An Ends-Means Approach to Looking At Governance

Faculty Research Working Paper Series

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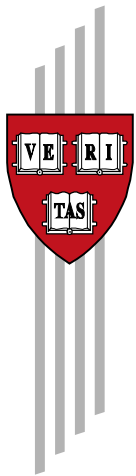
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Abstract

This paper synthesizes the approach I take to looking at governance in nations states. The approach emphasizes ends as the starting point for any view of governance. (Asking about what governments do rather than how they do them). I also emphasize means; but in thinking about what it takes to produce ends, not as stand-alone factors. I provide some detail on the specific ends and means I look at in nation states and promote the idea of using governance dashboards and narratives to look at governance (not hold-all indicators). I also discuss how my approach might be useful in the current discussions about including a governance indicator in the post 2015 development goals. I expect that some will disagree and even disapprove with the approach I discuss, but I hope that the approach nonetheless offers a useful contribution to current discussions.

Given the means, we hang on to them and often forget the ends.
Eric Hoffer, Reflections on the Human Condition

Perfection of means and confusion of goals seem, in my opinion, to characterize our age.
Albert Einstein, Out of My Later Years

It is not a matter of ends justifying means: but of the creation of new means and new ends.
Joseph O'Connor, Star of the Sea

Ends, Means and Governance?

Many have asked me how I personally think about governance and assess governance when I visit countries. The current paper presents my thoughts on this. These thoughts manifest in what I call an ends-means approach to looking at governance. This approach suggests that governance is something to 'look at' and describe (and perhaps not something to be more formally assessed and measured). The approach also suggests that governance is primarily about what governments do—and the ends they produce (and perhaps not as much about the means of producing such). I believe that means also matter, but should only be discussed once we have decided on the ends that matter. The challenge of ensuring functionality needed to produce ends must lead discussions about form and means, and not the other way around.

I focus on ends as a starting point in looking at governance because these reflect the revealed functionality or capability of states—*what they can do*. I think that revealed capabilities and *ends* are ignored in much of the current governance discussion because of a bias towards questions about form and preferred *means* of governing. The bias manifests in reform programs that introduce common agreed-upon and apparently 'good' means of managing public finances, structuring regulatory frameworks, procuring goods, organizing service delivery, managing civil servants, and much more. The bias is even reflected in views that governments should be transparent and non-corrupt and have merit based hiring procedures. I am sure we all want to be in governments that look like this, but do appearances matter as much as action? And do these appearances always promote the action needed from governments, especially in developing countries?

In promoting a form based governance agenda (of what we want states to look like), I think we (as a community of governance observers) often forget that governments exist to *do* and not just to *be*. We thus focus on the means of *being* rather than the product of *doing*. This bias lead to governance indicators and reforms that emphasize perfection of means, often failing to make a connection to the ends or even clarifying which ends matter. (Or allowing for the idea that different ends might matter in different places at different times or that different ends might justify and even warrant different means in different countries or even sectors in countries). This is particularly problematic in developing countries where governments are only five or six decades old and are still defining and creating their ends and their means. Approaches to governance should help in this process of defining and re-defining, but this help should start by emphasizing ends—what governments need to do to promote development for citizens—and then think about means—how governments could do such things.

The first section makes the argument for focusing on ends and then means. The second and third provide details on the ends and means I typically look at to get as full a picture of governance as possible. A fourth section then discusses why I do not use stand-alone, hold-all indicators of governance to present this picture. My main argument is that these indicators provide too limited a view on this complex topic, averaging out too much variation crucial to the overall picture. The next section introduces my ideas about using dashboards and narratives instead of stand-alone indicators. I build a dashboard example to show how it allows a view on the multi-dimensional nature of governance and fosters a conversation about the strengths, weaknesses and opportunities in a specific country.

I don't intend for this to be an academic treatise, but offer it as my personal viewpoint on an increasingly important topic. Think of it, perhaps, as an exercise in 'thinking out loud'. As such, the paper is a cover-all piece on my views about this subject to date, which one will see in the references to my work, including articles, blog posts, formal figures and tables and less formal cartoons. Hopefully the totality of this work provokes some thinking beyond my own. In particular, I aim to contribute to the discussion about including governance indicators in the post 2015 development indicator framework. The final section of this paper offers specific ideas in this regard, intended to build on already-important contributions. (See, for instance, Foresti et al. 2014.)

My conceptual take on governance

I believe that clear theoretical and conceptual frameworks should frame any discussion of governance. I am not sure this is always the case, however, and agree with Francis Fukuyama that we still need a good answer to the question, 'What is Governance?' (Fukuyama 2013). The lack of clarity on this topic is reflected in the many definitions of 'governance' that exist. It also manifests in the many indicators that are now in place, often with slight or significant variations in content that suggest we (as a collective community of 'governance' observers) still don't agree on what we are measuring. This should probably not be surprising given the relative newness of the governance concept. Google's ngram viewer shows that the word's use (in published books) emerged in only the last three decades, having limited play before then. Interestingly, the word's use started growing in American English more than a decade before the same happened in British English, Spanish, German or French. (Usage in American English started growing in the 1970s but only started to spike in the 1990s for the other language groups).[1]

My personal clarity about this concept comes from thinking of governance in the nation state as 'the exercise of civic authority by governments to influence outcomes of broad civic interest' (see Andrews et al. 2010, which builds on Kaufmann et al. 1999, 1; Michalski et al. 2001, 9). This understanding borrows from the literature on publicly traded companies, where corporate governance is similarly defined. Tirole (2001, 4), for instance, sees corporate governance as "the design of institutions that induce or force management to internalize the welfare of stakeholders." Consider the basic theoretical elements of governance implied in this definition: It focuses on (i) how mechanisms regulate (ii) the way that authority is exercised by one set of agents (iii) who act on behalf of a group of principals (iv) with the goal of maximizing the welfare of these principals. Combining these elements, I argue that governance is the process by which specific agents exercise delegated authority to affect the welfare of the principals allocating the authority. *Put simply, and in context of the nation state, I think governance involves governments using authority derived from or allocated by citizens to produce, facilitate and influence outcomes that require collective engagement.*

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[1] https://books.google.com/ngrams/graph?content=governance&year_start=1900&year_end=2000&corpus=18&smoothing=3&share=&direct_url=t1%3B%2Cgovernance%3B%2Cc0

This definition has parallels in political science and public management literatures. Kooiman's (2003, 4) characterization of governing, for example, points to "the totality of interactions, in which public and private actors participate, aimed at solving societal problems or creating societal opportunities." Similarly, Hill and Lynn (2004, 4) describe public sector governance as, "Regimes of laws, rules, judicial decisions, and administrative practices that constrain, prescribe, and enable the provision of publicly supported goods and services through associations with agents in public and private sectors." The idea of delegated authority emerges across these definitions, as does the focus on outcomes as the purpose of delegated authority. (Consider the use of language like 'maximizing stakeholder welfare', 'solving societal problems or creating societal opportunities', and ensuring the 'provision of publicly supported goods and services'). In the nation-state context we are dealing with citizens (as principals) allocating what I call civic authority to governments (as agents) with the explicit goal of maximizing various kinds of social welfare that require pooled resources and collective engagement (as the outcomes).

Governments can use the delegated authority in many ways: to garner and allocate resources, build capacities (human and physical), regulate behavior via laws or force, convene and coordinate private and nonprofit agents, and more. *These are the means of administrative governance and these means matter.* They can foster incentives for effective service delivery in governments and accountability and responsiveness in public organizations—all of which I personally consider to be normatively and practically 'good'. *The quality of governance cannot be assessed by simply looking at the processes or mechanisms in place or even on the specifics of how authority is exercised, however.* While I agree that governance is influenced by what Tirole (2001, 4) calls "institutions that induce or force management to internalize the welfare of stakeholders," I do not think that particular sets of institutional forms or governance means necessarily *indicate or reflect* good governance better than others in all settings. Similarly, I agree with Hill and Lynn (2004, 4) that governance systems comprise "Regimes of laws, rules, judicial decisions, and administrative practices that constrain, prescribe, and enable" service provision, but I do not believe that the presence (or absence) of particular types of processes and mechanisms necessarily *indicates* whether governance is good or bad.

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I believe that governance means (institutions, processes, and such) that ascribe and distribute and shape authority can vary across countries and sectors for legitimate, contextual reasons, most notably reflecting the different roles and understandings of government in countries (Andrews 2010; Grindle 2004).[2] It is hard, therefore, to identify one set of means as generally 'good'. Instead, I hold that governance is good when authority is exercised through means that produce the ends citizens require—in specific contexts and at specific times. Some means might be more effective than others in facilitating specified outcomes in specific contexts, but these can only be identified after considering the ends that governments are authorized (and required) to pursue or to facilitate (directly or indirectly) and then thinking about what it takes to achieve such. The burden of governance functionality (ends) must lead thinking about governance forms (means). In other words, we need to think about what governments should do before we think about what governments should look like.

Figure 1. The tension between ends and means in the governance discourse

Source: Author's personal musings

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[2] The same point is made in this website advertising research findings from the 2014 Hertie School Governance Report. The website is titled, 'Administrative capacities vary immensely within the EU'. http://www.hertie-school.org/mediaandevents/press/news/news-details/article/administrative-capacities-vary-immensely-within-the-eu-1/
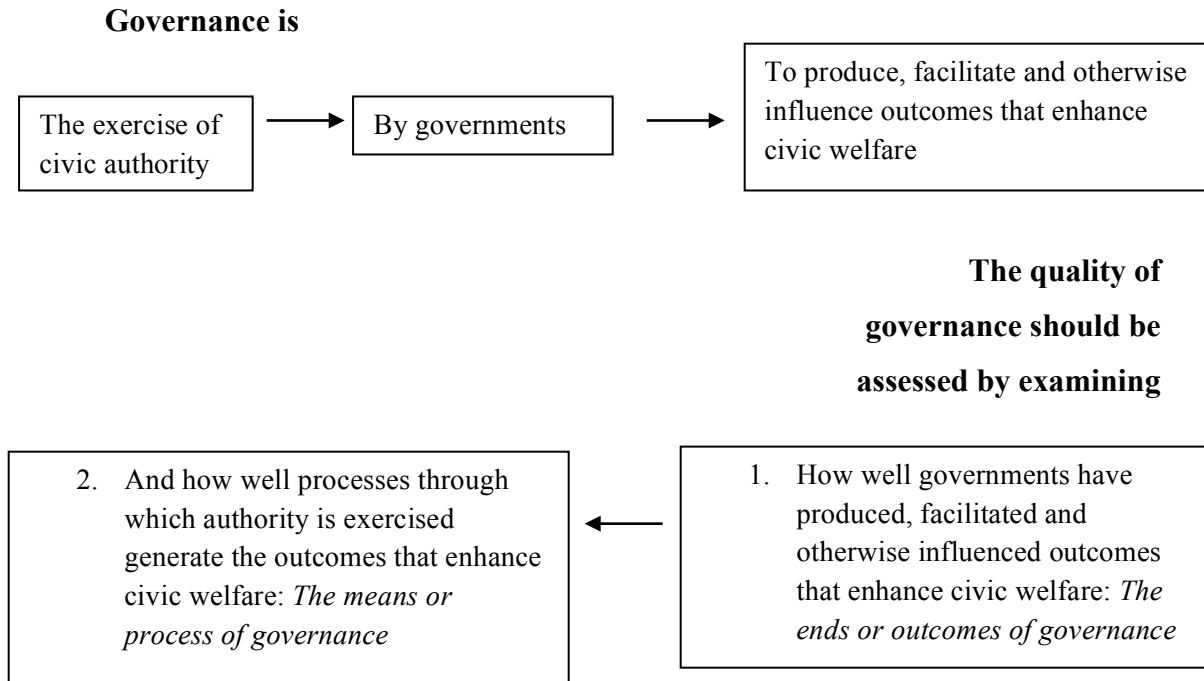
I expect that some will disagree with (and maybe even disapprove of) my view that 'ends' should be the first consideration in any attempt to assess of look at governance. The 'tension' between means and ends is reflected in Figure 1 and is not an easy one to resolve. My goal in this paper is not to try and convince everyone that I am correct, however. Rather, it is to explain why I take the approach to governance that I do. For obvious reasons I call this *an ends-means approach to looking at governance*. This approach is inspired in part by Bovaird and Löffler (2003, 316), who define governance as, "the ways in which stakeholders interact with each other in order to influence the outcomes of public policies." It has also been inspired by Fukuyama (2013, 5) who argues that, "governance is about the performance of agents in carrying out the wishes of principals … [which means that] governance is thus about execution." The work is also influenced by the governance work being done at the Hertie School in Berlin. The school's 2013 Governance Report notes that, "governance is about how well those who are legitimately entrusted to do so manage public problems" (Anheier and List 2013, 1). The same report (Anheier and List 2013, 1) presents some examples of governance as problem solving: "Does the international community make progress in regulating financial markets or combatting poverty? Does the EU succeed in reducing sovereign debt problems? Do national and local governments respond adequately to public debt? Do corporate leaders manage businesses in economically and socially responsible ways? And does civil society contribute to public problem solving?" The report argues that, "A system of good governance is one that deals with these and other matters of public concern—be they education or health care, national security or infrastructure policies, the environment or labour markets—in effective, efficient ways."

These are the kinds of questions that I think should drive any work on governance. Concerns about ends must drive any concerns about means, not the other way around. This is because governance is about ensuring governments adopt the means needed to produce the ends—outcomes and associated functionality—demanded and needed by citizens (whether these citizens have allocated authority to the state through a democratic process or ceded authority through some less democratic means). This approach is simplified in Figure 2 below, which summarizes the discussion on how I

think about governance (in the top row) and how I investigate or assess or look at governance in countries where I engage (in the bottom row).

Figure 2. An approach to thinking about governance in nation states

Governance is

| The exercise of civic authority | → | By governments | → | To produce, facilitate and otherwise influence outcomes that enhance civic welfare |

The quality of governance should be assessed by examining

| 2. And how well processes through which authority is exercised generate the outcomes that enhance civic welfare: *The means or process of governance* | ← | 1. How well governments have produced, facilitated and otherwise influenced outcomes that enhance civic welfare: *The ends or outcomes of governance* |

Source: Author's original work.

The approach shown in Figure 2 reflects my own personal bias towards pragmatism in governments and the importance of governments actually doing what citizens need them to do. The approach varies dramatically with compliance based governance assessments one often finds in the corporate governance space (see, for instance, Farber 2005). It also differs to most approaches to assessing governance in development (which tend to check if governments have specific systems and mechanisms in place or not) (see literature on Doing Business indicators, for instance).

I focus primarily on the ends-based manifestations of state capability (in enhanced functionality, outputs or outcomes) partly in response to these dominant indicator types, which I feel have led to an emphasis of form over function in the governance discussion (Andrews 2013; Andrews et al. 2013; Pritchett et al. 2013). Many governments that comply with significant parts of the current good governance agenda do not see improved

outcomes or functionality, leading to what I call the 'what you see is not what you get' problem in poor countries. I think this is because the agendas are devised with less than optimal attention to the kinds of outcomes governments are commonly called upon to influence—or the different contexts in which governments are trying to influence such outcomes. A primary focus on ends over means is one way of balancing this.

My emphasis on ends (some may say key functional capabilities, outputs, or outcomes) as a first port of call in thinking about governance should not be over interpreted, however, or read to suggest that ends always justify means. I do not believe this, but do hold that our thinking about governance processes, means and forms should be informed and led primarily by a pragmatic understanding of the functional roles citizens expect governments to play in society—and the outcomes implied by such roles. This said, the act of identifying functional roles of governments and the governance ends and means (outcomes and processes) associated with such is a normative activity and one where I anticipate far reaching disagreement. It is simply not easy to identify what governments should do (or can be expected to do) or how they should do what they do. This is a minefield one must traverse in order to build on the basic approach offered so far, however. I traverse it in the next two sections, identifying ends and means I personally focus on when trying to get a descriptive view of governance in nation states.

Governance ends to focus on

I employ a four-part strategy for determining which ends (or outcomes or functionalities) to include in a basic governance assessment. I look first for areas of engagement where respected theory advocates that governments *should* play a key role in society. I then look for evidence that a majority of countries' governments do in fact act in these areas (as I try to show in Figure 3). This does not mean that *all* governments influence the outcomes in all end areas, however. Some governments focus on a smaller set of ends and do not engage in some ends I might think are important. This could be because of cultural issues, levels of development, the nature of elitist structures and agendas, political power dynamics and other factors that influence state priorities. This is an important issue to reflect on in the latter discussion of governance narratives. In this

section I will argue that we should think of governance work as descriptive rather than prescriptive. The value of this work lies in how it reveals what governments do and do not focus on (and how it raises questions of why different countries focus on different ends). It should not be seen as prescriptive work that assesses governance arrangements simplistically as 'good' or 'bad' (or on a continuum of goodness and badness) depending on how well countries perform on a generic set of ends we think all should embrace.

Figure 3. Are there common governance 'ends'?
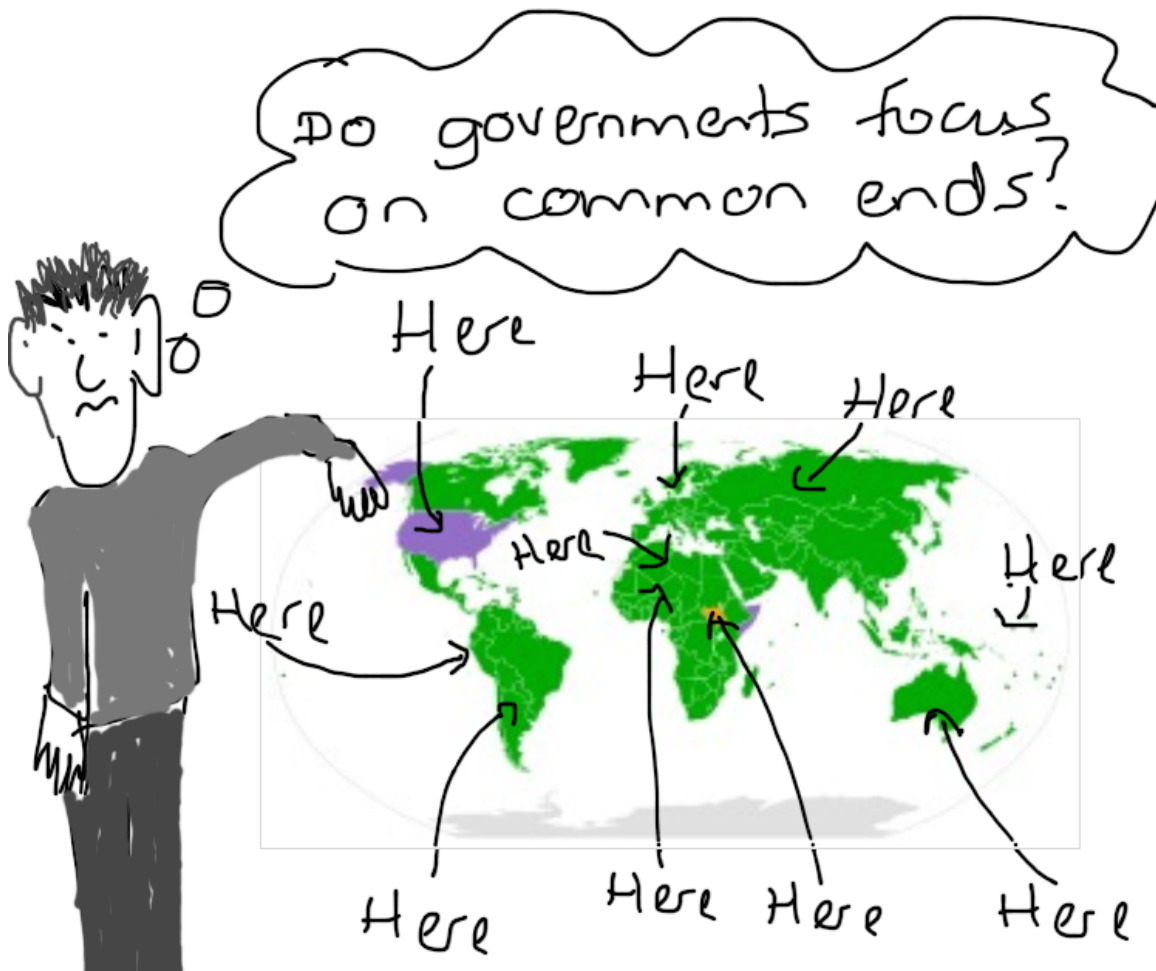
Source: Author's personal musings

After determining the areas in which ends are commonly pursued, I research related literature, government strategies, multilateral development organization policy papers, and the like to identify which specific ends or outcomes are usually referenced

when reflecting on government effectiveness in each area. The outcomes are not meant to be results that one can always or even directly attribute to government action. They are simply outcomes that governments are commonly authorized to influence (directly or indirectly), and therefore provide useful indicators of 'the exercise of civic authority by governments to influence outcomes of broad civic interest' (my working definition of governance). I then identify multiple indicators associated with each outcome, focusing on clear metrics or simple composite indexes. The goal is to have transparent indicators for each outcome that are easy to understand (and where measurement and other concerns are obvious) and can therefore feed seamlessly into a broad governance narrative.

I currently limit myself to seven outcomes in each of five outcome areas, capturing thirty-five windows onto the full picture of governance and state capability. The thirty-five windows combine to provide a large vista of 'key ends' of a nation state's governance narrative. This set is hardly comprehensive and is constantly being updated and adjusted in my mind and in my applied work. I assume, therefore, that all readers will have their own perspective on areas and outcomes and measures I choose. In responding to my selection I would just remind readers that the goal is not to be comprehensive or even 'technically correct' in this list (if there is such a thing as a comprehensive or technically correct list). The goal is to choose a set of functions, output or outcome indicators that cumulatively contribute to a robust and informative narrative of the results we see when governments exercise the civic authority they have been given (or have assumed, sometimes even through force).

I started my search for relevant outcome areas by reflecting on roles of the state that even proponents of limited government would agree with. Based on Adam Smith's ideas (as often captured in narrow public finance theory) I identified two key governance engagement and outcome areas: (1) defense, public safety, and law and order, and (2) public infrastructure (Smith 1976; see also Reinert 1999). I anticipate that many will agree that these are areas in which governance matters, and it is plain to see that governments exercise authority in these areas in most countries of the world. As such, I believe that outcomes I focus on in these areas concern governments all over the world.

In the Defense, Public Safety, Law and Order area I believe that citizens require governments to exercise authority to mobilize collective resources and minimize conflict, protect borders, persons and property, and provide reliable mechanisms to resolve conflicts. As such, I identify seven key 'ends' that I think reflect on how well governance is exercised in the area: (i) Citizens are not affected by conflict or terror threats; (ii) National borders are secure; (iii) Citizens *feel* safe; (iv) Citizens *are* safe from violent crime; (v) Citizens are safe on the roads; (vi) Property rights are protected; and (vii) Citizens can access efficient, effective, impartial systems to address civil and criminal complaints. I acknowledge that the last of these 'ends' seems to blend in 'means'; but it is my way of communicating what I see as the key direct output of a judicial system (access to a dependable mechanism for resolving complaints).

It goes beyond the scope of this paper to discuss metrics I use in all of these areas, or how I deal with measurement issues that require comparison or are otherwise relative. These issues are constantly in my mind and will be addressed conceptually in future sections of this paper. I address such issues regularly in publications on specific topics.

In the Public Infrastructure area I believe governments are authorized to influence the stock, quality and use of key infrastructure types, especially related to trade and transportation (roads, bridges, ports and airports in particular), water and sanitation, power (or electricity), housing, and communications. I also focus on how the challenges with these concerns are met in urban and rural areas, given that these challenges are quite different. Given such concerns, I include the following descriptions of outcomes I think matter when considering governance and Public Infrastructure: (i) Trade and transportation infrastructure is sufficient and efficiently used; (ii) Water and sanitation infrastructure is sufficient and efficiently used; (iii) Power infrastructure is sufficient and efficiently used; (iv) Communications infrastructure is sufficient and efficiently used; (v) Housing infrastructure is sufficient and efficiently used; (vi) Urban infrastructure is sufficient and efficiently used; (vii) Rural infrastructure is sufficient and efficiently used.

Beyond the world of laissez faire economics and public finance one finds quite widely accepted theory advocating for state roles in areas of human development (particularly ensuring citizens are fed and have access to education and health care) and

environmental management (Andrews 2010; Chokor 1993; Hepburn 2010; Poterba 1996; Reinert 1999). These areas are often seen to demand collective engagement, which implies a direct or indirect role for states. Most countries in the world have governments that are actively involved in these areas as well, and there are global development goals and treaties aimed at addressing concerns in all of the areas, suggesting they are practically relevant domains in which to look at governance outcomes. I combine the areas given that they reflect (in my opinion) on the welfare of citizens and their environments. The seven outcomes I include in this area of Human Development and Environmental Management are: (i) Citizens have sufficient food; (ii) Children are learning in schools; (iii) Citizens (especially women) can read and have skills needed in economy; (iv) Under five and maternal mortality rates are low; (v) Citizens can access efficient, effective, and impartial systems to address health needs; (vi) Citizens enjoy unpolluted air and water; (vii) Biodiversity is conserved, restored and sustained.

There are also many theories that emphasize the role governments should play in influencing national economies (Chang 2002; Hausmann and Rodrik 2003; Reinert 1999; Rodrik 2006). These theories differ on the way governments should engage, however. Some theory suggests that governments should simply ensure that there is macroeconomic stability. Other theories advocate for more interventionist engagement. I blend these different theories with a selection of outcomes in the area 'Economic Progress and Adaptation', which is intended to capture some sense of the degree to which governments influence the economic progress of their countries and the capacity of countries to adapt to changing circumstances (as growth and development demand). The outcomes I include are ones where I believe most governments have an ongoing interest and influence: (i) Citizens enjoy stable prices in the economy; (ii) Citizens enjoy high levels of employment; (iii) Citizens are not encumbered by high levels of debt; (iv) Citizens can access affordable sources of financing; (v) Economic growth is high and sustained; (vi) The country enjoys vibrant, expanding trade relationships; (vii) The country routinely produces new, higher value products to trade.

The final outcome area I include is titled 'Participation, Rights, and Mobility'. It includes a selection of outcomes that reflect whether governments exercise authority to facilitate broad engagement in society, protect human rights, and foster mobility into, out

of, and inside its borders. The outcomes I identify here are (I think) the most normative of all those included in my set of thirty-five. They are the kinds of outcomes one finds emphasized across different parts of the human rights literatures and also emanate from work on social participation and networking. The former literatures focus on the important role governments play in fostering inclusion (by doing things like registering children) and specifying and protecting rights (through a variety of means, including education systems and law and order mechanisms) (see, for instance, Donnelly 1999). A growing group of writers holds that countries that acknowledge and support human rights might be more stable and economically successful than others. The latter literatures emphasize the role governments play in allowing people and organizations to engage, interact and network; such interaction is argued to foster creativity, discovery, economic and social progress (Andrews 2008b; Hausmann and Rodrik 2003).

I do not expect that all governments or countries will agree with the view that broad-based human rights and free mobility are normatively 'good' or even pragmatic and important for economic and social success in the nation state. I do, however, observe that governments the world over play important roles influencing both rights and mobility. They do this through the laws and regulations they pass, the hiring procedures they adopt and support and the way they allocate resources (to further interests of some groups over others, or protect certain groups instead of others), and more. Hence I include a number of outcome concerns here, to at least allow a descriptive assessment of how governments and countries perceive and respond to these issues. (The focus is not if the governance is 'good' or 'bad' but rather if state capability has been developed to promote the ends I am examining or if—for whatever political, administrative or other reason—the state has not developed capabilities in this area that reveal themselves in positive outcomes). The outcomes I include are: (i) Citizens (especially children) are registered to participate fully in society; (ii) All citizens (especially women) can participate easily in the economy; (iii) Levels of inequality are not extreme; (iv) Children enjoy special rights and protection by the state; (v) Citizens enjoy fundamental rights in their social, political and economic participation; (vi) Citizens can move freely within or outside the country; and (vii) Foreigners can enter and move freely within the country.

I include all thirty-five outcome concerns in all five areas in Table 1. As noted, the table provides what I would call a 'key ends set'. It is the set I first consider when looking at governance or state capability in a specific country.

Table 1. 5 state capability areas and 35 'ends' I focus on

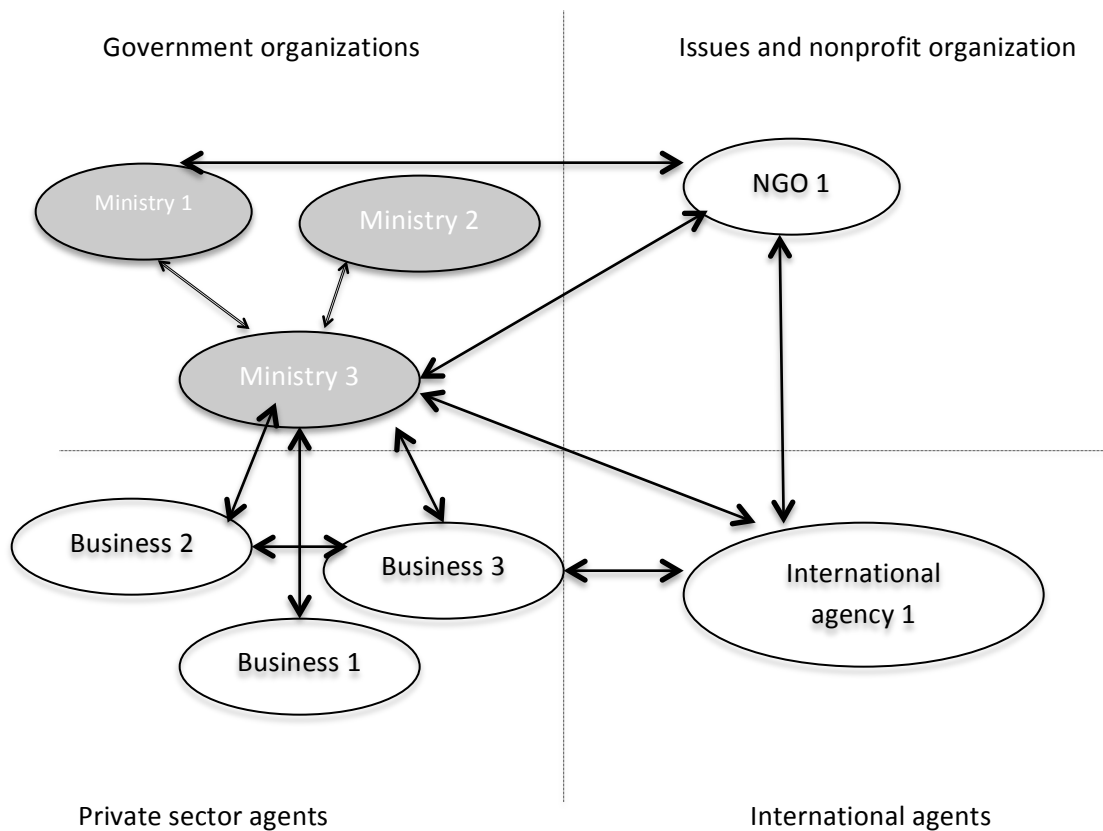| Defense, Public Safety, Law and Order	Public Infrastructure	Human Development and Environmental Management	Economic Progress and Adaptation	Participation, Rights, and Mobility
Citizens are not affected by conflict or terror threats	Trade and transportation infrastructure is sufficient and efficiently used	Citizens have sufficient food	Citizens enjoy stable prices in the economy	Citizens (especially children) are registered to participate fully in society
National borders are secure	Water and sanitation infrastructure is sufficient and efficiently used	Children are learning in schools	Citizens enjoy high levels of employment	All citizens (especially women) can participate easily in the economy
Citizens feel safe	Power infrastructure is sufficient and efficiently used	Citizens (especially women) can read and have needed skills	Citizens are not encumbered by high levels of debt	Levels of inequality are not extreme
Citizens are safe from violent crime	Communications infrastructure is sufficient and efficiently used	Under five and maternal mortality rates are low	Citizens can access affordable sources of financing	Children enjoy special rights and protection by the state
Citizens are safe on the roads	Housing infrastructure is sufficient and efficiently used	Citizens can access efficient, effective, and impartial systems to address health needs	Economic growth is high and sustained	Citizens enjoy fundamental rights in their social, political and economic participation
Property rights are protected	Urban infrastructure is sufficient and efficiently used	Citizens enjoy unpolluted air and water	The country enjoys vibrant, expanding trade relationships	Citizens can move freely within or outside the country
Citizens can access efficient, effective, impartial systems to address civil and criminal complaints	Rural infrastructure is sufficient and efficiently used	Biodiversity is conserved, restored and sustained	The country routinely produces new, higher value products to trade	Foreigners can enter and move freely within the country

Source: Author's original analysis

One could characterize the ends or outcomes I include in Table 1 as examples of 'sectoral governance indicators' because they seem to capture the results of activity in

different government sectors. This is certainly what I understood when I started identifying these kinds of indicators (Andrews 2008a, 2010; Andrews et al. 2010). However, all of the outcomes listed here are much more complex than the term 'sectoral' suggests, and in this sense they all reflect the complexity of governments and governance. What I mean is that every outcome here requires engagement of actors across multiple sectors in government and private and non-profit sectors, all focused on solving the problems citizens most care about. Road safety, for instance, is a product that requires effective law enforcement, road infrastructure, education, and more. Similarly, child registration is improved only where health, education, statistical and social welfare agencies (and others) in national governments work with regional government agencies, as well as NGOs, businesses and international organizations (like UNICEF). Furthermore, economic growth typically requires that ministries of finance work with ministries of trade and with ministries of safety and regional and local authorities and parastatals responsible for infrastructure and business associations and certification agencies and non-profits and many, many more.

The governance tasks associated with producing the ends citizens demand and need are thus not met by simply having a health ministry or department or a sector that appears functional. This is illustrated in Figure 4, which builds a basic policy and implementation network involving agents from government, issues networks, business and the international domain (as per the model in Pemberton 2000). As the figure suggests, *Effective governance requires having effective government organizations plus authority to bring a host of other agents (across government, non profit, business and the international arenas) together as needed, when needed, in the appropriate way, to solve problems that undermine the achievement of key social objectives.* This is a complex undertaking that is at the heart of ideas like embedded autonomy (which emphasizes the importance of having capable and autonomous government agencies that have direct and indirect contacts with agents outside government, especially business) (Evans 1995). It is also central to the understanding of governance developed in the 2014 Hertie Governance Report (where coordination capacity is considered crucial for governance) (Hertie 2014). The full complexity shown in Figure 4 is key to examining state capability and the means or processes governments need to provide effective governance.

Figure 4. What it takes to get things done in development

Government organizations   Issues and nonprofit organization

Ministry 1   Ministry 2   NGO 1

Ministry 3

Business 2   Business 3   International
                                                   agency 1

Business 1

Private sector agents   International agents

Visual thoughts on the basic 'means' of effective governance (governance that produces ends)

- Strong government organizations (in grey)
- Direct or indirrct connections between government organizations ←——————→
  o Often invoving a coordinator or connector (Ministry 3)
- Strong agents in other domains (issues and nonprofit, business, and international) (no fill)
- Direct or indirect ties from government to other agencies in other domains
  o Often invoving a coordinator or connector (Ministry 3) ←———→

Source: Author, based on Pemberton (2000)

Governance means to focus on

If readers agree even marginally with the list of outcomes I provide in Table 1 and the
assessment embedded in Figure 4, they must also agree that the job of exercising
authority (as per governance) is an incredibly difficult one. It is also one that does not

necessarily imply one set of tools, processes or means. For instance, I believe that the means required to produce effective outcomes in the Defense, Public Safety, Law and Order area may well differ significantly from the means required to produce requisite outcomes in the Participation, Rights and Mobility area. The organizations involved, task characteristics, political challenges, and more, are different across these areas. For instance, different countries start at different places in the current global arrangement we face: Rwanda has less wealth than South Africa or Colombia or the United States of America, and its human resources are different, and its infrastructure is different, and its access to electricity is different, etc. Beyond the differences between governance contexts, we should also recognize differences in the ends governments focus on. Some of the outcomes listed in the table—like biodiversity management—are complex and full of uncertainty and require a creative and flexible set of means or processes of organizing mechanisms. Other outcomes (maybe travel infrastructure) might be more technical but also certain and require disciplined, formalized approaches for implementation.

These task differences are discussed effectively in works by Fukuyama (2004) and Pritchett and Woolcock (2004) and in the following video about task typologies (http://buildingstatecapability.com/2014/01/27/bsc-video-typology-of-tasks-by-capability-intensity-needed-for-implementationpart-513/). These works emphasize the importance of knowing the transaction intensiveness of tasks, as well as the specificity of task success, and the level of discretion needed to fulfill a task. These are contingent factors—meaning that they differ depending on the task being undertaken in the governance realm. Delivering the mail is not the same type of task as teaching an eighth grader, or building a new bridge, or managing the flow of traffic on a main road, or ensuring that food safety measures are in place, or registering children, etc.

This is the basic message in Figure 5, which shows the many different means to achieve different ends. Some means are more direct than others, and some means require more bends and turns. Finding the appropriate means to get to an end depends on knowing the starting and end points and navigating the space between. One of my concerns is that current governance indicators specify preferred means that are considered 'good' or 'better' or 'best' because of positive experiences in a small sub set of (typically wealthy) countries. International partners like the World Bank often require

other countries (typically poorer countries) to adopt these 'best practice' means, and the poorer countries willingly do so to attain short run support and legitimacy (in a process called isomorphism) (Andrews 2013). This often means that countries take indirect routes through the experiences of others (think of the bendy line from starting point three, around starting point 2, and back to end 1). The indirect routes yield reforms that are very demanding and means that are hard to replicate, however, and often do not work in the new contexts. It would have been better if the countries took more direct routes to means that were more accessible and relevant to their own experience, whether these were 'good' or 'better' or 'best' practice (the country at starting point 3 could have gone straight to end 1, for instance).

Figure 5. The right means to an end depends on starting and end points, and more
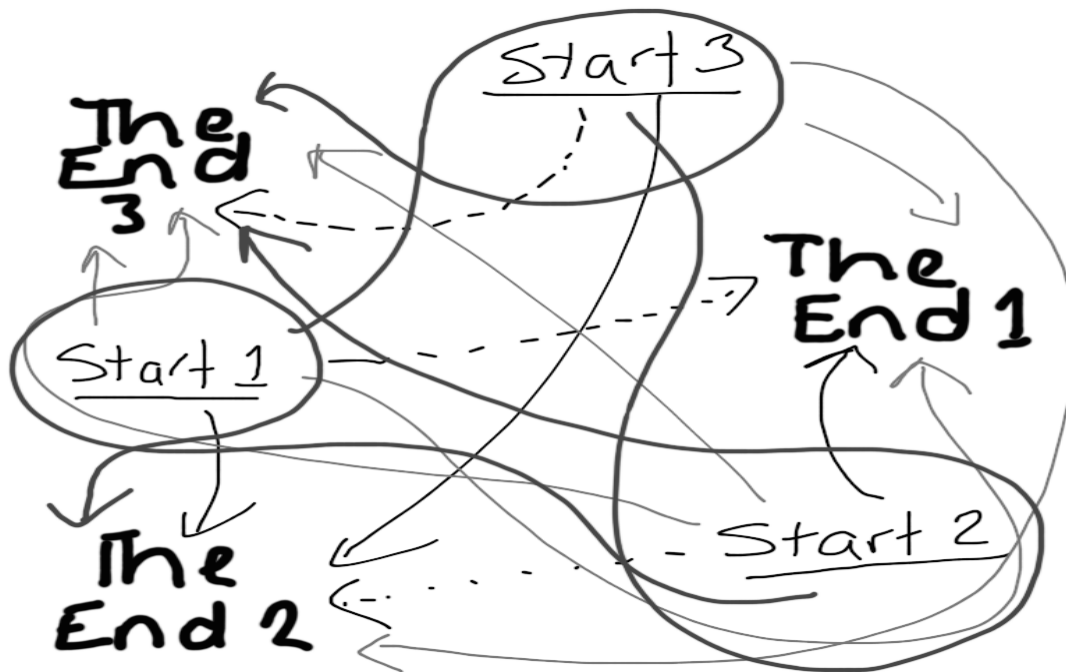
Source: Author's personal musings

Given the contingencies involved in getting governance ends achieved, I find it extremely difficult to identify a universal set of governance means or process characteristics to use in assessing a nation-state's state capability or governance. I think any list of such characteristics may be even more normative than my list of outcomes, reflecting what one might think a good, generic public organizational mechanism *should*

look like rather than respecting the kinds of variations one will probably see in such (Andrews 2012). This is, in my opinion, a really destructive approach to thinking about the issue. As stated above, it encourages countries to copy other countries processes— whether these make sense in the context or not. Instead of adopting this mimetic approach, I believe we should think about the fundamental and generic and openly defined building blocks that allow countries to adopt the relevant means for achieving the ends they are emphasizing, given their starting points and the political, capacity and other terrains they are dealing with.

In thinking this way, I adopt a four-part strategy to identify means or process characteristics to include in a general governance assessment. I look first for the general activity or process areas in which governments are typically authorized to engage. These are the fundamental process areas in a governance 'means' regime, if you will. I then look for evidence that a majority of countries' governments do adopt policies and processes in these areas, to ensure that all (or most) governments have mechanisms to carry out the stated activities. I then research related literature, government strategies, multilateral development organization policy papers, and the like to identify which kinds of process characteristics are most associated with effective governance. Building on Hill and Lynn (2001, 4), I am particularly interested in the kinds of mechanisms that provide for a creative and accountable tension in public organizations, having a cumulative impact that simultaneously and appropriately "constrains, prescribes, and enables" governments. As with the outcomes, I then identify multiple indicators associated with each process characteristic, focusing on clear metrics or simple composite indexes. The goal is to have transparent indicators that are easy to understand (where measurement and other concerns are obvious) and can feed seamlessly into a broad governance narrative.

I start by noting that governments across the world are authorized to hire and appoint people to exercise authority on behalf of citizens; and to organize these people in ways that fosters effectiveness. It is important to pay attention to government human resource capacity and management processes as a result. When thinking about what matters in this area I decided that it was important for governments to have enough of the right people to fulfill their mandate, and its is vital that the people hired are appropriately motivated, empowered and made accountable for doing their jobs well. I am less

concerned about the specific processes by which these characteristics are met, apart from noting that I think it important that hiring and compensation mechanisms are transparent (such that citizens can assess their fairness and normative acceptability). I should note that I see at least one core characteristic in this area that has nothing to do with public sector administration mechanisms. This relates to the extent to which citizens respect public officials and see public officials as providers of public value rather than private value. (In measuring this, I ask if citizens see officials as corrupt.) This social characteristic is, in my mind, a fundamental requirement for having effective bureaucratic mechanisms and civil service regimes that are expected and empowered and respected enough to actually exercise civic authority to further the interests of citizens. This argument reflects the fact that governance is about two parties in relationship; citizens with authority and public officials exercising such. The quality of governance depends on characteristics on both sides of the relationship, not just one.

The seven process characteristics I focus on in the area of Human Resource Capacity and Management emphasize the idea that governments need appropriately numbered, rewarded, skilled, motivated people with enough autonomy to do (typically) complex tasks, and who have the respect and trust of citizens. This results in the following characteristics: (i) Government hires a sufficient number of people to fulfill its mandate (but not too many); (ii) Processes and policies of hiring and compensation are transparent and clear; (iii) Those working for government have skills appropriate to their tasks; (iv) Those working for government have appropriate autonomy to do their tasks, and learning by doing is valued and rewarded; (v) Those working for government have high levels of public service motivation; (vi) Citizens respect the role of public work and believe that government officials use public authority for public (not private) gain; and (vii) Citizens trust key officeholders and public officials and employees.

Readers should note that I do not have any 'means' concerns that focus explicitly on whether one finds corruption in the civil service. I think it is better to assess the impact of corruption on key means. Hence I ask about respect and trust of citizens for public servants (which I believe is compromised if corruption is considered too high). I also acknowledge that number of these characteristics are not routinely or regularly assessed in governance studies (or other work) in development. It is hard to find metrics of the

public sector motivation of government employees in poor countries, for instance, or the appropriateness of skills for tasks, or the degree of autonomy granted to government workers. These kinds of factors are being measured more regularly in more developed countries, however, and evidence shows that they matter a great deal in influencing the performance and accountability of government workers. They are thus included here because I believe they are theoretically and empirically important and should be assessed more regularly in developing country contexts. I expect some readers will not agree with this approach or opinion. These factors capture the nature and quality of human dimensions of human resource management (if people are empowered, for instance), rather than the technical or administrative or replicable best practice type mechanisms indicators usually capture (like whether a country has a civil service exam to suggest it is meritocratic). I believe the human dimensions matter more than the technical dimensions and we must establish effective methods of capturing these human dimensions.

It is also important to remember that people work in organizations. This means that one cannot just look at the human resources one employs when trying to assess if they are likely to exercise civic authority well. One also need to think about how these individuals are organized into specific entities—ministries, agencies, departments, and the like. These kinds of organizations exit in all governments and are the focus of public administration literature. This literature offers various ideas about looking at the quality of public entities. Some ideas require too detailed a reflection for the kind of analysis I am discussing here (examining the span of control of managers in individual organizations, for instance). There are some dimensions that that I do find open to broad assessment, however. These include whether the legal status of public entities is clear, if public entities have easily identifiable missions with associated goals, and if those in public organizations can typically describe their organizational structures and explain how these structures are designed to meet the organization's mission. As with the discussion on human resource management, these indicators are not commonly available in any cross-national sense. I gather them personally when I visit countries, asking direct questions to public sector officials in a variety of sectors and accumulating descriptive data from the answers they provide. I try to backstop these impressions with real

documented evidence (like laws describing an organization's characteristics or organizational charts and mission statements, annual reports, and more).

I am not only concerned about the nature of individual public sector organizations, however. As the discussion around Figure 4 suggested, collaboration across organizations is key to effective governance. This means that public organizations need to be able to collaborate and coordinate with other public organizations. It also means that these organizations need to be able to engage with those in issues networks (like the media and academic and non-profits), international organizations, and business. This infers that public organizations need to allow their staff to be embedded in a broader environment (Evans 1995). These connections cannot be unfettered, however, so I also believe in the importance of checks and balances on government organizations (creating clear guidelines on how to engage across different spaces in the economic and political landscape, identifying where bright-line boundaries exist and why, and more). These kinds of factors are again hard to measure. As with the rest of this 'means' area, I tend to capture my own perspectives of this by asking public officials if they collaborate and coordinate within government and outside, if they are aware of checks and balances, and if these checks and balances are effective (allowing enough embeddedness but ensuring that this does not yield wrongdoing). The balance between engagement and corrupted influence is as much about appearances as reality, however, so I also look at civic perceptions of confidence in government to see if the balance is being maintained.

All of this yields an area of 'means' I call Organization, Coordination and Embeddedness. It includes the following seven dimensions: (i) The legal and financial status of all public and quasi-public organizations is clear; (ii) All public organizations have clear missions, with associated goals; (iii) Public organizations have structures shaped to achieve their missions; (iv) Mechanisms exist to effectively coordinate organizations within the public sector; (v) Public organizations have functional connections to outside entities (like business and issues organizations); (vi) Government powers are constrained through established checks and balances; and (vii) Citizens have confidence in the national government.

Beyond the importance of people and organizations, I find myself focusing on financial resources in the governance process. Governments are authorized to raise and use finances to further the interests of citizens. Hence, the way governments raise and use finances matters. But what matters? I start answering this question with the view that it is important for governments to actually use the authority to raise money it needs to fulfill its mandate. This suggests that failing to raise revenues *from citizens* effectively constitutes a governance failure, which, I believe, is accurate. Having a robust fiscal contract with citizens matters, and this is established through domestic taxation that ensures citizens feel connected to and invested in the state (Moore 2007). But it does matter how finances are raised as well, and in this respect I think a descriptive approach to assessing governance needs to look at the transparency and effectiveness of tax and debt-raising practices, the degree to which citizens actually resect their obligation to pay taxes, and the creditworthiness of government.

Based on such thinking, I identify the following seven key process characteristics in the area of Financial Resource Capacity and Collection: (i) Government can access sufficient financial resources to fulfill its mandate (and a strong fiscal contract exists with citizens); (ii) Taxation procedures are transparent and are administered in an impartial and consistent manner; (iii) Tax policies are publicized, accessible, stable and open to challenge; (iv) Citizens and private entities respect their obligation to pay taxes and fees; (v) Public sector debt is raised in a transparent and responsible manner; (vi) Government is considered creditworthy; and (vii) Governments are fully transparent about revenues derived from natural resource and trade taxes.
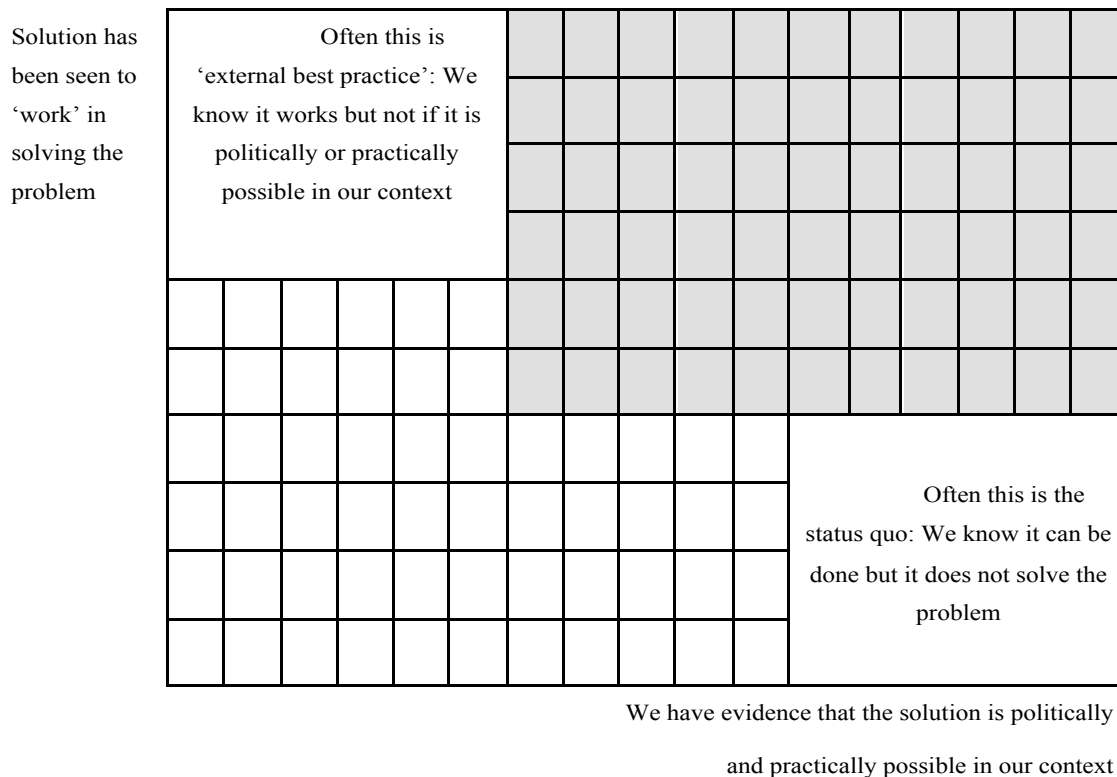
I commonly ask four sets of questions about the means of actually spending money—which overlaps with policy execution, in my view. The first set center on whether countries communicate their policy intentions and progress, which I think is necessary to foster the accountability relationship implied in the term 'governance' and to facilitate the kind of coproduction needed to make policies work. If governments do not engage with citizens it is difficult to see how they convince citizens to engage in policy initiatives. The second set of questions focuses on the way spending promises are made and acted upon. I think it is important to see if governments spend money as they plan (and commit) to, and it is equally vital to see if governments pay attention to fundamental

transactional integrity—paying bills on time, ensuring contracts are well managed, and the like. The third type of question I pay attention to focuses on whether governments actually follow through on key projects. It matters if governments complete infrastructure projects, for instance; and it matters if governments actively maintain the infrastructure created with public money. It is common for governments to falter in both of these areas. Infrastructure projects are announced but not started, for instance, to gain political support for the announcement. Similarly, maintenance spending is commonly lower than needed because governments use money to start new infrastructure projects that deliver more political points. It is important to measure how governments are doing in this area.

Finally, I am really interested in how governments innovate. Most roles governments play involve finding and implementing solutions to problems. Many of these problems are complex, involving opaque politics and thorny questions of cooperation and coproduction, and happening in contexts where past solutions do not work very well. Figure 6 shows these past solutions in the bottom right corner of a simple chart of the 'design space' governments should engage with in building state capability.

There are many options in this space (shown in the many blocks), which differ in terms of what 'works' to solve problems (on the vertical axis) and what is politically and practically possible in a given context (on the horizontal axis). The trouble is that many externally hatched projects only focus on what can be seen at the start (we know we can do it but we also know it does not work very well) and what 'best practices' exist in other countries (shown in the top left hand side of the figure). Solutions to locally complex problems seldom come through replicating what wed do now or through routine adoption of best practice solutions from elsewhere, however. These may 'work' in the other place but they have not been tried in the local context and are often out of reach of the local political and capacity realities. Solutions to the problems governments face must feature in the shaded space in the figure, which are more in reach of extant realities. Finding these solutions means that governments must adopt innovative means to 'crawl the design space'. These means should blend building on existing practice and adapting external best practice and more. The means should also involve establishing new mechanisms—a hybrid or adapted best practice, for instance—that work in the context.

Figure 6. The importance of innovating, or crawling the design space

Solution has been seen to 'work' in solving the problem	Often this is 'external best practice': We know it works but not if it is politically or practically possible in our context					
					Often this is the status quo: We know it can be done but it does not solve the problem	

We have evidence that the solution is politically

and practically possible in our context

Source: Author's original analysis

  The process of finding and fitting these new or adapted solutions requires experimentation and innovation, which is particularly important in complex contexts (Andrews et al. 2013). I frequently look to see if governments are engaged in such innovation. This evidence is difficult to find in any kind of routinely collected indicator set. It is reflected, however, in the kinds of projects governments pursue and select, and in the kinds of structures one finds across government, and in the kinds of evaluation mechanisms one sees being used. For instance, I am constantly looking to see if governments use small experimental projects to learn about what works before they embark on expansive projects. I am constantly assessing whether governments have inter-ministerial groups working actively together on complex issues. I ask if governments have regular assessments of project implementation that are used to promote learning about what works (as compared with project evaluations or project financial reports that just ask if what was proposed was done or if money was disbursed).

This 'innovative' quality is difficult to assess but is an imperative governance 'means'. Having some view on whether governments engage in innovative ways gives me a greater perspective on whether governance mechanisms are inclined to foster responsiveness to complex problems that are unlikely to be solved by off-the-shelf best practice solutions. It also gives me a perspective on whether governments are likely to have the adaptiveness needed to respond to emerging threats and opportunities.

Given this line of thinking, the seven characteristics I include in the area Spending Policy and Implementation are: (i) Governments provide citizens with regular and transparent policy directions and policy progress reports; (ii) Public spending plans and public spending execution records are transparent; and the gap between budgets and execution is small; (iii) Public sector bills are paid on time, to foster effective implementation; (iv) Goods and services are procured and supplied on time and within budget, to foster effective implementation; (v) Government has a strong record of completing projects it announces, on time and in budget; (vi) Government has a strong record of maintaining its infrastructure assets, with sufficient resources dedicated to such purpose; and (vii) Governments innovate to improve implementation and performance, institutionalizing lessons from innovation.

Table 2 summarizes the content of these four process areas and a fifth, which I call Integrity, Accountability, and Confidence. This area focuses on the importance of having legitimate systems, assessing whether 'what you see is what you get' in government systems, structures and processes. I include it as a 'means' towards good governance or state capability because it assesses the degree to which the government actually adheres to the processes it has in place. In other words, it assesses whether the means a government claims to have on paper are actually evident in practice. Another way to state this is simply that I am looking at gaps between appearance and reality that often exist in legal and administrative systems in developing countries (Andrews 2013).[3] This is an important issue to look at because it captures whether governance means are reliable or dependable.

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[3] I have blogged on this topic, at http://matthewandrews.typepad.com/the_limits_of_institution/change-rules-change-governments-and-develop/

I start by looking at whether laws and regulations are actually knowable by citizens and business (so that it makes sense to see if gaps exist). I then examine whether business regulations are effectively implemented (using differences between the de jure measures in Doing Business indicators and the actual data in Business Enterprise data, for instance (Hallward-Driemeier and Pritchett 2010)). I then examine gaps in anticorruption legislation (using data like that in the Global Integrity assessment) and in the public financial management system (often using Public Expenditure and Financial Accountability (PEFA) or Open Budget Data (as in Andrews 2010, 2011))[4]. I also examine these gaps on the ground, using an approach that checks both the form and function of specific mechanisms (Andrews 2002; Vian and Bicknell 2013). One should note that I am less interested in the particular characteristics of regulations or anticorruption or public financial management means in place. I don't differentiate between countries with high or low regulations or annual budgets or multiyear budgets. My interest is in whether the government implements the regulations and laws and systems it has. This act of actually doing what one says fosters reliability, dependability, or integrity of government, regardless of how good the laws and regulations are.

I recognize that this is not something that many governance experts will agree with. Indicator sets currently focus on whether governments adopt specific regulations, laws, and such. I believe that these agendas often lead to countries with good-looking systems that do not function as all as they look, however. I believe it is better to have a system that does not look that great but is executed as it looks—with integrity. I commonly explain this view with the help of anticorruption data from Global Integrity in Uganda and Italy. Uganda has laws that score 99 out of 100, but its implementation of those laws lags at about 49. The gap between laws and practice is 50! They have a wysinwyg problem (what you see is not what you get). Italy, in contrast, has laws that score in the low 80s but implementation that is in the mid 70s. The gap is about 7. Italy does not look that great but it is what it is. I think this integrity matters (investors know what they are dealing with, and laws matter even if they are not that good on paper).

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[4] See the blog posts: http://matthewandrews.typepad.com/the_limits_of_institution/2013/10/how-transparent-are-open-budgets.html; http://matthewandrews.typepad.com/mattandrews/2013/05/good-or-good-looking-governance-that-is-the-question.html

I also examine integrity in the systems in more conventional ways. I agree that it is important that governments have systems in place to track spending irregularities, for instance. This is often found in a blend of internal and external auditing mechanisms, sometimes supplemented with expenditure tracking and monitoring mechanisms. I also think it is very important that governments collect, analyze and publish data in the form of statistics. These data help governments and citizens see where the state is going, what society looks like, and how well governance is being exercised. This focus on data is made more important when governments communicate that they are actually goal and target driven, having a national plan or committing to meet the Millennium Development Goals (MDGs), for instance. I see an integrity problem where governments commit to goals and targets but then fail to measure them, never establish a baseline, and never show progress. This was a huge problem with the MDGs (many of which were never measured and still cannot be measured via government data and statistical systems)[5].

I also think that government integrity and accountability depends on citizens. I believe states are forced to be more accountable where citizens actually believe that government should be accountable to them (as opposed to situations where citizens believe that states have a patriarchal role and may thus be beyond reproach). Given this thought process, I ask about seven 'means' in the area of Integrity and Accountability: (i) Laws and regulations are publicized, accessible, stable and open to challenge; (ii) Business regulations are enforced consistently, effectively and impartially; (iii) Anticorruption legislation is effectively resourced and implemented; (iv) Public financial management systems are effectively resourced and implemented; (v) Systems exist to consistently identify and address financial irregularities, and to transparently communicate these irregularities to citizens; (vi) Governments produce and publicize routine and reliable data (statistics) about the country's progress, especially about key outcomes citizens care about; and (vii) Citizens believe that government should be accountable to them, as an agent to a principal.

Table 2 summarizes the list of 'means' that I commonly look at in trying to get a view on governance and governance systems in developing countries where I work. As

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[5] I rant about this at http://matthewandrews.typepad.com/mattandrews/2013/11/the-delusion-or-deception-of-mdgs-and-measurement.html

stated, this is not meant to provide a comprehensive or even 'correct' view, but it is something I feel gives me the foundation for an interesting and informative narrative of governance in any place I work, regardless of the place or time.

Table 2. 5 governance process areas and 35 means to focus on

Human Resource Capacity and Management	Organization, Coordination and Embeddedness	Financial Resource Capacity and Collection	Spending and Policy Implementation	Integrity and Accountability
Government hires a sufficient number of people to fulfill its mandate (but not too many)	The legal and financial status of public, quasi-public orgs. is clear	Government access sufficient finances to fulfill its mandate (with a strong fiscal contract)	Governments provide citizens with regular and transparent policy directions and policy progress reports	Laws and regulations are publicized, accessible, stable and open to challenge
Processes and policies of hiring and compensation are transparent and clear	All public organizations have clear missions, with associated goals	Taxation procedures are transparent and are administered in an impartial and consistent manner	Public spending plans and public spending execution records are transparent; and the gap between budgets and execution is small	Business regulations are enforced consistently, effectively and impartially
Those working for government have skills appropriate to their tasks	Public organization structures are shaped to mission	Tax policies are publicized, accessible, stable open to challenge	Public sector bills are paid on time, to foster effective implementation	Anticorruption legislation is effectively resourced and implemented
Those working for government have high levels of public service motivation	Mechanisms exist to coordinate public organizations	Citizens and private entities respect their obligation to pay taxes and fees	Goods and services are procured and supplied on time and within budget	Public financial management systems are effectively resourced and implemented
Those working for government have appropriate autonomy to do their tasks, and learning by doing is valued and rewarded	Public organizations have functional connections to outside entities (like business)	Public sector debt is raised in a transparent and responsible manner	Government has a strong record of completing projects it announces, on time and in budget	Systems exist to identify and address financial irregularities, and to transparently communicate these to citizens
Citizens respect the role of public work and believe that government officials use public authority for public gain	Government powers are constrained through checks and balances	Government is considered creditworthy	Government maintains its infrastructure assets, with sufficient resources dedicated to such purpose	Governments produce and publicize routine and reliable data (statistics), especially about key outcomes citizens care about
Citizens trust key officeholders and public officials and employees	Citizens have confidence in the national government	Governments are transparent about revenues from natural resource, trade taxes	Governments innovate in implementation, institutionalizing lessons from innovation	Citizens believe that government should be accountable to them, as an agent to a principal

Source: Author's original analysis

Creating stand-along governance indicators?

Tables 1 and 2 are the practical manifestation of my thinking (at least now) about key set of ends and means focal points one needs to examine to get a good look at governance in the nation state. I assume that some readers will reflect on these tables and suggest that my approach is very similar to that adopted by more prominent thinkers on this topic. Kaufmann et al. (1999, 2007) also offer a list of characteristics to examine, which they present under different headings in the Worldwide Governance Indicators (WGIs) (like 'rule of law' and 'government effectiveness'). The Ibrahim Index of African Governance (IIAG) does similarly, structuring their lists into four categories: Safety & Rule of Law; Participation & Human Rights; Sustainable Economic Opportunity; and Human Development. My categories are obviously different to both the WGIs and IIAG, but I believe my approach differs with theirs in more ways than this.

First, I separate ends and means in my two tables, because I think it is important to examine the two concerns separately. I have made an argument for this above and will not re-state my points here. Second, I do not try and translate my tabular list into singular indicators (of either governance or of broad governance concepts like 'Rule of Law'). This is something the WGIs' and IIAGs (and others) do, and it is something for which there exists huge demand. I do not believe it is the right approach to thinking about and reflecting on governance, however, and prefer using all the data one has to construct and communicate transparent and tangible ends-means narratives. Before I discuss the narrative approach I adopt, I think it is necessary to explain why I do not think the single indicators are appropriate for thinking about and assessing governance. I do not expect all readers to agree with my position on this, especially given that my concerns have been the focus of active (and largely unresolved) debate between other scholars for some time now (Kurtz and Schranck 2007, Thomas 2010). I offer my concerns simply for readers to know where I stand and why I am not constructing a hold-all indicator.

My first concern is that I think hold-all, composite indicators absorb too much important and diverse data and cause one to 'miss' a lot of detail that is actually needed to get a real view on nation-level governance. I have reflected on this in respect of the WGIs in past work (Andrews et al. 2010, 394) where I note that,

"Indicators like this are used to benchmark countries against each other, identify better from worse governed countries … [but] … Countries can record similar scores on the basis of different types of data input as a result, which complicates indicator interpretation and use. One country may have a well governed education system but a poorly governed health system, for example, but both may get similar scores on the 'government effectiveness' measure. Given this, we do not know why Singapore has a higher score than the USA … or Kiribati better than the Marshall Islands or Sierra Leone. Or why Sierra Leone and Angola score similarly."

This perspective is shown in a simple (and maybe silly) way in Figure 7. Different countries could score the same on an indicator with exactly different strengths and weaknesses in a given area; completing different parts of the same puzzle. They score the same but are very different.

Figure 7. The information we miss in a composite indicator score
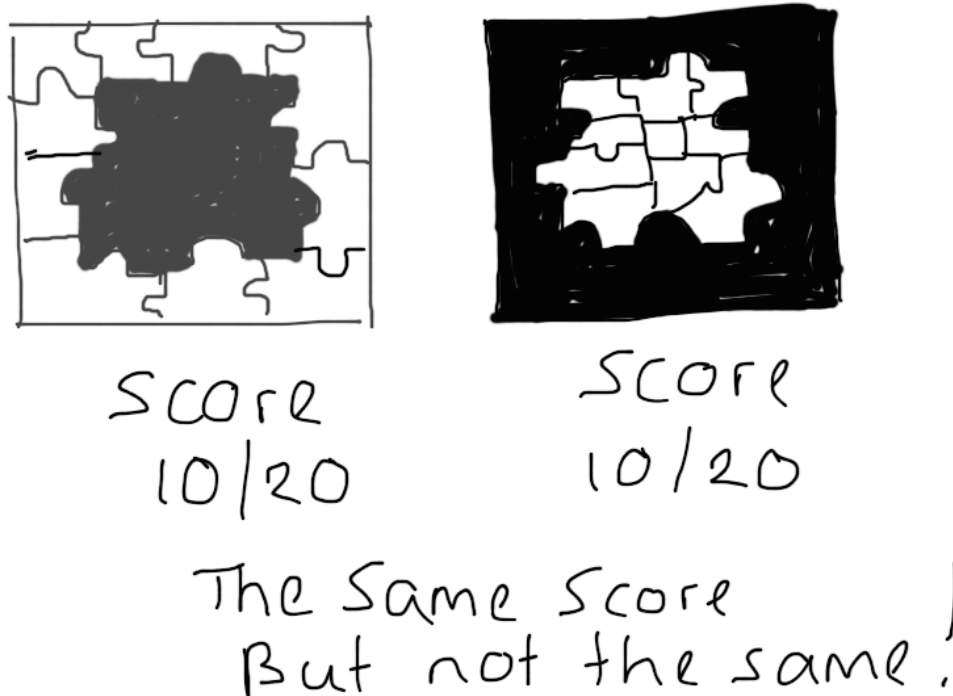
Source: Author's personal musings

Let me offer an example of this concern. South Africa scores 0.08 on the WGI 'rule of law' indicator, with Turkey scoring 0.02, and China scoring -0.49. Does this suggest that South Africa has marginally better 'rule of law' than Turkey and much better rule of law than China? What kind of differences does this really manifest in, anyway? These are really tough questions to answer, because the rule of law measure incorporates

(potentially) over forty pieces of data from multiple sources.[6] The biggest problem is that the data points do not all tell the same story, so the overall indicator can be really misleading for different users: If a user is trying to assess whether a country is safe to walk around in and if a government is on top of criminality, South Africa actually performs poorly;[7] If a user is trying to assess whether a country is safe to invest in, however, South Africa does much better (It scores better than China does on the way it protects firms from expropriation, for instance).

I think that it is important to actually see these kinds of differences in performance—transparently. They provide important information that matters about governance characteristics and performance (to firms trying to determine risks to potential investments, and to academics trying to assess what matters to growth and development, and to governments trying to decide what to reform and how). Absorbing all the information into one measure results in a loss of this important information and a potentially skewed view on governance. Even though the indicator suggests it is the case, for instance, it is not true that South Africa has better rule of law than China. What is true is that the two countries perform differently on aspects of what WGI authors consider as 'rule of law'; and these differences matter when thinking about their governance.

This line of argument leads to my second concern about building individual governance indicators. This is simply that forcing many concerns into one indicator leads to inevitable construct validity problems. Construct validity relates to the degree to which any given measure actually measures what it purports to measure. This is a fundamental concept in measurement. But it is a concept that is not well respected in the governance indicator industry. The indicators in this industry reflect on grand concepts like 'rule of law', 'government effectiveness' and more. These concepts are really difficult to define in any specific and disciplined manner. Those who construct indicators of these concepts gather and integrate loads of measures that *they think* relate to the general concept. So, the WGI rule of law indicator includes aspects of the level of crime, access to courts, the

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[6] http://info.worldbank.org/governance/wgi/index.aspx#doc

[7] It scores 0.33 on the World Justice Project's measure reflecting whether crime is controlled, and 1 out of 4 on the Institutional Profiles Database measure of degree of security. Turkey scores 0.77 and 3 on the same measures. China scores 0.75 and 3. So: South Africa's criminal justice situation seems problematic, and government is not ensuring that two of my key 'ends' are being provided (people feeling safe and crime being low). Turkey and China do this job much better.

quality of civil justice, the expropriation habits of the state, whether government upholds contractual commitments, and more. Over fifty different sources can contribute to a rule of law score in this approach. The WGI rule of law measure differs a lot with the IIAG measure, however, with the latter incorporating five indicators focused on judicial process, judicial independence, sanctions, transfer of power, and property rights. The World Justice Project Rule of Law Index is also different.

The point is that multiple approaches use the same terminology to describe what is really a very different measure. What are they measuring? Is there any way to prove that what they are measuring is actually the same construct that others would also call 'rule of law'? Is this just garbage-in-garbage-out measurement that aggregates many numbers into something that is ultimately meaningless or reflective of something other than 'rule of law'? (Whatever that may be?) Authors like Melissa Thomas have effectively addressed the construct validity concerns I allude to here and I would advise readers to examine her work (Thomas 2010) and that of Kurtz and Schranck (2007). I would also suggest reading Kaufmann et al.'s (2007) response to such critiques, which is a defense of the practice of constructing indicators. The discussion in this work is extremely rich and important for anyone engaging with governance indicators.[8]

I do not intend to replicate the critique here, but offer one last example of my own concern over construct validity in governance indicators. It is the scatter plot in Figure 8, which shows the relationship between per capita GDP figures in 1990 and WGI government effectiveness scores in 2012. The correlation between these two sets of data is 0.75, which suggests that 2012 WGI government effectiveness scores are largely explained by a country's income level twenty-two years earlier. This causes me to ask if the 'government effectiveness' measure is actually just capturing a country's relative wealth. The question becomes more pertinent when one considers that the thirty wealthiest countries in 1990 had positive WGI government effectiveness scores in 2012 but only one of the poorest thirty countries in 1979 had a positive WGI government effectiveness score in 2012 (this was China, which substituted unbelievable growth after 1990 for a high income per capita level in 1990 itself).

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[8] I also strongly advise those who are interested in measurement and indicator issues to read Arndt (2006) and Stanig and Kayser (2013).

Figure 8. 2012 WGI Government effectiveness scores and 1990 per capita GDP
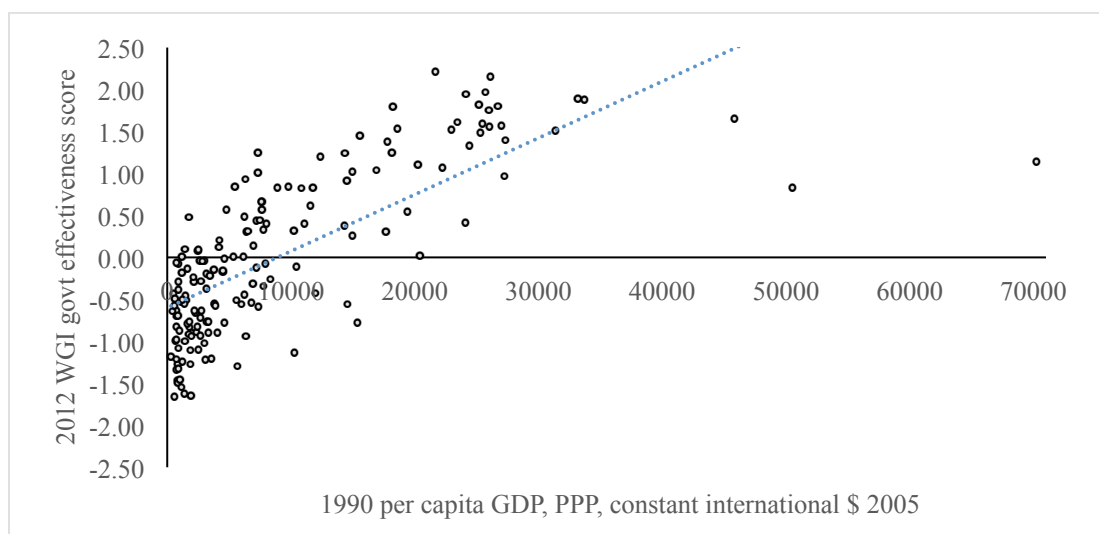
Source: Author's calculations from WGI database and World Development Indicators

My third concern about building individual indicators also has to do with the aggregation of different types of data into one number. As the rule of law example above shows, some measures used in constructing indicators are continuous (running from 0 to 1, for example) and some are ordinal (where scores are as values like 1, 2, 3 and 4). Indicators like the WGIs and IIAGs use various methods to create composite indicators from these different sources. They usually start by normalizing the different measures and creating continuous measures out of all the sources, using a min-max approach (the WGI approach is shown in Annex 1). I admire the technical mathematical abilities of those constructing such measures, but feel uneasy about what they are doing.

My main concern is with all of the ordinal measures they so easily transform into continuous variables. This approach seems to assume that the difference between a 1 and 2 on any ordinal measure is the same as the difference between a 2 and 3 and a 3 and 4. Research using ordinal data shows that this is often not the case, which means that one cannot treat ordinal data in the same way as one treats continuous data. Mean scores cannot be used for midpoints, for instance, and linear regression techniques cannot be used to interrogate relationships between data. I have found this to be the case in using Public Expenditure and Financial Accountability (PEFA) data (Andrews 2012) where the

difference between a D and C seems often to be much smaller than the space between a C and a B. I assume the same issue will pervade data emanating from the World Bank's Country Policy and Institutional Assessments (CPIA). These are a set of ordinal scores devised by World Bank country specialists for a number of key topics (like trade policy, fiscal policy, education policy, and more). They are used commonly in constructing governance indicators like the WGIs, where a low score 1 is normalized to reflect 0, a 2 is seen as 0.2, a 3 as 0.4, a 4 as 0.6, a 5 as 0.8 and a 6 as 1. The problem (shown in Table 3) is that we don't know if this approach is correct about the space between scores.

Table 3. Are the differences between ordinal variables really always equal?

Equal differences: What indicators assume when 'normalizing' CPIA scores	1	2	3	4	5	6
What if there are small gaps in low scores and a jump from low to high scores?	1 2 3			4	5	6
What if the gaps come in equal sized but widely separated pairs?	1 2		3 4			5 6
What if it is easy to get to 4 but almost impossible to make the jump to 5 and 6?	1 2 3 4					5 6

Source: Author's original work.

The indicators assume equal differences between all of these scores, but we don't know if the differences are actually equal and we don't actually know the pattern of potential differences. It is possible that countries move quickly from 1 to 4 because the criteria are not that far apart, for instance, but seldom make the jump from 4 to 5 because the criteria are extremely far apart (see the bottom row in the table). There is certainly evidence for this in the CPIAs, where many countries improve their scores to 4 but stop there (see Andrews 2013, 22). One can even see this when looking at the CPIA criteria. These commonly reward countries up to a score of 4 for creating laws and improving the

coverage of laws, but then ask about actual implementation when assessing a 5. Creating and implementing laws are arguably different things, however, and may not reflect continuous reform progression (as the indicators suggest they do).

My fourth concern also centers on the data used to construct these indicators. It relates to the many different places the data come from and the different ways in which users of the indicators should be thinking about reliability and validity of these data. I will use the WGI rule of law indicator to introduce my concern. This indicator incorporates some measures about actual criminality (levels of reported crime) collected from governments via police bureaus or statistical offices. It also incorporates data collected from large-scale surveys of citizens about experiences and impressions of justice (like Afrobarometer data). It also includes data collected from surveys of experts about the impressions they have on key issues (like whether the civil justice system works) (like the World Justice Project measures). It also includes data collected from one or two external experts about their impressions on things like the state's compliance with contracts (like the Institutional Profiles Database, which reflects the opinions of at most a handful of French diplomats working in targeted countries).

These different pieces of data are not created equal, and should be used carefully. I believe this care is compromised when they are aggregated into composites. End users are led to believe that the different sources are equally valid and end users are not required to do their own due diligence on the different sources. Even worse, the authors of the indicators suggest that aggregating the different sources balances out statistical imperfections in individual sources. One can make a mathematical case for this claim but I do not think it deals with some of the qualitative questions about data collection and such that enter discussion before one starts putting data together. Research shows, for instance, that indicators drawing mostly on expert opinions and perceptions tend to be biased to reflect positively on appearances, for instance, such that they reward governments for announcing reforms and changing forms even if functionality does not improve (Andrews 2013). It should also be apparent that data coming from very narrow sources (like the Institutional Profiles Data) demand more skepticism and close analysis than others. Such analysis is not conducted when these data are lumped together.

Building ends-means dashboards and narratives, not indicators

Beyond the reasons listed above, I don't like stand alone governance indicators because I think they betray a misunderstanding of what governance is and how it should be assessed. They suggest that you can measure governance and then determine—at the country level—if a country has good or bad governance (or at least where it sits on a continuum of such). I don't believe this makes sense given that governance arrangements vary within countries as well as across countries, which a single number just does not capture. The variation is not always a reflection of quality of governance either. It could be that governance characteristics vary across sectors within countries and across countries because of different tasks and contexts. These variations may not only be defensible, they make actually be laudable (showing that a country or sector adopts the appropriate governance arrangements for the task and context at hand).

Given such thinking, the approach I take to looking at governance involves using dashboards and narratives. This is similar to the way the Hertie school uses dashboards, which Piero Stanig (2013, 1) describes as using "sets of key indicators related to a broader concept of interest, rather than producing one (or many) aggregate indexes." Stanig (2013, 1-2) advocates for using dashboards because this approach "provides information that can be used to create aggregate indexes that fit the purpose of the specific analysis one is interested in. Moreover, it avoids the problem of conflating on a single dimension inherently multi-dimensional phenomena." I use dashboards for the same reasons, and to ensure that:

- I show as much data as possible to get as comprehensive a picture as possible (given the importance of communicating in a manageable manner).
- I use concepts that are easily described and understood; and
- I use data sources and communicate results in a transparent manner, knowing where information comes from and what its strengths and weaknesses may be.

All the dashboards I construct employ active benchmarking into the analysis. Benchmarking is the process of comparing performance and process characteristics in

one context with higher standards. This is done with the intention of identifying areas needing improvement and fostering learning about such. I believe that all indicators implicitly benchmark countries, but often the benchmarks are not clearly identified (making learning really difficult) or the benchmarks are not reasonable (comparing Burundi with Sweden, for instance). My starting point in constructing the dashboard is to ask those in governments I work with who they like to be compared with—in an aspirational sense (or to give due consideration to the comparators that are relevant in an academic piece or for a potential investor choosing between projects in specific countries). A country like South Africa (my own) may say that it wants to be compared with other 'larger' and faster growing Anglophone sub-Saharan African countries like Nigeria, Kenya and Ghana, for instance, as well as the BRIC countries (Brazil, Russia, India and China). It is important to note that the two reference points provide very different narratives on governance issues in South Africa; selecting who to compare with is thus important. In this discussion I will use South Africa as an example and show how different comparators yield different views on governance.

I build the country dashboard using data that I believe best reflects the concepts I am focusing on. I use a variety of data sources including some very focused indicators (that aggregate a limited number of variables obviously related to the focal concept). I also maintain records of the kinds of data I am using and the reliability and validity concerns they might present. In this respect I keep records of three key dimensions of the data: (i) is it large sample or small sample data? (ii) Is it a measure of perception or actual behavior? (iii) Is it continuous or ordinal? Table 4 shows a simplified version of how I do this for three 'ends' variables: 'Citizens feel safe', 'Citizens are safe on the roads' and 'Citizens can access efficient, effective, impartial systems to address civil and criminal complaints' (all in the area Defense, Public Safety, Law and Order).

It is relatively easy to get a view on South Africa's comparative performance on the first two ends (safety perceptions and road safety), given that I only look at one piece of data and the story is clear. It is much harder to reflect on performance on the third end, however, because South Africa's scores differ when one looks across the two different sources I show here (I actually use more than these two sources for this variable). Indicator sets would simply normalize the scores and aggregate them. Instead, I choose

which data source has more substance given its characteristics, settling in this instance on the World Justice Project data on civil and criminal justice sector characteristics.

Table 4. Putting data together to capture a picture of performance on key 'ends'

Variable	Data source and question	Value	Comparators and values	Large,medium, small sample (l/m/s)?	Perception or actual (p/a)?	Continuous or ordinal (c/o)?
Citizens feel safe	Gallup (2012): "What % people feel safe walking at home alone at night?"	27%	BRICs: Brazil: 46% Russia: 39% India: 61% China: 82% Anglo Africans: Ghana: 61% Kenya: 50% Nigeria: 61%	l	p	c
Citizens are safe on the roads	World Health Organization (2010): "Estimated road traffic death rate, per 100,000).	33.9	BRICs: Brazil: 22.5 Russia: 18.6 India: 18.9 China: 20.5 Anglo Africans: Ghana: 22.2 Kenya: 20.9 Nigeria: 33.7	l	a	c
Citizens can access efficient, effective, impartial systems to address civil and criminal complaints	World Justice Project Rule of Law WJPROL) Index factors 7 and 8 (2012): Capturing various questions about the civil and criminal justice systems[9] Institutional Profiles Database (IPD) (2012): "Timeliness of judicial decisions." (0=very slow; 4= very fast)	WJPROL: .55, .49 IPD: 1	WJPROL: BRICs: Brazil: .55, .49 Russia: .50, .40 India: .45, .44 China: .43, .54 Anglo Africans: Ghana: .61, .45 Kenya: .47, .40 Nigeria: .53, .28 IPD: BRICs: Brazil: .1 Russia: 3 India: 0 China: 3 Anglo Africans: Ghana: 1 Kenya: 2 Nigeria: 1	WJPROL: m IDP: s	WJPROL: p IPD: p	WJPROL: c IPD: o

Source: Author's original work.

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[9] **Factor 7:** Civil Justice: 7.1 People can access, afford civil justice; 7.2 Civil justice free of discrimination; 7.3 Civil justice free of corruption; 7.4 Civil justice free of improper government influence; 7.5 Civil justice not subject to unreasonable delay; 7.6 Civil justice is effectively enforced; 7.7 ADRs are accessible, impartial, and effective. **Factor 8:** Criminal Justice. 8.1 Criminal investigation system is effective; 8.2 Criminal adjudication system is timely, effective; 8.3 Correctional system is effective in reducing criminal behavior; 8.4 Criminal system is impartial; 8.5 Criminal system is free of corruption; 8.6 Criminal system is free of improper government influence; 8.7 Due process of law and rights of the accused.

Table 4 is far too bulky to use in an active manner in presenting the data (or for a second-hand reader to consider). I am not keen on presenting actual data without the bulky detail in Table 4, however, as I fear that some academics or investment analysts will jump on the number I cite and use it without paying enough attention to where it came from and what it represents. Faced with this dilemma, I use color codes to reflect on relative performance of countries in their dashboards; colors are often used in dashboards to focus attention across a wide range of variables (and colors cannot be reproduced in regression analyses!). I use five main colors, reflecting the categories 'comparatively weak', 'below average', 'average', 'above average' and 'comparatively strong'. I also work with a clear color, which reflects instances where data is not available to allow an assessment. I categorize performance by calculating (with continuous data)[10] the number of standard deviations a score is away from its comparator group mean (Andrews et al. 2010): I categorize scores within 0.5 standard deviations from the mean as 'average'. I categorize scores between 0.5 and 1.5 standard deviations below or above the mean as 'below average' or 'above average'. I categorize scores more than 1.5 standard deviations below or above the mean 'comparatively weak' or 'comparatively strong' (depending on whether a high score on the variable reflects good or bad performance).

I illustrate this approach in Figure 9, drawing on the South African example discussed above. When this is done for road safety and the BRIC group, South Africa ends up scoring 1.73 standard deviations above the mean of fatalities per 100,000. This results in the country being categorized as 'comparatively weak'. When compared with the three Anglophone African countries shown in Table 5, South Africa ends up 1.43 standard deviations above the mean of fatalities per 100,000. It is thus categorized as 'below average'. The approach has its weaknesses (assuming shapes of distributions and such that may not be accurate, especially given small samples). I am aware of the limitations but do not think that these are very worrying. The method is not being utilized to construct a measure (in which case I would be more concerned). It is simply designed to categorize a score, and is done so transparently (knowing the limits). It is also constructed for active users (so issues can be addressed directly by users).

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[10] I use a similar approach for ordinal data, calculating the median for the reference group and then determining how far the country's score is from this median. The analysis depends a lot on the scale used in the ordinal analysis (whether the scores run from 1 to 4 or from 1 to 10, for instance).

Figure 9. Categorizing and illustrating different dimensions of governance

Comparatively weak	Comparatively below avge.	Comparatively average	Comparatively above avge.	Comparatively strong	Insufficient data
Over 1.5 standard deviations from the mean (in the zone where this denotes poor performance)	Between 0.5 and 1.5 standard deviations from the mean (in the zone where this denotes poor performance)	Between 0.5 and -0.5 standard deviations from the mean	Between 0.5 and 1.5 standard deviations from the mean (in the zone where this denotes good performance)	Over 1.5 standard deviations from the mean (in the zone where this denotes good performance)	There is no data or it is not possible to construct a comparative variable
South African road safety compared with BRIC countries					
	South African road safety compared with larger Anglo African countries				

Source: Author's original analysis

I do this exercise for the full content in Tables 1 and 2, constructing a dashboard made up of 70 pieces of information about ends and means. I think that these matter a lot in thinking about governance; for potential reformers in government looking for areas needing improvement, and for potential investors trying to know if they should buy into a country (or what they should be careful of when doing so), or analysts trying to understand where a country's potential governance opportunities and constraints may exist. As noted already, I do not think that the tables are comprehensive and I am constantly adjusting and updating and changing the lists. At present I am thinking about adding commonly used metrics about impartiality in public service delivery, for instance, and also considering breaking up some dimensions (there is more variation in the factors being captured by civil and criminal judicial system quality, for example).

I usually employ the data in conversation with government officials; to construct a narrative about their country. I refer to the analysis (as in the example shown next) and ask questions: Where are you doing well? Why? Where are you doing less well? Why? What are your immediate challenges? What are your medium term challenges?

Dashboard example

How country X's governance ends match with comparator group Y

Defense, Public Safety, Law and Order	Public Infrastructure	Human Development and Environmental Management	Economic Progress and Adaptation	Participation, Rights, and Mobility
Conflict and threats	Trade and transportation infrastructure	Food and hunger	Price stability	Child and civil registration
Secure national borders	Water and sanitation infrastructure	Children are learning	Employment	Economic participation
Citizens feel safe	Power infrastructure	Citizen reading, skills	Debt	Inequality
Violent crime	Communications infrastructure	u-5, maternal mortality	Affordable financing	Children's rights
Citizens are safe on the roads	Housing infrastructure	Health system	Economic growth	Social, political and economic rights
Property rights are protected	Urban infrastructure	Air and water pollution	Trade relationships	Free movement of citizens
Civil and criminal justice systems	Rural infrastructure	Biodiversity	New exports	Free movement of foreigners

How country X's governance means match with comparator group Y

Human Resource Capacity and Management	Organization, Coordination and Embeddedness	Financial Resource Capacity and Collection	Spending and Policy Implementation	Integrity and Accountability
Public sector size	Status of public, quasi-public orgs.	Tax sufficiency (fiscal contract)	Policy directions and reporting	Laws and regulations accessible
Public sector hiring and compensation processes	Missions and goals of public orgs.	Taxation procedures executed fairly	Transparent spending; gaps between plans and execution	Gaps in business regulation execution
Skills of public sector employees	Mission-shape of public org. structure	Tax policies accessible	Govt. pays bills and wages	Gaps in anticorruption legislation execution
Motivation of public sector employees	Coordination of public organizations	Citizens, business respect tax obligation	Effective procurement	Gaps in PFM system execution
Autonomy and learning for public officials	Public orgs. connect to other entities	Transparent, responsible debt processes	Government completes projects	Systems identify, address financial irregularities
Citizens respect public work and workers	Checks, balances limit govt. power	Government is creditworthy	Government maintains assets	Governments produce, publicize reliable data
Citizens trust public officials and employees	Confidence in govt.	Transparent natural resource, trade taxes	Governments innovate in implementation	Citizens believe govt. should be accountable

Reference Key:

Comparatively weak	Comparatively below avge.	Comparatively average	Comparatively above avge.	Comparatively strong	Insufficient data

The dashboard provides a view on how governments are exercising the civic authority they enjoy (remembering that this is my definition of governance). The dashboards also let me see differences between countries in this respect, which is a more textured view than a simple indicator provides. In the dashboard example, for instance, one would be able to see that country X does relatively well (when benchmarked against comparator group y) in two ends areas; Defense, Public Safety, Law and Order and Economic Progress and Adaptation. The country is doing comparatively worse than the comparators in two other ends areas; Human Development and Environmental Management and Participation, Rights and Mobility. This allows one to ask why the country might look like this—having relatively robust governance results in some areas and weaker results in other areas. The narrative that emerges from such observation could go in various directions. A country could say it is trying with reforms in the weaker areas but cannot seem to impact the problems it faces, for instance, or it could note that it has not yet started reforms in these areas because it has been focusing on its strong areas, or it could say that it does not see the weak areas as focal points in the discussion of governance. This narrative allows one to contextualize an understanding of governance in country X, seeing strengths and weaknesses and learning why they exist *in the context*.

When I construct dashboards comparing Rwanda with larger Anglophone African countries, for instance, it is obvious that Rwanda does better than the others in some ends areas, but not in human rights and access (what I call Participation, Rights, and Mobility). Rwanda also seems to have much better means than some of the other countries. Does this show that Rwanda has worse or better governance than the other countries? I don't think such question even makes sense. What it suggests to me is that Rwanda is playing aggressive catch-up with leading African economies in areas like Economic Progress and Adaptation and that the Rwandan government has emphasized certain ends over others at the moment, focusing on adopting means to achieve these ends. It also suggests that the Rwandan government might need to think about expanding its 'ends' focus to include Participation, Rights and Mobility issues.

The dashboard example would allow a similar conversation in country x. Given that the dashboard actively benchmarks country x with others, this conversation could be enriched by examples of what the other countries did to perform better in the areas where

country x is lagging, which always enriches a discussion. One could also imagine such discussion around means, for instance, where country x has comparatively better performance on dimensions in the Financial Resource Capacity and Collection area but comparatively weak performance on a number of dimensions in the Spending Policy and Implementation area. The narrative here is that the government seems to be exercising its authority well (providing governance) in raising resources but it is exercising its authority less well (providing governance) in using the resources to execute policy. The narrative immediately causes one to ask 'why?' and 'what can be learned from others to do better?'

Needless to say, this kind of detail is not easily recognized when looking at a stand alone, hold-all indicator. Instead, a single indicator would aggregate and average-out the detail and the differences that provide so much of the story about governance.

Using this ends-means approach in the post 2015 discussion

As noted, this is an attempt to draw up in a rough fashion the approach I take to thinking about governance and getting a picture and narrative of governance in countries where I work. I think it is a balanced approach to the subject that could be useful to others but should not be used in any simple or instrumental way. It should be used descriptively rather than prescriptively (to foster discussion and not to drive agendas), and I have found it powerful for this purpose. As presented, I firmly hold that this approach does not lend itself to the creation of individual, comparable and generalize-able governance indicators. This does create a challenge for me personally, however, as I try to engage constructively in the process of developing post 2015 governance indicators. I am on record saying that I don't like the idea of such indicators but I also believe that these indicators will be created, so I have an interest in the process of their creation (and in the final product). I have two strategies in mind for drawing on my approach in crafting a new indicator.

1. Choose key global ends and means and focus on improvements

The first strategy involves selecting key global 'ends' (outputs or outcomes) and 'means' indicators that seem to be generally relevant in lower and middle-income countries and that have high potential spillover effects. My focal points would include road safety,

water and power infrastructure, learning (a key education indicator), literacy (especially for women), debt, and child registration (as 'ends') and skill appropriateness and motivation, budget and expenditure transparency, data collection, and administrative and anticorruption process gaps (as 'means'). Many of the countries targeted by the post 2015 indicators seem to be struggling in these areas, commonly because of governance concerns and state capability gaps across sectors. Furthermore, spillovers from improvements are large; improvements in these areas could help foster gains in many areas of state capability. Goals I think could be useful (stated at a global level) include:

- Annual road deaths have declined by 25% from 2013 levels.
- Access to water and electricity has increased by 25% from 2013 levels.
- All countries measure learning among scholars by 2020; learning metrics in 2030 show a 25% improvement compared with the 2020 baseline.
- Literacy levels have improved 25% from 2013 levels (especially for women).
- Countries have maintained manageable debt levels (private and public).
- All children are registered by five years of age by 2030.
- Governments measure the skill appropriateness and motivation of public servants by 2020, and show a 25% improvement in both measures by 2030.
- Governments are fully transparent about budget commitments and spending, and gaps between budgets and spending are clearly explained every year.
- Governments collect data in respect of all their post 2015 goal commitments and provide annual statistics to their citizens about these commitments.
- Governments have closed administrative and anticorruption process gaps by at least 50% (measured against 2013 baselines).

Let me explain a little why I support four of the examples above.

First, I propose focusing on road deaths. This is a scourge in most developing and lower middle-income countries, especially when one benchmarks performance against higher-middle and higher income countries. Governments in these poor performing developing country contexts have civic authority to manage roads, license and regulate, educate, and otherwise influence how roads are used and how many people die on roads. The high death rates tell us that most governments have not got to a point

where they exercise this authority effectively yet, lacking important functionality. In a sense this is because of the level of development these countries are at (countries like the USA, Sweden and others also had a period of time when their road death rates were high). The problems are arguably more pressing in today's developing countries, however, given that the pressure of cars on the roads is greater in these countries today than it was in wealthier countries when their death rates were comparably high. The cost of road deaths is higher than ever before as well, and the importance of having safe roads is greater than ever before (given the centrality of trade, transportation and mobility in the global economy).

Many people would agree that this is an important issue but probably argue that it is very complex and should not be included as a governance issue. I think that the complexity is both the reason why it is a governance issue and also why it is attractive as a goal. The complexity is suggested in my silly Figure 10.

Figure 10. What will it take to bring road deaths down?

Source: Author's personal musings.

The idea here is that cutting into the high road death rates will require improving vehicle safety, drivers education and licensing, road construction, maintenance, inspection (and more), signage and town planning, control over alcohol use, pedestrian education and safety measures, policing effectiveness, corruption on road, and much, much more. Cutting into these rates will thus require more than engagement by traffic authorities or roads authorities or the health sector (which often claims ownership of this issue, partly because data are collected by the World Health Organizations). Instead, functional improvements here require improvements in broad governance, including improvements in the functionality of government agencies and coordination across government agencies that often do not coordinate and between government agencies and private and non-profit players (as well as citizens in general). This is a governance challenge if ever I saw one.

It is also the kind of governance challenge that, when solved, will yield many spillovers. If governments learn how to police roads better I guarantee that the strategies and lessons they adopt will also help policing more generally, for instance. If roads construction, contracting and maintenance processes are improved I bet there will be improvements in other construction, contracting, maintenance processes. If governments work out how to engage with citizens to ensure improved education about road use I strongly believe government will also learn how to engage around other issues.

A second end that I would focus on is child and civic registration. As with road deaths, this is an area of perennial weakness in developing countries. Most countries have not developed the capabilities needed to register kids, leading to 30 to 40% of children unregistered in the world today.[11] This is a governance failure in the most fundamental sense; governments have the monopoly authority over registering people and people will struggle to access many aspects of society if governments do not exercise this authority effectively. Beyond this, most of the governments have actually signed a global treaty (on the rights of the child) that requires child registration. This treaty is over twenty years old and needs to be made more effective than it has been. A global goal requiring that

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[11] http://www.theguardian.com/global-development-professionals-network/2014/feb/10/birth-registration-invisible-children

governments register children properly and comprehensively simply follows up on the treaty and requires this be done (finally, twenty years later).

It is another complex functionality, however. I sketched figure 11 to capture factors that are often seen to frustrate registration. These include local politics, statistical office capacity, access to hospitals, basic administrative processes, education about the benefits of registration, access to local services, and many more. As with road deaths, improvements in registration will require improvements in all these areas. Again, this suggests that a broad governance reform is required. As with road deaths, improvements here will also yield major spillovers across government. Learning how to register children will help governments register other things, for example. As another example, improving birth registration will probably require and foster improved administrative in birthing centers. In so doing, building state and governance capabilities to actually provide this core 'end' will lead to new capabilities that are inputs into other ends.

Figure 11. What will it take to register children?
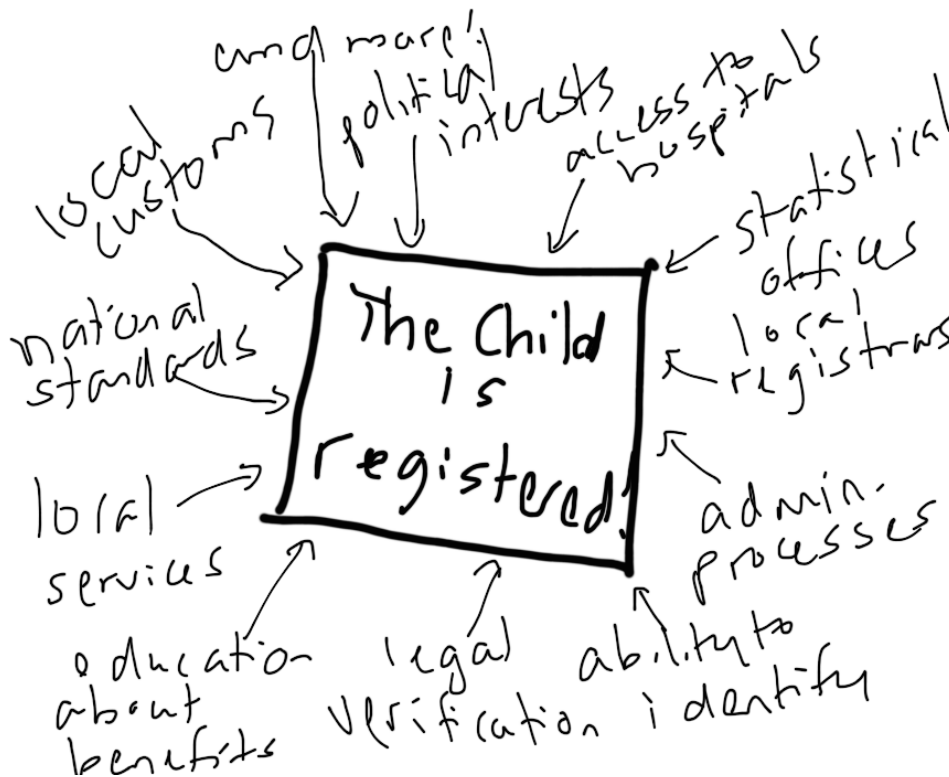
Source: Author's personal musings.

The third and fourth potential indicators I would like to explain are in the 'means'
table: ***The first is that governments collect data in respect of all their post 2015***
commitments and provide annual statistics to their citizens about these commitments.
This is an important indicator in the discussion of governance generally and particularly
important in relation to the post 2015 goals agenda. I believe that data are needed for
effective governance. Simple as that. Governments need to know how many people they
serve if they are to serve them properly, for instance. But most developing countries have
extremely weak or nonexistent statistical bureaus or agencies and data gathering and
analysis capacities. This has not stopped developing countries from drawing up plans
with measurable targets and commitments, however. The problem is that the plans cannot
be evaluated and assessed, and no one can hold governments accountable for promises
made. I find this is the case in Uganda, where the most common performance on its
national plan items was 'no data' (Andrews 2013a). The lack of statistical capacities in
developing countries has also not stopped development organizations from creating
lending conditions and goals that imply a fairly high level of data access. The Millennium
Development Goals (MDGs) are an example. These were introduced at the turn of the
century but in 2013 about ten percent of the goals could still not be assessed because no
data was available.[12] The situation is worse than this, however, because data used to
assess many of the other MDGs are not generated by developing countries themselves.

Given this situation I think it would be remarkable—and also responsible—if the
international community included a post 2015 governance indicator that focused on
statistical capacity. I would start with an indicator that asked countries to ensure that they
developed the statistical capacities required to assess the goals they commit to in 2015. I
imagine that this would have a primary influence of taming the size of the goal list, which
would probably be a great side effect of the process. I would also expect a positive set of
spillovers for the country more generally; growing capabilities to gather and manage and
work with statistics on the post 2015 goals would ensure that there are better capabilities
to gather and manage and work with statistics in other areas.

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[12] http://matthewandrews.typepad.com/mattandrews/2013/05/what-is-the-story-with-mdg-performance.html

The second example of an important means indicator relates to gaps in the administrative systems in governments: ***Governments have closed administrative and anticorruption process gaps by at least 50% (measured against 2013 baselines).*** The legacy of past and current governance reforms has left many gaps in the administrative and anticorruption processes in developing countries. I have spent much of the past decade observing and measuring these gaps across the world; in areas ranging from public financial management to anticorruption activities. These gaps fester in most developing countries and many middle income countries, where processes and systems have improved to a large degree but implementation of the processes and systems are not keeping pace. This has the potential of undermining the new processes and systems that have been established, which would be very unfortunate indeed. It would be useful now to shift the focus from governance forms to implementation and functionality, closing gaps between what laws and processes and systems look like and how governments actually function. An indicator could use Global Integrity scores to calculate implementation gaps in anticorruption reforms or Public Expenditure and Financial Accountability (PEFA) indicators to identify gaps in public financial management reforms, and there are other options one could look at as well.

2. Allow flexible choice from the menu, and compare improvement rates

A positive aspect of having a specific and common set of global goals (like those above) is that one can compare progress of particular indicators across countries. There are also problems with identifying a set of global goals like those described above (and the goals in the MDGs), however. The major problem is simply that these goals are not actually globally relevant. This problem has two sides to it. On the one hand, it is apparent that the goals will not reflect problems in some countries, and will therefore not further the governance agenda in such countries. My country of South Africa has no major problem with child registration, for instance, and some Latin American countries do not have a problem with road deaths. On the other hand, it is apparent that many countries may have governance problems and reform opportunities in peculiar areas that are not part of a common set of global goals. Having common goals might crowd out the potential to

work in these country-specific areas as a result, which could undermine potential governance reform trajectories in different places.

I think that a second strategy could leverage the ends-means approach proposed in this paper to overcome this problem. This strategy involves using the dashboard (as it stands or with potential adjustments) as a menu in which governments can choose focal points for governance reforms (as in Figure 12). Governments can select areas in which they want to focus and specify aspirational goals for reforms in these areas. The government can then report on the degree to which reform goals are being met and governance is being improved. A comparable indicator across countries could capture the extent to which individual countries are meeting the improvement goals in their peculiar reform agendas.

Figure 12. Letting governments choose off a governance menu
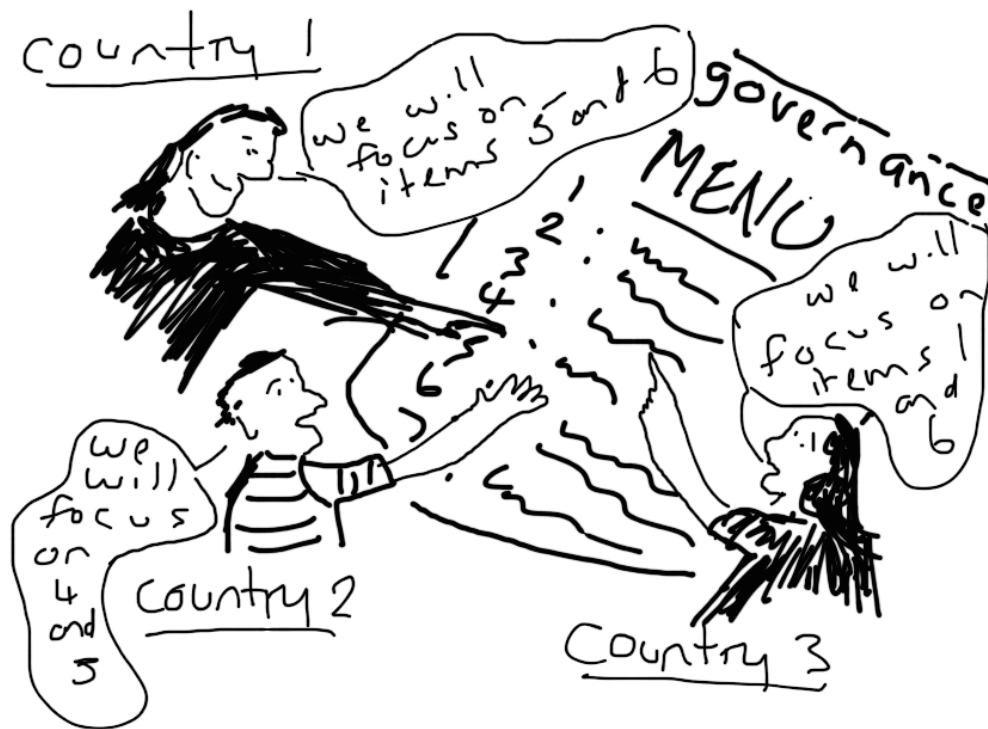
Source: Author's personal musings.

The country represented in the Dashboard example could choose to focus on improving governance ends in respect of health sector and air pollution, for instance, and

to close gaps between spending plans and execution. These are all areas in which governance performance is 'in the red'; meaning that performance is both low and measured (an important criteria for having goals). The government would agree on a baseline value and then on milestones set every two or three years between 2015 and 2030. The government would decide what its reform process looks like and would be able to engage donors in this process. This would allow the government to coordinate donor engagement around a global goal that is also reflective of national priorities and addresses real and relevant problems in context. All governments could be assessed every three years on the extent of progress in improving set governance goals, and a metric could show the percentage progress achieved. For instance, Uganda may focus on power infrastructure, food sufficiency, and child registration. South Africa might focus on road safety and violent crime. Rwanda may focus on procurement and tax processes. The three countries would commit to a process of reform and to specific performance milestones. They would then be compared according to the success they have in meeting the milestones. The post 2015 indicator would then be a reflection on the degree to which governments actually implement reforms and close the functionality gaps they struggle with.

I like this approach as it does not require common reform agendas, supports country-level ownership, allows for the emergence of country-specific solutions, and fosters competition in getting reforms done and improving state capability and functionality. In a sense, it is very sensitive to the ends-means narrative of individual countries yet still allows one to compare how these narratives are advancing across states.

3. A flexible third way is also possible

It strikes me that the two strategies I propose are not exclusive of each other. Whereas the second strategy offers countries an open menu from which to choose governance reform areas, the first simply specifies a 'menu of the day' that one might expect has some degree of broad relevance. Countries could be taken through a governance dashboard assessment and narrative and then asked if they think the 'menu of the day' is relevant to their context. If it is relevant, a baseline and series of milestones could be identified to

capture potential reform improvements between 2015 and 2030. The government could then be assessed on the basis of its progress in meeting these milestones. This would allow comparison between 'menu of the day' countries and countries where items on this limited menu are not relevant or pressing. These countries would choose their governance reform areas off the larger dashboard, identify baselines and milestones and be assessed on the basis of progress in meeting the milestones—just like the other countries.

Some final thoughts

I started out writing this paper for students who commonly ask me how I personally think about governance and assess governance when I visit countries. The approach I describe amounts to an ends-means approach to looking at governance. As introduced, this approach suggests that governance is something to 'look at' and describe. It also proposes that governance is primarily about what governments do—and the ends they produce. It does not ignore means, however, which also matter. I propose using a governance dashboard comprising ends and means to look at governance in nation states, and framing a governance narrative on the evidence provided in the dashboard. I think this is a powerful tool to allow both a broad and specific, comparative and contextual view onto governance in the nation state. I think the approach also lends itself to creative use in the discussion of post 2015 governance indicators, through the construction of 'menus of the day' (select issues commonly proving problematic across countries) and the use of broader menus from which countries can select their governance focal points.

I do not expect that all readers will agree with my approach to governance or with the tools I think are most useful. I do hope that the current paper clarifies what this approach is, however, and offers a constructive contribution to the global discussion of governance. This discussion has been dominated by indicators and the like in the past and may appear more definitive and complete than it actually is. It is vital that readers recognize that governance is still something with a working and emerging definition and with to-be-completed approaches to measurement and analysis. I hope this paper helps make this point and provide some fodder for discussion as we strive for a better understanding of governance in the future, especially in developing countries.

Annex 1. How an index is created: The WGI methodology

Taken directly from http://info.worldbank.org/governance/wgi/index.aspx#doc-methodology

STEP 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 firm survey question on the regulatory environment would be assigned to Regulatory Quality, or a measure of press freedom would be assigned to Voice and Accountability. A full description of the individual variables used in the WGI and how they are assigned to the six aggregate indicators, can be found by clicking on the names of the six aggregate indicators listed above. Note that not all of the data sources cover all countries, and so the aggregate governance scores are based on different sets of underlying data for different countries.

STEP 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. If, for example, a survey question asks for responses on a scale from a minimum of 1 to a maximum of 4, we rescale a score of 2 as (2-min)/(max-min)=(2-1)/3=0.33. When an individual data source provides more than one question relating to a particular dimension of governance, we average together the rescaled scores.

The 0-1 rescaled data from the individual sources are available interactively through the WGI website here, in the country data sheets, and in the data files for each individual source. Although nominally in the same 0-1 units, this rescaled data is not necessarily comparable across sources. For example, one data source might use a 0-10 scale but in practice most scores are clustered between 6 and 10, while another data source might also use a 0-10 scale but have responses spread out over the entire range. While the max-min rescaling above does not correct for this source of non-

comparability, the procedure used to construct the aggregate indicators does (see below).

STEP 3: Using an Unobserved Components Model (UCM) to construct a weighted average of the individual indicators for each source. A statistical tool known as an Unobserved Components Model (UCM) is used to make the 0-1 rescaled data comparable across sources, and then to construct a weighted average of the data from each source for each country. The UCM assumes that the observed data from each source are a linear function of the unobserved level of governance, plus an error term. This linear function is different for different data sources, and so corrects for the remaining non-comparability of units of the rescaled data noted above. The resulting estimates of governance are a weighted average of the data from each source, with weights reflecting the pattern of correlation among data sources. Click here for the weights applied to the component indicators.

The UCM assigns greater weight to data sources that tend to be more strongly correlated with each other. While this weighting improves the statistical precision of the aggregate indicators, it typically does not affect very much the ranking of countries on the aggregate indicators. The composite measures of governance generated by the UCM are in units of a standard normal distribution, with mean zero, standard deviation of one, and running from approximately -2.5 to 2.5, with higher values corresponding to better governance. We also report the data in percentile rank term, ranging from 0 (lowest rank) to 100 (highest rank).

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