This group includes professors and lecturers in universities and colleges. Respondents should be selected from history, sociology, economics, political science, law, and other fields familiar with issues of governance and preferably from more than one institutions.
- **Non-Governmental Organisations: (CSOs):** This category includes domestic organisations active in civil society. Respondents should be selected from a cross-section of such organisations. Effort should be made to include leaders of the main organisations such as trade unions, cooperative movements, environmental organisations and/or human rights groups.
- **International Organisations:** This group includes both intergovernmental organisations, e.g. United Nations or regional bodies, and international NGOs working in the country. Respondents should be selected from a cross-section of both these categories.

The Country Coordinator then provides a report to the study director on how the sampling was carried out, and is asked to identify any difficulties or possible discrepancies that could impact the analysis of the data.

Section 2: Selecting the country coordinators

The methodology used for collecting the data relies on the involvement of a local country coordinator in each country to identify respondents and manage the data collection. The selection of country coordinators (CC) is therefore critical. First they must have a good knowledge of the well-informed persons who have experience with governance issues in their country. Experience suggests that identifying well-informed persons and gaining access to them can be quite difficult. CCs were chosen on the basis that they had the resources to commit to the project, significant interest in the project, good internet access, above average computer skills, as well as a good record of completing projects on time.

Section 3: Data analysis

Quantitative data: There are a total of 72 WGA indicators in the questionnaire with 36 questions about the state of governance now and 36 asking about the situation five years earlier. In addition there are 6 contextual questions, and here too they ask about the resent conditions as well as five years ago.

We took a fairly conservative approach in round one when analysing the data. In round two we expanded the tools used to understand the numerical data provided by our informants. There are two main reasons why we felt comfortable with this decision. First, we doubled the average sample size for each country and second, our country coordinators did a much better job balancing the sample sizes

for each of the ten stakeholder groups. The confidence intervals for the overall countries score are reported below in Table 1.

Country	N	2006 WGA Mean	Std Error	[95% Conf. Interval]	
Kyrgyzstan	74	84.75	2.22	80.33	89.17
Mongolia	76	91.22	2.80	85.64	96.81
Palestine	76	92.72	1.73	89.26	96.17
Argentina	83	94.01	1.97	90.10	97.92
Trinidad	64	98.91	2.99	92.93	104.90
Indonesia	74	99.79	2.07	95.66	103.93
Uganda	80	100.63	1.47	97.70	103.55
Bulgaria	70	101.06	2.43	96.21	105.90
Peru	68	102.13	1.81	98.51	105.75
Namibia	68	114.41	2.37	109.68	119.14

While we made significant improvements to our methodology and samples, we are fully aware that some purists might find our use of statistical tools disturbing. After all, our samples are not randomly selected. Statisticians often grimace at how social scientists use their tools, but we believe it is important to try and uncover relationships in our work. To this end, we used these tools carefully and tried not to read too much into the findings.

Comparing the WGA with other indicators. We used simple tests of correlation to compare the WGA, with other indicators, such as the WGI, Transparency International's CPI and Freedom House. With the WGI, we matched our overall and arena scores with their overall and sector scores. The results varied across the arena/sector match-ups. In the case of Freedom House we selected a number of WGA indicators to match-up with their Political Rights indicator – one we felt had significant overlap with some of the WGA items. The correlation was a rather robust .74, significant at the .01 level.

Obviously the selection of indicators is a very subjective process. Our goal is not to suggest that the WGA can replace these indicators or that our work is the same as theirs. Rather we use these accepted measures to demonstrate the criterion validity of our indicators.

Testing for difference: To test for difference of mean scores between groups, such as government and non-government WIPs, we used the t-test. We also used t-tests to see if the changes during the 5-year period reported by our informants were significant. In addition we ran t-tests to check for difference between indicators and across countries. Most of these tests are not reported in this report, as we had to limit the reporting of the results to keep the length of this report reasonable.

Multivariate analysis: With our larger and better balanced WIP group samples we decided to explore building some multivariate models with our 2006 data. It seemed logical to start with our contextual questions we ask at the end of the WGA governance questions. These items proved to be quite important in understanding higher and lower governance assessments provided by our WIPs at the overall, country level and individual indicators. We took a conservative approach by using the Stata option of clustered robust standard errors. Clustering the error terms produces more conservative estimates. We took this approach to reduce the effects of possibly 'double counting' similar or clustered responses from the same country for the overall models, and likewise, from the same WIP group at the country level. While these results are certainly not the last word, we do feel that we have added something to the discussion on factors that may influence governance perceptions.

Qualitative data analysis In addition to rating the WGA governance items, our informants provided valuable open-ended comments explaining why they rated a indicator a certain way and how if at all, things had changed over the last five years. Over 70% of the informants offered open-ended text comments about the state of governance in the various arenas and in the country at large. In total there were over 5000 open-ended comments provided by our WIPs on the state of governance in their countries. These quotations were analysed using ATLAS TI a qualitative text management software

package. With over 5000 comments, doing this type of work by hand is simply not possible. The ATLAS TI program allows us to code by country, WIP group, question, and of course, by various keywords. Again, we feel we have taken this type of research to a more rigorous level by using state-of-the-art software to help us better understand the reasoning behind the numeric governance ratings.