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## Advancing governance indicators: Four ways forward

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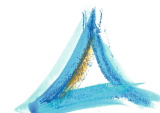
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# Advancing governance indicators: Four ways forward

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## Abstract

This article goes beyond the presentation, assessment and discussion of the Berggruen Governance Index by suggesting potential next steps for governance indicators and relevant data systems more generally. Specifically, it addresses four ways to advance research on governance performance. The first two, greater cross-validation and cross-fertilisation and a systematic assessment of the legal-regulatory context, address the two major challenges of current research, namely the weak connection between the theoretical understanding of governance and the current stock of indicators as well as the tenuous connection between conceptually grounded indices on the one hand and the needs of policymakers to have actionable results on the other. The other two proposals, that is the development of governance operationalisations based on network structures and the notion of planetary governance, suggest transcending the current nation-state and variable-based frame for governance indices towards actor-based indicators and dashboards.

In the article 'Advancing Governance Indicator Systems: Lessons Learned from the 2022 Symposium' that is part of this special issue, we concluded that the Berggruen Governance Index (BGI)<sup>1</sup>—while not fundamentally questioned in its conceptual and methodological approach—still faces several challenges. These include foremost the need to address systematically the notion of the relationship (and whether causality can be proven and would indeed be the analytic way forward) among the three components of the Governance Triangle (democratic accountability, state capacity and public goods provision), the validity of the component measures, the potential expansion of the range of public goods covered by the index and the issue of controls.

Yet going beyond a narrower focus on the BGI, what are potential next steps for governance indicators and relevant data systems more generally? Against the background of the various contributions in this special issue as well as Haber and Kononykhina (2018) and Kayser (2018), this article suggests four ways forward.

## 1 | CROSS-VALIDATION AND CROSS-FERTILISATION

The first is a call for deeper and more comprehensive cross-validation and cross-fertilisation among existing indicators and indicator systems. We should recall that the field of governance indicators has expanded significantly since the 2000s. For example, Haber and Kononykhina (2018) identified 37 such indicators or data sets,<sup>2</sup> and the European Union's Composite Indicators and Scoreboards Explorer (<https://composite-indicators.jrc.ec.europa.eu/explorer>) lists even more. This rich set of available indicators that track often similar but sometimes different aspects of country characteristics and performance offers the opportunity for cross-validation in terms of construct, content, criterion and predictive validity. What is more, in terms of cross-fertilisation, the BGI and other governance data systems can be linked to other projects that are relevant for governance performance such as UNDP's system to track progress towards meeting the Sustainable Development Goals (SDGs) and

the Human Development Index. Here is an initial list of other indicator projects that are of relevance in this respect:

- **OECD Better Life Index:**  
BGI and other governance performance indicator components can be used to understand changes in the different dimensions of the OECD Better Life Index.  
<https://www.oecdbetterlifeindex.org>
- **National Well-Being Frameworks:**  
There are several national well-being frameworks that could rely on BGI and other governance performance indicator components to understand shifts in specific indicators. These national well-being frameworks are, in turn, a useful source for country-specific public goods indicators that are not included in the BGI. A few examples include:  
New Zealand Living Standards Framework Dashboard (Treasury) <https://www.treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/measuring-wellbeing-lsf-dashboard>  
United Kingdom Measures of National Well-Being (The UK Office for National Statistics) <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/measuresofnationalwellbeingdashboard/2018-04-25>  
Israel Indicators of Well-Being, Sustainability and Resilience (Central Bureau of Statistics) <https://www.cbs.gov.il/en/subjects/Pages/Indicators-of-well-being-sustainability-and-resilience.aspx>  
Sweden New Measures of Well-Being (Ministry of Finance) <https://www.government.se/articles/2017/08/new-measures-of-wellbeing/>  
Well-Being in Germany (Federal Chancellery) <https://www.gut-leben-in-deutschland.de/en/>
- **Sustainable Development Report:**  
The governance performance indicators and the Sustainable Development Report both seek to capture where countries stand with regard to achieving the SDGs. While the BGI state capacity component, for example, could be used to make sense of progress on various SDG indicators included in the Sustainable Development Report, the latter could be used to understand specific aspects of public goods provision in more detail.  
<https://www.sdindex.org/>
- **Social Progress Imperative (SPI):**  
Governance performance indicators and the SPI are both interested in developing public goods/well-being measures that go beyond GDP. More specifically, the BGI, for example, could be helpful to make sense of changes in SPI dimensions. The SPI, in turn, provides dimensions with a different focus than the BGI public goods subdimensions.  
<https://www.socialprogress.org/>

- **Ibrahim Index of African Governance (IIAG):**  
The IIAG provides substantially more detailed output/public goods measures than the BGI and other governance performance indicators. The latter, in turn, could be useful for analysing changes in the output measures included in the IIAG.  
<https://mo.ibrahim.foundation/iiag>
- **Varieties of Democracy (V-Dem):**  
The BGI and other governance performance indicators provide state capacity indices that make use of and complement the V-Dem data set.  
<https://v-dem.net/>
- **The Quality of Government (QoG) Institute:**  
The BGI and the QoG Institute share a similar interest in developing better state capacity measures.  
<https://www.gu.se/en/quality-government>
- **The World Policy Analysis Center at UCLA:**  
The Center compiles a wide range of measures of the legal and regulatory system of all UN member states, from constitutions to specific governance fields such as health, education, labour and the environment (see below).  
<https://www.worldpolicycenter.org>

Cross-fertilisation would involve greater use of dashboards and thereby relieve the stress on indices to become more encompassing over time. In other words, by staying true to the principle of ‘different indicators for different purposes’ (Kayser, 2018, p. 262) to maintain focus, dashboards can bring in multiple indices under a common framework for a more comprehensive analysis and interpretation.

## 2 | LEGAL-REGULATORY CONTEXT OF GOVERNANCE

Perhaps because governance indicators are designed by social scientists (mostly economists and political scientists with strong quantitative skills), the legal-regulatory context of governance has remained largely neglected. For example, Haber and Kononykhina (2018, p. 14) found that although the 37 indices they examined typically cover input- and output-related aspects, none focuses to the same level of detail on actual laws and regulations. By this, we mean the legal foundations governing the conduct of government, public administration and relevant agencies charged with implementing policies and safeguarding the rights of citizens.

For instance, from a policy analyst's perspective, it would make a difference if one country ranks low in the provision of social public goods because it does not have adequate delivery capacity or because it does not have rules and regulations in place that give citizens the right to receive family services or education. Environmental public goods would be a similar case, where it would be important in terms of policy implications and

recommendations to know whether adequate laws and regulations ensuring environmental protection exist in the first place and whether they are ignored and not fully applied, either because of lacking state capacity or weak accountability mechanisms.

Taking the legal-regulatory context into account is a response to the critique advanced by Michael Woolcock of the World Bank at the 2022 Symposium, Alter (2018) and others, namely that many governance indicators remain too abstract to become actionable for policy analysts and regulators. Therefore, what is needed is an inventory of the relevant laws and regulations governing the policy fields relating to public goods covered by the BGI or other indicator systems. After all, policies involve laws, regulations, ordinances and the like, and systematically identifying which ones exist in the first place, assessing their degree of effectiveness and gauging ways and means for improvement is the link between monitoring governance performance through indicator systems on the one hand, and policy recommendations and actions on the other. Note that in the case of the BGI, such an inventory would not be part of the Governance Triangle but constitute the legal-regulatory context, as illustrated in Figure 1.

For democratic accountability, for example, the inventory would include the relevant laws and regulations covering the compliance of public institutions, the constitutional rights of citizens, election laws or laws concerning the establishment, registration and oversight of associations, among others. For the state capacity dimension, administrative and fiscal law would come into play, and in the case of public goods, the legal treatment of specific policy fields as they relate to the subdimensions of social, economic and environmental public goods. The inventory should include ordinal rankings, if possible, that assess the legislation of the particular phenomenon in question.

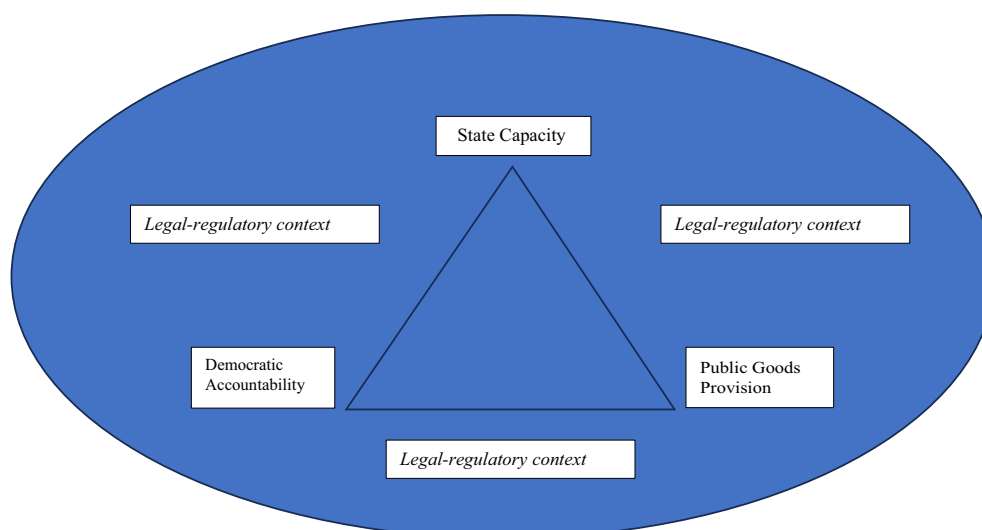
Importantly, some such inventories already exist. The World Policy Analysis Center at UCLA, for example, has developed a classification system for constitutions (<https://www.worldpolicycenter.org/topics/constitutions/methods>) which are the fundamental building blocks of a nation's government and laws and establish citizens' rights and obligations. For each right mentioned in a constitution, the inventory classifies the specific right protected as well as the level of protection in a range of policy fields such as education, health, family, labour or income security.

Table 1 offers an example for gender equality, which addresses one of the subindicators of the BGI's social public goods subdimension (World Policy Analysis Center, 2023, p. 12).

Another way to capture the legal-regulatory framework is offered by Berrang-Ford et al. (2019) who classified the approaches, methods and actions taken by governments in response to climate change. Taking these measures into account could help in developing policy responses to a country's governance performance in the BGI's environmental goods dimension. Another example is Mungiu-Pippidi (2022), which assesses de jure and de facto transparency of governments at a level of detail much greater than relevant BGI subindicators.

### 3 | UNITS OF ANALYSIS AND FLOW MEASURES

As noted in Anheier and colleagues' article 'Advancing Governance Indicator Systems: Lessons Learned from the 2022 Symposium', in this special issue, one of the challenges for governance indicators systems is capturing global flows. Though a few areas such as trade and tourism are well covered, others such as cultural



**FIGURE 1** Governance triangle and the legal-regulatory context.

**TABLE 1** Example operationalisation for the assessment of legislation.

Question/variable	Categories	Coding
Does legislation explicitly prohibit discrimination in hiring or recruitment on the basis of gender?	1: No prohibition 2: General prohibition of discrimination in hiring or recruitment 4: Broad prohibition of workplace discrimination based on gender 5: Yes, gender-based prohibition	<ul style="list-style-type: none"> <li>The term ‘gender’ refers to country references to ‘gender’ or ‘sex’ or specific protections for ‘female’ or ‘women’ employees.</li> <li><i>Hiring or recruitment</i> includes explicit legislative prohibitions against discrimination during pre-employment, or the hiring or recruitment process.</li> <li><i>No prohibition</i> means that legislation does not take an explicit approach to prohibiting discrimination in hiring or recruitment on the basis of gender. This does not mean that legislation denies this guarantee.</li> <li><i>General prohibition of discrimination in hiring or recruitment</i> means that legislation prohibits discrimination in hiring or recruitment generally—for example, by prohibiting discrimination based on ‘any status’ or stating no worker may be discriminated against. This general prohibition is not specifically extended on the basis of gender.</li> <li><i>Broad prohibition of workplace discrimination based on gender</i> means that legislation extends a prohibition of discrimination at the workplace on the basis of gender but does not explicitly address discrimination in hiring nor recruitment on the basis of gender. These broad prohibitions use language that could extend prohibition of discrimination across any aspect of work.</li> <li><i>Yes, gender-based prohibition</i> means that legislation either: a) extends an explicit gender-based prohibition of discrimination in hiring or recruitment or b) extends a broad prohibition of gender-based workplace discrimination alongside a general prohibition of discrimination in hiring or recruitment to all workers.</li> </ul>

flows are not. Moreover, the go-to unit of analysis for most global data sets is the nation state. Though there are good reasons for this, the result is often enough an intrinsically erroneous view of the world. Indeed, possible discrepancies between methodological categories and realities deserve further attention.

A set of transnationality indicators, which are being developed by Miguel Centeno at Princeton University and other colleagues, seeks to measure and map transnational flows to understand risk, thereby creating a fragility index (Centeno et al., 2023; <https://globalmapping.tumblr.com/>). Transnational indicators use network approaches that seek to identify emergent structural patterns, no longer using the nation state as the standard unit of analysis but multiple units like states, regions, cities, organisations and people as nodes in a complex fabric of relations. It would be worthwhile going back to the typology introduced by David Held (1999) and applying it to a wider range of transnational phenomena:

- *Extensivity* is a measure of the geographical stretching of activities, indicated by the number of nodes that constitute the overall spread of the phenomenon in question. Extensivity refers to the range of globalised social, economic and cultural structures across the different continents, countries and regions;
- *Intensity* is the overall density of the network among entities in terms of the number and types of connections involved among the various nodes they

constitute. Intensity indicates how densely elements are connected among each other; and

- *Velocity* of the overall network is a measure of the frequency by which connections are made or used among network nodes. Velocity refers to the volume of interactions among, for example, international organisations or corporations. It is a flow measure.

The governance capacities associated with each network node go beyond the notion of state capacity used in the BGI as we are dealing with multiple actors that range from nation states to regions or cities and from public agencies to corporations and nonprofit organisations. Once the network relations among these actors are analysed, new units might emerge that vary in their governance capacities and are part of network structures, for example centre-periphery configurations.

## 4 | PLANETARY ASPECTS

While such transnational indicators and network configurations potentially offer a portrait of the extent to which various social, economic or cultural phenomena have become globalised, they do not necessarily inform us about the overall governance of global or planetary public problems. This is where the notion of planetary governance comes in. According to Blake and Gilman (2021) of the Berggruen Institute, there are still too few attempts to



measure planetary aspects of governance performance, by which they mean indicators for how well we manage to address planetary problems or in the words of Kofi Annan (2009) 'problems without passports', like climate change, greenhouse gas emissions or pandemics.

Such an indicator system would have to operate with multiple units of analysis and involve both actor-centric and variable-centric elements. At the planetary/global level there are multilateral institutions like the United Nations system or the European Union and their governance capacities in terms of analytics, regulation, coordination and delivery in managing planetary problems. Then there is the level of the nation state and the extent to which they have the capacity to manage spill-in and spill-out flows of transnational goods and bads, in other words provide public goods that are relevant to the management of the planet. Finally, there are diverse sets of actors below the national level such as regions, cities, forprofit and nonprofit organisations and people networks. Though developing such a system requires time and effort, it would nonetheless be a major step towards advancing our understanding of governance performance at the planetary level.

While the precise contours of a conceptual framework, not to mention a fuller operational model, of planetary governance are still difficult to fathom, some aspects are available and could become potential building blocks of such a system. Examples at the supranational level include Tallberg et al.'s (2023) assessment of the quality of multilateral institutions charged with some aspects of global governance and Zürn et al.'s (2021) data base on international authority. For the nation state level, a version of the BGI based on the management of the inflows and outflows of goods and bads with a focus on dedicated institutions such as environmental protection agencies or organisations fighting international crime might be an option. At the regional and subregional level, data on regions and cities are increasingly becoming available, for example EUROSTAT's regional data bases (<https://ec.europa.eu/eurostat/web/regions/data/database>) or the C40 network on world cities (<https://www.c40.org>). Very likely, a future approach to measuring planetary governance will be more actor than variable focused, operate with multiple units of analysis and be presented as a dashboard of different indices.

## 5 | CONCLUSION

In 'Governance Indicators: Development and Assessment' (Anheier, 2018) I argued that the field has come a long way but faces two major challenges: the first one is the 'weak connection between the theoretical understanding of governance and the current stock of indicators' (Anheier, 2018, p. 6); the second, the connection between conceptually grounded and theory-rich indicators on the one hand and the needs of policymakers to have actionable indicators on

the other. The call for greater cross-validation and cross-fertilisation speak to the first challenge and the systematic recognition of the legal-regulatory context to the second. The other two proposals for the way forward, however, go beyond the situation then and in effect suggest transcending the current nation-state frame for governance indicator systems and, indeed, the BGI itself. As the world has changed and continues to change, so must our approaches to governance performance.

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## CONFLICT OF INTEREST STATEMENT

There are no conflicts of interest.

## DATA AVAILABILITY STATEMENT

The data that support the findings of this study are openly available at <https://governance.luskin.ucla.edu/datasets/>.

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## ENDNOTES

<sup>1</sup> The Berggruen Governance Index is a collaborative project between the UCLA Luskin School of Public Affairs and the Berggruen Institute examining, as of 2022, the performance of 134 countries in key areas over a 20-year period to advance understanding of why some countries are governed more effectively and enjoy a higher quality of life than others. See the article 'Introducing the Berggruen Governance Index: I. Conceptual and Methodological Framework' by Anheier, Lang, and Knudsen in this special issue. The full dataset is available for download in various formats at <https://governance.luskin.ucla.edu/datasets/>. A data exploration tool offers readers a variety of ways to examine the data; available at <https://governance.luskin.ucla.edu/index/>.

<sup>2</sup> They only selected indicators that cover several countries, have been replicated at least once, specifically focus on governance, and have the nation state as a unit of analysis.

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