Debunking Myths on Worldwide Governance and Corruption

The Challenge of Empirics -- and Implications

Daniel Kaufmann, World Bank Institute

http://www.worldbank.org/wbi/governance

2005 David B. Goodman Lecture

Bennett Lecture Hall, University of Toronto, February 10th, 2005
Initial Tenets on Good Governance (GG) & Anti-Corruption (AC)

1. ‘Washington Consensus’ for decades on GG and A-C
2. Yet it is virtually an Unmeasurable field
3. At any rate, GG and A-C: A by-product of economic development & growth, hence rich world is corruption-free; emerging world corrupt
4. But world much improved over time on GG and A-C
5. Problem is with Public Sector/Public Officials
6. Cultural & Legal-Historical Origins is central
7. More orthodox legal/judiciary reforms needed
8. Anticorruption by: Laws, Campaigns, Agencies
9. Security, Governance and Development: separate

Cont.: Tenet # 10…
Tenet # 10: Previous 9 tenets on GG & A-C are Myths

1. Governance (GG): Sorely Missing until recently

2. Governance can be measured, analyzed, & monitored: ‘Data Revolution’

3. Governance Matters for Development and Security

4. And not improving markedly

5. Some Key Findings – and Addressing Misconceptions

   Lessons from Variation across Countries & Institutions

6. Concrete Implications and Challenges ahead
1. Evolution of Governance/A-C at the World Bank:
   -- From missing in Washington consensus to center stage
   -- Bank: From C.... ‘Prohibition’ era to Mainstreaming
2. Main components of the World Bank’s strategy:
   -- Governance/A-C key in Country Strategy & Lending
   -- Working with Countries on Governance Reforms/A-C
   -- Working with International Partners
   -- Anti-Corruption In-house: Projects and Staff Integrity
3. Specifics on Preventing & Sanctioning Corruption in Bank-funded projects: work of INT Department – prevention, deterrence & investigation
4. The ‘Data Revolution’: Integration at 3 Levels
Number of IBRD/IDA Operations with Explicit Anti-Corruption Components, 1997-2003

World Bank projects with Governance Components (Annual Averages)

World Bank projects with Anti-Corruption components (Annual Averages)

Explosion of activities: Examples of major programs launched across countries

- Latvia (anticorruption)
- Russia (customs/treasury)
- India – Andra Pradesh (power; e-gov); Karnataka (right to info)
- Colombia (diagnostics & civil society)
- Jordan (civil society)
- Indonesia (local governance)
- Ghana (PE accountability)
- Guatemala (diagnostic to action program)
- Gabon (water/electricity)
- Uganda (PRSC; education)
- Pakistan (devolution)
- Tanzania (PSR)
- Ethiopia (decentralization)
- Bolivia: (public admin.)
- Bangladesh (civil society)
- Pakistan (devolution)
- Kyrgyz Republic (governance reform)
- Cambodia (PE; forestry)
- Philippines (transport)
- Uganda (PRSC; education)
- Jordan (civil society)
- Latvia (anticorruption)
- Russia (customs/treasury)
- India – Andra Pradesh (power; e-gov); Karnataka (right to info)
Empirical Approach to Governance

1. ‘Macro’: Worldwide Aggregate Governance Indicators: 200 countries, 6 components, periodic.

2. ‘Mezzo’: Cross-Country Surveys of Enterprises

3. ‘Micro’: Specialized, in-depth, in-country Governance and Institutional Capacity Diagnostics: Includes surveys of: i) user of public services (citizens); ii) firms, and iii) public officials

On ‘Aggregate/Macro’ Level first...
The Governance ‘Macro’ Level

• Defining and unbundling succinctly
• The 6 dimensions of Governance: how conceptually derived, how measured
• The governance worldmap, & web interactivity
• What the ‘Macro’ can and cannot do…
Governance: A working definition

• Governance is the process and institutions by which authority in a country is exercised:

  (1) the process by which governments are selected, held accountable, monitored, and replaced;

  (2) the capacity of gov’t to manage resources and provide services efficiently, and to formulate and implement sound policies and regulations; and,

  (3) the respect for the institutions that govern economic and social interactions among them
Operationalizing Governance: Unbundling its Definition into Components that can be measured, analyzed, and worked on

Each of the 3 main components of Governance Definition is unbundled into 2 subcomponents:

- Democratic Voice and (External) Accountability
- Political Instability, Violence/Crime & Terror
- Regulatory Burden
- Government Effectiveness
- Corruption
- Rule of Law

We measure these six governance components…
Sources of Governance Data

• Data on governance from over 30 different sources constructed by over 25 different organizations

• Data sources include cross-country surveys of firms, commercial risk-rating agencies, think-tanks, government agencies, international organizations, etc.)

• Over 300 proxies for various dimensions of governance

• Through U.C.Method, mapping these measures into six clusters, corresponding to definition of governance, for four periods: 1996, 1998, 2000, 2002 (and soon 2004), covering 200 countries
Sources of Governance Data

• **Cross-Country Surveys of Firms:** *Global Competitiveness Survey, World Business Environment Survey, World Competitiveness Yearbook, BEEPS*

• **Cross-Country Surveys of Individuals:** Gallup International, Latinobarometro, Afrobarometer

• **Expert Assessments from Commercial Risk Rating Agencies:** DRI, PRS, EIU, World Markets Online,

• **Expert Assessments from NGOs, Think Tanks:** Reporters Without Borders, Heritage Foundation, Freedom House, Amnesty International

• **Expert Assessments from Governments, Multilaterals:** World Bank CPIA, EBRD, State Dept. Human Rights Report
## Ingredients for Rule of Law Indicator

<table>
<thead>
<tr>
<th>Surveys of Firms</th>
<th>Type of Questions</th>
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<tbody>
<tr>
<td>BEEPS</td>
<td>Courts Honest? Crime? Property rights protected?</td>
</tr>
<tr>
<td>Global Competitiveness Survey</td>
<td>Crime, money laundering, judicial independence, protection of financial assets</td>
</tr>
<tr>
<td>World Competitiveness Yearbook</td>
<td>Justice fairly administered, personal security and private property protected</td>
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<tr>
<th>Surveys of Individuals</th>
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<tr>
<td>Gallup</td>
<td>Trust in legal system</td>
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<th>Risk Rating Agencies</th>
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<tr>
<td>BERI</td>
<td>Contract enforcement</td>
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<tr>
<td>DRI</td>
<td>Costs of crime, enforceability of contracts</td>
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<tr>
<td>EIU</td>
<td>Costs of crime, enforceability of contracts, property rights protection</td>
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<tr>
<td>PRS</td>
<td>Law and order</td>
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<tr>
<td>World Markets Observer</td>
<td>Judicial independence, crime</td>
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<th>Think Tanks</th>
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<tbody>
<tr>
<td>Freedom House</td>
<td>Rule of law</td>
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<tr>
<td>Heritage Foundation</td>
<td>Property rights, black market activity</td>
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<th>Governments</th>
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<tbody>
<tr>
<td>State Dept Human Rights Report</td>
<td>Judicial independence</td>
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## Inputs for Governance Indicators 2002

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<tr>
<th>Publisher</th>
<th>Publication</th>
<th>Source</th>
<th>Country Coverage</th>
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<tr>
<td>Wefa’s DRI/McGraw-Hill</td>
<td>Country Risk Review</td>
<td>Poll</td>
<td>117 developed and developing</td>
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<tr>
<td>Business Env. Risk Intelligence</td>
<td>BERI</td>
<td>Survey</td>
<td>50/115 developed and developing</td>
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<tr>
<td>Columbia University</td>
<td>Columbia U. State Failure</td>
<td>Poll</td>
<td>84 developed and developing</td>
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<tr>
<td>World Bank</td>
<td>Country Policy &amp; Institution Assmmt</td>
<td>Poll</td>
<td>136 developing</td>
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<td>Gallup International</td>
<td>Voice of the People</td>
<td>Survey</td>
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<td>Business Env. Risk Intelligence</td>
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<td>EBRD</td>
<td>Transition Report</td>
<td>Poll</td>
<td>27 transition economies</td>
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<tr>
<td>Economist Intelligence Unit</td>
<td>Country Indicators</td>
<td>Poll</td>
<td>115 developed and developing</td>
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<td>Freedom House</td>
<td>Freedom in the World</td>
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<td>Freedom House</td>
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<td>World Economic Forum/CID</td>
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<td>Survey</td>
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<td>Heritage Foundation</td>
<td>Economic Freedom Index</td>
<td>Poll</td>
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<td>Latino-barometro</td>
<td>LBO</td>
<td>Survey</td>
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<td>Political Risk Services</td>
<td>International Country Risk Guide</td>
<td>Poll</td>
<td>140 developed and developing</td>
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<tr>
<td>Reporters Without Borders</td>
<td>Reporters sans frontieres (RSF)</td>
<td>Survey</td>
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<td>World Bank/EBRD</td>
<td>BEEPS</td>
<td>Survey</td>
<td>27 transition economies</td>
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<tr>
<td>IMD, Lausanne</td>
<td>World Competitiveness Yearbook</td>
<td>Survey</td>
<td>49 developed and developing</td>
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<tr>
<td>Binghamton Univ.</td>
<td>Human Rights Violations Research</td>
<td>Survey</td>
<td>140 developed and developing</td>
</tr>
</tbody>
</table>
Governance can be measured – an illustration

Control of Corruption, Selected Countries (K&K, 2002)

Source for data: Kaufmann D., Kraay A., Mastruzzi M., Governance Matters III: Governance Indicators for 1996-2002, WP #3106, August 2003. Units in vertical axis are expressed in terms of standard deviations around zero. Country estimates are subject to margins of error (illustrated by thin line atop each column), implying caution in interpretation of the estimates and that no precise country rating is warranted.
Governance World Map: Rule of Law, 2002


Colors are assigned according to the following criteria: Red, 25% or less rank worse (bottom 10% in darker red); Orange, between 25% and 50%; Yellow, between 50% and 75%; Light Green between 75% and 90%; Dark Green above 90%
Governance World Map:
Government Effectiveness, 2002

Colors are assigned according to the following criteria: Red, 25% or less rank worse (bottom 10% in darker red); Orange, between 25% and 50%; Yellow, between 50% and 75%; Light Green between 75% and 90%; Dark Green above 90%
Governance Matters for Development

Disentangling Causality Between Incomes & Governance

• Does Good Governance Matter in raising per capita incomes?
  – Yes, the governance & A-C dividend is very large: 400% increase in incomes per capita; similarly for social development

• But the reverse does not hold: Higher Incomes do not lead to Governance Improvements – i.e. there is no automatic virtuous circle
Dividend of Good Governance

**Infant Mortality and Corruption**
- Weak: High Infant Mortality, High Corruption
- Average: Moderate Infant Mortality, Moderate Corruption
- Good: Low Infant Mortality, Low Corruption

**Control of Corruption**
- Development Dividend: The line depicts the predicted value when taking into account the causality effects ("Development Dividend") from improved governance to better development outcomes. For data and methodological details visit [http://www.worldbank.org/wbi/governance](http://www.worldbank.org/wbi/governance).

**Literacy and Rule of Law**
- Weak: Low Literacy, Low Rule of Law
- Average: Moderate Literacy, Moderate Rule of Law
- Good: High Literacy, High Rule of Law

**Per Capita Income and Regulatory Burden**
- Weak: Low Per Capita Income, High Regulatory Burden
- Average: Moderate Per Capita Income, Moderate Regulatory Burden
- Good: High Per Capita Income, Low Regulatory Burden

Note: The bars depict the simple correlation between good governance and development outcomes. The line depicts the predicted value when taking into account the causality effects ("Development Dividend") from improved governance to better development outcomes. For data and methodological details visit [http://www.worldbank.org/wbi/governance](http://www.worldbank.org/wbi/governance).
Governance Improving Worldwide? -- *Mixed*

- On average, over the past 8 years: some progress on Voice and Democratic Accountability, but little if any on the quality of rule of law and control of corruption.

- However, the variation across countries is very large: For instance, some countries in Eastern Europe have improved. In each region there is significant variation across countries. Good: Chile, Costa Rica, Botswana.

- Important to ‘unbundle’ governance and corruption: *improvement in some dimensions, deterioration in others*.
But we are facing many challenges, as on average there is little evidence of significant improvement on control of corruption ...

Source: ICRG, 1994-2002. Subject to margins of error, as it is based on only one source.
The ‘Mezzo’ Level of Governance Measurement

• Based on cross-country surveys, mainly of enterprises – (such as the EOS of WEF, BEEPS/WBES of WB, etc.)
• Thousands of firms interviewed on a range of issues; focus on governance, specialized questions
• More detailed unbundling of governance and corruption phenomena than aggregate indicators
• Relatively broad country coverage, but less than aggregate governance indicators
• Measuring what is taking place De Facto matters: it uncovers stark realities masked in De Jure indicators
Judiciary Independence (EOS survey results 1998-2004)

High Independence

OECD

East Asian NICs

Latin America

NON OECD
Control of judicial bribery over time:
EOS 1998–2004

Source: EOS 1998-2004. Question: “In your industry, how commonly firms make undocumented extra payments or bribes connected to getting favorable judicial decisions? common / never occur”.
Impact on Global Competitiveness Index (GCI) Rank of Improvement in Constraint to the Firm

Source: Constraints to Business data based on EOS 2004 (Question: “From the following list, please select the five most problematic factors for doing business in your country, and rank them from 1 to 5.”); GCI based on GCR team calculations for 2004/2005 Report; GDP per capita from World Bank. Calculations based on regression estimates of the impact on the GCI of an improvement in the constraint by one standard deviation.
Unbundling Governance – some illustrations:
View of the Firm, 102 countries (EOS 2003)

Percent of firms rating constraints as dissatisfactory

- Administrative Bribery
- Bribery to Influence Laws
- Illegal Political Financing

Source: EOS 2003. Each region has the following number of countries: OECD: 23; East Asia (Developing): 6, East Asia (NIC): 4; Eastern Europe: 14; Former Soviet Union: 2 (Russia and Ukraine); South Asia: 4; Sub-Saharan Africa: 21; Middle East North Africa: 7; Latin America and Caribbean: 21.
Defining, Measuring and Analyzing Legal Corruption

• Old, traditional definition of corruption: ‘Abuse of public office for private gain’

• Problems – i) interpreted in terms of legality of act (illegal = corrupt; legal = non-corrupt?);
  ii) onus is on the public official (asymmetry), and, iii) measurement bias towards ‘petty corruption’

• Alternative: ‘Privatization of public policy’ (e.g. ‘undue influence by private interests on public policy actions’)

• This implies that some actions may be legal strictly speaking, but illegitimate, inconsistent with standards and/or corrupt

• These legal forms of corruption can be measured
Unbundling Corruption & Governance -- perspective of the Firm, 2004

% Firms Report Problem (1-3)

Source: EOS (firm survey), 2004. Y-axis measures percentage of firms who responded with a rating of 1, 2 or 3 (in a 1-7 scale).
Corporate Corruption, 2004

% Firms report corruption type (1-4)

Source: Author’s calculations based on EOS 2004.
Source: EOS 2004. The percentage of firms that report bribery takes place within its group in the country is depicted in each case. EOS Question on which these calculations are based: “In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with the following: public utilities, tax payments, awarding of public contracts? very common (1) / never occur (7).” Any firms reporting answers 1 through 5 were considered to be reporting at least some frequency of bribery, while answers of 6 and 7 were not.
State Capture & Inequality of Influence

• State Capture/Undue Influence: power of elites
• State Capture as extreme manifestation of unequal influence: shaping laws, regulations and policies by powerful firms, illicitly
• Elites appropriate, and resources not funneled to improve public governance – *more capture*
• So when growth takes place in captured settings, governance will not automatically improve *(no virtuous circle)*
State Capture

Firms shape the legal, policy and regulatory environment through *illicit, non-transparent* provision of private gains to public officials

- Examples include:
  - *private purchase of legislative votes*
  - *private purchase of executive decrees*
  - *private purchase of court decisions*
  - *illicit political party financing*
Economic Cost of Capture for Growth

Based on survey of transition economies, 2000
Addressing Capture: Economic Reform, Political Competition & Voice/Civil Liberties Matter

State Capture Index

- Partial Civil Libs
- High Civil Libs
- Advanced
- Partial
- Slow

Pace of Econ Reform

Political/Civil Liberties Reforms
On Security, Governance and Development

• Metrics vary: Development vs Governance vs Security
• Towards an Inventory of cross-country empirical work and existing indicators and variables
• Empirics challenge popular notions in the field
• Empirical Unbundling security challenges (S vs. s)
• Beyond ‘Failed States’: misgovernance elsewhere
• Security, Money Laundering, Corruption and Governance: unexplored links
Global vs Domestic Governance Challenges: % Firms Report High Cost of Terrorism and Crime, EOS 2004

Source: EOS 2004. A firm is considered as reporting high cost when rated the question as unsatisfactory (1,2, or 3) in the scale of 1 to 7. Questions were, respectively: “The threat of terrorism in your country, incidence of common crime and violence (e.g. street muggings, firms being looted), organized crime (mafia-oriented racketeering, extortion) in your country impose / does not impose significant costs on business?”; “In your country the diversion of public funds to companies, individuals or groups due to corruption is common / never occurs”.

- Cost of Terrorism
- Organized Crime
- Common Crime
- State Capture Cost
Firm’s Cost of Terrorism threat and Organized Crime
(\% Firms Report High Cost, selected countries)

Source: EOS 2002/03. Question: The threat of terrorism in your country imposes significant cost on business
Money Laundering through Banks and Diversion of Public Funds

$r = 0.85$
The ‘Micro’ Level – In-depth in-country diagnostics for action programs

Key Features of Governance Diagnostic Tools

• **Multi-pronged surveys of:** households, firms and public officials ['triangulation']
• **Experiential questions** (vs. ‘opinions’/generic)
• **Local Institution Implements, w/WB Collaboration**
• **Recognizing Multidimensionality of Governance**
• **Focus on Service Delivery**
• **Input for Action and Change: Action Programs**
**Challenge:** poor governance and corruption

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<tr>
<th>Challenge/Stage</th>
<th>Description</th>
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<tr>
<td>1. Establishment of Steering Committee</td>
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<tr>
<td>2. Diagnostic surveys + analysis</td>
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<tr>
<td>3. Draft of the NAS</td>
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<td>4. Public dissemination + discussion</td>
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<td>5. Revision of the NAS</td>
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<td>6. Implementation by Government</td>
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<td>7. Monitoring and Evaluation of NAS</td>
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**Key Partnership:** Government + Civil Society

**Guatemala**
Highly fragmented civil society
Joint effort (CMU, SDV, WBI) to build consensus

**Sierra Leone**
Strong commitment (civil society, state, donors) => surveys and report within a year. Results will be used for Institutional Reform Project

**Honduras**
CNA: report and strategy to newly elected gov (January 2001); integration of strategy in the 2002-2006 government plan
Additional cases

- Ghana: report and strategy (2000), integration of results into Bank projects, dissemination at national and regional level

- Colombia: report (2001). Strategy in progress, collaboration between government and steering committee

- Bolivia: report (2001); country reform policy for Judiciary and procurement
In a diagnostic in a Latin American country, misgovernance is a regressive tax (similarly in other countries)

Bribe/Total Income ratio, %

- Low Income: 4.2
- Middle Income: 2.1
- High Income: 1.4
Misgoverned vs. well Governed Agencies in-Country (as ranked by public officials, 2000 diagnostic)

- The Transit Commission of Guayas
- Congress
- Transit Council
- Customs
- Police
- Petroecuador
- The President of the Republic
- Ombudsman
- NGOs
- Army
- The Church
- Professional Organizations

% reporting that the agency is very corrupt
Citizen Voice Improves Accessibility of Public Services to the Poor

Based on Public Officials Survey. The sample of institutions includes 44 national, departmental, and municipal agencies which are a prior anticipated to be accessible to the poor.
Citizen Voice Helps Control Bribery
*Bolivia Diagnostics*

Based on 90 national, departmental, and municipal agencies covered in the Bolivia Public Officials Survey.

Based on 90 national, departmental, and municipal agencies covered in the Bolivia Public Officials Survey.
Transparency within Government Agencies Prevents Purchase of Public Positions

Based on 90 national, departmental, and municipal agencies covered in the Public Officials Survey.
Politicized Agencies tend to have high incidence of Budgetary Leakages

Yellow columns depict the unconditional average for each category. Blue line depicts the controlled causal effect from X to Y variables. Dotted red lines depict the confidence ranges around the causal effect depicted by the blue line.
A ‘Live’ Test: ‘Cultural Determinism’ or Information and Incentives...

- You are approaching your car in the empty and unattended garage late at night
- You see an envelope on the floor, and you pick it up
- It contains 20 bills of US $100 each.
- If no possibility that anyone would know: No cameras, no monitoring, no reporting
- What would you do with such envelope full of cash?
A. If no possibility that anyone would know:

You are alone, there is no monitoring, cameras, or possibility of reporting

Option Finder Results: Various Audiences
B. If 30% probability that information is shared (e.g. 30% that camera recording info which may be reviewed)

- 74% Report and Return Funds
- 22% Undecided
- 4% Keep
Evidence challenged myths

1. Unmeasurability
2. Country’s income goes up first, then GG & A-C
3. Rich world corruption-free; emerging world corrupt
4. Challenge concentrated within Public Sectors
5. Transplants of OECD codes of conduct, templates
6. Cultural or Legal-Historical Origins is key? (vs. Incentives)
7. Anticorruption by: Legal fiat; Campaigns, Agencies
8. Security, Governance and Development separate
Most effective Anticorruption Measures?
Responses from Officials and Leaders in 62 countries

Deserving particular attention…

1. ‘Data Power’ / Metrics Matters *(Governance Report)*
2. External Accountability Mechanisms *(voice)*
3. Transparency Mechanisms *(e*governance, data)*
4. Incentives as drivers, Prevention *(e.g. meritocracy, transparency)*
5. The Role of the Firm and Elites *(influence, capture)*
6. Political Reform, *including on Political Finance*
7. Governance: linking security & development
8. Revamped approach to Rule of Law/Jud-Leg reforms
9. For Donor Countries, IFIs:  i) Aid Effectiveness – scaling up with tough selectivity; ii) Trade Barriers & Subsidies; iii) MNCs; & iv) ‘World Econ. Clubs’
From a ‘Law and Development’ Perspective: Non-orthodox implications of ‘Misrule of Law’

1. Focus on *Application* of Rule of Law
2. *Informality* of rules and norms -- often supersede de jure norms and formal rules and institutions
3. *Influence, Corruption and State Capture* as institutional informality
4. Rethinking *Judicial Independence*: Economic vs Political
5. Rethinking Legal/Judiciary Reforms
6. Localization of Knowledge: the 1st, 2nd, 3rd and 4th worlds
Panel 3B: Results for Low-Income Countries —
Common Law, Civil Law and Ex-Socialist

Governance Indicators

Percentile Rank

Legal Origin:
- Common law
- Civil law
- Ex-Socialist

Governance Indicators
- Voice and Accountability
- Political Stability, No Violence
- Regulatory Quality
- Rule of Law
- Control of Corruption

Percentile Rank

Good Governance

Poor Governance
Overall Approach: Good governance has many dimensions and “entry points”

**Institutional Checks & Balances**
- Independent, effective judiciary
- Legislative oversight
- Decentralization with accountability
- Global initiatives: OECD Convention, anti-money laundering, WCO

**Civil Society Voice & Participation**
- Freedom of information
- Public hearings on draft laws
- Media/NGOs
- Community empowerment
- Report cards, client surveys

**Political Accountability**
- Political competition, credible political parties
- Transparency in party financing
- Disclosure of parliamentary votes
- Asset declaration, conflict-of-interest rules

**Competitive Private Sector**
- Economic policies
- Restructuring of monopolies
- Effective, streamlined regulation
- Robust financial systems
- Corporate governance
- Collective business associations

**Public Sector Management**
- Meritocratic civil service with adequate pay
- Public expenditure, financial management, procurement
- Tax and customs
- Frontline service delivery (health, education, infrastructure)
Freedom of the Press to improve Rule of Law and Controlling Corruption

Sources: Freedom House, 2002 and KK2002
Socio-Economic Rights of Women and Corruption

Source of Women’s Right Variable: Stohl, Michael (Convenor) Global Studies Program, Global Governance of Human Rights
Listening to Stakeholders: Responses on Donor Aid and Anti-Corruption

Most Important Role for Donors in Helping Country on Anti-Corruption (A-C)

- Pre-Conditionality
- Work w/ Country A-C
- Awareness/Education
- Control corruption in Donor projects
- Collaborate w/ NGOs
- Donors out of A-C

On the growing gap between EU-accession countries and the rest of transition --Rule of Law Over Time, Selected Regions, 1996-2002


Each region has the following number of countries: OECD: 28; East Asia (Developing): 35, East Asia (NIC): 4; Eastern Europe: 16; Former Soviet Union: 12; South Asia: 8; Sub-Saharan Africa: 47; Middle East North Africa: 21; Latin America and Caribbean: 38.
Illustration of Concrete Projects and Programs promoting Transparency and Accountability

- Transparency & reform in political/party finance: e.g. new methods for disclosure (expenses), etc.
- E*disclosure (web) of votes of parliamentarians
- Public Disclosure of Assets/Incomes by public officials and legislators and their dependents
- E*procurement; e*data.governance; diagnostics
- In-depth Institutional Country Diagnostics for Agency and Budgetary transparency
- Delisting Firms Publicly
- Country takes the lead, participatory approach
- The ‘Governance CAS’ Strategic Approach
References and Links to papers and materials

www.worldbank.org/wbi/governance

• Governance Matters III:

• Rethinking Governance: Empirical Lessons Challenge Orthodoxy

• Governance Redux: The Empirical Challenge

• Growth without Governance:

• The Inequality of Influence

• Corruption, Governance & Security: Challenges for the Rich Countries and the World

• Governance Indicators Dataset:

• Governance Diagnostic Capacity Building:
  http://www.worldbank.org/wbi/governance/capacitybuild/
Data for Analysis and informing Policy Advise, not for Precise Rankings

Data in this presentation is from aggregate governance indicators, surveys, and expert polls and is subject to a margin of error. It is not intended for precise comparative rankings across countries, but to illustrate performance measures to assist in drawing implications for strategy. It does not reflect official views on rankings by the World Bank or its Board of Directors. Errors are responsibility of the author(s), who benefited in this work from collaboration with many Bank staff and outside experts.

http://www.worldbank.org/wbi/governance