

## GAUGING GOVERNANCE: MEASURES OF DEMOCRACY AND POLITICAL AND CIVIL RIGHTS

Many indicators aim to show the extent of democracy or political and civil rights in countries. But—unlike for income, health and education—there is no unambiguous, uncontroversial measure. Researchers have two options, both with drawbacks. They can use objective measures, such as voter turnout or the existence of competitive elections, or subjective measures based on expert opinions about a country's degree of democracy (see tables below for summaries of some objective and subjective governance indicators, and appendix tables A1.1 and A1.2 for comprehensive country data).

Objective measures may not reflect all aspects of democracy. In some cases a country may hold elections without their ever resulting in a change in power. In others there are changes in power, but civil liberties such as press freedoms may be curtailed. Truly democratic governance requires widespread, substantive participation—and accountability of people holding power. Objective measures fail to capture such concepts. Subjective measures should, in principle, capture more of what is meant by the concept of democracy. But being subjective, they are open to disagreement and perception biases.

Several subjective indices cover a large portion of the world's countries; this Report mainly relies on three. Though useful for summarizing general trends, they are subjective and open to dispute.

They therefore should not be taken as authoritative but as giving a general indication of progress.

The Polity IV dataset, developed at the University of Maryland's Center for International Development and Conflict Management, compiles annual information on regime and authority characteristics for most of the world's independent states. Autocracy is defined as a political system where citizens' participation is sharply restricted, chief executives are selected from the political elite and there are few institutional constraints on the exercise of power. Democracy is defined as a system with institutionalized procedures for open and competitive political participation, competitively elected chief executives and substantial limits on the powers of the chief executive. Each country's polity score is based on a linear scale from autocracy to democracy. This indicator measures the institutional factors necessary for democracy—whether laws and institutions allow democratic participation—but not the actual extent of political participation. The database includes scores going back to 1975 and is therefore useful for mapping trends over time.

Freedom House surveys political rights and civil liberties around the world. It defines political rights as the freedoms that enable people to participate freely in the political process, and civil liberties as the freedom to develop views, institutions and personal autonomy apart from the

state. In 1997 Freedom House published an assessment of freedom of the press, taking into account freedoms in law and in practice, freedom from political and economic influences on media content and violations of freedoms such as arrests or murders of journalists. Its surveys rely on a wide range of sources—including foreign and domestic news reports, publications by non-governmental organizations, think tank and academic analyses and professional contacts. Wide country coverage and data for many countries going back to 1980 and earlier makes this the only database able to provide global trends on press freedom.

A World Bank team has constructed six aggregate indices based on numerous indicators from more than a dozen sources. The indicators are combined in different groupings to create aggregate indices for democracy (titled "voice and accountability"), political instability and violence, rule of law, graft (corruption), government effectiveness and regulatory burden. The voice and accountability index, used in chapter 2, combines several indicators of the political process, including the selection of governments, with indicators of civil liberties and political rights, and press freedom and independence. This index does not include long time trends but it is better at distinguishing between developing countries than are other measures.

### Objective indicators of governance

Indicator	Source
Date of most recent election	Inter-Parliamentary Union
Voter turnout	Inter-Parliamentary Union
Year women received right to vote	Inter-Parliamentary Union
Seats in parliament held by women	Inter-Parliamentary Union
Trade union membership	Inter-Parliamentary Union
Non-governmental organizations	Yearbook of International Organizations
Ratification of the International Covenant on Civil and Political Rights	UN Treaty Section
<ul style="list-style-type: none"> <li>Recognizing that, in accordance with the Universal Declaration of Human Rights, the ideal of free human beings enjoying civil and political freedom and freedom from fear and want can be achieved only if conditions allow all people to enjoy their civil, political, economic, social and cultural rights</li> </ul>	
Ratification of Freedom of Association and Collective Bargaining Convention 87	UN Treaty Section
<ul style="list-style-type: none"> <li>The International Labour Organization declares "recognition of the principle of freedom of association" to be a means of improving conditions for workers and establishing peace</li> </ul>	

## Subjective indicators of governance

Indicator	Source	Concept measured	Methodology	Range
Polity score	Polity IV dataset University Of Maryland	<ul style="list-style-type: none"> <li>Competitiveness of chief executive recruitment</li> <li>Openness of chief executive recruitment</li> <li>Constraints on chief executive</li> <li>Regulation of participation</li> <li>Regulation of executive recruitment</li> <li>Competitiveness of participation</li> </ul>	In-house expert opinion	-10 (less democratic) to 10 (most democratic)
Civil liberties	Freedom House	<ul style="list-style-type: none"> <li>Freedom of expression and belief</li> <li>Freedom of association and organizational rights</li> <li>Rule of law and human rights</li> <li>Personal autonomy and economic rights</li> </ul>	In-house expert opinion	1.0–2.5 free 3.0–5.0 partly free 6.0–7.0 not free
Political rights	Freedom House	<ul style="list-style-type: none"> <li>Free and fair elections for offices with real power</li> <li>Freedom of political organization</li> <li>Significant opposition</li> <li>Freedom from domination by powerful groups</li> <li>Autonomy or political inclusion of minority groups</li> </ul>	In-house expert opinion	1.0–2.5 free 3.0–5.0 partly free 6.0–7.0 not free
Press freedom	Freedom House	<ul style="list-style-type: none"> <li>Media objectivity</li> <li>Freedom of expression</li> </ul>	In-house expert opinion	0–30 free 31–60 partly free 61–100 not free
Voice and accountability	World Bank Governance Indicators Dataset	<ul style="list-style-type: none"> <li>Free and fair elections</li> <li>Freedom of the press</li> <li>Civil liberties</li> <li>Political rights</li> <li>Military in politics</li> <li>Change in government</li> <li>Transparency</li> <li>Business is kept informed of developments in laws and policies</li> <li>Business can express its concerns over changes in laws and policies</li> </ul>	Aggregate of a variety of sources including Freedom House and International Country Risk Guide	-2.5 to 2.5; higher is better
Political stability and lack of violence	World Bank Governance Indicators Dataset	<ul style="list-style-type: none"> <li>Perceptions of the likelihood of destabilization (ethnic tensions, armed conflict, social unrest, terrorist threat, internal conflict, fractionalization of the political spectrum, constitutional changes, military coups)</li> </ul>	Aggregate of a variety of sources including the Economist Intelligence Unit, PRS Group and Business Environment Risk Intelligence	-2.5 to 2.5; higher is better
Law and order	International Country Risk Guide	<ul style="list-style-type: none"> <li>Legal impartiality</li> <li>Popular observance of the law</li> </ul>	In-house expert opinion	0–6; higher is better
Rule of law	World Bank Governance Indicators Dataset	<ul style="list-style-type: none"> <li>Black markets</li> <li>Enforceability of private and government contracts</li> <li>Corruption in banking</li> <li>Crime and theft as obstacles to businesses</li> <li>Losses from and costs of crime</li> <li>Unpredictability of the judiciary</li> </ul>	Aggregate of a variety of sources including PRS Group and Economist Intelligence Unit	-2.5 to 2.5; higher is better
Government effectiveness	World Bank Governance Indicators Dataset	<ul style="list-style-type: none"> <li>Bureaucratic quality</li> <li>Transactions costs</li> <li>Quality of public health care</li> <li>Government stability</li> </ul>	Aggregate of a variety of sources including PRS Group, Freedom House, and Business Environment Risk Intelligence	-2.5 to 2.5; higher is better
Corruption Perceptions Index	Transparency International	<ul style="list-style-type: none"> <li>Official corruption as perceived by businesspeople, academics and risk analysts</li> </ul>	In-country surveys of experts	0–10; higher is better
Graft (corruption)	World Bank Governance Indicators Dataset	<ul style="list-style-type: none"> <li>Corruption among public officials</li> <li>Corruption as an obstacle to business</li> <li>Frequency of “irregular payments” to officials and judiciary</li> <li>Perceptions of corruption in civil service. Business interest payment</li> </ul>	Aggregate of a variety of sources including Freedom House, Economist Intelligence Unit and Business Environment Risk Intelligence	-2.5 to 2.5; higher is better

Source: Marshall and Jagers 2000; Freedom House 2000, 2002; Kaufmann, Kraay and Zoido-Lobaton 2002; PRS Group 2001; Transparency International 2001; IPU 1995, 2002; ILO 1997; UIA 2000; UN 2002a.