

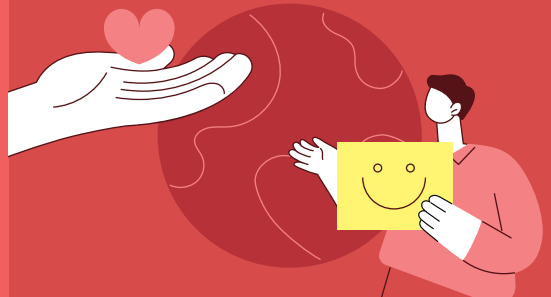


GOVERNANCE EXPLAINER

Public Governance for Good



Transparency



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Poor governance can cost lives and cause considerable damage. The World Bank blamed a “crisis of governance”, particularly corruption, for the failure to create sustained growth in Sub-Saharan Africa in the 1980s. Corruption left buildings in Turkey not up to construction codes and far more vulnerable during the 2023 earthquake. Authorities in Beirut ignored warnings for years about a large stockpile of ammonia nitrate in a port warehouse, which exploded in 2020. Sustained neglect and mismanagement left UK’s National Health Service “broken”. India’s government offices contend with persistent absenteeism, including teachers who routinely fail to show up at schools.

Not only does the nature of policies matter, so does the quality of governments. However good governance can be a slippery concept and difficult to put into practice. As a former World Bank country director quipped: “What is required for growth? Good governance. And what

counts as good governance? That which promotes growth.” Governance has been used as a euphemism for corruption, but it is a more complex term with multiple dimensions relating to political regimes, state capacity, institutions and legal frameworks.

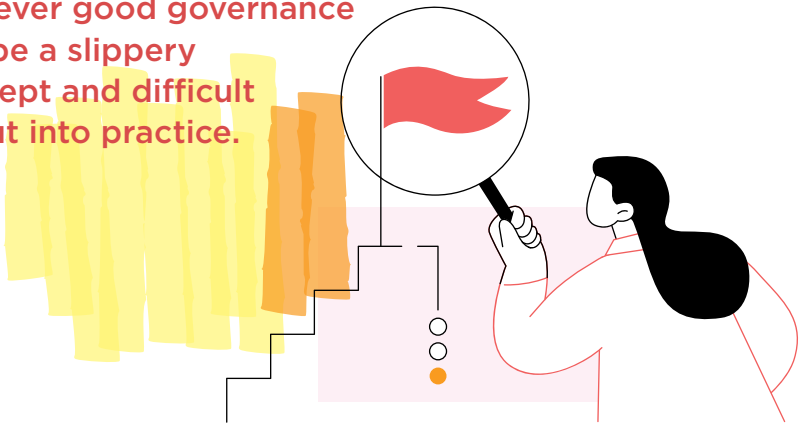
What Good Governance Looks Like

One expansive definition is the World Bank's widely-cited Worldwide Governance Indicators (WGI). Its website says: "Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate

and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them."

Political scientist Francis Fukuyama describes governance as execution - "a government's ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not"¹. The quality of government depends on the strength of its state capacity (eg. degree of bureaucratic professionalisation)

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¹ Francis Fukuyama, "What is Governance?", Governance 26, no. 3 (2013): 347-368.

and extent of its bureaucratic autonomy (more autonomy when political leaders issue fewer and more general mandates). It sets aside the question of whether the objectives and outcomes of public policies are moral or desirable in the first place.

Rothstein and Teorell equate quality of government with impartiality in the exercise of power, that is actions taken by government institutions.² The concern is with governing procedures and not the content of public policies. While democracy in the access to power is required for political equality, it is insufficient for quality of government.

Agnafors argues that quality of government encompasses public ethos (minimal morality), good decision-making (rational), transparency (making reasons public), principle of beneficence (beneficial alternative under uncertainty), efficient (sustainable positive performance), rule of law (reasonable impartiality and predictable), and intrinsic stability (internal stability of an administration).³

Indicators of Governance

What about the indicators of governance? Despite differences in the interpretation of governance, we see some convergence here. The World Bank's WGI and United Nations Development Programme (UNDP) propose six domains that overlap substantially; these ensure that political, social and economic priorities enjoy broad consensus in society. Nag and Kohli identify four basic elements of governance that must work in tandem.⁴ Good governance is demonstrated through designing and implementing appropriate policies, effective provision of public services, sound corruption-free economic management, and backed by transparent, participatory, and accountable decision-making processes.

In Singapore, the government has articulated its principles of governance in a different manner based on its development experience as a small vulnerable city-state since independence in 1965. The

² Bo Rothstein and Jan Teorell, "What is quality of government? A theory of impartial government institutions", *Governance* 21, no. 2 (2008): 165-190.

³ Marcus Agnafors, "Quality of Government: Toward a More Complex Definition", *The American Political Science Review* 107, no. 3 (2013): 433-445.

⁴ Rajat Mohan Nag and Harinder Singh Kohli, *From Here to Denmark - The Importance of Institutions for Good Governance* (Oxford University Press, 2023), doi: 10.1093/oso/9780198893103.003.0003

Comparison of governance indicators		
World Bank's WGI	UNDP	Nag and Kohli
<ul style="list-style-type: none"> • Voice and Accountability • Political Stability and Absence of Violence/Terrorism • Government Effectiveness • Regulatory Quality • Rule of Law • Control of Corruption 	<ul style="list-style-type: none"> • Participatory • Transparent • Accountable • Effective • Equitable • Promotes the rule of law 	<ul style="list-style-type: none"> • Predictability (clear rules of the game set out, agreed in advance and known to all) • Transparency (information is widely disseminated and easily available to all) • Participation (right and freedom to participate in decision-making processes) • Accountability (public officials are answerable for their actions)

government believes “Leadership is Key”, that leaders in politics and bureaucracy should have the moral courage and integrity to do what is right, not necessarily what is popular. Another principle, “Anticipate Change and Stay Relevant” requires the public service to respond to increasingly complex and multifaceted issues by being open to new ideas and questioning old assumptions. The third principle, “Reward for Work, and Work for Reward” reflects the deeply ingrained idea of self-reliance

in Singapore, tempered by support for vulnerable members of society. Last, “A Stake for Everyone, Opportunities for All” focuses on preserving core values and creating an inclusive society where citizens feel a sense of belonging.

These governance principles reflect the government’s focus on sustaining performance and effectiveness - what makes Singapore work - in an unforgiving external environment.

Comparing Governance Indices

How can we assess how well-governed a country is? Broadly speaking, there are two types of governance indicators: (1) facts-based, such as using objective economic data; and (2) opinion-based, such as subjective interpretations of experts or perceptions of citizens and businesses. Governance indicators can also be based on formal rules and regulations, or what actually happens in reality. For instance, having a comprehensive set of anticorruption laws may not necessarily translate into lower levels of corruption in reality.

We look at three governance indices which cover most countries and territories:

Worldwide Governance Indicators

Developed in 1999 and released annually, the World Bank's WGI reports on the six domains for over 200 countries and territories using more than 30 data sources (**Appendix 1**). Countries are assigned percentile ranks for each governance indicator based on their respective aggregated value across multiple variables. As the data sets do not cover all countries, the scores for different countries are based on different sets of underlying data.

For example, "government effectiveness" takes into account among others, the Economist Intelligence Unit's (EIU) expert assessment on quality of bureaucracy and excessive bureaucracy; the Political Risk Services International Country Risk Guide's

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(PRS) expert assessments on bureaucratic quality; the World Economic Forum Global Competitiveness Survey's questions to firms on quality of road infrastructure and primary education; and Gallup World Poll's survey of households on satisfaction with public transport systems, roads and highways, and education system.

Chandler Good Government Index

The Chandler Institute of Governance focuses primarily on government capabilities across 104 countries in its Chandler Good Government Index (CGGI) launched in 2021. The CGGI reports on seven pillars of government capabilities (leadership and foresight; robust laws and policies; strong institutions; financial stewardship; attractive marketplace; and global influence and reputation), as well as governance outcomes (helping people rise). The pillars cover a total of 35 indicators – 26 on government capabilities and 9 on outcomes (**Appendix 2**).

For instance, under the “strong institutions” pillar, the scores for “coordination” and “implementation” are drawn from expert assessments on governments’ ability to coordinate conflicting objectives into a coherent policy in the Bertelsmann Stiftung Transformation Index (BTI) and Bertelsmann Stiftung Sustainable Governance Indicators. The scores for “data capability” are based on the World Bank’s Statistical Performance Indicators which assess the maturity and performance of national statistical systems, and the UN E-Government Development Index. There

are overlaps with the WGI such as “quality of bureaucracy” scores which are derived from the EIU and the PRS.

Bertelsmann Stiftung Transformation Index – Governance Index

Covering 137 countries and published biennially, the BTI analyses the progress of developing countries and countries in transition towards democracy and a market economy. The BTI defines governance as the performance, capacity, and accountability of the political leadership, which includes governments and political elites, as well as key non-governmental organizations. There are two indices in the BTI – the Status Index (two dimensions of political and economic transformation) which ranks countries according to the state of their democracy and market economy, and the Governance Index which rates the quality of their respective leadership (**Appendix 3**).

The Governance Index comprises five criteria with 20 indicators focused on management of development and transformation, use of resources, consensus-building, and cooperation with international partners. Another feature of BTI is that governance performance incorporates “level of difficulty” to factor in country-specific structural constraints. Scores in the BTI rely on assessments and reviews by country experts from leading research institutions and civil society organisations, and are calibrated within and across regions.

Comparison of Governance Indices			
	WGI	CGGI	BTI Governance Index
Countries/ territories covered	Over 200	104	137
Frequency	Annual	Annual	Biennial
Data sources	Mix of survey, expert assessments, quantitative data, and qualitative data.	Mix of survey, expert assessments, quantitative data, and qualitative data.	Country experts' assessments, quantitative data.
Structure of index	Six aggregated indicators – measures a mix of political structures, government capabilities and governance outcomes.	Seven pillars – 26 indicators on government capabilities and nine on governance outcomes.	Five criteria based on 20 indicators – measures government capabilities and political structures.
Key difference(s) from other two indices	Measures “Political Stability and Absence of Violence/Terrorism”; does not explicitly measure global influence/international cooperation aspects.	Measures “Leadership and foresight”; does not explicitly measure participation and accountability aspects.	Considers “Level of difficulty” (country-specific structural constraints); does not explicitly measure governance outcomes.

Though useful, governance indicators are often problematic.⁵ How, and what, should be measured in governance? Should we measure inputs or outputs – rely on views of experts or perception-based surveys, aggregate various aspects, or focus on specific ones like corruption levels? Perceptions-based surveys may be biased. Weak links between objective rules-based indicators and desired governance outcomes make the indicators unrepresentative. For example, informal institutions that work well in developing economies may not be captured in governance indicators. In particular, the WGI has been criticised for changes in definitions that have made comparisons across years difficult. Another criticism is that the WGI primarily captures institutional outcomes, making it difficult for governments to know what is actionable.

Why Good Governance Matters

Does good governance actually translate into better country performance, such as faster economic growth? Several studies suggest that is the case. For instance, a cross-country analysis from 1998 to 2011 by the Asian Development Bank (ADB) found that developing countries in Asia as well as Middle East and North Africa with higher government effectiveness, regulatory quality and corruption control grew faster – respectively up to 2 and 2.5 percentage points more annually.⁶

Opinions, however, remain divided. The historical development of countries like the United States, Argentina, Mauritius, and Jamaica, suggest that governance reforms, such as establishing institutions with meritocracy, accountability, and transparency, were not necessary preconditions for industrial development.⁷

5 For further discussion, see M. G. Quibria, “Governance in Developing Asia: Concepts, Measurements, Determinants and Paradoxes”, *ADB Economic Working Paper Series* No. 388, March 2014, <https://www.adb.org/sites/default/files/publication/31234/ewp-388.pdf>; J. Sundaram and A. Chowdhury, “Introduction: Governance and development”, in *Is Good Governance Good for Development?*, ed. J. Sundaram and A. Chowdhury (New York: UN DESA, 2013), 1-28, <https://doi.org/10.18356/294aa19e-en>; Daniel Kaufmann and Aart Kraay, “Governance Indicators: Where Are We, Where Should We Be Going?”, *The World Bank Research Observer* 23, no. 1 (2008): 1-30, <https://doi.org/10.1596/1813-9450-4370>.

6 Xuehui Han, Haider Ali Khan, and Juzhong Zhuang, “Do governance indicators explain development performance? A cross-country analysis (November 2014)”, *Asian Development Bank Economics Working Paper Series* 417 (2014), <https://www.adb.org/publications/do-governance-indicators-explain-development-performance-cross-country-analysis>

7 Arthur A. Goldsmith, “Is governance reform a catalyst for development?”, in *Is Good Governance Good for Development?*, ed. J. Sundaram and A. Chowdhury (New York: UN DESA, 2013), 1-28, <https://doi.org/10.18356/294aa19e-en>.

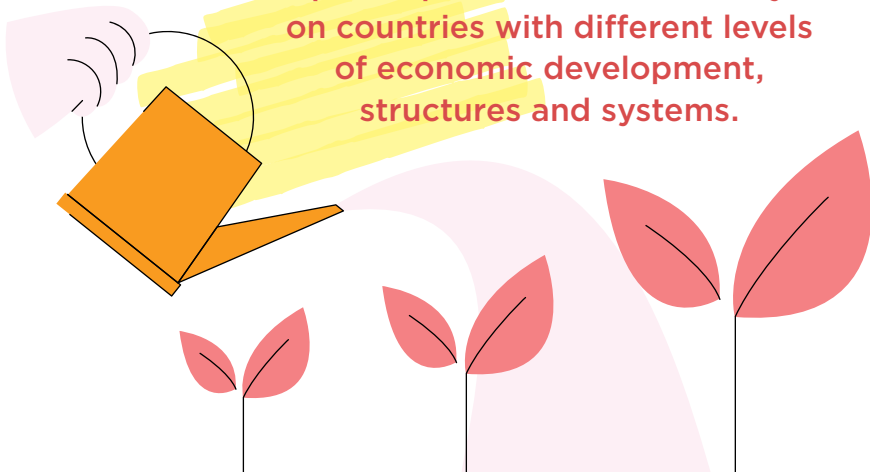
Asia's fast-growing developing economies with ostensibly weaker governance performance like China, Vietnam and Bangladesh also point to this governance-growth paradox. In some cases, it was arguably growth and development that improved governance aspects such as transparency, accountability and participation.⁸

One reason for the governance-growth paradox could lie in the way governance is measured. The state of governance in a country is also influenced by factors such as its stage of development, structure of bureaucracy, level of social capital, as well as its historical development and geography, which are often a matter of luck. There are also other forces at work.

For instance, transparency can enhance accountability and counter corruption, but more transparency may breed procrastination and reduce government effectiveness. Meritocracy as a governance principle has been accused of exacerbating inequality. In short, the same governance prescription works differently on countries with different levels of economic development, structures and systems.

Why then, should governments strive for good governance? Countries may enjoy spurts of growth despite poor governance, but without good governance, they often fail to sustain it. Countries like Argentina, once among the world's richest economies, discovered this in the 1980s when the external economic environment

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⁸ Sundaram and Chowdhury, "Introduction: Governance and development", 9-13.

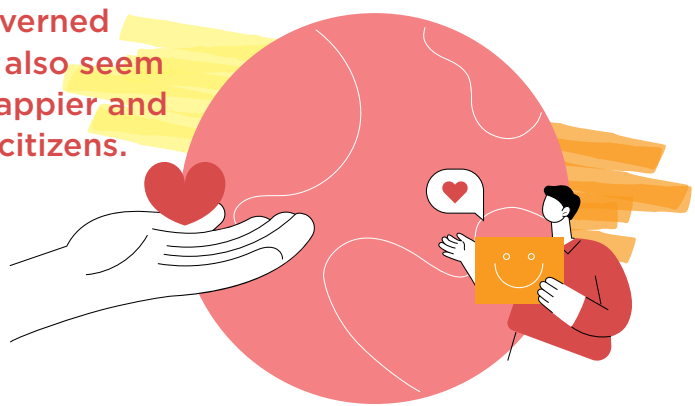
shifted against it. In the longer run, good governance is associated with higher incomes and higher rates of growth, even if the direction of causality is debated.

Well-governed countries are also better equipped to prepare for and respond to multiple crises from climate change and pandemics to cybersecurity threats. For instance, a well-governed public health system in Kerala which involved participation of local civic organisations helped the Indian state to stay resilient during the Covid-19 pandemic⁹. The CGGI 2023 also reports significant correlations between CGGI scores and other indices measuring the risk of state fragility, ability to cope with humanitarian disasters, and reducing income inequality, regardless of income level, geography, or political regime.

More importantly, good governance ensures that economic growth is balanced with social equity and human development, and boosts well-being and social capital for true prosperity. Good governance helps to tackle poverty and foster inclusive growth. An analysis of 112 countries between 1975 and 2012 found that a one-point increase in the control of corruption index and regulatory quality improved the income of the poor substantially - by 39% and 42% respectively.¹⁰ The study also showed that government effectiveness and rule of law were key to promoting inclusive growth.

Human development and good governance are also highly correlated. This means that countries which improve their governance can make significant progress in human development. One study using data

Better governed countries also seem to have happier and healthier citizens.



⁹ Vinod Thomas and Chitranjali Tiwari, "Kerala's resilience comes from community participation in policies ... besides high investments in health and education", *The Times of India*, May 18, 2021.

¹⁰ Djeneba Doumbia, "The quest for pro-poor and inclusive growth: The role of governance", *Applied Economics* 51, no. 16 (2019): 1762-1783, DOI: 10.1080/00036846.2018.1529392

from developing countries showed that among various governance indicators, government effectiveness in public service delivery had the biggest impact on Human Development Index scores.¹¹ Good governance can also boost trust and social capital within societies. A study on citizens' trust in public institutions in Nepal and Bangladesh found that quality of government variables increased trust more than social capital variables.¹²

Better governed countries also seem to have happier and healthier citizens. A study examining happiness in 130 countries found that once countries reached a minimum level of quality of government (measured by government effectiveness, regulatory quality, rule of law, and control of corruption), increasing it raised average happiness proportionally.¹³ It also lowered inequality of happiness among citizens up to a point. Another multiple-country study demonstrated how good governance, particularly quality of service delivery, mattered to national well-being.¹⁴ A review of 30 studies on low- and middle-income countries found that most uncovered

positive relationships between good governance and health through mechanisms such as effective health policymaking, enhanced community engagement, and strengthened social capital.¹⁵

How Governance Can Be Improved

Governance reforms advocated by multilateral institutions have centred on aspects such as public sector reform, public expenditure control, fiduciary management, civil service modernisation, privatization and anticorruption. While these are worthy goals, governments, especially those which are already underperforming or poorly resourced, would be hard-pressed to develop a multitude of good governance capabilities all at once.

Some scholars have argued that developing economies need “growth-enhancing” governance which incorporates more context-specific and targeted economic strategies, rather than “market-enhancing”

11 Haroon Khan, “Good governance and human development in developing countries, with special reference to South Asia”, in *Governance in South, Southeast, and East Asia: Trends, Issues and Challenges*, ed. Jamil, Ishtiaq, Salahuddin M. Aminuzzaman, and Sk Tawfique M. Haque (Cham: Springer International Publishing, 2015), 117-135.

12 Ishtiaq Jamil and Steinar Askvik, “Citizens' trust in public and political institutions in Bangladesh and Nepal”, in *Governance in South, Southeast, and East Asia: Trends, Issues and Challenges*, ed. Jamil, Ishtiaq, Salahuddin M. Aminuzzaman, and Sk Tawfique M. Haque, (Cham: Springer International Publishing, 2015), 157-173.

13 Jan C. Ott, “Government and happiness in 130 nations: Good governance fosters higher level and more equality of happiness”, *Social Indicators Research* 102 (2011): 3-22.

14 John F. Helliwell, Haifang Huang, Shawn Grover, and Shun Wang, “Empirical linkages between good governance and national well-being”, *Journal of Comparative Economics* 46, no. 4 (2018): 1332-1346.

15 Dana Karen Ciccone, Taryn Vian, Lydia Maurer, and Elizabeth H. Bradley, “Linking governance mechanisms to health outcomes: a review of the literature in low-and middle-income countries”, *Social Science & Medicine* 117 (2014): 86-95.

governance (such as rule of law, stable property rights, corruption control, and democratic accountability) drawn from the experience of more advanced capitalist economies. Others have argued for “good enough governance” based on country-specific prioritisation or sequencing of actions. The ADB’s cross-country analysis on the impact of governance indicators suggests that low-income countries should focus on more effective government, better regulatory quality and rule of law, and tighter control of corruption, while higher-income countries pay attention to citizen participation and government accountability.

No matter the paths to better governance governments take, it is a constant work in progress:

In sum, governance is a continuum, and not necessarily unidirectional: it does not automatically improve over time. It is a plant that needs constant tending. Citizens need to demand good governance... Governments need to prove responsive to those demands. Neither of these can be taken for granted.¹⁶

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¹⁶ World Bank, *Governance and Development* (The World Bank, 1992), <http://documents.worldbank.org/curated/en/604951468739447676>

Appendix 1

WGI 2023	
Indicator	Example of data sources
<p>Voice and Accountability captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.</p>	<p>Economist Intelligence Unit (EIU) – Democracy index, Vested interests, Accountability of public officials, Human rights, Freedom of association</p> <p>Gallup World Poll (GWP) survey – Confidence in honesty of elections</p> <p>Political Risk Services International Country Risk Guide (PRS) – Military in politics, Democratic accountability</p> <p>International Budget Project Open Budget Index – Open budget index</p>
<p>Political Stability and Absence of Violence/ Terrorism measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism.</p>	<p>Cingranelli Richards Human Rights Database and Political Terror Scale – Political terror scale</p> <p>Institutional Profiles Database – Intensity of internal conflicts: ethnic, religious or regional, Intensity of violent activities...of underground political organizations, Intensity of social conflicts (excluding conflicts relating to land)</p> <p>Institute for Management and Development World Competitiveness Yearbook – The risk of political instability is very low</p>
<p>Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.</p>	<p>EIU – Quality of bureaucracy/institutional effectiveness, Excessive bureaucracy/red tape</p> <p>World Economic Forum Global Competitiveness Report – Quality of road infrastructure, Quality of primary education</p> <p>GWP survey – satisfaction with public transport systems, roads and highways, and education system</p> <p>PRS's expert assessments on bureaucratic quality</p> <p>Bertelsmann Stiftung's Transformation Index – Consensus building, Steering capability, Resource efficiency</p>

Indicator	Example of data sources
<p>Regulatory Quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.</p>	<p>EIU – Unfair competitive practices, Price controls, Discriminatory tariffs, Excessive protections, Discriminatory taxes</p> <p>IHS Markit World Economic Service – Regulatory burden, Tax inconsistency</p> <p>African Development Bank Country Policy and Institutional Assessments – Regional integration, Trade policy, Business regulatory environment</p>
<p>Rule of Law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.</p>	<p>GWP survey – Confidence in the police force; Confidence in judicial system; Have you had money property stolen from you or another household member?; Have you been assaulted or mugged?</p> <p>US State Department Trafficking in People Report – Trafficking in people</p> <p>World Bank Country Policy and Institutional Assessments – Property rights and rule-based governance</p>
<p>Control of Corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests.</p>	<p>GWP survey – Is corruption in government widespread?</p> <p>Institutional Profiles Database – Level of “petty” corruption between administration and citizens; Level of corruption between administrations and local businesses; Level of corruption between administrations and foreign companies</p> <p>Global Integrity Index – Accountability</p>

Appendix 2

CGGI 2023		
Pillar	Indicator	Data Source
Pillar 1: Leadership and foresight	Ethical leadership	Transparency International – Corruption Perceptions Index 2021
	Long-term vision	World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Government Long-term Vision)
	Adaptability	World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Government’s Responsiveness to Change)
	Strategic prioritisation	Bertelsmann Stiftung Transformation Index (Prioritisation) Bertelsmann Stiftung Sustainable Governance Indicators (Strategic Planning (Proxy))
	Innovation	Bertelsmann Stiftung Transformation Index (Policy Learning) Bertelsmann Stiftung Sustainable Governance Indicators (Adaptability (Proxy))
Pillar 2: Robust laws and policies	Rule of law	Worldwide Governance Indicators – Rule of Law, World Bank World Justice Project – Rule of Law
	Quality of judiciary	World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Judicial Independence) World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Efficiency of Legal Framework in Challenging Regulations)

Pillar	Indicator	Data Source
	Transparency	TRACE Bribery Risk Matrix – Transparency Sub-indicator Open Budget Survey
	Regulatory governance	World Bank – Global Indicators of Regulatory Governance
Pillar 3: Strong institutions	Coordination	Bertelsmann Stiftung Transformation Index (Policy Coordination) Bertelsmann Stiftung Sustainable Governance Indicators (Interministerial Coordination (Proxy))
	Data capability	World Bank – Statistical Performance Indicators (SPI) UN E-government development index
	Implementation	Bertelsmann Stiftung Transformation Index (Implementation) Bertelsmann Stiftung Sustainable Governance Indicators (Implementation (Proxy))
	Quality of bureaucracy	EIU (Quality of Bureaucracy/ Institutional Effectiveness) Political Risk Services International Country Risk Guide (Bureaucratic Quality)
Pillar 4: Financial stewardship	Government debt	World Economic Forum – Global Competitiveness Index (Debt Dynamics)
	Country budget Surplus	IMF – Government Net Lending/Borrowing (5-year average)
	Spending Efficiency	World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Efficiency of Government Spending)

Pillar	Indicator	Data source
	Country risk premium	NYU Stern – Country Default Spreads and Risk Premiums
Pillar 5: Attractive marketplace	Property rights	World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Physical Property Rights) Prindex – PrIndex Physical Property Rights World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Intellectual Property Rights)
	Macroeconomic environment	Fraser Institute’s – Standard Deviation of Inflation World Economic Forum Global Competitiveness Index – Inflation International Labour Organization, ILOSTAT database
	Attracting investments	IMF – Net Inflow of Foreign Direct Investment as % of GDP The Heritage Foundation Index of Economic Freedom – Investment Freedom
	Logistics competence	World Bank – Logistics Performance Index
	Stable business regulations	World Economic Forum – Executive Opinion Survey for the Global Competitiveness Index (Government Ensuring Policy Stability)
Pillar 6: Global influence and reputation	International trade	World Trade Organisation – Regional Trade Agreements The Heritage Foundation – Trade Freedom
	International diplomacy	Number of Diplomatic Missions Abroad

Pillar	Indicator	Data source
	Nation brand	Bloom Consulting – Country Brand Strategy Rating taken from World Economic Forum Travel & Tourism Competitiveness Report 2021 Number of International Association Meetings – The International Congress and Convention Association (ICCA)
	Passport strength	Henley’s Passport Index
Pillar 7: Helping people rise	Education	United National Development Programme - Education Index World Bank - Harmonized Learning Outcomes
	Health	United Nations Population Division World Population Prospects – Life Expectancy at Birth United Nations Population Division World Population Prospects – Adult Survival Rates
	Satisfaction with public services	Gallup World Poll – Satisfaction with Public Services taken from Worldwide Governance Indicators
	Personal safety	EIU (Level of Violent Crime) taken from Global Peace Index 2022 Gallup Law and Order Report 2021 United Nations Office on Drugs and Crime (UNODC)
	Environmental performance	Yale – Environmental Performance Index
	Income distribution	Standardized World Income Inequality Database, Solt, Frederick
	Social mobility	Social Mobility Composite Indicator

Pillar	Indicator	Data source
	Gender gap	Global Gender Gap Index – Economic Participation and Opportunity and Educational Attainment
	Non-discrimination	World Justice Project – Rule of Law Index

Appendix 3

BTI 2024	
Criterion	Indicator
Level of difficulty	Structural constraints – To what extent do structural difficulties constrain the political leadership’s governance capacity?
	Civil society traditions – To what extent are there traditions of civil society?
	Conflict intensity – How serious are political, social, ethnic and religious conflicts?
	GNI per capita, PPP rescaled
	UN Education Index rescaled
	Average of BTI Stateness and Rule of law criteria scores (from BTI – Political Transformation)
Steering capability	Prioritization – To what extent does the government set and maintain strategic priorities?
	Implementation – How effective is the government in implementing its own policies?
	Policy learning – How innovative and flexible is the government?
Resource efficiency	Efficient use of assets – To what extent does the government make efficient use of available human, financial and organizational resources?
	Policy coordination – To what extent can the government coordinate conflicting objectives into a coherent policy?
	Anti-corruption policy – To what extent does the government successfully contain corruption?

Criterion	Indicator
Consensus-building	<p>Consensus on goals – To what extent do the major political actors agree on democracy and a market economy as strategic, long-term goals?</p> <p>Anti-democratic actors – To what extent can reformers exclude or co-opt anti-democratic actors?</p> <p>Cleavage/conflict management – To what extent is the political leadership able to moderate cleavage-based conflict?</p> <p>Civil society participation – To what extent does the political leadership consult civil society actors in their plurality in policymaking?</p> <p>Reconciliation – To what extent can the political leadership bring about reconciliation between the victims and perpetrators of past injustices?</p>
International cooperation	<p>Effective use of support – To what extent does the political leadership use the support of international partners to implement a long-term strategy of development?</p> <p>Credibility – To what extent does the government act as a credible and reliable partner in its relations with the international community?</p> <p>Regional cooperation – To what extent is the political leadership willing and able to cooperate with neighbouring countries?</p>

