



Good Governance Webinar

Worldwide Governance Indicators & Good Governance Index

16 April 2021

Agenda

- 1 About DMEO
- 2 Global Indices for Reforms and Growth: *Overview*
- 3 Global Indices for Reforms and Growth: *Implementation*
- 4 Worldwide Governance Indicators
- 5 Conclusions

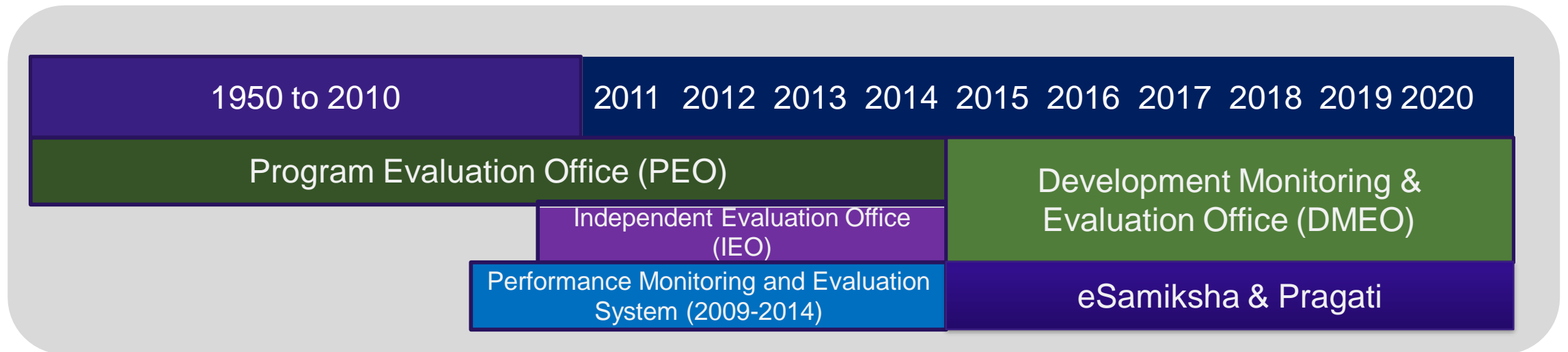
01

An Overview

Development Monitoring and Evaluation Office

Background: DMEO

- **Established:** September 2015 by merging the erstwhile Program Evaluation Office (PEO) and the Independent Evaluation Office (IEO)
- **Functions:** DMEO is an attached office under NITI Aayog for fulfilling the mandates of evaluation and monitoring assigned to NITI Aayog



Key Functions & Projects

Monitoring

- **Output-Outcome Monitoring Framework**
 - Targets for CS/CSS Schemes (appended to Budget)
 - Performance Reviews on OOMF Indicators by M/Ds
 - EFCs/SFCs/PIB/DIB proposal review
- **Sector Reviews**
- **Global Indices for Reforms & Growth (GIRG)**
- **Data Governance Quality Index (DGQI)**

Evaluation

- **UCSS Evaluation** Studies (10 Packages)
- **Quick Assessment** Studies
- **Performance Notes**
- **Flagship** Evaluation Studies preparation

Partnerships, external collaborations and others

Capacity Building at M/D and State Level

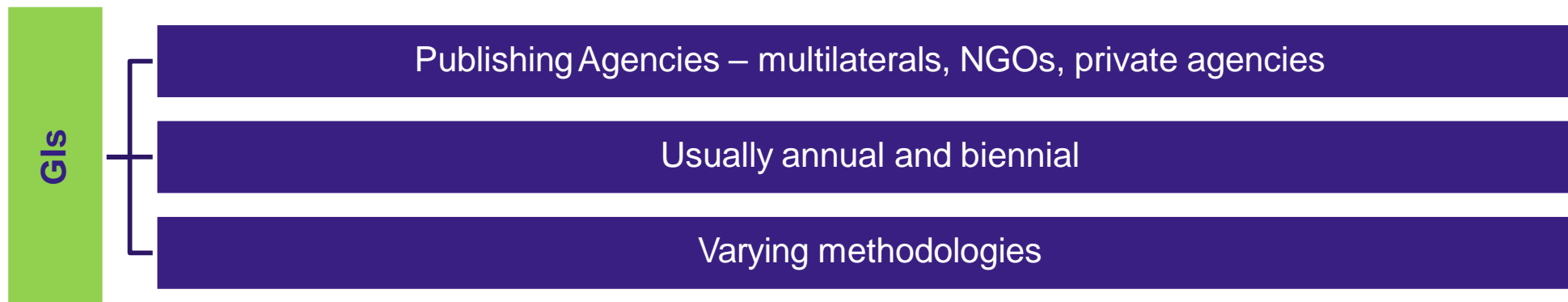
02

An Overview

Global Indices for Reforms and Growth

Global Indices for Reforms and Growth (GIRG)

- Leverage the monitoring of **select Global Indices (GIs)**
 - i. To **monitor performance** at national and sub-national level
 - ii. For **systemic reforms** in the policies and processes to improve citizen service delivery and investor confidence, create a conducive ecosystem for investment and enhance ease of living



- **Dashboard**
 - i. Monitor progress of the States/Uts/Cities in the indigenised indices
 - ii. Monitor progress on key reform actions identified

Improve India's global ranking

Coverage

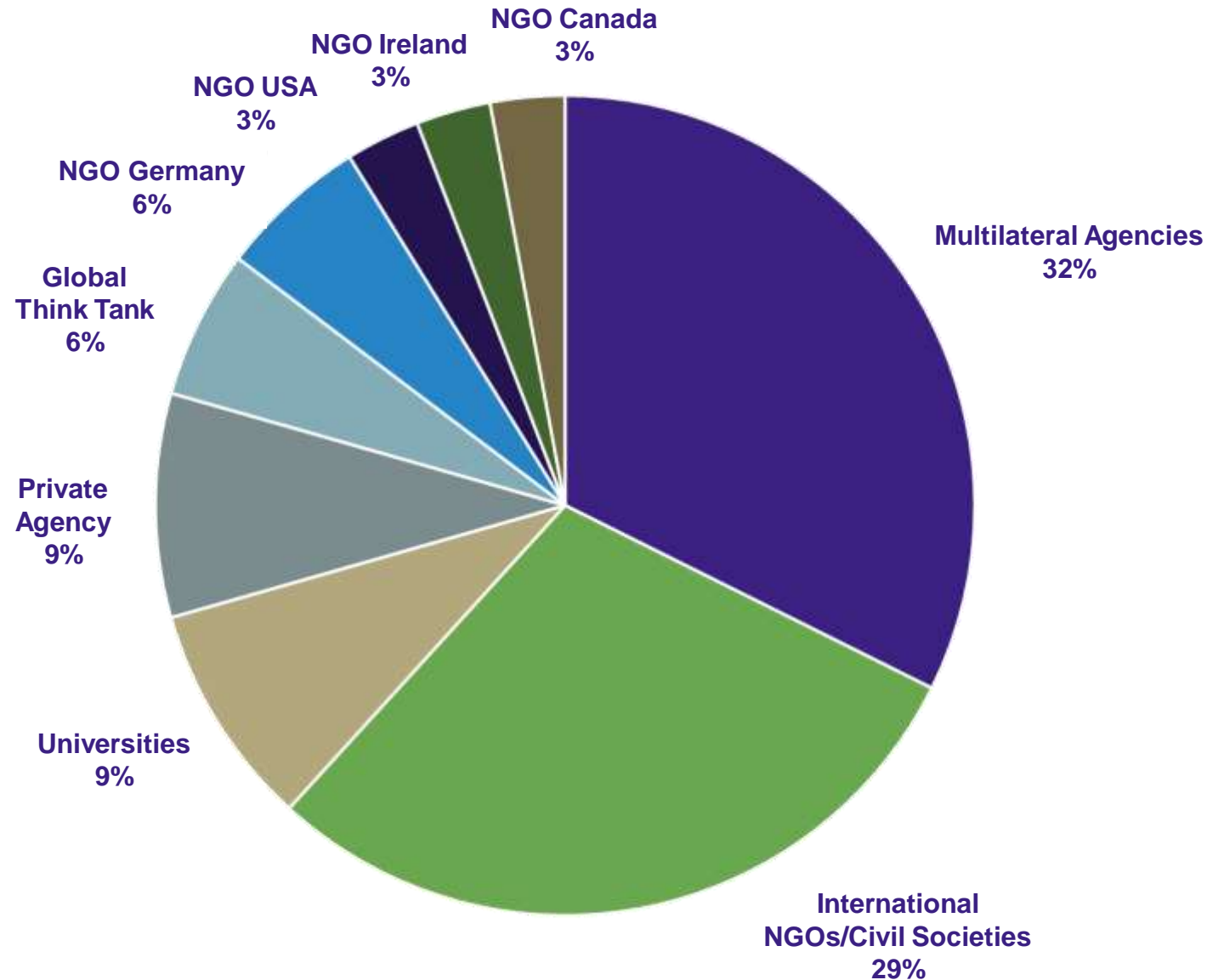


30 Global Indices – 4 Categories

ECONOMY		DEVELOPMENT		GOVERNANCE		INDUSTRY	
1	Ease of Doing Business	6	Human Development Index	11	Democracy Index	19	Logistics Performance Index
2	Financial Development Index	7	Global Multidimensional Poverty Index	12	Rule of Law Index	20	Travel and Tourism Competitiveness Index
3	Global Innovation Index	8	Global Gender Gap Index	13	Corruption Perception Index	21	E-Government Index
4	Globalization Index	9	Global Inequality Index	14	Press Freedom Index	22	ICT Development Index
5	Global Competitiveness Index	10	Global Hunger Index	15	Linguistic Diversity Index	23	Global Energy Transition Index
				16	Global Peace Index	24	Network Readiness Index
				17	Global Terrorism Index	25	Environment Performance Index
				18	Worldwide Governance Indicators	26	Climate Change Performance Index
						27	Global Climate Risk Index
						28	Global Livability Index*
						29	Safe Cities Index*
						30	Services Trade Restrictiveness Index

**Scores world's top cities*

19 Publishing Agencies – share of indices



1. World Bank
2. United Nations Agencies
3. IMF
4. OECD
5. World Economic Forum
6. Reporters Without Borders
7. World Justice Project
8. Transparency International
9. Climate Action Network
10. KOF Swiss Economic Institute
11. Columbia University
12. Oxford Poverty and HD Institute
13. Economist Intelligence Unit
14. Institute for Economics and Peace
15. Germanwatch
16. Welt Hunger Hilfe
17. Climate Institute
18. Concern Worldwide
19. Terralingua

Global Indices – a comprehensive look (part 1)

No.	Global Index	Publishing Agency	Nodal M/D	Publishing Frequency	Latest report		Previous report	
					Year	Rank	Year	Rank
1	Safe Cities Index	Economist Intelligence Unit	MHA	Annual	2020	NA	2019	NA
2	Global Terrorism Index*	Institute of Economics and Peace		Annual	2020	8/138	2019	7/138
3	Global Climate Risk Index*	Germanwatch		Annual	2018	5/181	2017	14/181
4	Global Peace Index	Institute of Economics and Peace		Annual	2020	139/163	2019	141/163
5	Gender Inequality Index	UNDP	M/o WCD	Annual	2018	122/162	2017	108/144
6	Global Hunger Index	Welthungerhilfe, Concern Worldwide		Annual	2020	94/107	2019	103/119
7	Global Gender Gap Index	World Economic Forum		Biennial	2020	112/153	2018	108/149
8	Logistic Performance Index	World Bank	D/o Commerce	Biennial	2018	44/160	2016	35/160
9	Globalization Index	KOF Swiss Economic Institute		Annual	2019	95/203	2018	86/209
10	Services Trade Restrictiveness Index	OECD		Annual	2019	NA ²	2018	NA
11	Global Innovation Index	World Intellectual Property Organization	NITI Aayog	Annual	2020	48/131	2019	52/129
12	Global Multidimensional Poverty Index	UNDP & OPHI		Annual	2020	62/107	2019	NA
13	Environment Performance Index	WEF and Columbia University	M/o EF&CC	Biennial	2020	168/180	2018	177/180
14	Climate Change Performance Index*	Climate Institute & Climate Action Network		Annual	2019	9/61	2018	14/60
15	Linguistic Diversity Index	Terralingua	M/o Culture	Not Applicable ¹				

*Indicates lower ranker is better

¹Publishing agency has not provided scores and ranks for India

Global Indices – a comprehensive look (part 2)

No.	Global Index	Publishing Agency	Nodal M/D	Publishing Frequency	Latest report		Previous report	
					Year	Rank	Year	Rank
16	Network Readiness Index	World Economic Forum	D/o Telecom	Annual	2019	79/121	2018	91/134
17	ICT Development Index	UN ITU		Annual	2017	134/176	2016	138/175
18	Global Competitiveness Index	World Economic Forum	DPIIT	Annual	2019	68/141	2018	58/140
19	Ease of Doing Business	World Bank		Annual	2020	63/190	2019	77/190
20	Rule of Law Index	World Justice Project	D/o Justice	Annual	2020	69/128	2019	68/126
21	Democracy Index	Economist Intelligence Unit	Legislative Dep	Annual	2019	51/165	2018	41/165
22	Global Livability Index ³	Economist Intelligence Unit	M/o HUA	Annual	2020	NA	2019	NA
23	Global Energy Transition Index	World Economic Forum	M/o Power	Annual	2020	74/115	2019	76/115
24	Human Development Index	UNDP	D/o SEL	Annual	2019	129/189	2018	129/189
25	Travel & Tourism Competitiveness Index	World Economic Forum	M/o Tourism	Biennial	2019	34/140	2017	40/136
26	World Press Freedom Index	Reporters without Borders	M/o I&B	Annual	2020	142/180	2019	140/180
27	E Government Index	UN DESA	MeitY	Annual	2020	100/193	2019	96/193
28	Financial Development Index	IMF	DEA	Annual	2020	NA²	2019	NA
29	Corruption Perception Index	Transparency International	D/o PT	Annual	2020	80/180	2019	80/180
30	Worldwide Governance Indicator	World Bank	DARPG	Annual	2016	111/214	2015	124/214

²Ranking not provided by Publishing Agency

³Index is calculated for 140 global cities and not at national level (New Delhi 119/140 and Mumbai 118/140 in 2019; New Delhi 112/140 and Mumbai 117/140)

19 Nodal Ministries/Departments

No.	Ministry/Department	No. of indices	Indices mapped
1	M/o Home Affairs	4	Safe Cities Index, Global Climate Risk Index, Global Terrorism Index, Global Peace Index
2	M/o WCD	3	Global Gender Gap Index, Global Hunger Index, Gender Inequality Index
3	D/o Commerce	3	Globalization Index, Logistics Performance Index, Services Trade Restrictiveness Index
4	NITI Aayog	2	Global Multidimensional Poverty Index, Global Innovation Index
5	M/o EF&CC	2	Climate Change Performance Index, Environment Performance Index
6	DPIIT	2	Ease of Doing Business, Global Competitiveness Index
7	D/o Telecom	2	Network Readiness Index, ICT Development Index
8	M/o Tourism	1	Travel and Tourism Competitiveness Index
9	M/o I&B	1	World Press Freedom Index
10	MeitY	1	E Government Index
11	M/o Culture	1	Index of Linguistic Diversity
12	M/o Power	1	Global Energy Transition Index
13	M/o HUA	1	Global Livability Index
14	D/o SEL	1	Human Development Index
15	D/o Personnel & Training	1	Corruption Perception Index
16	D/o Justice	1	Rule of Law Index
17	Legislative Department	1	Democracy Index
18	D/o Economic Affairs	1	Financial Development Index
19	DARPG	1	Worldwide Governance Indicators
	Total	30	

03

Implementation

Global Indices for Reforms and Growth

Roles and Responsibilities

Publishing Agencies: Owners of the select Global Indices that scores and ranks countries

Cabinet Secretariat

- Quarterly monitoring committee under Cab Sec
- Monthly monitoring - Committee under AS, Cab Sec

NITI Aayog

- Nodal for 2 indices
- **NITI Communication Vertical:** Communication strategy

DMEO

- Knowledge partner
- Support to Index Monitoring Cells in M/Ds
- Periodic reports to Cab Sec

19 Nodal M/Ds

- Identify reform areas
- Engage with publishing agencies
- Stakeholder & media engagement
- Dashboard configuration
- Own & use Index dashboard
- Coordinate with Line Ministries; trainings, target setting
- Track global performance

46 Line M/Ds

- Support nodal M/D
- Undertake reforms
- Coordinate with States
- Conduct Index wise workshops for States
- Identify and share best practices
- Periodic progress update

All State Govts.

- Coordinate with line M/ D
- Undertake reforms
- Periodic progress update
- Overall progress monitoring across Indices
- Implement best practices
- Share local best practices

NIC/NICSI: Develop integrated IT system/ dashboard; dashboard customization; helpdesk support for nodal and line M/Ds, and states

MoSPI: Ensure timeliness and accuracy of data sources monitored by publishing agencies; identify available and alternate data sources

MoI&B: Prepare and aid Nodal M/Ds in implementation of communication strategy

MEA: Support Nodal M/Ds engage Publishing Agencies via High Commissions in their respective locations

Score calculation and ranking

Three sets of scores and ranks will be entered/calculated for each index

1. Global Index

- Entry of score and rank as published by publishing agencies

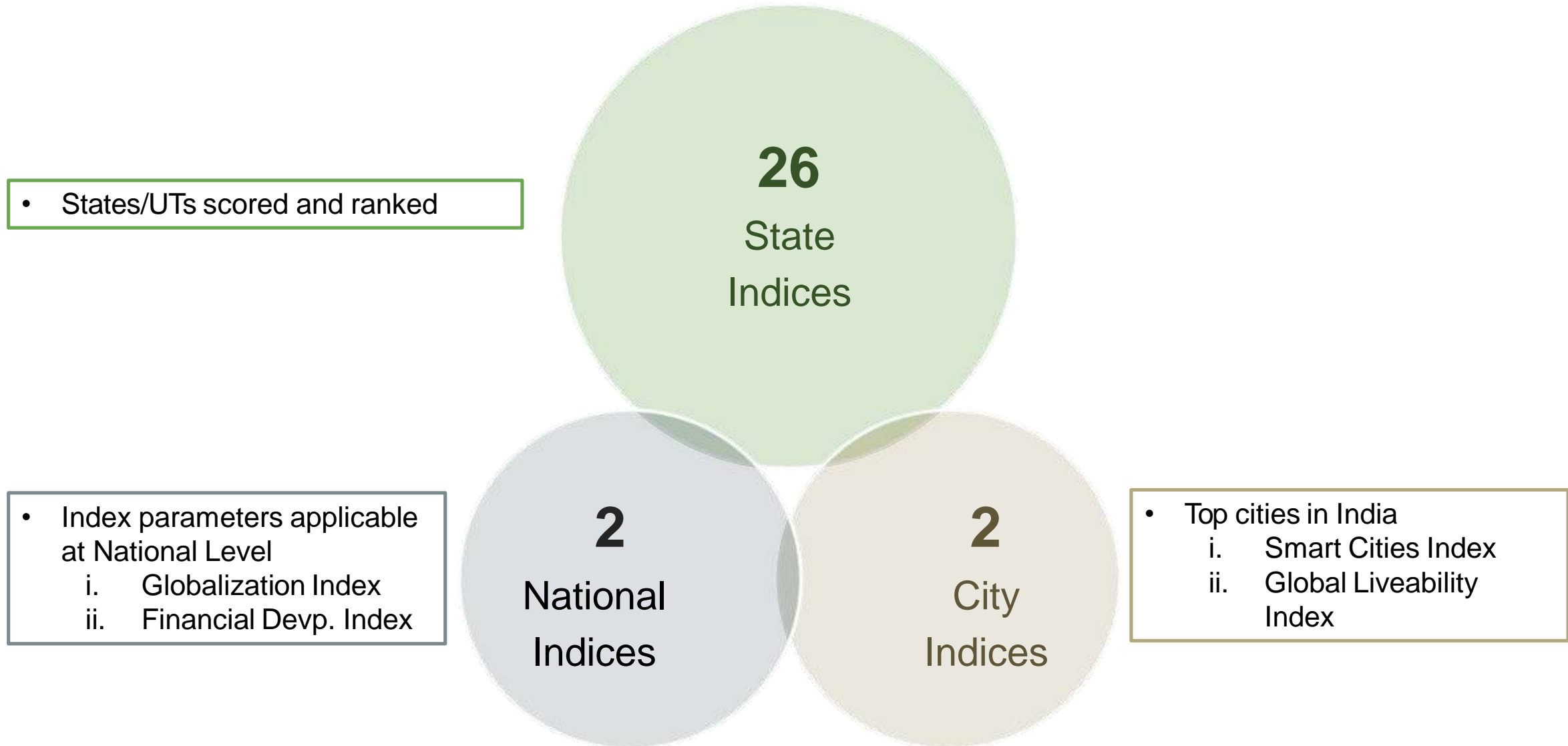
2. India Index

- Parameters, formula including weights
 - Finalised by Nodal Ministries/Departments
 - Input in the dashboard
- Progress data entry
 - Entered by Nodal/Line/State users
 - Scores calculated and ranks assigned

3. Reform Actions

- Reform Area/Action definition
 - Finalised by Nodal M/Ds with Line M/Ds
 - Priority-based weights, timelines
- Status update
 - Updated by Nodal/State/Line users
 - Scores calculated and ranks assigned

30 Indigenized Indices for scoring and ranking



India Index

Indigenised India Index

Logistics Performance Index

Parameters

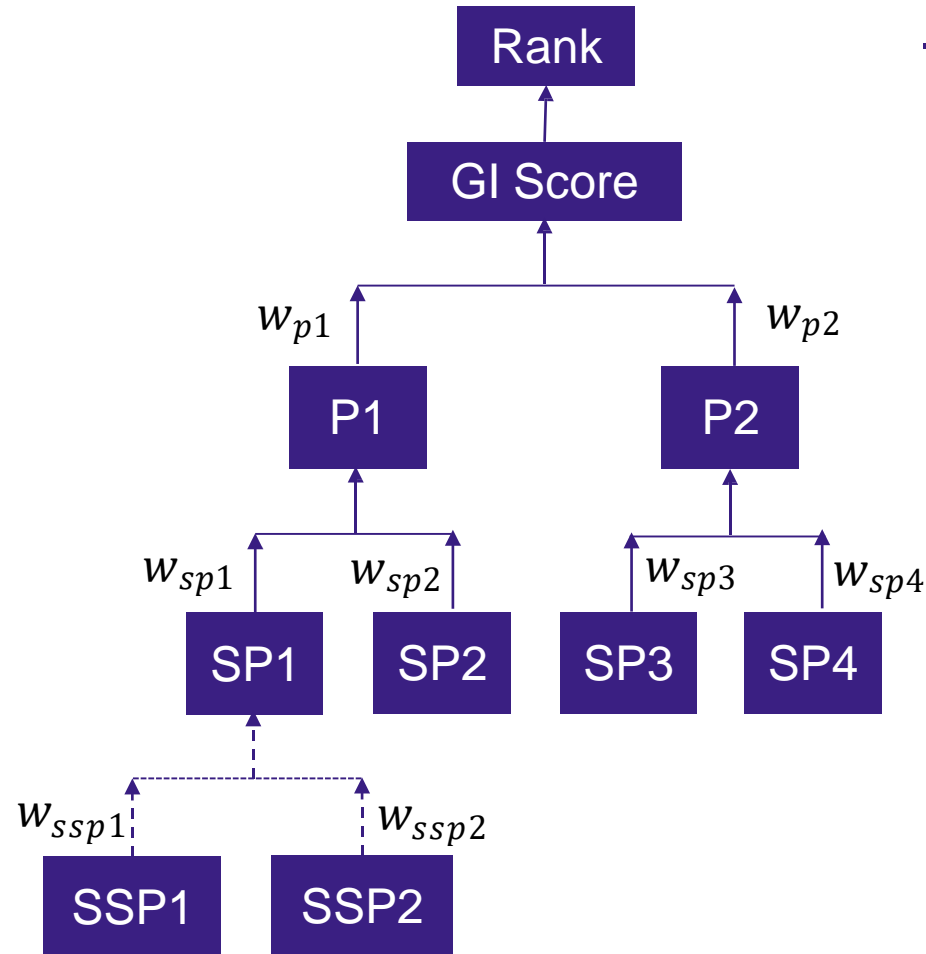
Quality of trade and transport related infrastructure

Sub-Parameters

Quality of transport infrastructure

Sub-Sub-Parameters

Further divided to include parameters related to air, water and surface transport



Parameter to GI Scoring methodology should preferably be same as defined by Publishing Agency

Nodal Ministry to fill:

- Weightages
- Formula
- Targets

Entering Progress

Automated:

- Normalization
- Scoring & Ranking

Score Calculation Convention*

	P1	P2	P3	P4	P5	Overall Score
State 1	W_1P_{11}	W_2P_{21}	....	....	.....
State 2	W_1P_{12}	W_2P_{22}				
State 3	.					
.	.					
.	.					
.	
State n	W_1P_{1n}	W_2P_{2n}	...	.....	W_5P_{5n}	

Normalized Parameter value →

Weightage →

- The **annual progress data** on parameter will be fed in the dashboard
- The **normalization of parameter** would be done at the lowest abstraction level
- In cases where (sub)-parameter(s) are not applicable to a State, that (sub)-parameter(s) will **not be considered** for the calculation of score for that State

**Methodologies of individual indices vary significantly involving complex arithmetic, statistical and logical operations*

Reform-performance scoring and ranking

	RA1	RA2	RA3	RA4	RA5	Overall Score
State 1	W_1RA_{11}	W_2RA_{21}	....	....	.....
State 2	W_2RA_{12}	W_2RA_{22}				
State 3	.					
.	.					
.	.					
State n	W_nRA_{1n}	W_2RA_{2n}	...	.....	W_5RA_{5n}	

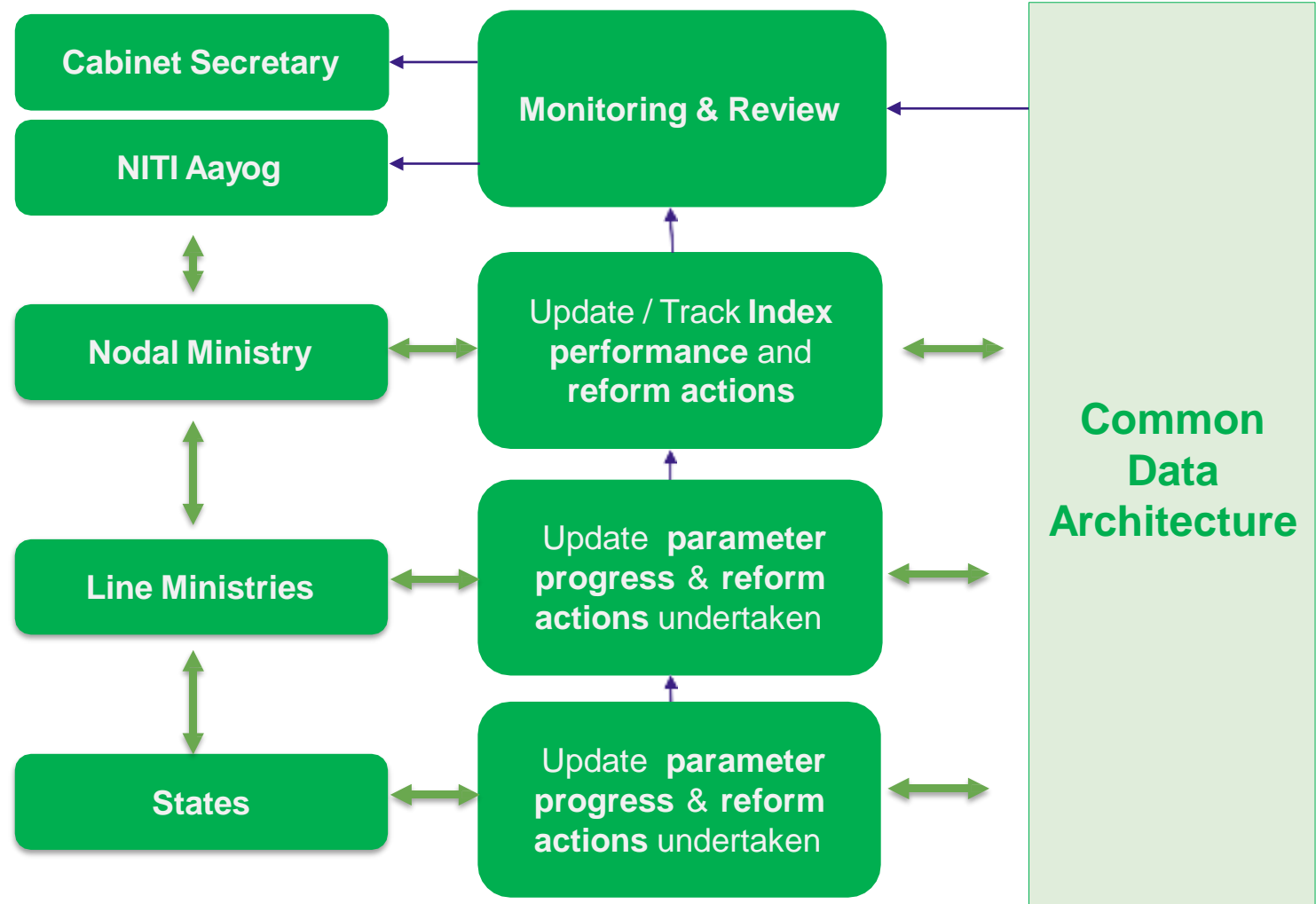
Reform Action Score
Priority



- The **weightages** (W_i) will be defined based on the **priority of the Reform Actions**
- The **Reform Action scores** (RA_{ij}) will be considered based on **progress status**
- The **Index Reform score** will be a simple weighted average of all the Reform Actions
- The States will be ranked on Reform Actions based on the Index Reform score calculated

Dashboard – Key features

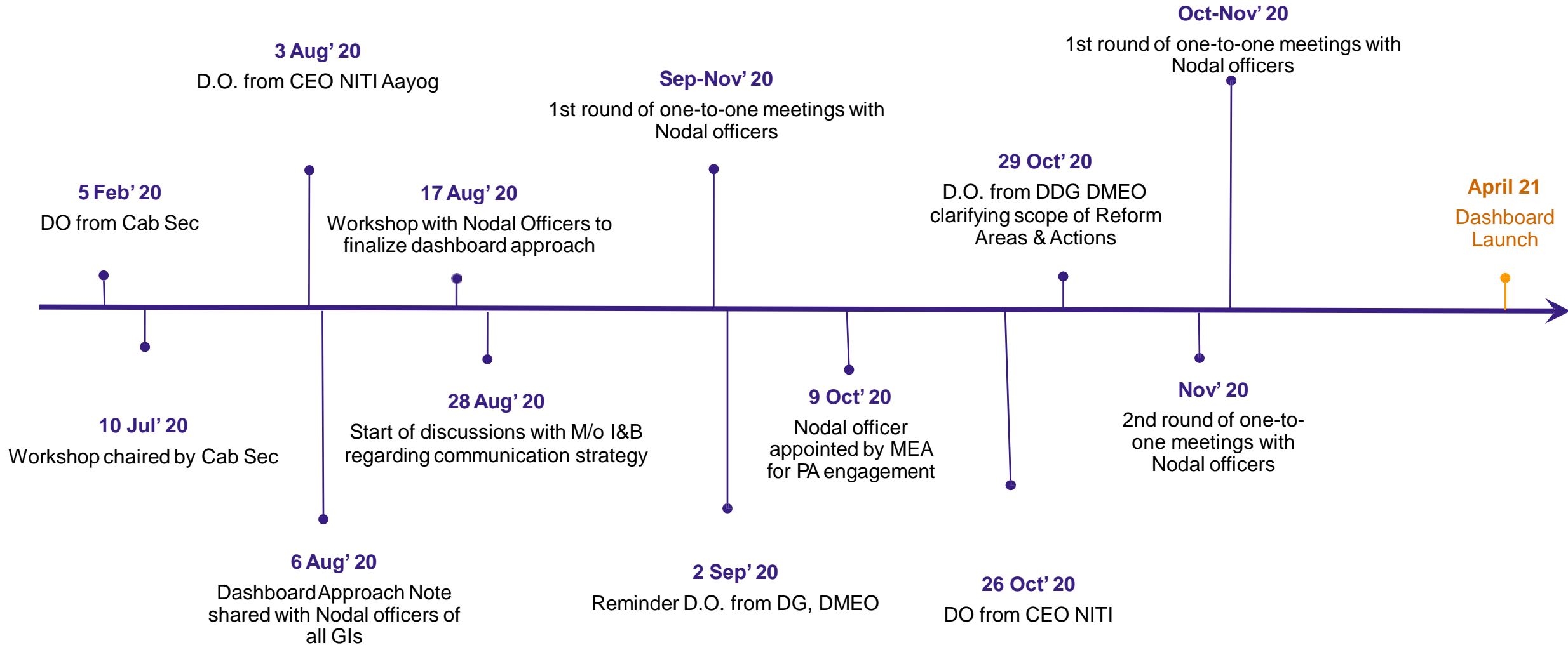
- **India Index performance tracking**
 - State rankings
- **Reform actions**
 - Planning and tracking
- **High end visualization**
 - Seamless decision support
- **Reports**
 - Progress and compliance
- **Document Management**
 - Minutes, best practices
- **Accountability and transparency**



Dashboard Modules

GIRG Dashboard Modules	Functional requirements enabled
1. Index Creation Master	<ul style="list-style-type: none"> ▪ Configure index hierarchy, i.e. <ul style="list-style-type: none"> • Add/edit delete parameters/sub-parameters etc. • Assign targets, formula, user mapping
2. Reforms Master	<ul style="list-style-type: none"> ▪ Configure Reform Areas and Reforms Actions
3. Progress data entry	<ul style="list-style-type: none"> ▪ Progress data entry for India Index ▪ Status update for Reform Actions ▪ Update published scores and ranks for Global Index
4. Visualization	<ul style="list-style-type: none"> ▪ Real-time display of performance in Global Index, India Index and Reforms
5. Reports	<ul style="list-style-type: none"> ▪ Performance and Compliance reports
6. Administrative module	<ul style="list-style-type: none"> ▪ User creation and management
7. Approvals and notifications	<ul style="list-style-type: none"> ▪ Approval and escalation matrix; Email and SMS alerts

Engagement with Nodal and Line Ministries/ Departments



03

Worldwide Governance Indicators

Worldwide Governance Indicators: 3 Areas and 6 Dimensions

Traditions and institutions by which authority in a country is exercised

- Published by the World Bank
- Annual since 1996
- Uses more than 30 data sources
- Categorizes indicators in 6 themes (aggregate indicators)

The process by which governments are selected, monitored, and replaced

- Voice and accountability
- Political stability and absence of violence/terrorism

The capacity of the government to effectively formulate and implement sound policies

- Government effectiveness
- Regulatory quality

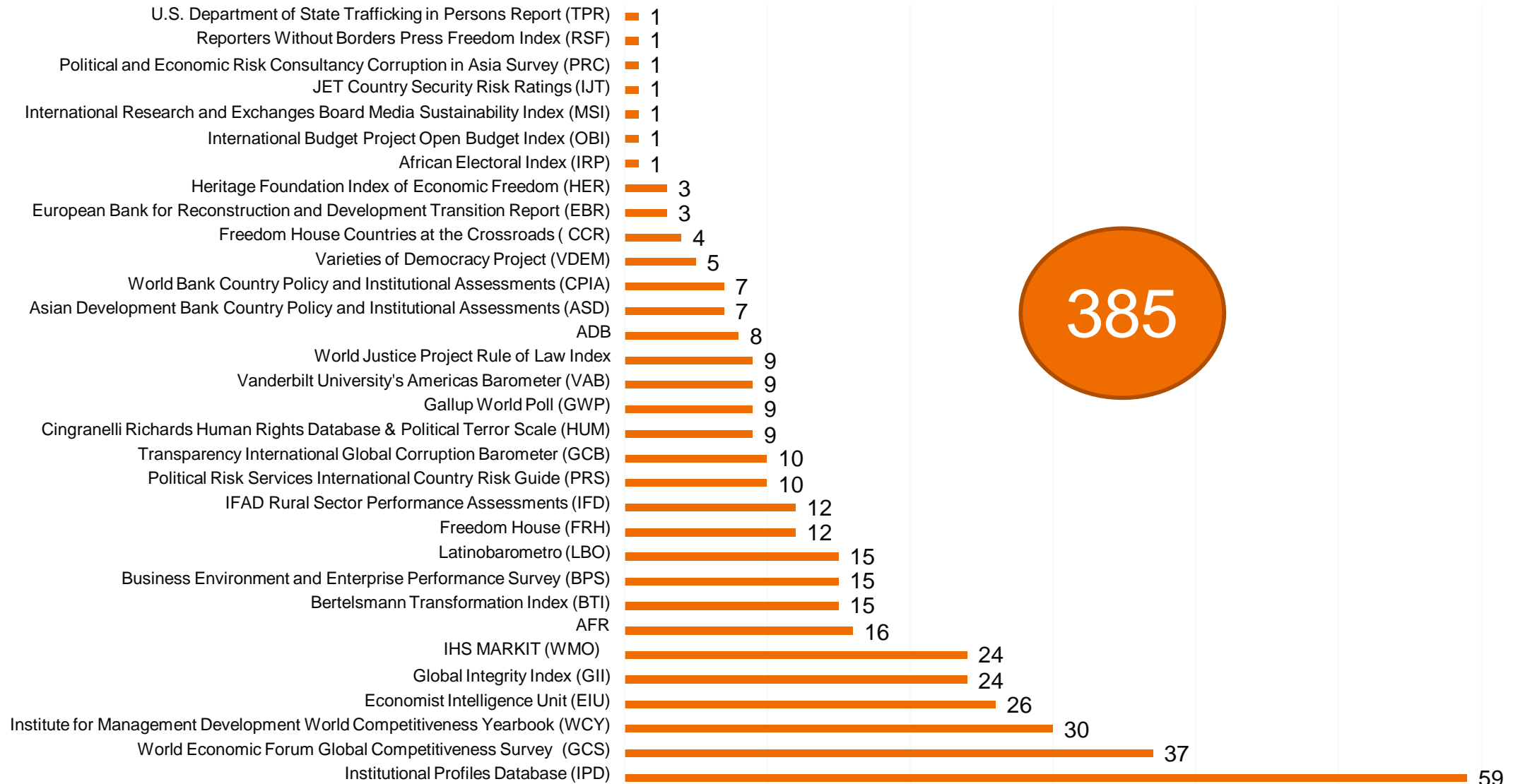
The respect of citizens and the state of institutions that govern economic and social interactions among them

- Rule of law
- Control of corruption

Sources of Data for WGI

ADB	Institute for Management Development World Competitiveness Yearbook (WCY)
AFR	Institutional Profiles Database (IPD)
African Electoral Index (IRP)	International Budget Project Open Budget Index (OBI)
Asian Development Bank Country Policy and Institutional Assessments (ASD)	International Research and Exchanges Board Media Sustainability Index (MSI)
Bertelsmann Transformation Index (BTI)	JET Country Security Risk Ratings (IJT)
Business Environment and Enterprise Performance Survey (BPS)	Latinobarometro (LBO)
Cingranelli Richards Human Rights Database & Political Terror Scale (HUM)	Political and Economic Risk Consultancy Corruption in Asia Survey (PRC)
Economist Intelligence Unit (EIU)	Political Risk Services International Country Risk Guide (PRS)
European Bank for Reconstruction and Development Transition Report (EBR)	Reporters Without Borders Press Freedom Index (RSF)
Freedom House (FRH)	Transparency International Global Corruption Barometer (GCB)
Freedom House Countries at the Crossroads (CCR)	U.S. Department of State Trafficking in Persons Report (TPR)
Gallup World Poll (GWP)	Vanderbilt University's Americas Barometer (VAB)
Global Integrity Index (GII)	Varieties of Democracy Project (VDEM)
Heritage Foundation Index of Economic Freedom (HER)	World Bank Country Policy and Institutional Assessments (CPIA)
IFAD Rural Sector Performance Assessments (IFD)	World Economic Forum Global Competitiveness Survey (GCS)
IHS MARKIT (WMO)	World Justice Project Rule of Law Index

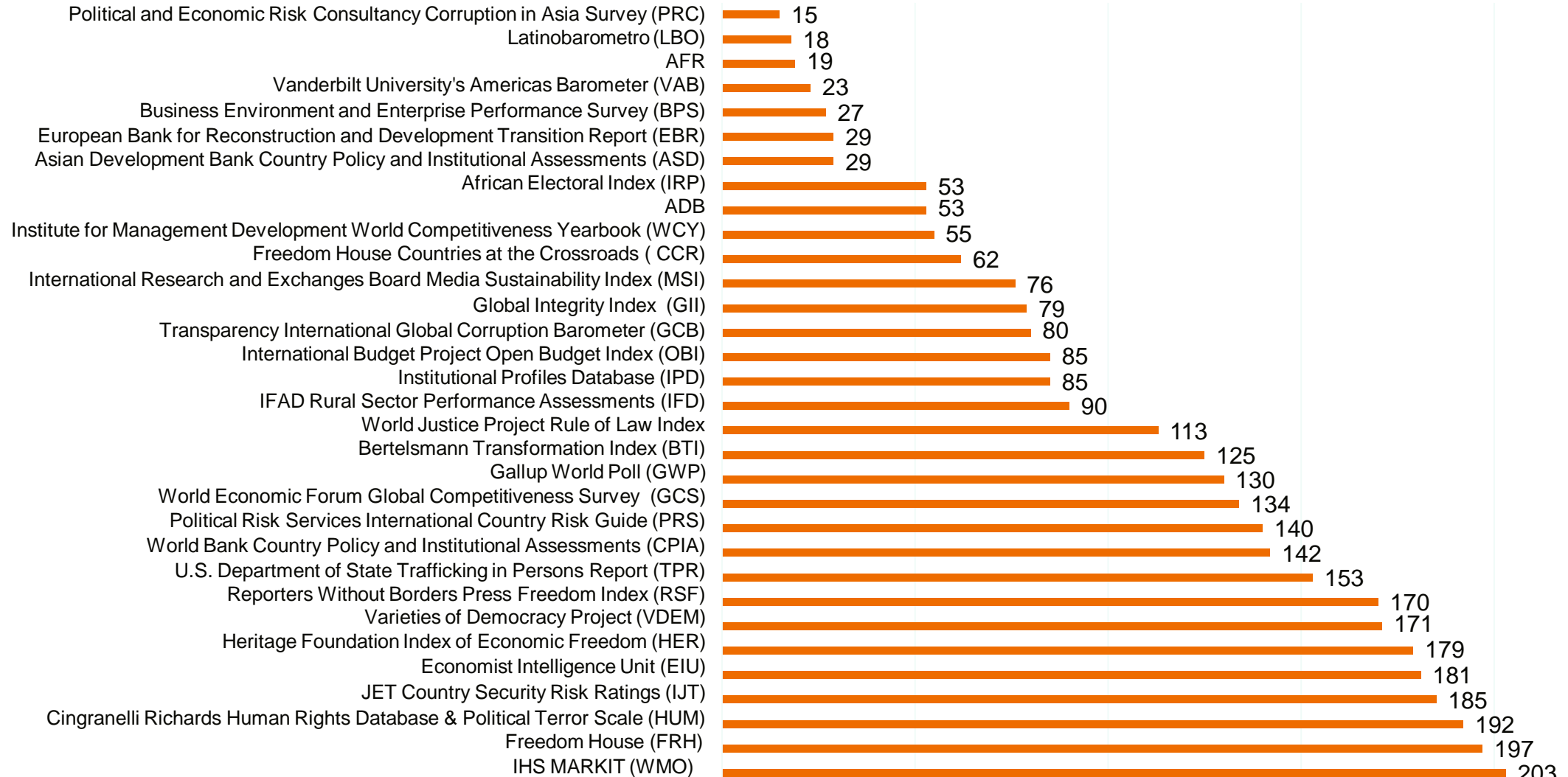
Data source wise no. of indicators in WGI



Theme-wise number of indicators by data sources

Data Source	Control of Corruption	Government Effectiveness	Political Stability and Absence of Violence	Regulatory Quality	Rule of Law	Voice and Accountability	Grand Total
• ADB	1	3	0	3	1	0	8
• AFR	4	2	0	2	5	3	16
• African Electoral Index (IRP)	0	0	0	0	0	1	1
• Asian Development Bank Country Policy and Institutional Assessments (ASD)	1	3	0	2	1	0	7
• Bertelsmann Transformation Index (BTI)	2	4	0	2	4	3	15
• Business Environment and Enterprise Performance Survey (BPS)	4	3	0	3	5	0	15
• Cingranelli Richards Human Rights Database & Political Terror Scale (HUM)	0	0	4	0	1	4	9
• Economist Intelligence Unit (EIU)	1	2	5	5	8	5	26
• European Bank for Reconstruction and Development Transition Report (EBR)	0	0	0	3	0	0	3
• Freedom House (FRH)	2	0	0	0	2	8	12
• Freedom House Countries at the Crossroads (CCR)	1	0	0	0	1	2	4
• Gallup World Poll (GWP)	1	3	0	0	4	1	9
• Global Integrity Index (GII)	2	5	0	0	7	10	24
• Heritage Foundation Index of Economic Freedom (HER)	0	0	0	2	1	0	3
• IFAD Rural Sector Performance Assessments (IFD)	1	1	0	4	2	4	12
• IHS MARKIT (WMO)	2	5	6	4	5	2	24
• Institute for Management Development World Competitiveness Yearbook (WCY)	1	6	1	16	5	1	30
• Institutional Profiles Database (IPD)	3	6	3	8	18	21	59
• International Budget Project Open Budget Index (OBI)	0	0	0	0	0	1	1
• International Research and Exchanges Board Media Sustainability Index (MSI)	0	0	0	0	0	1	1
• JET Country Security Risk Ratings (IJT)	0	0	1	0	0	0	1
• Latinobarometro (LBO)	9	1	0	0	3	2	15
• Political and Economic Risk Consultancy Corruption in Asia Survey (PRC)	1	0	0	0	0	0	1
• Political Risk Services International Country Risk Guide (PRS)	1	1	4	1	1	2	10
• Reporters Without Borders Press Freedom Index (RSF)	0	0	0	0	0	1	1
• Transparency International Global Corruption Barometer (GCB)	10	0	0	0	0	0	10
• U.S. Department of State Trafficking in Persons Report (TPR)	0	0	0	0	1	0	1
• Vanderbilt University's Americas Barometer (VAB)	3	0	0	0	4	2	9
• Varieties of Democracy Project (VDEM)	1	0	0	0	1	3	5
• World Bank Country Policy and Institutional Assessments (CPIA)	1	3	0	2	1	0	7
• World Economic Forum Global Competitiveness Survey (GCS)	8	6	1	10	8	4	37
• World Justice Project Rule of Law Index	1	0	1	1	3	3	9
Grand Total	61	54	26	68	92	84	385

Countries covered by data source



Methodology used in different data sources



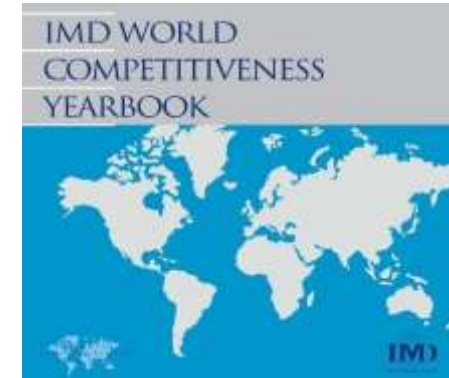
World Gallup Poll

- Face to face and telephonic interviews conducted
- Multistage sampling
- Identification of Primary Sampling Units (PSUs)
- Random selection of households in selected PSUs
- Kish grid method for selection of respondent



Institutional Profile Database

- 330 questions
- Sent to Ministry of Economy and Finance (MEF) country offices and the network of AFD country offices
- Officers from these offices fill required information



IMD World Competitiveness Index

- 118 point questionnaire
- Filled-up by middle and upper level managers in the economies included in the Index
- Distribution of managers is across sectors
- In 2017, total 6200 responses received, i.e. 90 replies per country

Sample list of indicators by source

World Gallop Poll

Voice and Accountability

Confidence in honesty of elections

Political Stability and Absence of Violence

NA

Government Effectiveness

Satisfaction with public transportation system
Satisfaction with roads and highways
Satisfaction with education system

Regulatory Quality

NA

Rule of Law

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?

Control of Corruption

Is corruption in government widespread?

Economist Intelligence Unit

Voice and Accountability

Democracy Index
Vested interests
Accountability of Public Officials
Human Rights
Freedom of association

Political Stability and Absence of Violence

Orderly transfers
Armed conflict
Violent demonstrations
Social Unrest
International tensions / terrorist threat

Government Effectiveness

Quality of bureaucracy / institutional effectiveness
Excessive bureaucrcacy / red tape

Regulatory Quality

Unfair competitive practices
Price controls
Discriminatory tariffs
Excessive protections
Discriminatory taxes

Rule of Law

Violent crime
Organized crime
Fairness of judicial process
Enforceability of contracts
Speediness of judicial process
Confiscation/expropriation
Intellectual property rights protection
Private property protection

Control of Corruption

Corruption among public officials

World Economic Forum : Competitiveness Index

Voice and Accountability

Transparency of government policymaking
Freedom of the Press
Favoritism in decisions of government officials
Effectiveness of law-making body

Political Stability and Absence of Violence

Business costs of terrorism

Government Effectiveness

Quality of overall infrastructure
Quality of road infrastructure
Quality of railroad infrastructure
Quality of port infrastructure
Quality of air transport infrastructure
Quality of primary education

Regulatory Quality

Burden of government regulation
Extent and effect of taxation
Extent and effect of taxation on incentives to invest
Extent and effect of taxation on incentives to work
Prevalence of non-tariff barriers
Intensity of local competition
Extent of market dominance
Ease of starting a new business
Effectiveness of antitrust policy
Stringency of environmental regulations

Rule of Law

Business costs of crime and violence
Organized crime
Reliability of police services
Judicial independence
Efficiency of legal framework in challenging regulations
Intellectual property protection
Property rights
Informal sector

Control of Corruption

Public trust of politicians
Diversion of public funds
Irregular payments in exports and imports
Irregular payments in public utilities
Irregular payments in tax collection
Irregular payments in public contracts
Irregular payments in judicial decisions
State Capture

Methodology of WGI

1. *Assigning data from individual sources to the six aggregate indicators*

Individual questions from the underlying data sources are assigned to each of the six aggregate indicators. For example, a cross-country household or firm survey might provide us with data on respondents' perceptions or experiences with corruption, while a NGO or commercial data provider might provide its own

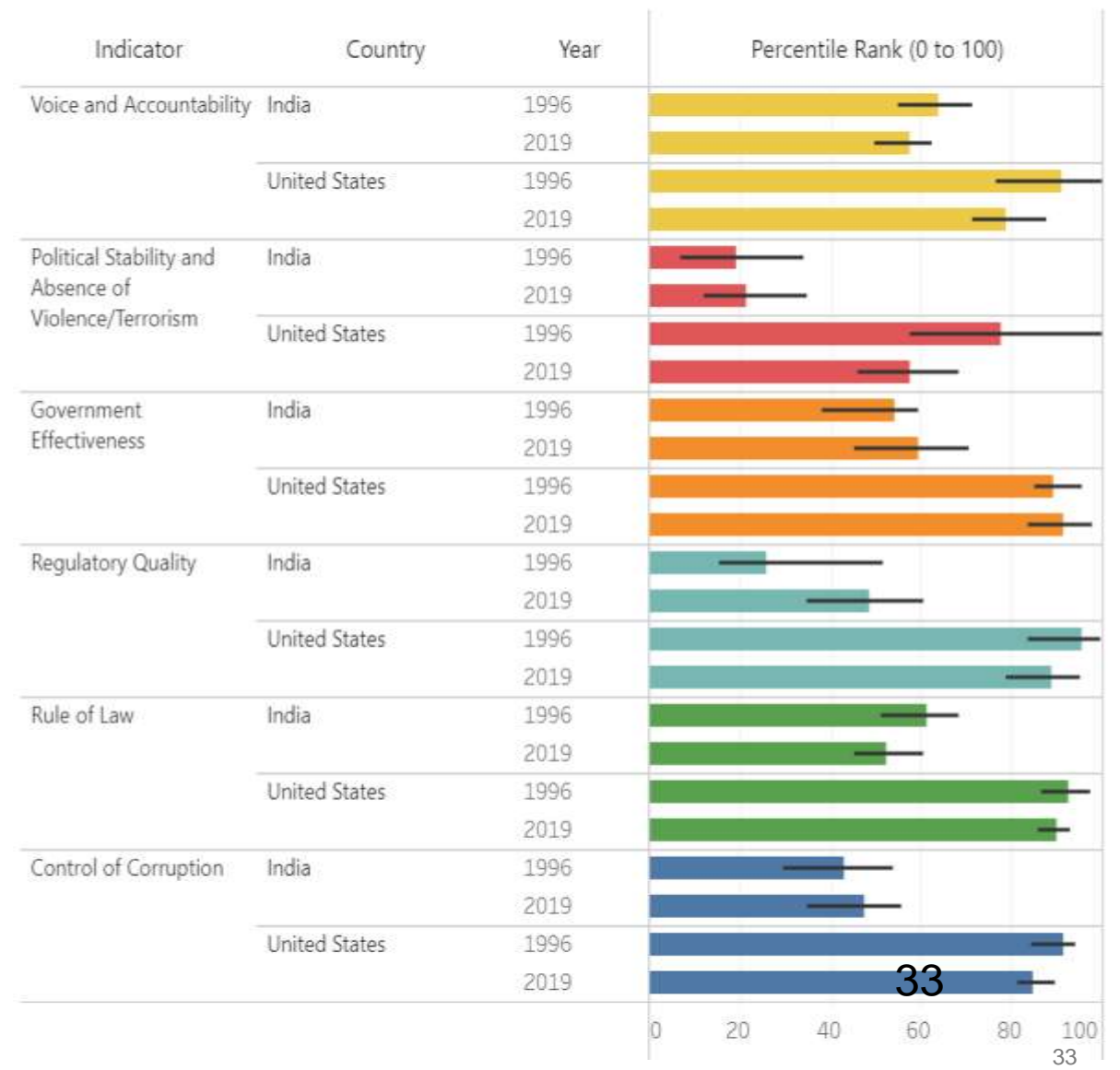
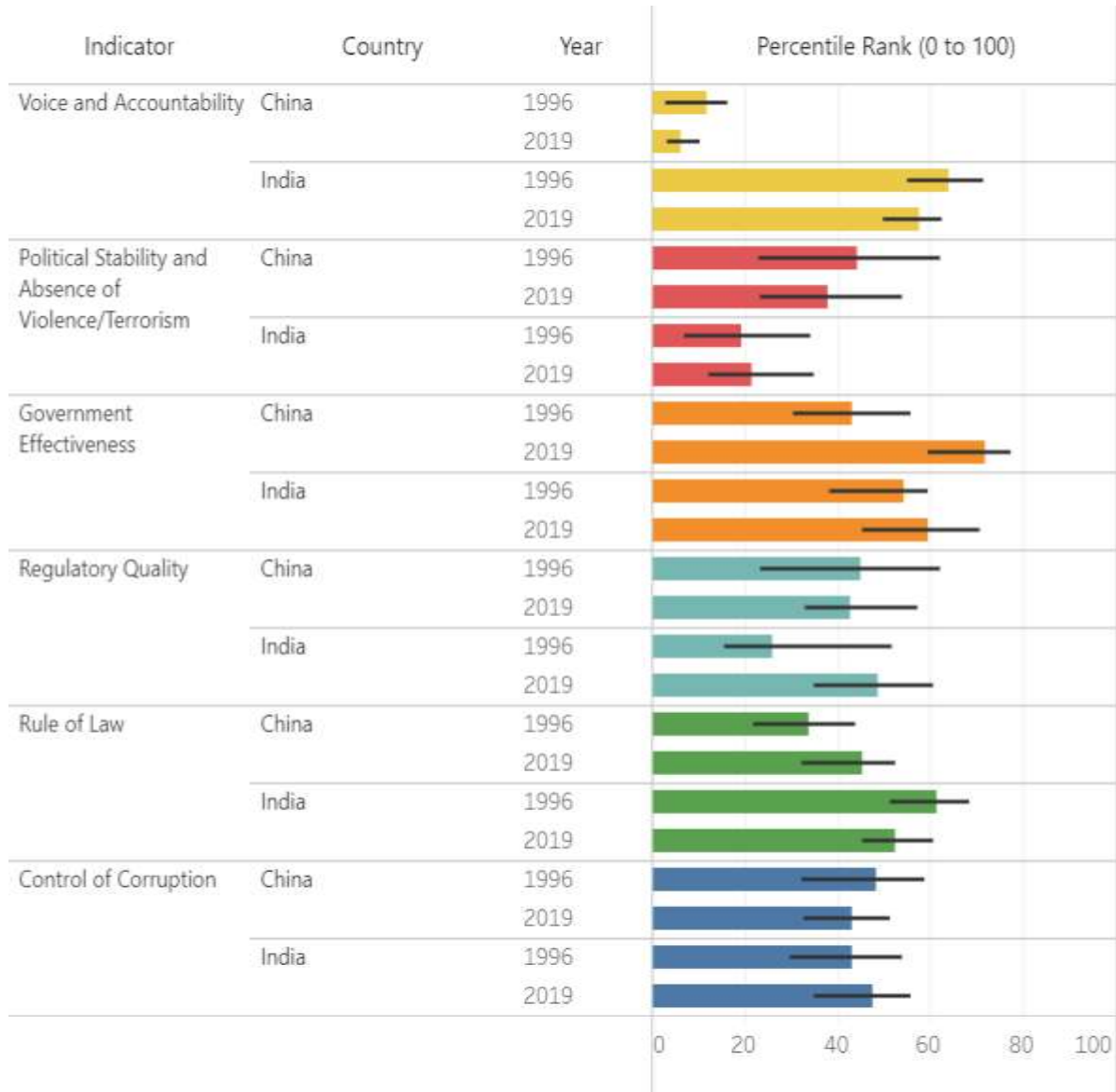
2. *Preliminary rescaling of the individual source data to run from 0 to 1*

The questions from the individual data sources are first rescaled to range from 0 to 1, with higher values corresponding to better outcomes

3. *Using an Unobserved Components Model (UCM) to construct a weighted average of the individual indicators for each source.*

4. *Data sources may be added or dropped in each newer version of the WGI*

WGI: India, China and United States Comparison



WGI 2019: India vis-à-vis Rest

Percentile Range

0-10th

10-25th

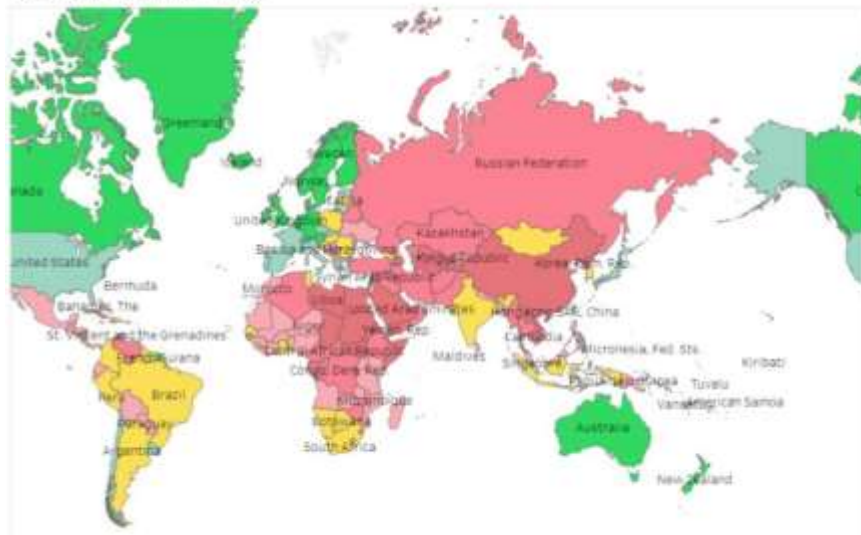
25-50th

50-75th

75-90th

90-100th

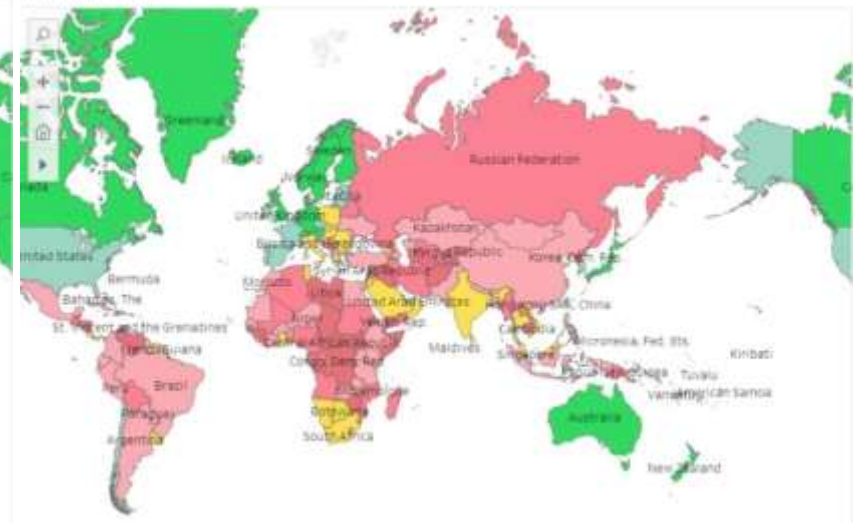
2019, Voice and Accountability



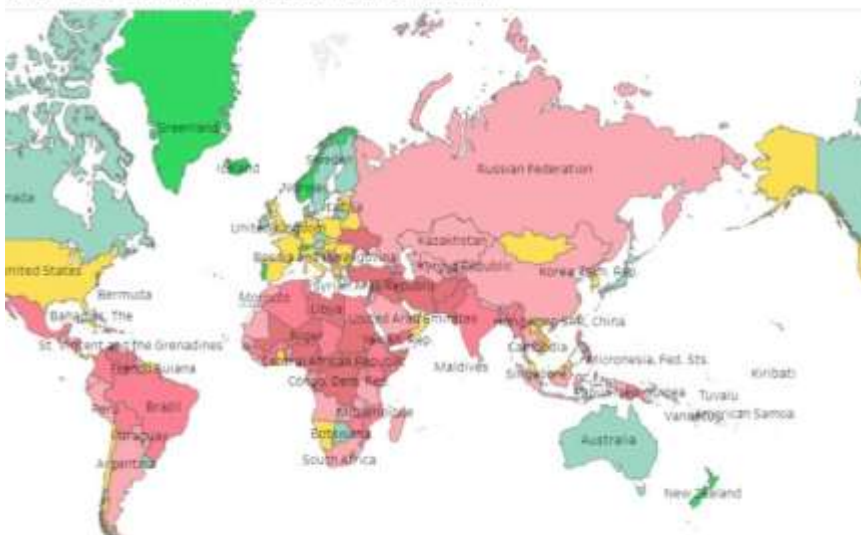
2019, Government Effectiveness



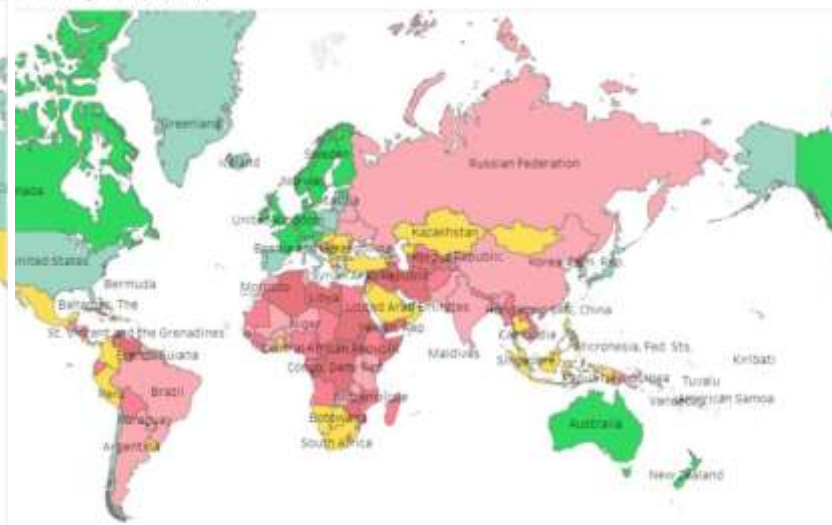
2019, Rule of Law



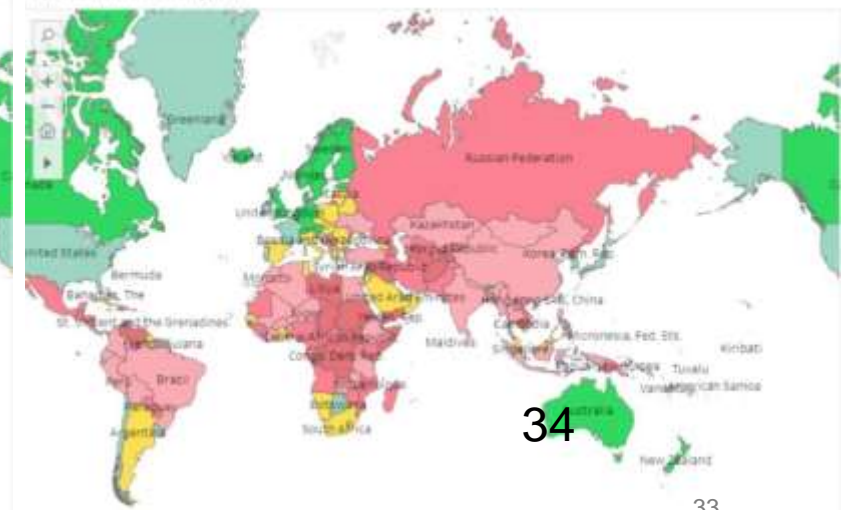
2019, Political Stability and Absence of Violence/Terrorism



2019, Regulatory Quality



2019, Control of Corruption



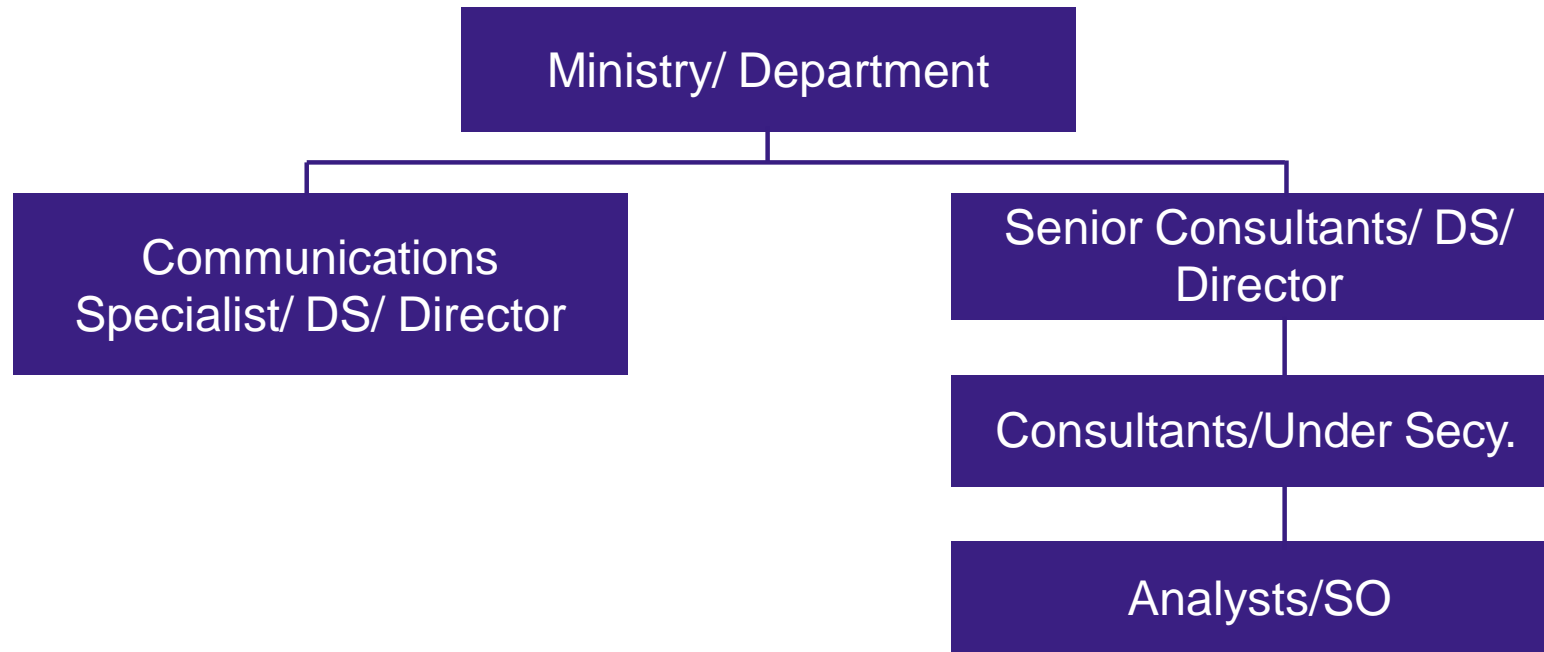
05

Conclusions

WGI under GIRG: Steps

- Establish PMU and engage knowledge partners (NCGG, Public Affairs Centre)
- Identify common themes/ parameters
- Engage with Govt. stakeholders
- Engage with Publishing Agency
- Identify Reform Areas and Actions
- Create India Index
- Comparison with Good Governance Index of DARPG

Suggested PMU Structure



Consultant	Experience	Nos.
Sr. Consultant/ Director/ DS	10+ Yrs.	1
Communications Specialist/ Director from PR or Communications cell / DS	8+ years	1
Consultant/ Under Secy.	7+Yrs.	1 per 4 Analysts / 1 per 2-3 Section Officers
Analyst/ Section Officer	2+ Yrs.	1 per 20 parameters

Implementation Mechanism & PMU Role

Committees at Nodal Ministries/ Departments

- Headed by SS/AS of Nodal Ministry/ Department, with AS/JS of line Ministries/ Departments
- Monthly review & coordination meetings
- Enhanced ownership and improved compliance & progress monitoring
- Well coordinated reform action

PMU at Nodal Ministry/ Department for each Index

- Identify key parameters
- Data source mapping – Parameter wise identification of alternate data sources, identify key parameters for action
- Identify global performance, national and global best practices
- Dashboard management – provide compliance and progress reports
- Support Line Ministries and States in identifying & driving reform actions and low hanging fruits
- Support publishing agency engagement
- Drive internal & external Communication

Comparison between WGI and Good Governance Index

Worldwide Governance Indicators (385 parameters)	Good Governance Index (50 parameters)
<ul style="list-style-type: none">• Government Effectiveness• Regulatory Quality• Rule of Law• Control of Corruption• Voice and Accountability• Political Stability and Absence of Violence	<ul style="list-style-type: none">• Public infrastructure & Utilities• Commerce and Industries• Judiciary and Public Security• Agriculture and Allied Sector• Human Resource Development• Public Health• Economic Governance• Social Welfare & Development• Environment• Citizen Centric Governance

04

Annexure

Sources of Data for WGI

Code	Source	Type*	Public
ADB	African Development Bank Country Policy and Institutional Assessments	Expert (GOV)	Partial
AFR	Afrobarometer	Survey	Yes
ASD	Asian Development Bank Country Policy and Institutional Assessments	Expert (GOV)	Partial
BPS	Business Enterprise Environment Survey	Survey	Yes
BTI	Bertelsmann Transformation Index	Expert (NGO)	Yes
CCR	Freedom House Countries at the Crossroads	Expert (NGO)	Yes
DRI	Global Insight Global Risk Service	Expert (CBIP)	Yes
EBR	European Bank for Reconstruction and Development Transition Report	Expert (GOV)	Yes
EIU	Economist Intelligence Unit Riskw ire & Democracy Index	Expert (CBIP)	Yes
FRH	Freedom House	Expert (NGO)	Yes
GCB	Transparency International Global Corruption Barometer Survey	Survey	Yes
GCS	World Economic Forum Global Competitiveness Report	Survey	Yes
GII	Global Integrity Index	Expert (NGO)	Yes
GWP	Gallup World Poll	Survey	Yes
HER	Heritage Foundation Index of Economic Freedom	Expert (NGO)	Yes
HUM	Cingranelli Richards Human Rights Database and Political Terror Scale	Expert (GOV)	Yes
IFD	IFAD Rural Sector Performance Assessments	Expert (GOV)	Yes
IJT	IJET Country Security Risk Ratings	Expert (CBIP)	Yes
IPD	Institutional Profiles Database	Expert (GOV)	Yes
IRP	IREEP African Electoral Index	Expert (NGO)	Yes
LBO	Latinobarometro	Survey	Yes
MSI	International Research and Exchanges Board Media Sustainability Index	Expert (NGO)	Yes
OBI	International Budget Project Open Budget Index	Expert (NGO)	Yes
PIA	World Bank Country Policy and Institutional Assessments	Expert (GOV)	Partial
PRC	Political Economic Risk Consultancy Corruption in Asia Survey	Survey	Yes
PRS	Political Risk Services International Country Risk Guide	Expert (CBIP)	Yes
RSF	Reporters Without Borders Press Freedom Index	Expert (NGO)	Yes
TPR	US State Department Trafficking in People report	Expert (GOV)	Yes
VAB	Vanderbilt University Americas Barometer	Survey	Yes
WCY	Institute for Management and Development World Competitiveness Yearbook	Survey	Yes
WMO	Global Insight Business Conditions and Risk Indicators	Expert (CBIP)	Yes

*CBIP: Commercial Business Information Provider;

*GOV: Public sector data;

Voice and Accountability

Representative Sources

- EIU** Democracy index
 - Vested interests
 - Accountability of public officials
 - Human rights
 - Freedom of association
- FRH** Political rights (FRW)
 - Civil liberties (FRW)
 - Freedom of the net (FOTN)
- GWP** Confidence in honesty of elections
- IPD** Freedom of elections at national level
 - Are electoral processes flawed?
 - Do the representative institutions (e.g. parliament) operate in accordance with the formal rules in force (e.g. Constitution)?
 - Freedom of the press (freedom of access to information, protection of journalists, etc.)
 - Freedom of association
 - Freedom of assembly, demonstration
 - Respect for the rights and freedoms of minorities (ethnic, religious, linguistic, immigrants...)
 - Is the report produced by the IMF under Article IV published?
 - Reliability of State budget (completeness, credibility, performance...)
 - Reliability of State accounts (completeness, audit, review law...)
 - Reliability of State-owned firms' accounts
 - Reliability of basic economic and financial statistics (e.g. national accounts, price indices, foreign trade, currency and credit, etc.)
 - Reliability of State-owned banks' accounts
 - Is the State economic policy (e.g. budgetary, fiscal, etc.)... communicated?
 - Is the State economic policy (e.g. budgetary, fiscal, etc.)... publicly debated?
 - Degree of transparency in public procurement
 - Freedom to leave the country (i.e. passports, exit visas, etc.)
 - Freedom of entry for foreigners (excluding citizens of countries under agreements on free movement, e.g. Schengen Area, etc.)
 - Freedom of movement for nationals around the world
 - Genuine media pluralism
 - Freedom of access, navigation and publishing on Internet
- PRS** Military in politics
 - Democratic accountability
- RSF** Press freedom index
- VDM** Expanded freedom of expression
 - Freedom of association
 - Clean elections

Theme: Control of Corruption

Representative Sources

- EIU** Corruption among public officials
- GCS** Public trust of politicians
 - Diversion of public funds
 - Irregular payments in exports and imports
 - Irregular payments in public utilities
 - Irregular payments in tax collection
 - Irregular payments in public contracts
 - Irregular payments in judicial decisions
- GWP** Is corruption in government widespread?
- IPD** Level of "petty" corruption between administration and citizens
 - Level of corruption between administrations and local businesses
 - Level of corruption between administrations and foreign companies
- PRS** Corruption
- VDM** Corruption index
- WMO** *Corruption*. The risk that individuals/companies will face bribery or other corrupt practices to carry out business, from securing major contracts to being allowed to import/export a small product or obtain everyday paperwork. This threatens a company's ability to operate in a country, or opens it up to legal or regulatory penalties and reputational damage.

Government Effectiveness

Representative Sources

- EIU** Quality of bureaucracy / institutional effectiveness
Excessive bureaucracy / red tape
- GCS** Quality of road infrastructure
Quality of railroad infrastructure
Quality of port infrastructure
Quality of air transport infrastructure
Quality of primary education
- GWP** Satisfaction with public transportation system
Satisfaction with roads and highways
Satisfaction with education system
- IPD** Coverage area: public school
Coverage area: basic health services
Coverage area: drinking water and sanitation
Coverage area: electricity grid
Coverage area: transport infrastructure
Coverage area: maintenance and waste disposal
- PRS** Bureaucratic quality
- WMO** *Infrastructure disruption*. This reflects the likelihood of disruption to and/or inadequacy of infrastructure for transport, including due to terrorism/insurgency, strikes, politically motivated shutdowns, natural disasters; infrastructure includes (as relevant) roads, railways, airports, ports, and customs checkpoints.
State failure. The risk the state is unable to exclusively ensure law and order, and the supply of basic goods such as food, water, infrastructure, and energy, or is unable to respond to or manage current or likely future emergencies, including natural disasters and financial or economic crises.
Policy instability. The risk the government's broad policy framework shifts over the next year, making the business environment more challenging. This might include more onerous employment or environmental regulation; local content requirements; import/export barriers, tariffs, or quotas; other protectionist measures; price controls or caps; more "political" control of monetary policy, or simply more direct intervention into the operations and decisions of private companies etc

Political Stability and Absence of Violence/ Terrorism

Representative Sources

- EIU** Orderly transfers
Armed conflict
Violent demonstrations
Social unrest
International tensions / terrorist threat
- HUM** Political terror scale
- IJT** Security risk rating
- IPD** 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)
- PRS** Government stability
Internal conflict
External conflict
Ethnic tensions
- WMO** *Protests and riots.* The risk that the nature and impact of protests and riots (excluding those related to labour) cause damage to assets or injure or detain people, particularly if these disrupt normal movement, business operations, and activity.
Terrorism. The risk that the activities of any non-state armed group or individual cause (or are likely to cause) property damage and/or death/injury through violence. This risk definition includes terrorism, which uses violence (or the threat of) to advance a political cause, and similar tactics used by "for profit" organised crime.
Interstate war. This risk measures resultant impacts (death/property damage) and means, covering the spectrum from targeted military strikes against limited targets to full-scale war with the aim of changing the government and/or occupation.

Civil war. The risk of intra-state military conflict, in the form of an organised insurgency, separatist conflict, or full-blown civil war, in which rebels/insurgents attempt to overthrow the government, achieve independence, or at least heavily influence major government policies.

Rule of Law

Representative Sources

- EIU** Violent crime
 - Organized crime
 - Fairness of judicial process
 - Enforceability of contracts
 - Speediness of judicial process
 - Confiscation/expropriation
 - Intellectual property rights protection
 - Private property protection
- GCS** Organized crime
 - Reliability of police services
 - Judicial independence
 - Efficiency of legal framework in challenging regulations
 - Intellectual property protection
 - Property rights
- GWP** 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?
- HER** Property rights
- IPD** Degree of security of goods and persons
 - Violent activities by criminal organizations (drug trafficking, weapons, prostitution...)
 - Degree of judicial independence vis-à-vis the State
 - Degree of enforcement of court orders
 - Timeliness of judicial decisions
 - Equal treatment of foreigners before the law (compared to nationals)
 - Practical ability of the administration to limit tax evasion
 - Efficiency of the legal means to protect property rights in the event of conflict between private stakeholders?
 - Generally speaking, does the State exercise arbitrary pressure on private property (e.g. red tape...)?
 - Does the State pay compensation equal to the loss in cases of expropriation (by law or fact) when the expropriation concerns land ownership?
 - Does the State pay compensation equal to the loss in cases of expropriation (by law or fact) when the expropriation concerns production means?
 - Degree of observance of contractual terms between national private stakeholders
 - Degree of observance of contractual terms between national and foreign private stakeholders
 - In the past 3 years, has the State withdrawn from contracts without paying the corresponding compensation... vis-à-vis national stakeholders?
 - In the past 3 years, has the State withdrawn from contracts without paying the corresponding compensation... vis-à-vis foreign stakeholders?
 - Respect for intellectual property rights relating to... trade secrets and industrial patents
 - Respect for intellectual property rights relating to... industrial counterfeiting
 - Does the State recognize formally the diversity of land tenure system?
- PRS** Law and order
- TPR** Trafficking in people
- VDM** Liberal component index
- WMO** *Expropriation.* The risk that the state or other sovereign political authority will deprive, expropriate, nationalise, or confiscate the assets of private businesses, whether domestic or foreign.
State contract alteration. The risk that a government or state body alters the terms of, cancels outright, or frustrates (usually through delay) contracts it has with private parties without due process.
Contract enforcement. The risk that the judicial system will not enforce contractual agreements between private-sector entities, whether domestic or foreign, due to inefficiency, corruption, bias, or an inability to enforce rulings promptly and firmly.

Regulatory Quality

Representative Sources

- EIU** Unfair competitive practices
 - Price controls
 - Discriminatory tariffs
 - Excessive protections
 - Discriminatory taxes
- GCS** Burden of government regulations
 - Prevalence of non-tariff barriers
 - Extent of market dominance
- HER** Investment freedom
 - Financial freedom
- IPD** Ease of starting a business governed by local law?
 - Ease of setting up a subsidiary for a foreign firm?
 - Share of administered prices
 - Does the State subsidize commodity prices (i.e. food and other essential goods, excluding oil)?
 - Does the State subsidize the price of petrol at the pumps?
 - Importance, de facto, of barriers to entry for new competitors in markets for goods and services (excluding the financial sector and
 - Importance, de facto, of barriers to entry for new competitors in markets for goods and services (excluding finance and beyond the
 - Efficiency of competition regulation in the market sector (excluding financial sector)
- PRS** Investment profile
- WMO** *Regulatory burden.* The risk that normal business operations become more costly due to the regulatory environment. This includes regulatory compliance and bureaucratic inefficiency and/or opacity. Regulatory burdens vary across sectors so scoring should give greater weight to sectors contributing the most to the economy.
 - Tax inconsistency.* Tax inconsistency also captures the risk that fines and penalties will be levied for non-compliance with a tax code that appears disproportionate or manipulated for political ends.

Issues with Worldwide Governance Indicators* (1/4)

- **Not reproducible:** Many of the indicators underlying each source's ratings, are not published.
- **Too complex:** The WGI "Control of Corruption" uses 23 combinations of sources just for East Europe and Central Asia. The sheer number and diversity of indicators, produced by others, in a single WGI make it very difficult to understand.
- **Arbitrary:** For example, WGI use the indicator "Environmental regulations hurt competitiveness" from the World Economic Forum's Executive Opinion Survey, but ignore that Survey's several questions that give high ratings to countries with a high standard of environmental protection.

Arndt, C.; Oman, C. (2008). ["The Politics of Governance Ratings"](#) (PDF). Working Paper MGSOG/2008/WP003.

Thomas, M. (2009). "What Do the Worldwide Governance Indicators Measure?". *European Journal of Development Research*.

Langbein, L.; Knack, S. (2010). "The Worldwide Governance Indicators: Six, One, or None?". [Journal of Development Studies](#)

Issues with Worldwide Governance Indicators (2/4)

- **Absence of an underlying theory of "good" governance:** no normative concept or unifying single theory to distinguish between good or bad governance. When are taxes, labour or environmental regulatory protection desirable and when are they excessive?
- **Hidden biases:** Low weight given to household surveys relative to the weights of expert assessments and firm surveys. For example, Gallup's World Poll that asks citizens about their exposure to crime gets zero weight for "Rule of Law", but Global Insight Business Risk and Conditions, a U.S. commercial business information provider that measures the crime risk to businesses, gets the third highest weight.

Issues with Worldwide Governance Indicators (3/4)

- **Lack of comparability over time and space:** For example, the WGI “Control of Corruption” for Eastern Europe and Central Asia has 23 different combinations of sources, but only four pair of countries ratings are based on a common set of sources.
- **Lack of actionability:** WGI offers little guidance to concrete actions to improve the quality of governance. For example, an indicator for Rule of Law "how secure business people feel about their property" not *why* they feel that way.

Issues with Worldwide Governance Indicators (4/4)

- **Over-selling:** The World Bank Institute advertises its WGIs as "reliable measurements of governance", but for example gives the misleading impression that the views of ordinary citizens are well represented, making the indicators particularly attractive to donor agencies concerned about the poor. WBI heavily stressed inclusion of the Gallup World Poll, a cross-country household survey available for a large number of countries, but Gallup's World Poll gets zero weight on two WGIs, marginal weight on two other WGIs and provides no data for the remaining two.
- **Lack of conceptual clarity:** "The six governance indicators measure a broad underlying concept of 'effective governance' ... they appear to say the same thing, with different words ... the six indexes do not discriminate usefully among different aspects of governance. Rather, each of the indexes – whatever its label – merely reflects perceptions of the quality of governance more broadly. An implication is that they may have limited use as guides for policymakers, and for academic studies of the causes and consequences of 'good governance' as well... their availability may well have crowded out efforts at measuring the impact of institutions as they really exist in a particular place on real outcomes."