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**GOVERNANCE PERFORMANCE: THE AGGREGATE PICTURE**

**Julius Court, Goran Hyden and Ken Mease<sup>1</sup>**

**Introduction**

This paper reports on the aggregate findings of the World Governance Survey. Previous Discussion Papers looked at the issues of *Governance and Development*<sup>2</sup> and *Assessing Governance: Methodological Challenges*.<sup>3</sup> It is important to remind the reader that the study of governance is not the same as the study of democracy, although there is an overlap. Students of the process of democratization have been caught in a debate about whether or not to adopt a minimalist definition of democracy. The latter implies a focus on variables that are measurable. They are typically related to the two dimensions of Robert Dahl's notion of 'polyarchy' – contestation and participation.<sup>4</sup> While we recognize the value of such a more specific focus, we also acknowledge – with the many critics of the minimalist approach, e.g. Rueschemeyer, Stephens and Stephens<sup>5</sup> – that it omits many dimensions that are important in determining democratization in transitional and developing societies. The study of governance at the empirical level differs from mainstream studies of democratization in two important respects: (1) it

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<sup>1</sup> Julius Court and Goran Hyden are co-directors of the World Governance Survey project. They can be reached at [court@hq.unu.edu](mailto:court@hq.unu.edu) and [ghyden@polisci.ufl.edu](mailto:ghyden@polisci.ufl.edu) respectively. Ken Mease is Senior Advisor and can be reached at [kenm@ufl.edu](mailto:kenm@ufl.edu).

<sup>2</sup> Goran Hyden and Julius Court, 2002, *Governance and Development, World Governance Survey Discussion Paper 1*, Tokyo: UNU.

<sup>3</sup> Goran Hyden and Julius Court, 2002, *Assessing Governance: Methodological Challenges, World Governance Survey Discussion Paper 2*, Tokyo: UNU.

<sup>4</sup> Robert Dahl. *Polyarchy*. New Haven: Yale University Press 1971.

<sup>5</sup> Dietrich Rueschemeyer, E.H. Stephens, and J.D. Stephens. *Capitalist Development and Democracy*. Cambridge: Cambridge University Press 1992.

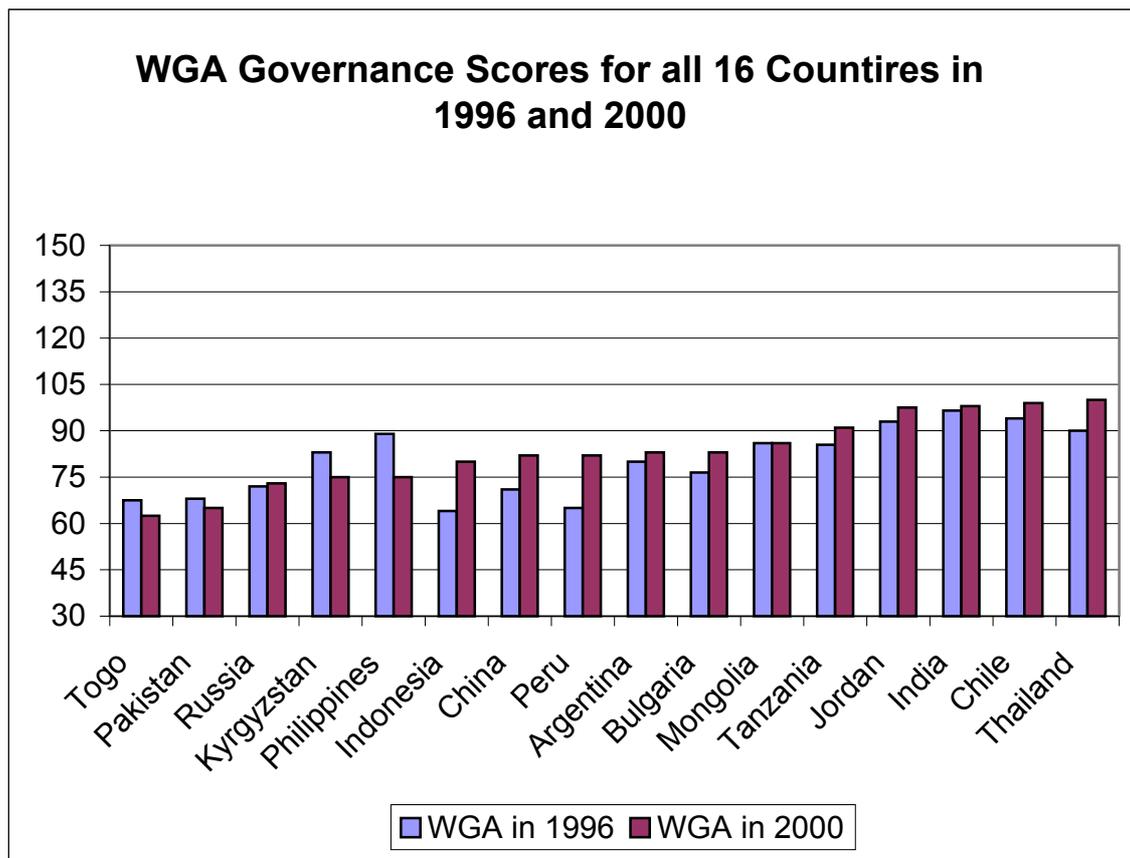
provides a ‘thick’ definition that allows for an assessment of a broader set of variables than those typically included in studies of democratization; and, (2) it is not a priori loaded in the direction of favoring the liberal-democratic model of democracy. We do not expect, therefore, that our findings will automatically correlate well with studies that draw on this model for its primary indicators. At the same time, we are interested in determining how much overlap there is in the explanatory variables used here and in other attempts at measuring governance (or specific aspects thereof).

This paper is divided into three sections. The first presents an aggregate profile of governance performance in each of the 16 countries included in this paper. To facilitate the analysis, it groups the countries in terms of high, medium and low governance score based on the 2000 survey. It also discusses changes that have taken place over the five-year period respondents were asked to consider. Attention is being paid to explaining the major changes that have taken place, whether positive or negative, in individual countries. The second section discusses governance ratings by arena with a view to identifying, which seems to be particularly volatile in which category of countries (high, medium, or low). Finally, specific aspects of our data are compared and discussed with reference to other attempts at measuring governance, e.g. the work done by Kaufman et al in the World Bank, Polity IV Data, the International Country Risk Guide, and the Freedom House Index. The purpose is to give a preliminary indication of the ways in which our assessment is different and what the implications are for understanding the role of governance in society.

### **Understanding Changes in Governance**

This section reports on how our respondents – the WIPs – assessed governance in their respective countries in year 2000. It is organized to give a composite profile of each arena. In general, we concentrate on more structural issues, such as the perceived quality of each arena, any outlying or for other reasons interesting cases and the preliminary observations that are worthy of note. We particularly focus on issues where the comments by the experts and country coordinators in different countries clearly support the differences in numerical ratings.

Figure 1. WGS Governance Scores 1996 and 2000



With 16 diverse countries, we needed a way to better understand the similarities and differences of the countries. We decided to group the sixteen countries in terms of high, medium, and low, based on their WGS scores from the 2000 survey. Our goal is to examine the characteristics of each group to better understand the similarities and differences between the groups.<sup>6</sup> In this section, we present aggregate scores for the countries in each group.<sup>7</sup> We begin with the six countries that fall into the highest group.

#### High governance countries

This group consists of the following six countries: Chile, India, Jordan, Mongolia, Tanzania, and Thailand. They all have an aggregate score of around 90 for all six

<sup>6</sup> We are anxious to emphasize that each country report provided a very rich discussions of the situation in that country – usually linking analysis of the data and comments received as part of the survey process to the key findings in the literature and historical background of the situation.

<sup>7</sup> We remind the reader that the total score per arena is 25 (i.e. five points scored on each of the five questions), the lowest being 5 (one point per question).

arenas. This is approximately in the middle of the WGS scale, which has a minimum score of 30 and an optimal 150. It indicates that respondents have been aware that if the various dimensions of governance – or all the arenas – are adequately considered, there are shortcomings even in the countries with a high performance level. This also indicates that respondents have not been inclined to assign a high score with the ulterior motive of boosting their country’s overall score. In short, we believe that our WIPs have been sincere in their answers.

Most noticeable about this group is its diversity. It includes one of the poorest countries in Africa (Tanzania), a newly industrialized Southeast Asian country (Thailand), a middle-income Latin American country (Chile), a former Communist state (Mongolia), an Islamic kingdom in the Middle East (Jordan), and the largest democracy in the world (India). Apart from India and Chile, which have a long history of building democracy, these countries have only shifted towards democratic systems of governance in the last 20-25 years. This leads us to two important observations about governance. First, better governance is not a luxury of the rich or confined to certain regions. Second, our measure of governance, which focuses on the stewardship of the rules of the political game, calls into question the oft-stated proposition that there are certain economic and social requisites associated with a move toward democracy.<sup>8</sup> Our ‘thicker’ measure of governance provides evidence that the stewardship of rules is an independent variable that may be a causal factor in a positive direction under varying social and economic conditions. It is an important point at the time in the study of democratization when there is growing uncertainty about the extent to which specific measures of liberal democracy really are the most useful.<sup>9</sup> Governance may not tell us much, if anything, about democratic consolidation, but it does tell us something about the level of regime stability. It suggests that assessment of governance performance is independent of assessment of liberal democracy. Good governance is possible even where democracies

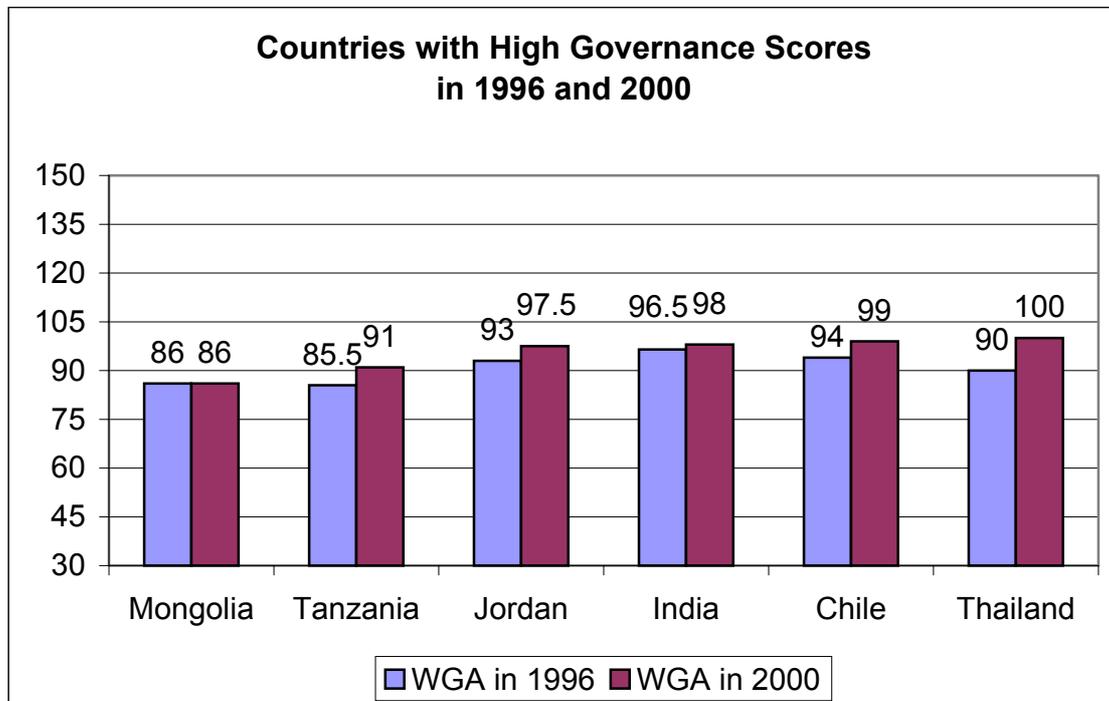
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<sup>8</sup> E.g. Seymour M. Lipset, “Some Social Requisites of Democracy”, *American Political Science Review* 53 (1959): 69-105.

<sup>9</sup> This finding should be compared with that of Przeworski and his colleagues, who argue that no democratic system has ever collapsed in a country where per-capita income exceeds US\$ 6,055 (in 1976 value). Apart from the fact that some countries with a higher per –capita income level are not democracies, it is important to note that many regimes may survive at much lower levels of per-capita income, if the measure is not a liberal form of democracy but a measure of governance. See Adam Przeworski, Michael Alvarez, Jose Antonio Cheibub and Fernando Limongi, “What Makes Democracies Endure?”, *Journal of Democracy* 7:1 (1996):39-55

may remain ‘illiberal’.<sup>10</sup> A probable reason is that respondents do not assess the stewardship of rules in isolation of what the political system delivers in terms of tangible goods. As we turn to a brief discussion of each country, this becomes clearer.

Figure 2. Countries with High Governance Scores



*Thailand* is a good case in point. It is a country, which has gradually democratized but where the military still hold power and may threaten civilian rule. It is also a monarchy that has allowed greater pluralism, but the king still has more than just symbolic power. Our study suggests that the most interesting thing about Thailand may not be its level of its consolidation as a liberal democracy, but the fact that when assessing all six arenas together, its overall score is one of the highest in this sample. Its ability to engage in constitutional reform to find a new balance between the executive and legislative branches of government as well as between rights and obligations of Thai citizens is an indication that it has reached a level of regime stability that expresses itself in overall high governance scores. Also important is that the civil service is held in high regard and that state-economy relations are seen as functioning (in spite of the

<sup>10</sup> cf. Fareed Zakaria: “The Rise of Illiberal Democracy”, *Foreign Affairs* 76 (November-December 1997): 22-43.

financial crisis that afflicted the country in 1997). Thailand, therefore, is no surprise in this category of high scoring countries.

Nor is *India* a surprise. It has had a long experience of democracy and regime stability. The secular nature of the Indian state has for a long time been a guarantee that this multi-ethnic and multi-religious country can be held together. Even though communal clashes have increased in recent years, especially between Hindus and Muslims, there is no evidence that these threaten the regime. Above all, India has retained a vibrant civil society with a high density of local associations. It is confirmed in our survey which indicates a high score for civil society. The same applies to the judiciary and the bureaucracy, although, as we shall discuss in greater detail in following papers, there are also blemishes on the Indian governance map. Foremost is the widespread sense that it is difficult to get anything done without bribery. As one of our respondents dejectedly put it: “Right from birth to death nothing happens without bribery and corruption. People can neither live nor die with dignity.”

*Chile* is a contender for the highest governance score among all those included in this study. Although it went through a tumultuous period of rule during the beginning of the 1970s, and the ensuing military dictatorship under General Pinochet prevented the return to liberal democracy, Chile has, ever since 1988, made constant stride toward democracy. Of all the countries, Chile may be the case where the scores for civil liberties and political freedoms – as per the Freedom House Index – and our governance measures have the closest association. Thus, we find that Chile enjoys regime stability while also making headway toward consolidation of its democracy. It may be worth noting here that Chile scores higher than its neighbor, Argentina, which began democratizing earlier, but has been bogged down by problems of governance, notably the relationship between key institutional actors, e.g. between federal state and provinces, and between executive and legislative branches.

We now turn to the more surprising cases among high-scoring countries in our governance survey. *Jordan* is definitely one of them. Given the low scores that virtually all Arab countries have on the Freedom House Index, it is easy to dismiss these countries as afflicted by poor governance. As we have already argued, however, scores on a liberal democracy scale is not identical to the score on a governance scale. What is

more, Jordan is an exception from the trend in this region which, according to FHI, has been deteriorating in recent years. Jordan has cautiously introduced multi-party democracy since 1991. Political rights, therefore, are less restrictive than in most other Middle Eastern countries. It is also important to understand that monarchy plays in these countries as stabilizing forces. The adjustments to changes in the world – and the region, in particular – that the King of Jordan has encouraged in the past ten years are important for understanding why respondents have given the country an overall high score.

*Mongolia* is another country whose high governance scores reflect relative success with a transition to democracy. In fact, it is a double transition: from totalitarian Communist rule to multi-party democracy as well as from central planning to a market economy. Given its marginal physical location, one would not necessarily have expected that these transitions would be easy; yet, it may be precisely, its relative isolation that has facilitated these processes. Its leaders could engage in the reform process without pressures from outside. At the same time, in a country where the vast majority of the population are nomads, citizen pressures in one direction or the other were also quite faint. In short, the relative autonomy from both external and internal forces seems to have helped Mongolia successfully make the double transitions, which culminated in the adoption of a new constitution in 1992. The struggle within the political elite also seems to have been minimal as the fall of the Soviet Union opened the gates for reform in all the former Soviet Republics and its immediate independent neighbors like Mongolia. Those who care about regime stability and governance in Mongolia, therefore, are ready to assign a more than just satisfactory score on most governance measures.

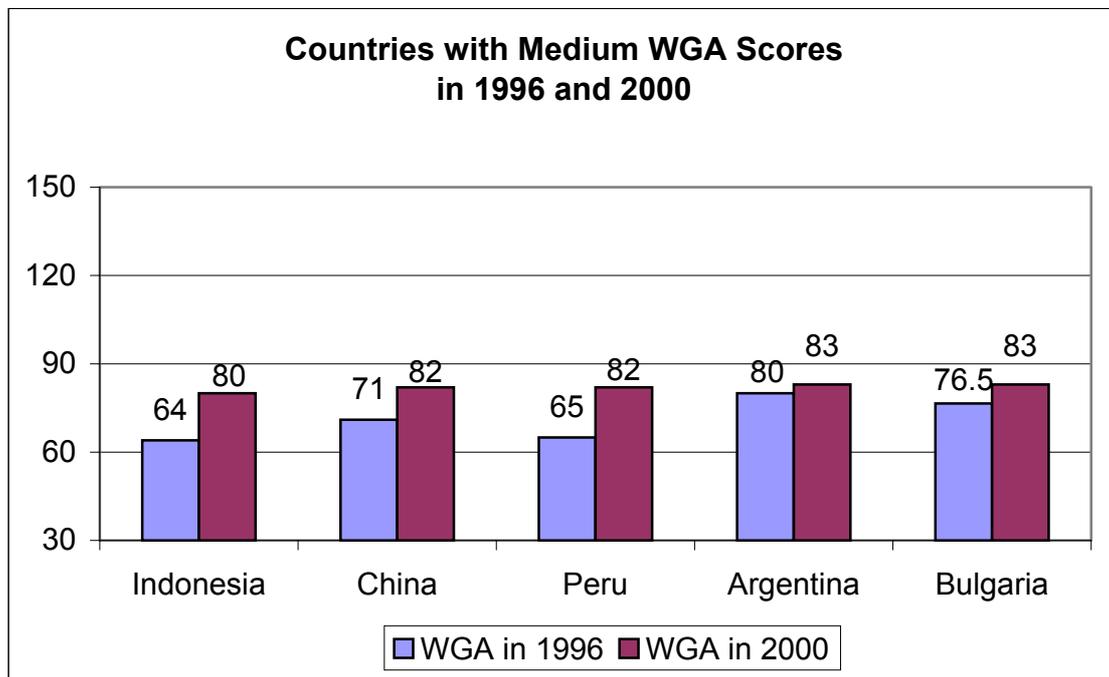
*Tanzania*, finally, is a high-scoring country, because it has been able to retain regime stability ever since independence. In spite of facing economic hardship in the last twenty years, it has remained peaceful. The country is not afflicted by ethnic conflict like so many of its neighbors that the bottom line is quite positive. The case of Tanzania also shows that good governance is possible also in poor countries because it is a measure of how well the political system functions in all its respects. It may be defective with regard to some aspects, but still operate in a manner that is satisfactory to the respondents. For example, Tanzania is still far from being a liberal democracy,

but it has made progress toward an institutionalized form of electoral democracy. Nor is its bureaucracy free from corruption, but even in this area, steps have been taken to deal with it. In other words, governance is being measured by the efforts that key political actors take to deal with problems facing their country.

#### Medium governance countries

This group includes the following five countries – Indonesia, China, Peru, Argentina and Bulgaria – all with scores in the low 80s. Again this group consists of a very diverse set of countries. Particularly interesting is that all the countries in this group are involved in different, but fascinating, processes of transition. Bulgaria has been moving away from a communist dictatorship, Indonesia and Peru came out of authoritarian dictatorships during the period of the survey. Argentina is gripped by crisis. China remains autocratic but is involved in a slow process of market and political reform. Because political – and economic – reform forms such an important part of the recent history of these countries, this middle category reflects another feature of governance measures that is important – that perceptions of the stewardship of the rules of the political game may change quite quickly and, sometimes dramatically. There is evidence to suggest that a shift in perceptions may ‘lift’ a country not just in terms of perceptions but also with regard to propensity to invest resources, whether financial, human or social. The way people – especially members of the elite – feel about their country’s politics is likely to have a bearing on a number of other things that go on in society. That is another reason why we believe that governance measures are more important when assessing prospects for social and economic development than measures of the extent to which a country has become liberally democratic. The debate about the relationship between development and democracy looks rather stale in the light of what a study of governance offers. Let us now turn to the five individual countries in this group.

Figure 3. Countries with Medium Governance Scores



*Indonesia* offers interesting insights along these lines. The country underwent a major political transition after it was hit by a financial crisis in 1998 and the economic boom that shielded an economic elite, closely allied with the then President, Suharto, came to an end. Indonesian respondents reflecting on the conditions in their country in 2000 could not escape noticing the difference between then and five years earlier. When the military exercised a close control of both social and political life – in the name of the New Order – both civil liberties and political freedoms were denied citizens. The fact that by 2000 there was a sense of freedom and a growing respect for human rights – except on the island of Timor, where Indonesian soldiers battled freedom fighters in the eastern part – gave respondents reason to give a satisfactory, yet cautious score, indicating their hope for the future. This relative optimism was tempered by a sense that the principal beneficiaries of the new reforms would be people with money. For instance, comments by individual respondents suggested that their sense was that many persons were running for office because of their financial advantage and that it was not at all clear that they would attend to the interests of their respective electorates, once in office.

*China* is interesting in this study just because there is so little survey data, especially on political issues, emanating from that country. What is interesting here, therefore, is not that China is in the middle category – and therefore could be seen as doing relatively well – but the fact that the Chinese respondents recognized the shortcomings in the country’s system of governance. It is no surprise that the country scores highest on such measures as government effectiveness and state-market relations, but much lower on civil society and political society measures. Chinese respondents obviously pay attention to the impressive results that the country has been able to achieve, especially during the 1990s. While, there is not much indication that Chinese respondents see democracy around the corner, one interesting little piece of information is that they do acknowledge the increasing role that the People’s Assembly – the legislature – has been allowed to play in recent years.

The case of *Bulgaria* is somehow less dramatic than the others in this category. It is among the countries in eastern Europe that has been struggling hard to move in the direction of democracy, but trails its neighbors to the north – except Romania – in terms of meeting the entrance criteria for membership in the European Union. This relative lack of political progress is reflected in the rather modest score that WIPs in Bulgaria are ready to assign to the various governance measures in our survey. These may reflect a certain disappointment, if not disillusion, among the elite that the transition from Communism has not proceeded faster or produced better results. Getting the new rules in place and make them stick has, as in so many other transitional societies, been difficult. New institutions take time to build.

*Peru’s* scores need to be seen in the light of a rather stormy political period during the rule of President Fujimori. In 1980, after 12 years of military rule, Peru was the first country in Latin America to shift to a democratic regime. Over time, the democratic situation slowly deteriorated, despite competitive elections, with the Fujimori regime characterized by increasing authoritarianism. Fujimori was proclaimed winner of the 2000 election despite accusations of irregularities that led to the withdrawal of international observers. The collapse of his rule came with the disclosure of a videotape (the first of many) showing Fujimori’s intelligence advisor, Vladimiro Montesinos, bribing an opposition congressman to join the government’s parliamentary group. Although Fujimore tried to blame the scandal on Montesinos, there was massive public

outrage, and Fujimori fled the country. After winning a legitimate election, Alejandro Toledo was elected President. The survey, carried out after Fujimore fled, reflects this situation. Scores are reflecting a certain optimism, but also the caution that most respondents sense given previous experiences.

The case of *Argentina* deserves a little longer discussion here. One may say that at a first glance, its governance scores are much lower than expected (given that the survey was conducted in year 2000, long before the recent economic crisis set in). Our survey, however, indicates a well-founded and quite wide skepticism toward the rules that regulated the political system. More specifically, our respondents showed that public input into policy was limited. The government did not provide an environment in which such input was facilitated and continued to set the policy agenda on its own. Most respondents argued that there is an important gap between citizens and representatives. Individual or institutional views outside the government's agenda very rarely become inputs in the political process. Second, the mechanism of party candidate lists ("*listas sabanas*") makes representation even more difficult because citizens do not know whom they are voting for. As one of the experts observed, there is formal competition for political power but in reality, electoral mechanisms are not effective. Third, respondents in Argentina were also frustrated by the degree of corruption and bureaucratic inefficiency in their country. People were inclined to blame civil servants' inefficiency for most of the country's problems. Thus, despite the existence of political rights and civil liberties, governance scores are rather low. Democracy is no guarantee of more effective development.

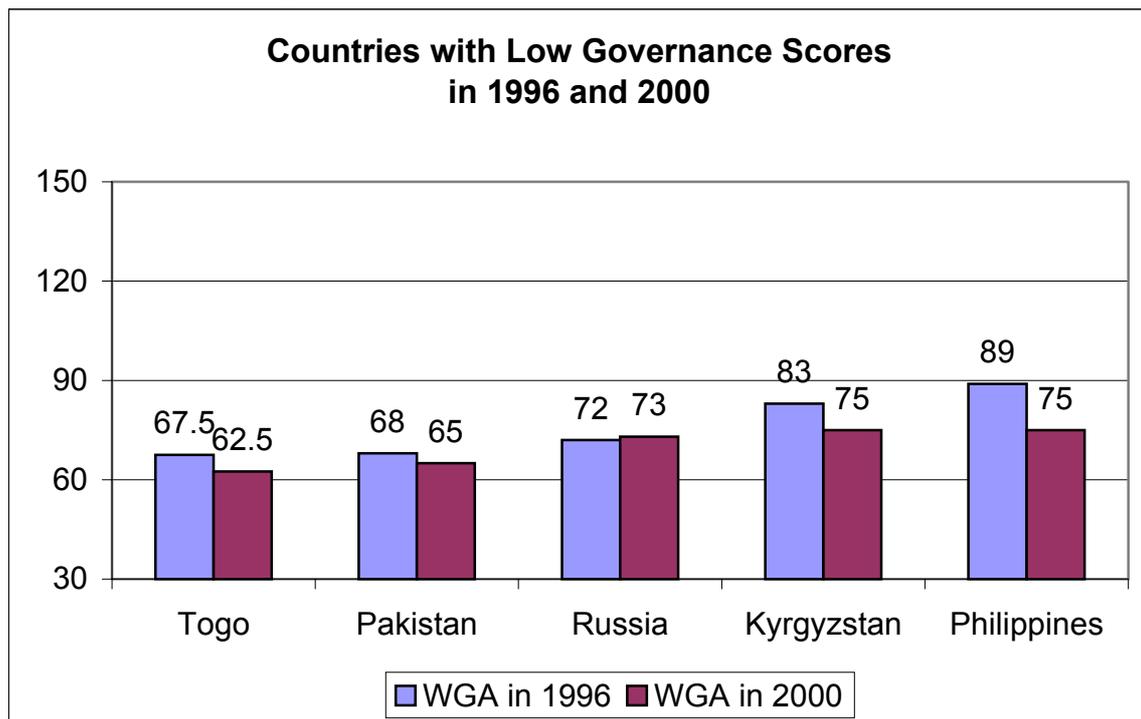
At the same time, it is important to note Argentina's ability to withstand a return to military rule. This reflects several things. The military in Argentina has been weakened considerably after civilian rule was re-introduced in the 1980s. It also indicates the costs that the military itself associates with a return to power. Most officers would not consider it worthwhile, economically or politically. This means that even a serious economic crisis, like the one that has plagued the country since 2001, does not necessarily translate into a change in regime. Instead, the country continues to barely stay afloat, at high cost to citizens.

#### Low governance countries

The low governance group consists of Togo, Pakistan, Russia, Kyrgyzstan, and the Philippines. The first two have the lowest scores in the whole survey – only in the mid-60s – while the other three score in the low to mid 70s. This is the group where decline is more common than improvement in governance scores. Only Russia records a higher score than in 1996, although it is by no means a significant increase.

This group confirms our proposition that “who makes what rules, when, and how?” often matters more these days than the issue of “who gets, what, when, and how?” These countries have all scored low on an index that measures the significance of rules. When rulers abuse their power – and especially, if they ignore rights of their citizens – governance scores go down. In short, people care about how they are being governed. This comes out in the account we provide of the five countries.

Figure 4 . Countries with Low Governance Scores



*Togo* has the lowest overall score for both periods. The low scores are no surprise to those who follow Togolese politics. The incumbent President, Eyadema, the longest serving ruler in sub-Saharan Africa, has fought to stay in power at any cost, interfering with the electoral rules and harassing members of the opposition. He has even gone to the extent of trying to assassinate his most powerful rival. It is also a country where, as

a result of misrule, the economy has stagnated and living standards for both elite and masses have gone down in the past ten or so years.

*Kyrgystan* has suffered from ongoing political instability since it became independent after the demise of the Soviet Union. Like its neighbors in the region, much of Kyrgyz politics centers on managing patron-client relations and ensuring that all the patrons have a stake in the system. There have been several incidents in recent years indicating that managing these informal institutions is difficult. Political instability always looms at the horizon. Although Kyrgystan has not been as hard hit as Afghanistan, it is clear that in the Central Asian region, the main issue facing people is not how to become democratic in a liberal sense but how to maintain political stability without causing harmful civil conflicts. The low scores in our survey demonstrate the extent to which this concern is real.

The low score for *Pakistan* is hardly a surprise given that it recently reverted to military rule. It is perhaps even a little surprising that the military coup in Pakistan did not have a greater impact on the respondents in that country. It is quite possible that for many Pakistanis, despite the curtailment of political freedoms, there was a sense of relief because of the high levels of corruption associated with the civilian regime that was ousted. In spite of possibly giving the military ‘the benefit of doubt’ when it comes to commitment to improved governance, respondents in our survey are generally critical or skeptical, something that has probably been further fomented after the events of September 11, 2001.

*Russia* provides an interesting case of transition. While the overall political situation has stabilized in the country since the early years of the transition 1989-91, evidence suggests that uncertainty still reigns with regard to the country’s destination. The perception of our respondents as well as external ratings<sup>11</sup> is that government effectiveness has improved in Russia over the last few years. However, the same sources also point to a decline in rating for political participation. One concern is over freedom of expression – evidence suggests that the mass media are increasingly controlled by authorities and oligarchic clans. One of the clearest findings of our survey

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<sup>11</sup> Kaufmann et al, “Aggregating Governance Indicators”, *op. cit.*

in Russia was the perception about the weakening of political society, particularly the legislature. Experts perceive that the legislature's already limited influence has deteriorated further over the last five years (due to subjugation by the executive) and that the accountability of legislators to the electorate has remained low.

The most serious single country decline is recorded for *the Philippines* – putting it in this bottom group. This is no surprise because our survey was conducted about the same time as President Estrada was going to be impeached. Consequently, there was a lot of dissatisfaction with the regime. Many people in the Philippines had had enough of former President Estrada's corruption, cronyism and incompetence. After the collapse of the impeachment hearings, they took to the streets and swept Estrada out in another showing of people's power. Most people breathed a sigh of relief as Gloria Macapagal-Arroyo was sworn in as the new President last year.

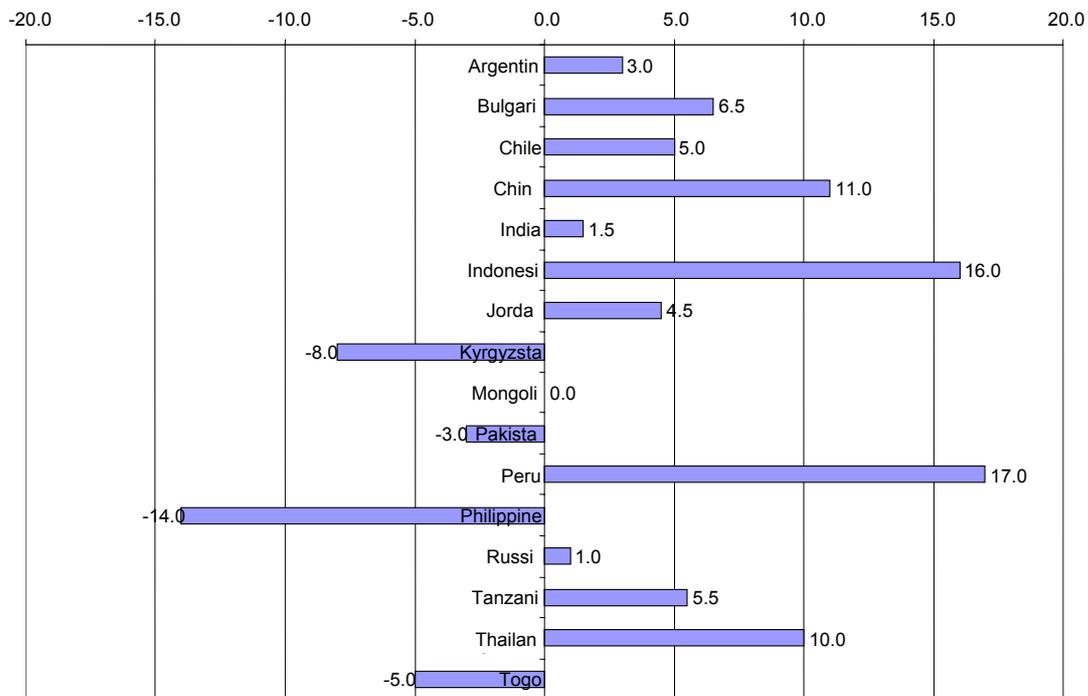
But, the Philippines provides an interesting example of both advances and set-backs. Some commentators have argued that the role of the military – in allowing removal of an elected President – essentially made the exercise of people's power a reality. In that sense, what happened was a 'de facto' coup.<sup>12</sup> Many feel it would have been preferable if Estrada had been removed through the constitutional processes of impeachment and conviction. But, how does such an issue get resolved when "normal constitutional means" and "due process" are seen as so corrupt? The situation in the Philippines illustrates again the value of taking a governance approach to measuring political progress, because it allows for an assessment of a broader range of variables that are important to local people than efforts at assessing democratic consolidation do.

#### Individual country trends

We have already referred to the comparisons that we asked our respondents to make between the situation in year 2000 and that of five years earlier. There are always problems associated with assessing the past. For instance, respondents may not be immune to exaggerating their impression of the past, especially if it varies considerably in either positive or negative terms. We do not think that this invalidates our findings,

as it is part of the reality these respondents operate in. Like in the case of the Philippines reported just above, single events that bear on the nature or quality of the regime, tend to translate into a major dent in the ratings. Trends in each country differ. We can divide the countries into three groups, along the country composite ranking for the present and five years ago: (1) those that record improvements; (2) those that have no or little change;<sup>13</sup> and (3) those that have slid backwards. Out of the sixteen countries analyzed here, nine recorded an improvement over time in quality of governance; three countries report no real change (less than 3%); and, three have experienced a decline.

Figure 5. Change in Overall (Median) Governance Scores, 1996-2000



As can be seen from Figure 5, Indonesia and Peru record the most impressive improvements. The difference in scores is in the former case over 35 per cent; in the latter almost 30 per cent. Other countries such as Thailand and China have also registered important levels of improvement – a little over 20 per cent in the governance scores. Much more modest gains are recorded for Chile, Jordan and Russia, while for

<sup>12</sup> This happened when a number of senators refused to admit key evidence in Estrada’s trial and people out of protest responded by taking matters into their own hands

<sup>13</sup> The cutoff point for ‘no or little change’ is 0.05 in the aggregate country score.

others, any gains are really below 3 per cent and they are therefore placed in the second category of countries.

Among the latter that have recorded no or only little change—India and Mongolia—there is a difference according to whether or not change was recorded across each arena. Mongolians, for example, perceived little change in quality of governance across all five arenas over the five-year period. India, on the other hand, recorded positive changes in a few arenas and negative ones in others.

Four countries experienced a decline in perceptions of governance – the Philippines, Pakistan, Kyrgyzstan and Togo. The decline is quite minimal in the latter three, but significant – over 10 percentage points – in the case of the Philippines. It suggests to us that perceptions of governance do change over time, often in response to events that affect regime stability. It also tells us, however, that perceptions remain relatively stable, since not all events strike at the meta level of governance. Much of what affects people’s lives takes place at the policy or administration levels. These things only occasionally spill over into the governance realm.

### **Changes in the Six Governance Arenas 1996-2000**

Much discussion has taken place in the literature on democratization about what factors cause the process to move forward. Some have focused on the structural explanations. They argue that democracy is only possible – or, democracy can only survive – under certain socio-economic conditions. We are leaving them out of further consideration here. We focus instead on those who have looked at what institutional aspects are most important. Some would focus on civil society, or associational life, as important explanatory variables. They would argue that the presence of vibrant associations is a key ingredient in any move toward democracy.<sup>14</sup> Others would emphasize political culture. Without a ‘civic’ type of political culture, democracy is unlikely, if not

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<sup>14</sup> See, e.g. John Keane, *Democracy and Civil Society*. London: Verso 1988 and Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton: Princeton University Press 1993.

impossible.<sup>15</sup> There are also those who focus primarily on the electoral rules and regulations, because they are, according to Sartori<sup>16</sup>, the most powerful instruments of changing political behavior. All these approaches contribute important insights to our understanding of democratic consolidation.

Drawing on our own design for the study of governance, we recognize the significance of all the six arenas to regime stability. We are interested in this section to identify what the most important changes have been among the six arenas before we discuss in some detail the more specific changes that have occurred within each arena with illustrations from the more interesting country cases. The details of the changes over time by country and arena are summarized in Table 1.

What interests us first in this table are the totals for each arena 1996 and 2000 and how these compare when applied to the three categories of governance performers: high, medium, and low. We are focusing here on the more important differences over time.<sup>17</sup>

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<sup>15</sup> Notably the work of Gabriel Almond and Sidney Verba, *Civic Culture*. Princeton: Princeton University Press 1963. The importance of culture is also reflected in the work of Ronald Inglehart, e.g. his *Silent Revolution*. Princeton: Princeton University Press 1977.

<sup>16</sup> Giovanni Sartori, "Political Development and Political Engineering" in J.D. Montgomery and A.O. Hirschman (eds.), *Public Policy*. Cambridge: Cambridge University Press.

<sup>17</sup> We regard any difference in scores amounting to 10 per cent or more to be important and interesting to discuss here.

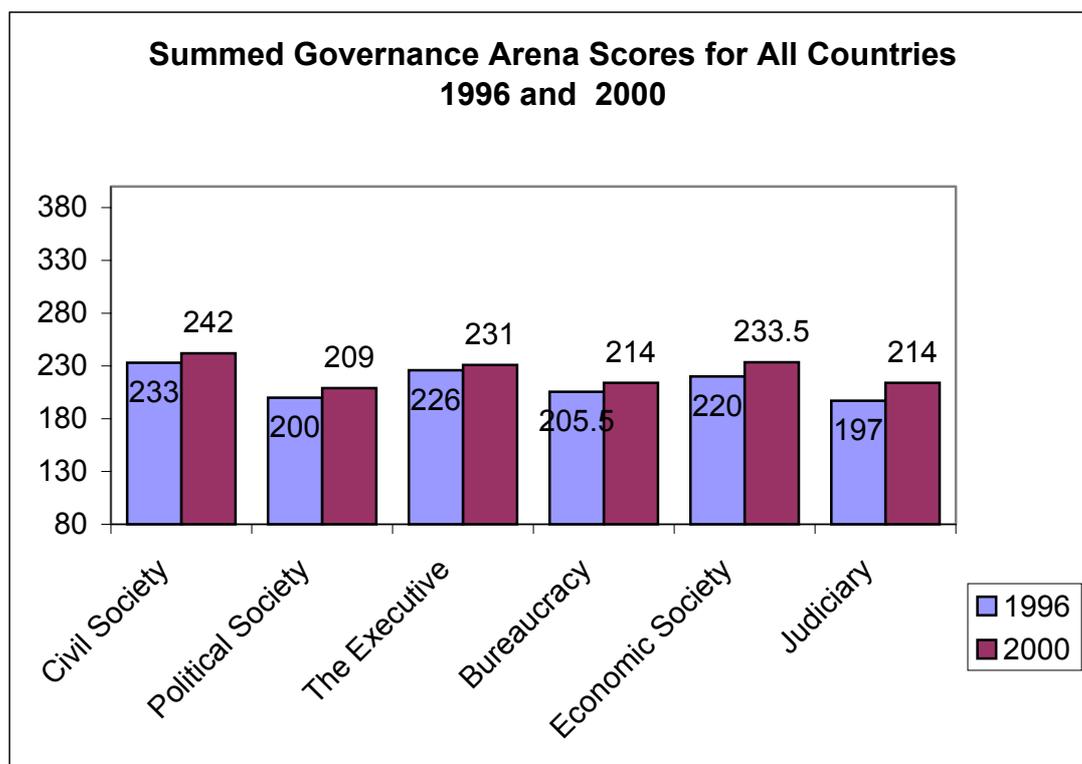
**Table 1: Comparative Analysis of the Six Arenas of Governance from 1996 to 2000**

Country	Civil Society		Political Society		Government		Bureaucracy		Economic Society		Judiciary	
	1996	2000	1996	2000	1996	2000	1996	2000	1996	2000	1996	2000
<b>Low Governance Countries</b>												
Togo	13	12	10.5	7	10	9.5	10.5	11	13	12.5	12	11
Pakistan	14	11	12	7	10	10	13	14	12	13	10	11
Russia	14	15	13	12	12	14	13	13	11	12	11	11.5
Kyrgyzstan	16	13	14	12	17	15	12	11	14	14	12	12
Philippines	17	15	13	12	16	12	14	11	16	13	13	12
<b>Total</b>	<b>74</b>	<b>66</b>	<b>62.5</b>	<b>50</b>	<b>65</b>	<b>60.5</b>	<b>62.5</b>	<b>60</b>	<b>66</b>	<b>64.5</b>	<b>58</b>	<b>57.5</b>
<b>Medium Governance Countries</b>												
Indonesia	12	17	7	15	11	12	10	11	11	13	10	13
China	11	13	11	13	14	15	11	12	11	14	12	13
Peru	12	15	9	14	11	14	11	13	13	14	8	12
Argentina	15	16	12	12	15	15	11	12	14	14	12	13
Bulgaria	15	15	13	13	13	15	12	13	12	15	12	13
<b>Total</b>	<b>65</b>	<b>66</b>	<b>52</b>	<b>67</b>	<b>64</b>	<b>71</b>	<b>55</b>	<b>61</b>	<b>61</b>	<b>70</b>	<b>54</b>	<b>64</b>
<b>High Governance Countries</b>												
Mongolia	15	15	15	16	15	15	14	14	14	14	13	13
Tanzania	15	15	14	15	17	16	14	16	14	16	13	14
Jordan	16	16	13	13.5	18	18.5	14	15	17	18	16	17
India	16	17	16	16	17	16	17	17	15	16	14	16.5
Chile	17	18	14.25	15.5	15	18	14	15	18	19	13	15
Thailand	15	19	13.5	16	15	16	15	16	15	16	16	17
<b>Total</b>	<b>94</b>	<b>100</b>	<b>85.75</b>	<b>92</b>	<b>97</b>	<b>99.5</b>	<b>88</b>	<b>93</b>	<b>93</b>	<b>99</b>	<b>85</b>	<b>92.5</b>

The first point to note is that the scores are more stable in each arena among the high performers than it is among the others. In no single arena does the difference over time exceed 10 per cent. Moreover, in all cases the differences are upwards. The second point is that the medium performers display the great fluctuations. In all but one arena – civil society – there has been a change, again to the better, exceeding 10 per cent or more. Especially noteworthy are the improvements in political society, economic society, and the judiciary. This suggests to us that both political and economic reforms have been effective; that both political democratization and economic liberalization have left behind a positive legacy, at least as far as the rules of the game are concerned. The third point is that all changes among the low performers have been downwards. These are countries that have suffered deterioration in governance. Our respondents point to both civil and political society as the two arenas where this decline has been particularly noticeable. The score for political society in year 2000 among this group of countries is the lowest arena score overall.

With these differences in arena scores over time, it may be worth paying attention to the summary scores for each of the arenas for both years. They are contained in Figure 6. The highest overall score for both occasions is for civil society, indicating that this arena is reasonably well governed. This is also another indication that reforms aimed at enhancing civil liberties and political freedoms have yielded meaningful results. Scores for economic society are also quite high, as are those for the executive. The latter is more of surprise than the former, but does indicate that how governments operate is appreciated and presumably as important as what they do. The lowest arena scores overall are for the judiciary and for political society, while bureaucracy falls somewhere in between the other five. This suggests that both political society and judiciary are more problematic than the other arenas. We assume that reforming institutions in these two places are politically more controversial and therefore also more difficult to achieve. For instance, political society, as we know, is a highly contested arena because it focuses not only on making policy but who should have the right to make policy. Before proceeding to an analysis of each arena, we do like to look at little closer at some crosscutting issues.

Figure 6. Summed Governance Arena Scores



One such issue of interest is the relatively high score for civil society and the low score for political society. At a first glance, it may look like a contradiction. The assumption is that a stronger civil society would increase pressures on public officials and political society would also go up. It may be that this finding is in fact a reflection of the time lag between identifying a problem (or the public institutions experiencing pressure from the civil society) and finding a solution to it (or the public institutions responding to the pressure from civil society). It may also be possible that civil society is stronger and yet remains somewhat separate from the state. Our findings, however, seem to point in another direction. Civil society may have grown in strength but it has done so largely because of the inadequate performance of the state. This finding is in line with the argument, e.g. by Dryzek,<sup>18</sup> that civil society is a sphere that evolves largely in response to the inability or failure of the state to meet needs or demands of its citizens. The results of the survey, therefore, support the increasing literature that people engage in collective action on their own – whether to strengthen political and civil liberties,

<sup>18</sup> John Dryzek, “Political Inclusion and the Dynamics of Democratization”, *American Political Science Review* 90, 1:475-487.

promote economic prosperity and provide social services – because public institutions do not.<sup>19</sup>

The relatively low scores for the political society, bureaucracy and judicial arenas indicates that people in the survey countries believe that public officials do not act with the public interest in mind. While this may not be factually correct in all instances, it is nonetheless significant that scores and WIP comments confirm the existence of a relatively widespread belief that individuals in public office cannot necessarily be trusted to act as guardians of the public interest. Our study suggests that this relatively common perception that public officials are not accountable can be explained both by a generalized suspicion toward these officials among the public and a more specific knowledge of the tendency among the latter to act in their private rather than the public interest.

Related to the issue of lack of trust is the common reference by respondents to the persistence of patronage and corruption in the public realm. Although there are exceptions, this phenomenon is reported in the data from countries in every region. Many respondents have personally experienced corruption in public transactions and can speak to it with some authority. Our data certainly confirm the widespread existence of corruption, not only in obtaining business licenses but also in other arenas where citizens engage the state to obtain permits, goods or services. This confirms a common finding in the literature that the way institutions function is very important for a country's development.<sup>20</sup>

There is clearly much discontent about public institutions in many countries, and the state and civil society often do not seem to engage each other in win-win type of processes on a day-to-day basis. It is quite possible that a major explanation of this unfortunate state of affairs is the relative weakness of political society in many countries. The intermediate mechanisms between civic associations and interest groups, on the one hand, and government, on the other, such as political parties, electoral

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<sup>19</sup> See among others. Ernest Gellner, *Conditions of Freedom: Civil Society and Its Rivals*, London: Penguin Press, 1994 and Larry Diamond, *Developing Democracy: Towards Consolidation*, Baltimore: The Johns Hopkins University Press, 1999.

<sup>20</sup> E.g. Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform*. New York: Cambridge University Press 1999.

systems, and legislatures are not very well institutionalized. This finding is similar to the conclusion that Linz and Stepan<sup>21</sup> draw in their overview of democratic transition and consolidation in Southern Europe, Latin America, and Eastern Europe.

Given the weak view of political society, it is an interesting finding that the executive arena scores so well. WIPs in the WGS countries believe across the board that governments are committed and that conflicts are resolved without excessive harm or humiliation. This refers to issues such as whether the government was committed to ensuring the personal security and basic needs of citizens and to resolving conflicts peacefully. This may imply that the executive is more directly responsive to increases in participation, whereas the political society, bureaucracy and judiciary arenas are less directly responsive to pressure. Another explanation is that the public interact more with institutions in political society, the bureaucracy and the judiciary and thus tends to be especially critical of officials in these arenas. Nevertheless, this issue has not been emphasized in much of the recent literature on political transitions and is certainly worth investigating further.

Like the important study by Linz and Stepan,<sup>22</sup> which draws attention to the state as a key variable in democratization, ours indicates that state performance is crucial to understanding the prospects for improved governance. The state has the ultimate responsibility to deliver public goods and services to citizens. The latter will often judge the state on the basis of how well it performs this responsibility rather than how well it conforms with principles of good governance. Bread matters more to them than beliefs. Although there is evidence that our respondents see improvements in government operations, their substantive comments also indicate that much remains to be desired from the way the state relates to society. The “soft state” characteristics that Gunnar Myrdal<sup>23</sup> identified some thirty years ago in his review of developments in Asia are still very much present in the countries covered by this survey.

This leaves us with the conclusion that civil society and state cannot be treated as if one is the “good guy”, the other the “bad guy”. Civil society has often been regarded in the

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<sup>21</sup> Juan Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation*. Baltimore, Johns Hopkins University Press, 1996.

<sup>22</sup> Linz and Stepan, *op.cit.*, 1996.

past ten years as the hope for the future, especially where governments are weak and corrupt. While it is often true that civil society has accomplished things that the state has failed to do, the assumption that it is a matter of “either-or” is mistaken. The two should be treated as inter-linked. Experience tells us, and this survey seems to confirm it, that the quality of the state reflects the quality of its societal base. Public officials are also members of society and carry the same values as other citizens. It is important, therefore, that efforts to improve governance tackle reforms of the state as part of strengthening civil society and the linkages between the two.

### Civil society

This arena focuses on the rules that guide public involvement in the political process. It asks questions about the conditions under which citizens can express their opinions, organize themselves for collective action, compete for influence, have an input into policy, and fulfill their own obligations as citizens by adhering to the rules set for the conduct of public affairs.

According to the WIP ratings, the lowest country averages are for Pakistan, Togo and China, and highest is Thailand. Interestingly, Chinese respondents recognize that civil society in their country is not as strong or vital as it may be in other places. This is particularly the case regarding the freedom of association, where the very low rating for China makes an interesting contrast with the high rating for India, the other giant in terms of population. Indeed the survey participants point to two activities that are currently banned in China that would enhance political involvement. First, is the ban on newspapers and expressing ideas freely. The other is the freedom of establishing parties and mass organizations.

A general observation is that civil society is seen as being quite open in the survey countries. Respondents acknowledge that it is difficult for governments to sustain control over its citizens as was attempted before the recent efforts to introduce more democratic forms of governance. In this respect, democracy has scored a victory.

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<sup>23</sup> Gunnar Myrdal, *Asian Drama*. New York: Pantheon 1968.

Not everything, however, is fine. Comments by respondents indicate that in many countries there is still a tendency for governments to arrest or intimidate citizens who propagate views different from those in power. It is also clear that in many countries there is discrimination in the public arena. For instance, respondents in the Philippines report this as a problem.

### Political Society

This is the arena where public preferences and private interests are supposed to be reconciled and aggregated into policy. The focus here is on the representativeness, influence and accountability of legislators as well as the mechanisms for electing these persons and how fairly policies are put together.

As indicated above, the average score for this arena is significantly lower than that for civil society. In particular, a few country scores may raise some eyebrows in this table. Argentina, for example, scores lower than might be expected. This could reflect the problems governing institutions have had in coping with the country's economic troubles in recent years.<sup>24</sup>

Another interesting score is the considerably lower rating of political society in Togo. This is indicative of the dissatisfaction many Togolese have with the way elections have been administered and the lack of effectiveness of the country's National Assembly. The low rating for Pakistan is very much reflective of the existence of military rule there, a point strongly emphasized in the WIP comments.

### The Executive

With regard to the executive arena, we report on how government is assessed in terms of its stewardship of society. Included here are issues like the extent to which government is concerned about ensuring the personal security of citizens and their freedom from want, as well as how government may rise above narrower special interest to make 'tough' decisions, how far the military is subordinate to civilian

leadership, and how effective government is in resolving conflicts in a peaceful manner.

A general observation concerns the relatively high level of satisfaction that respondents express with government. It is interesting that the executive gets a more favorable rating than the legislature. It is generally seen in survey countries as capable of satisfactory stewardship of society. Indian respondents are mixed in their qualitative commentary, some pointing out that India is peaceful while others argue that violence is being encouraged by government. The harshest comments about the lack of law and order come from Russia and the Philippines, not surprisingly given that both countries suffered from serious internal violence at the time of this survey.

The low score in Togolese reflects dissatisfaction with President Eyadema, a long-time autocratic ruler who started his rule after a military coup in the late 1960s. To this day, the military has refused subordination to a purely civilian leadership. This stands in contrast to Indonesia, where the assessment goes in the opposite direction. Respondents there believe governance has improved dramatically since the fall of the authoritarian regime of President Suharto in May 1998. In particular, the military has been pushed to concentrate on its original role of national defense. Respondents in Indonesia firmly believed that the military does increasingly accept its subordination to a civilian government. As one of them noted: “It is clear that the military is more willing to accept civilian leadership now than before.”

### The Bureaucracy

The framework for implementing policy is very important. How the day-to-day management of government operations are structured affects how effective government is seen to be. Here we are interested in assessing the quality of governance as it relates to the bureaucracy. What room is there for expert advice? On what grounds are civil servants recruited? How accountable are they and is there any transparency in the way the civil service works? Finally, are public services through the bureaucracy accessible to every one?

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<sup>24</sup> It is important to remind the reader that the survey was carried out before the economic crisis hit

Among the individual country scores, it may be worth noting that the reputation of the Indian civil service being the backbone of the country's government is generally confirmed. Indian respondents do recognize the bureaucracy's input into policy and its recruitment on the basis of merit criteria. The Indian score contrasts with those of the countries in Latin America and Africa where political patronage and "red tape" (administrative statutes being followed blindly) seem to be much more prevalent. It is also interesting to compare the scores for Thailand and Indonesia. In the former, the civil service is held in high regard by respondents, while their Indonesian counterparts have serious doubts about the extent to which the civil service is really being recruited on grounds of merit.

### Economic Society

This term refers to the interface between state and market. No country follows a pure laissez-faire approach to economic policy. Governments regulate and oversee the market. In many countries, government enters the market as a major actor to ensure public goods that may not be produced by the market alone. Yet, what is important in economic society is the way the relations between the public and private sectors are structured. In this survey, we asked questions relating to the state's respect for property rights, how equally regulations are applied, how easy it is to obtain a business license without paying bribes, the extent to which private sector representatives are consulted on policy matters, and how well government is responding to the challenges of globalization with regard to liberalized trade, financial flows, and new technologies.

Some of the individual country scores deserve attention. For instance, it is interesting to compare Argentina and Chile with regard to the score on "corrupt transactions". The WIP comments from both countries very much support the ratings and suggest that Chile seems quite free from corruption while Argentina is much less so. The scores for consultation between government and private sector tend to be generally high and it seems to be no coincidence that they are lowest in less market-oriented countries like Togo and China, although there has been a marked improvement in China over the last

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Argentina in late 2001.

5 years. This does not necessarily mean that these consultations are formalized and transparent. Comments by respondents suggest that in some countries these consultations tend to be informal and aimed at securing mutual favors of a private kind.

An important observation beyond these comments on the country scores concerns the prevalence of “soft state” characteristics in many countries. With regard to the first, there are multiple comments of a general character to suggest that “cronyism” and bribery are quite common in the transactions between government and the private sector. Several respondents in countries like Argentina, Indonesia, Philippines and Russia make reference to these problems. It is not difficult to “buy” influence. Government officials, especially politicians, do not hesitate to ask for a “piece of the cake” when business transactions are being negotiated.

### The Judiciary

This is what is typically referred to as the third branch of government. Societies produce their own dispute or conflict solving institutions, the most important being the courts that resolve conflicts of both a civil (between private parties) and public nature. In this survey we are interested in how easily members of the public have access to justice, how transparently justice is being administered, how accountable judges are, how open national rights regimes are to international legal norms, and what the scope is for non-judicial forms of conflict.

The first observation concerns the quality of the justice systems. Respondents complain about it in most countries. There are three main types of critical comments. One is that “money buys justice”. The rich have an easier access. Implied in this comment is also the assumption that judges can be bribed. The second comment refers to the slow processing of cases. “Justice delayed is justice denied” is a proposition that many of the respondents agree with.<sup>25</sup> The third comment deals with the fact that many of the poor

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<sup>25</sup> The case of India provides a fascinating illustration of the effects of slow processing of cases. The country coordinator noted that while the higher courts are seen as exemplary, there is a huge backlog of cases. “Since justice at the higher levels is both delayed and expensive, the poor have little real recourse to it. They are therefore largely dependent upon lower courts, where corruption and stalling by lawyers and middlemen is increasingly rampant. Public Interest Litigation has proved to be a useful innovation, but it also has limitations. Lok Adalats (People's Courts) and other dispute-resolution mechanisms are increasingly necessary, and some efforts are being made to evolve these.”

and illiterate people fear to approach the courts. Respondents in both Argentina and Chile refer to the inefficiency of the judicial systems in their respective countries but express hope, at least in Chile, that some recent reforms will improve the administration of justice in the future. The average score for access to justice is the lowest of all questions in this arena and indicates that this issue deserves further attention.

The second, more positive, observation is that most countries report that they have community justice institutions for resolving conflicts, which are not or cannot be taken to court. This form of local justice works better in some countries than in others but it is reported as being an important part of justice administration and dispute resolution in all countries except Argentina and Chile. For example, in the Philippines case, it was very clear that there is much higher trust in indigenous courts than the formal courts; the former were perceived to be “very effective in settling disputes”.

### **Conclusions**

As we have tried to indicate in this paper, our study provides a way to combine systematic quantitative comparisons with qualitative data on specific issues. We have demonstrated that governance, as subjectively perceived by persons with a stake and interest in the issues in their respective countries, offers a perspective on the political process in these places that tends to be different from that provided by studies of democratization. We find therefore that some countries that would not qualify as representatives of ‘good governance’ actually fare quite well in our study. In short, if one studies governance empirically rather than in a normative perspective, it is no surprise that the findings are different.

Our study also shows that there are significant differences between the top and the bottom scorers. Chile and Thailand scored highest in our survey reaching about 100 points out of a total of 150. Pakistan and Togo, on the other hand, scored only about 60 at the bottom of our table.

Comparing the six arenas, political society has the lowest score. Again, that is no surprise given that this is the most publicly contested of all arenas. It is where political leaders compete to gain control of the state and the policy agenda. There is a relatively widespread sense across countries that elected representatives, once in the legislature, abandon their constituents. A similar skepticism prevails regarding relations between private sector and government, where it is commonly perceived that bribery is rampant. Respondents in India, Indonesia and Russia all make such claims. Finally, reservations are also expressed regarding access to justice. Most respondents believe that the rich have easier access than others and that judges can be bribed.