

Debunking Myths on Worldwide Governance and Corruption

The Challenge of Empirics -- and Implications

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

2005 David B. Goodman Lecture

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Initial Tenets on Good Governance (GG) & Anti-Corruption (AC)

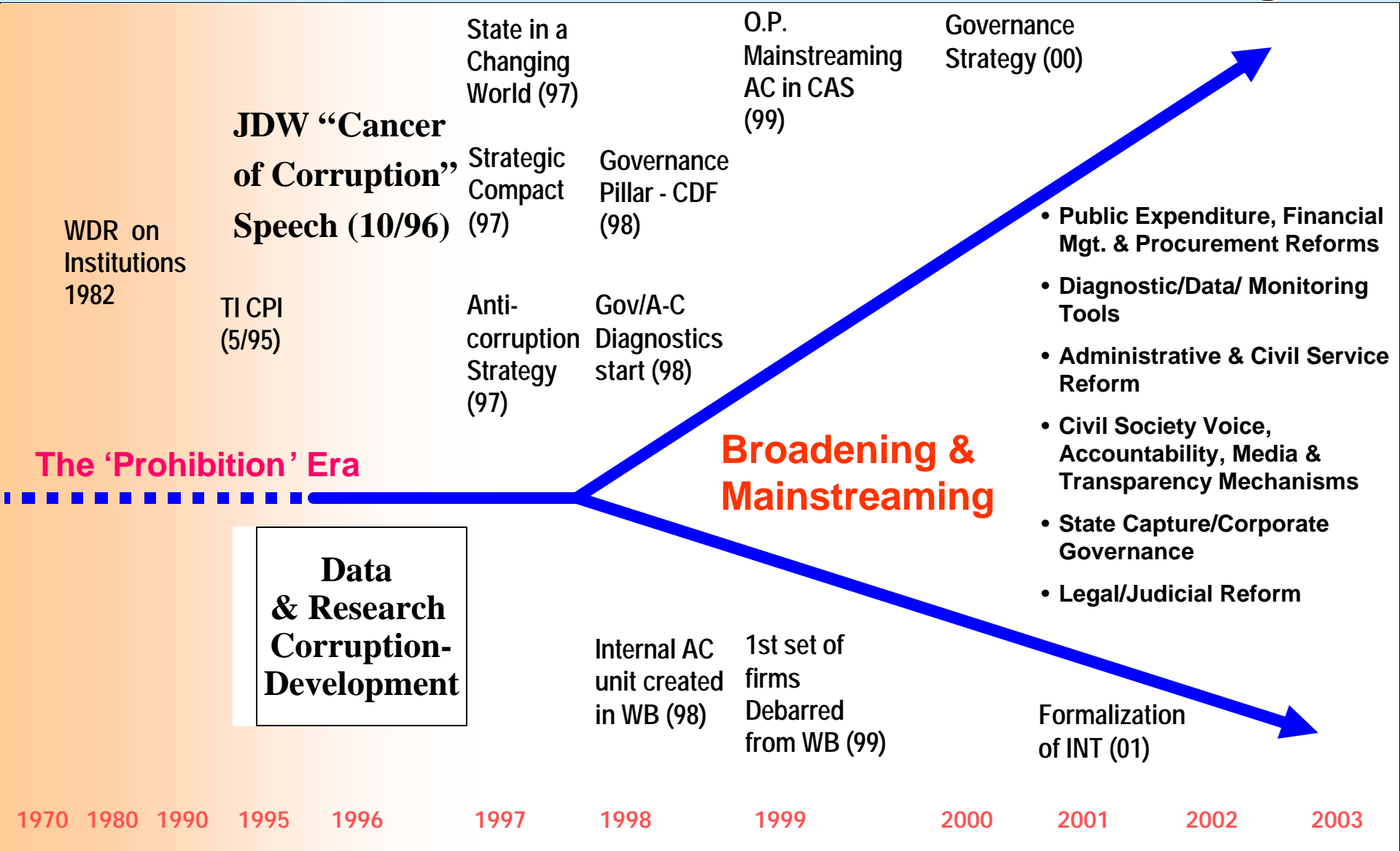
- 1. ‘Washington Consensus’ for decades on GG and A-C**
- 2. Yet it is virtually an Unmeasurable field**
- 3. At any rate, GG and A-C: A by-product of economic development & growth, hence rich world is corruption-free; emerging world corrupt**
- 4. But world much improved over time on GG and A-C**
- 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**

Evolution of Governance/A-C at the World Bank: From C ... 'Prohibition' era to Mainstreaming



Governance & Anti-Corruption (A-C) at the Bank--*Themes*

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

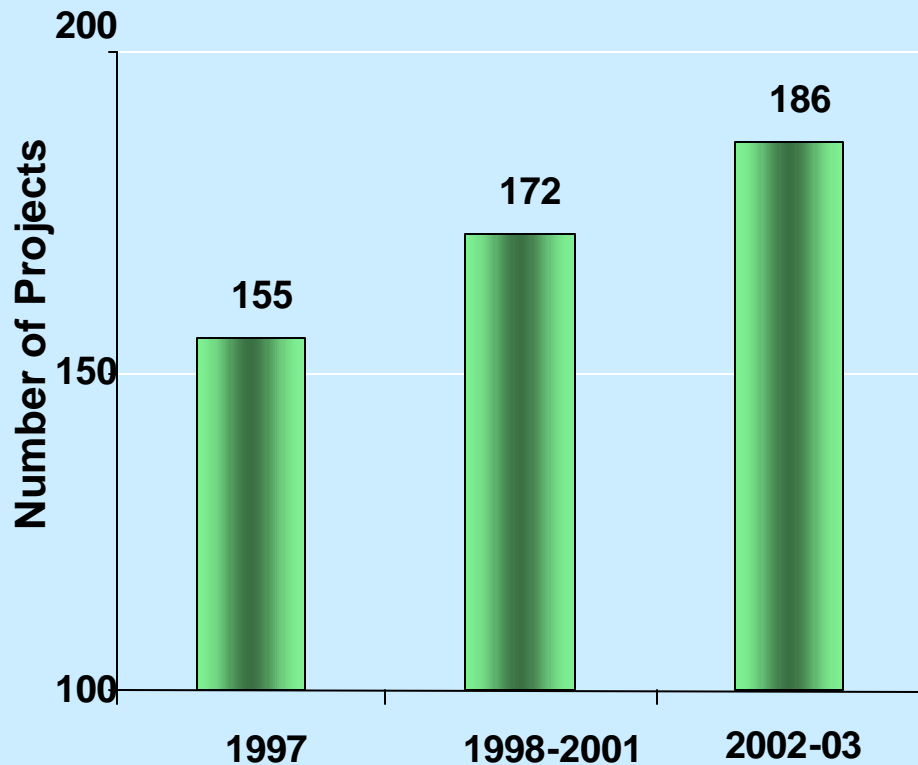
-- Anti-Corruption In-house: Projects and Staff Integrity

3. Specifics on Preventing & Sanctioning Corruption in

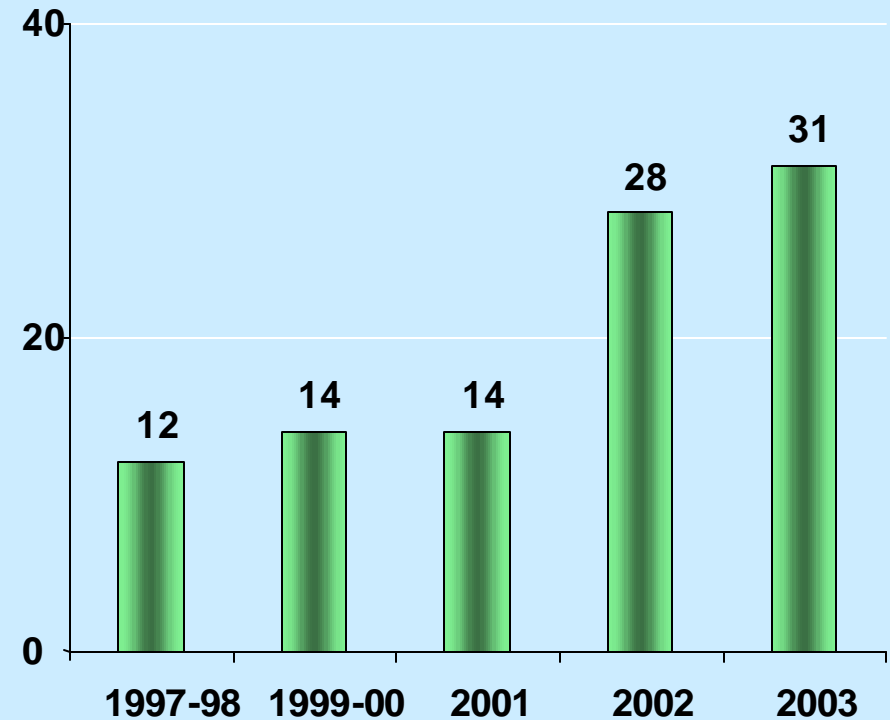
Bank-funded projects: *work of INT Department – prevention, deterrence & investigation*

4. The 'Data Revolution': Integration at 3 Levels

Number of IBRD/IDA Operations with Explicit Anti-Corruption Components, 1997-2003

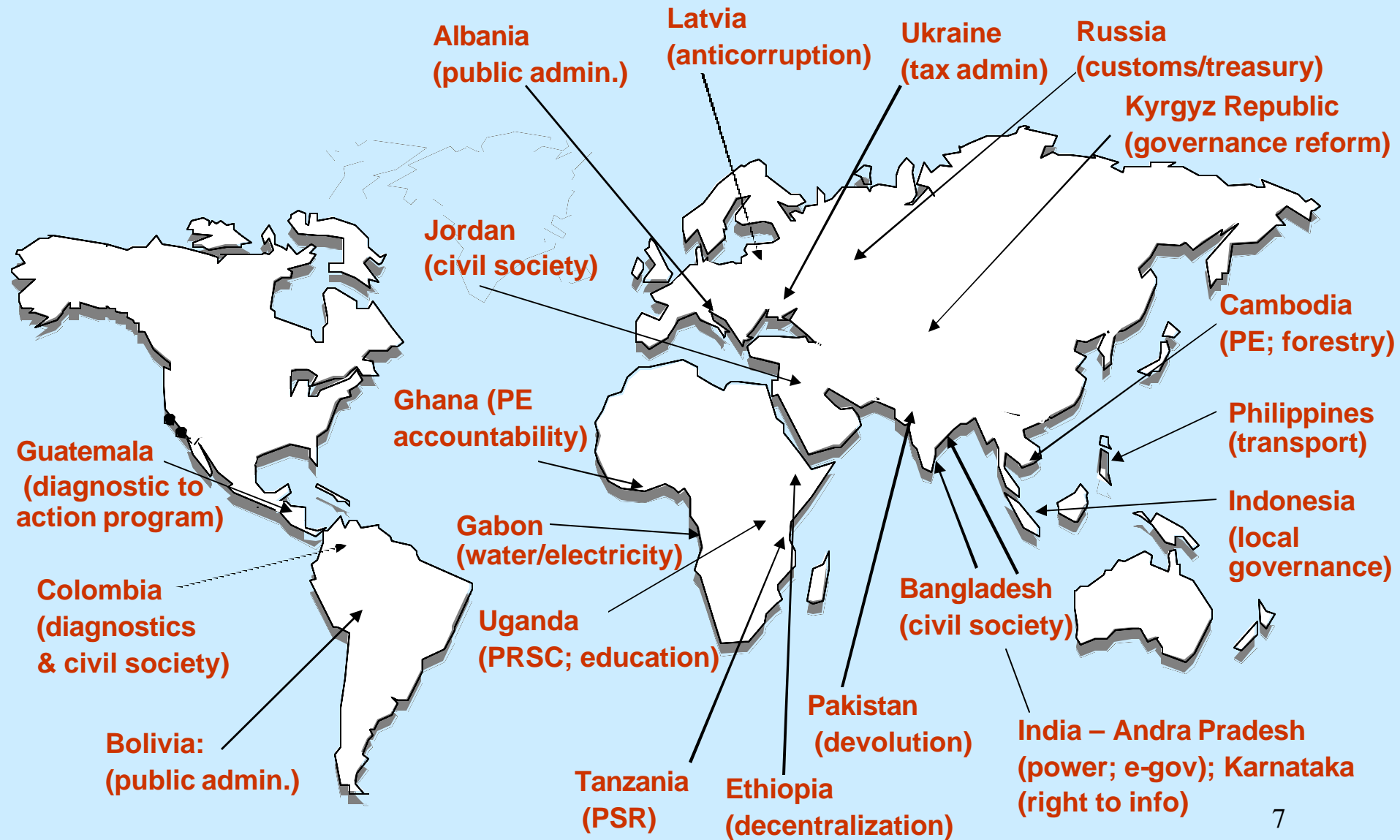


World Bank projects with Governance Components (Annual Averages)



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

Explosion of activities: Examples of major programs launched across countries



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...₈

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

Surveys of Firms

BEEPS

Global Competitiveness Survey

World Competitiveness Yearbook

Type of Questions

Courts Honest? Crime? Property rights protected?

Crime, money laundering, judicial independence, protection of financial assets

Justice fairly administered, personal security and private property protected

Surveys of Individuals

Gallup

Trust in legal system

Risk Rating Agencies

BERI

DRI

EIU

PRS

World Markets Observer

Contract enforcement

Costs of crime, enforceability of contracts

Costs of crime, enforceability of contracts, property rights protection

Law and order

Judicial independence, crime

Think Tanks

Freedom House

Heritage Foundation

Rule of law

Property rights, black market activity

Governments

State Dept Human Rights Report

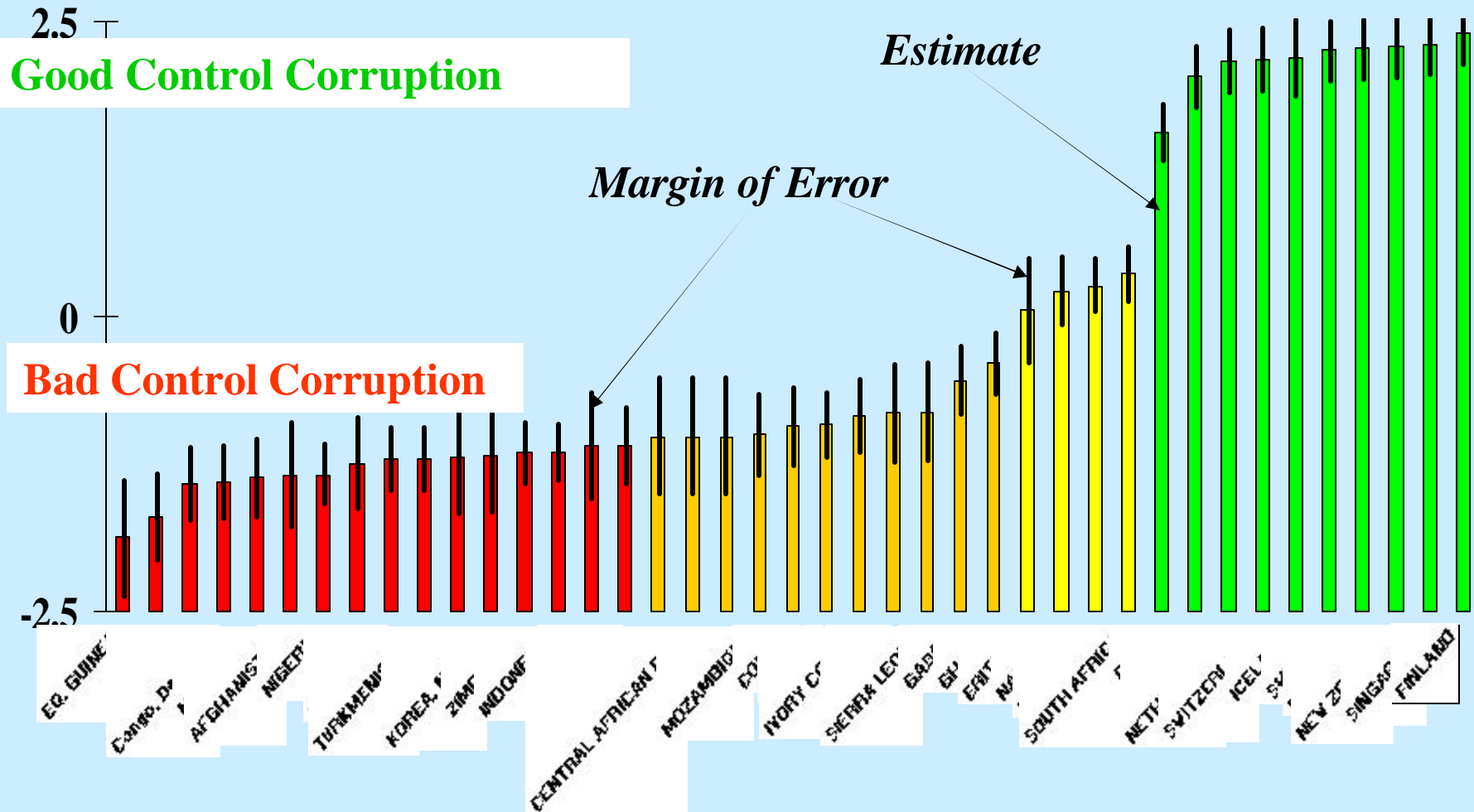
Judicial independence

Inputs for Governance Indicators 2002

Publisher	Publication	Source	Country Coverage
•Wefa's DRI/McGraw-Hill	Country Risk Review	Poll	117 developed and developing
•Business Env. Risk Intelligence	BERI	Survey	50/115 developed and developing
•Columbia University	Columbia U. State Failure	Poll	84 developed and developing
•World Bank	Country Policy & Institution Assmnt	Poll	136 developing
•Gallup International	Voice of the People	Survey	47 developed and developing
•Business Env. Risk Intelligence	BERI	Survey	50/115 developed and developing
•EBRD	Transition Report	Poll	27 transition economies
•Economist Intelligence Unit	Country Indicators	Poll	115 developed and developing
•Freedom House	Freedom in the World	Poll	192 developed and developing
•Freedom House	Nations in Transit	Poll	27 transition economies
•World Economic Forum/CID	Global Competitiveness	Survey	80 developed and developing
•Heritage Foundation	Economic Freedom Index	Poll	156 developed and developing
•Latino-barometro	LBO	Survey	17 developing
•Political Risk Services	International Country Risk Guide	Poll	140 developed and developing
•Reporters Without Borders	Reporters sans frontieres (RSF)	Survey	138 developed and developing
•World Bank/EBRD	BEEPS	Survey	27 transition economies
•IMD, Lausanne	World Competitiveness Yearbook	Survey	49 developed and developing
•Binghamton Univ.	Human Rights Violations Research	Survey	140 developed and developing

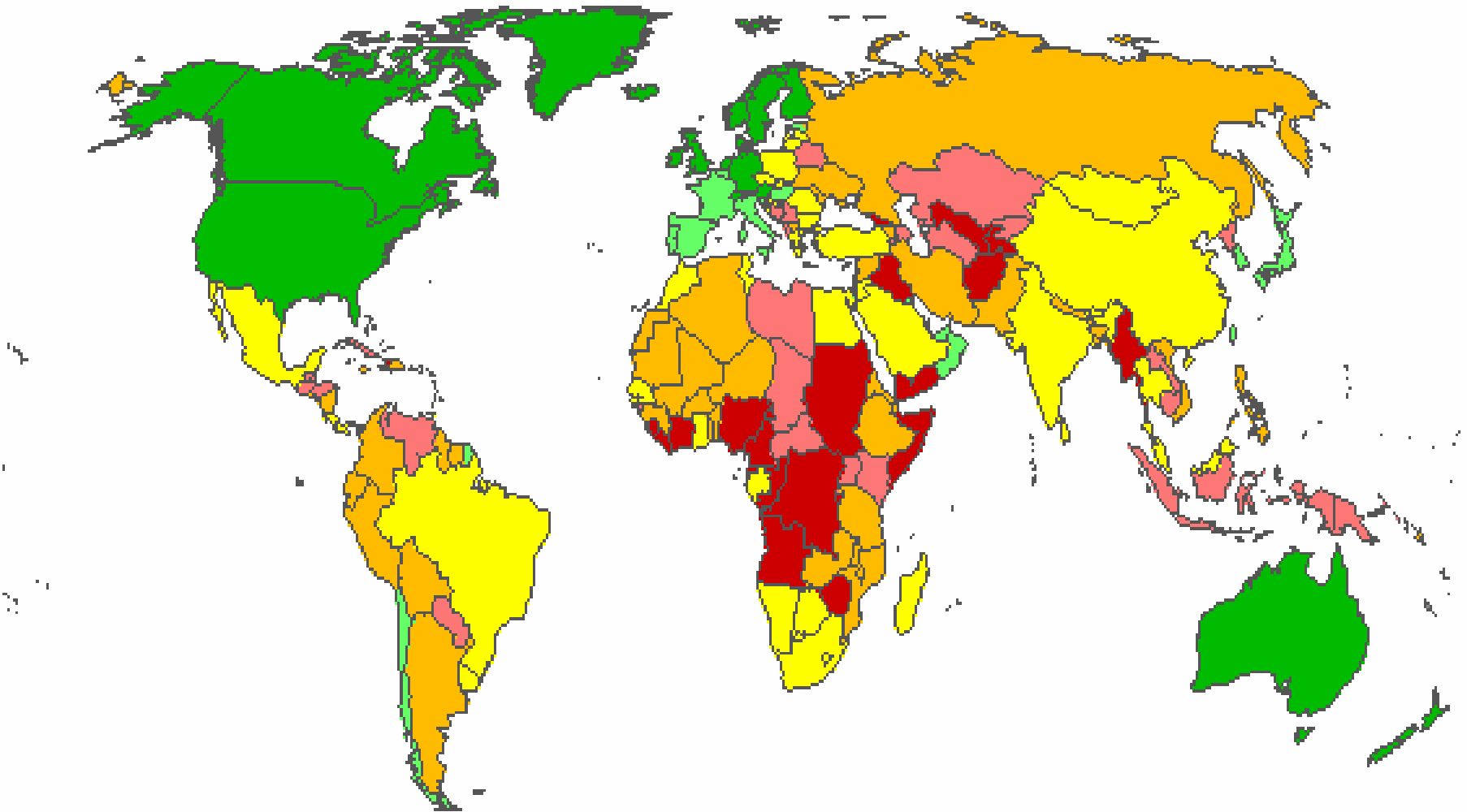
Governance can be measured – an illustration

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



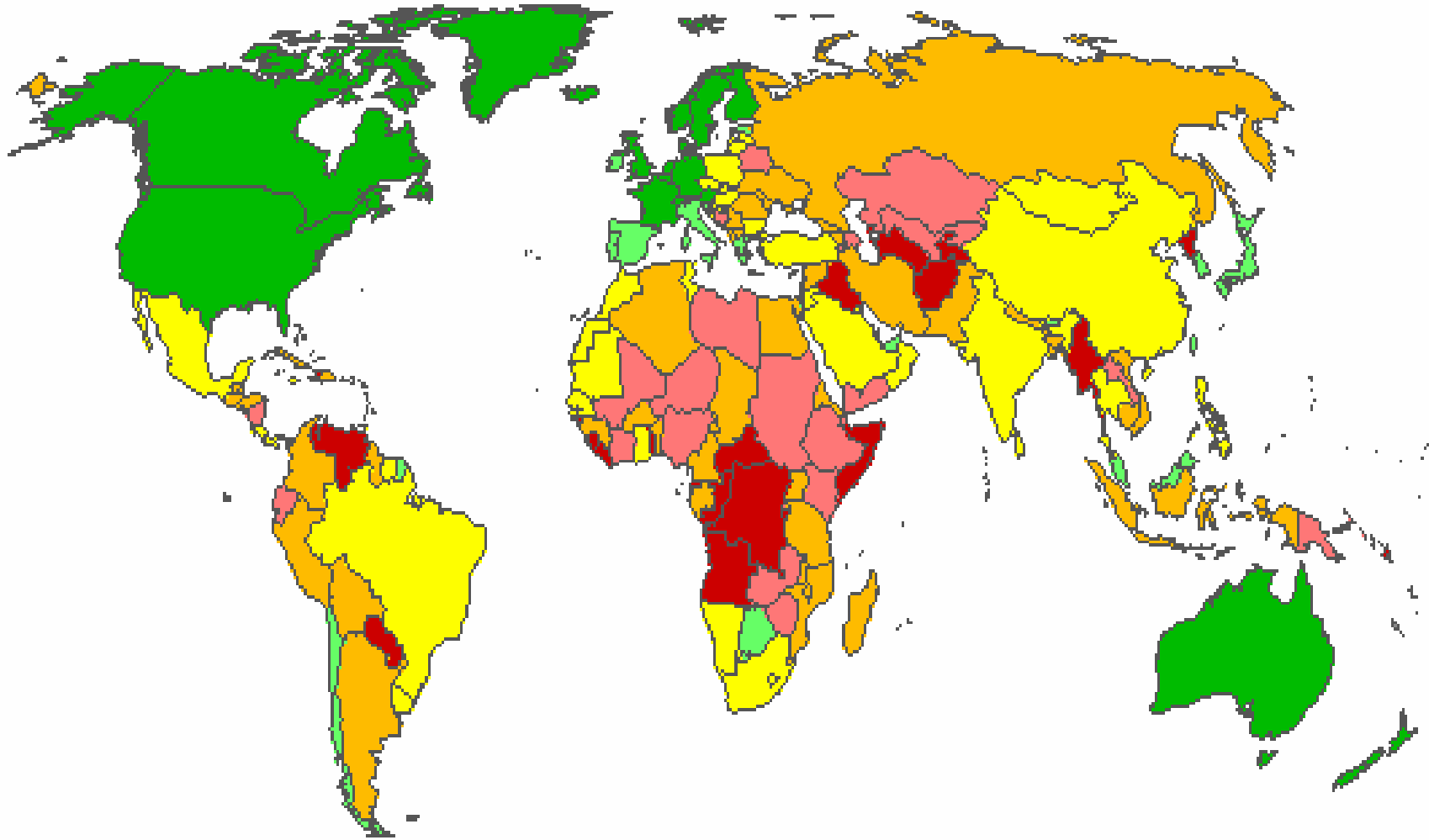
Source for data: Kaufmann D., Kraay A., Mastruzzi M., Governance Matters III: Governance Indicators for 1996-2002, WP #3106, August 2003. Units in vertical axis are expressed in terms of standard deviations around zero. Country estimates are subject to margins of error (illustrated by thin line atop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

Governance World Map: Rule of Law, 2002



Source for data: <http://www.worldbank.org/wbi/governance/govdata2002> ; Map downloaded from : <http://info.worldbank.org/governance/kkz2002/govmap.asp>
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



Source for data: <http://www.worldbank.org/wbi/governance/govdata2002> ; Map downloaded from : http://info.worldbank.org/governance/kkz2002/18_map.asp

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%

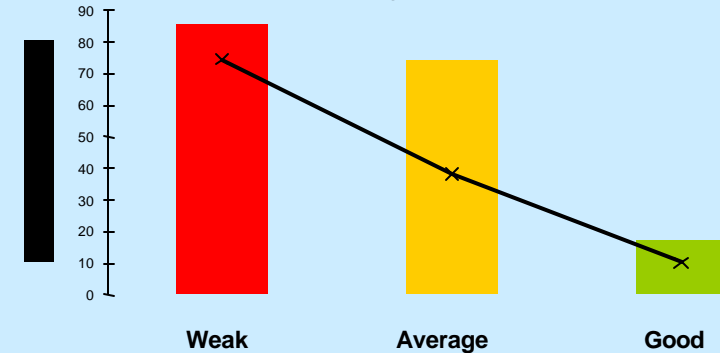
Governance Matters for Development

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

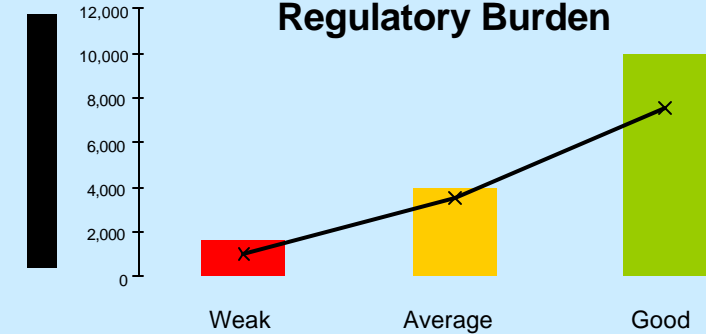
Infant Mortality and Corruption



Development Dividend

Control of Corruption

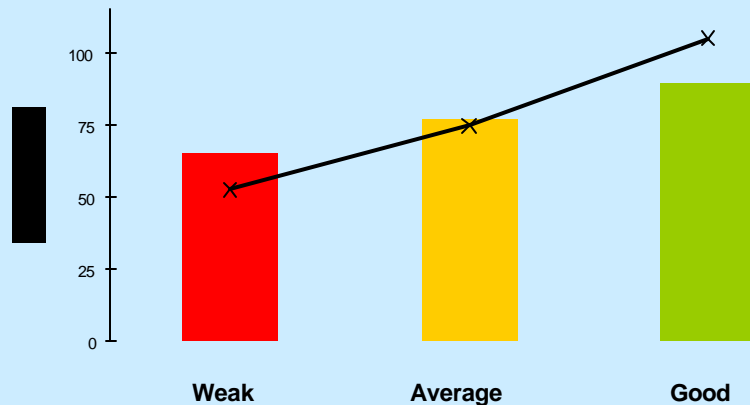
Per Capita Income and Regulatory Burden



Development Dividend

Regulatory Burden

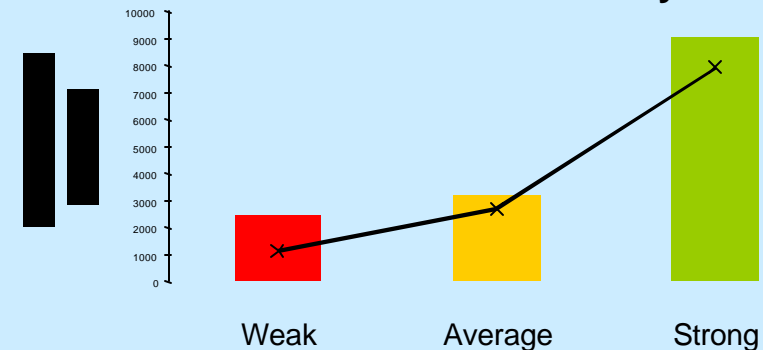
Literacy and Rule of Law



Development Dividend

Rule of Law

Per Capita Income and Voice and Accountability



Development Dividend

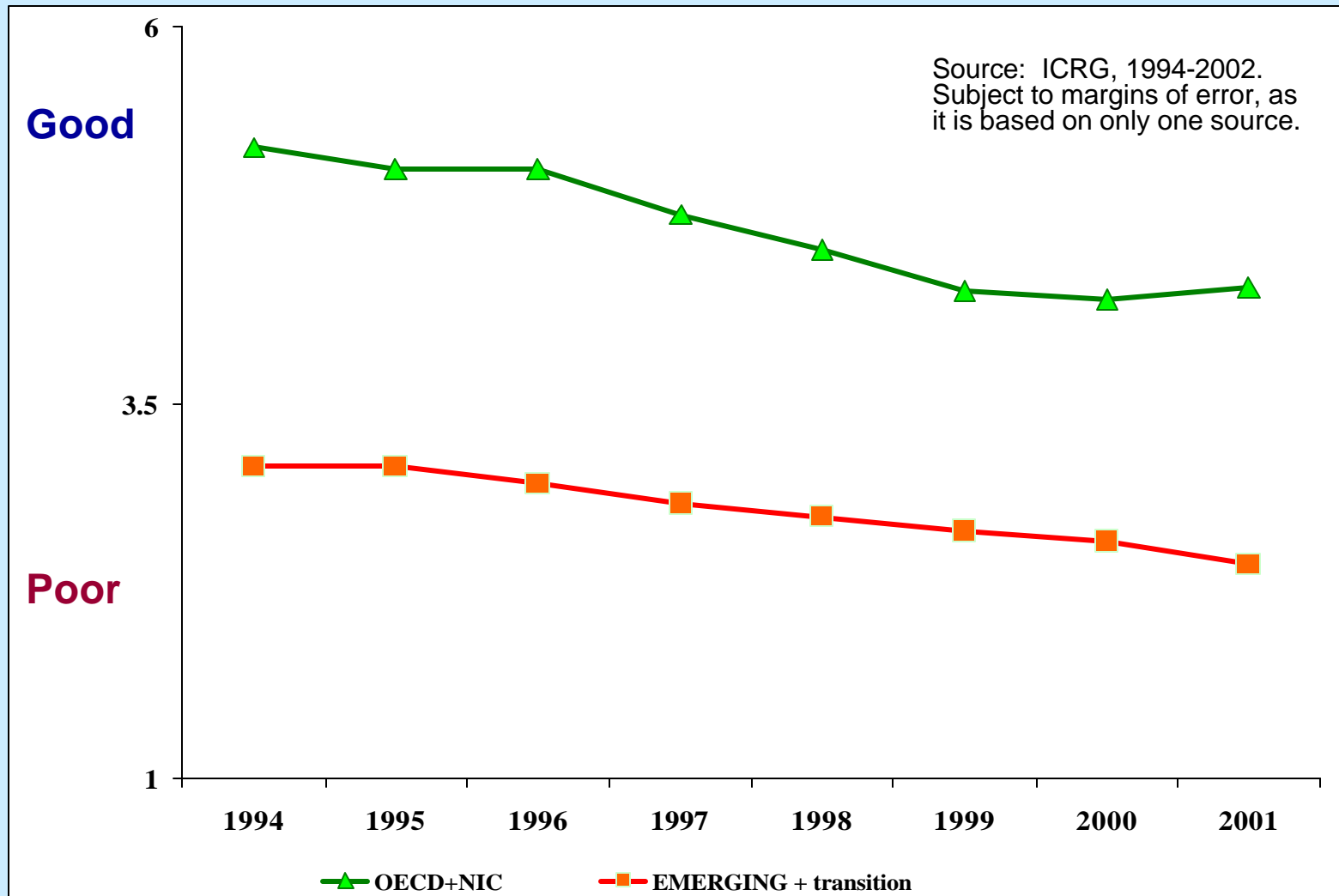
Voice and Accountability

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>.

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 ...

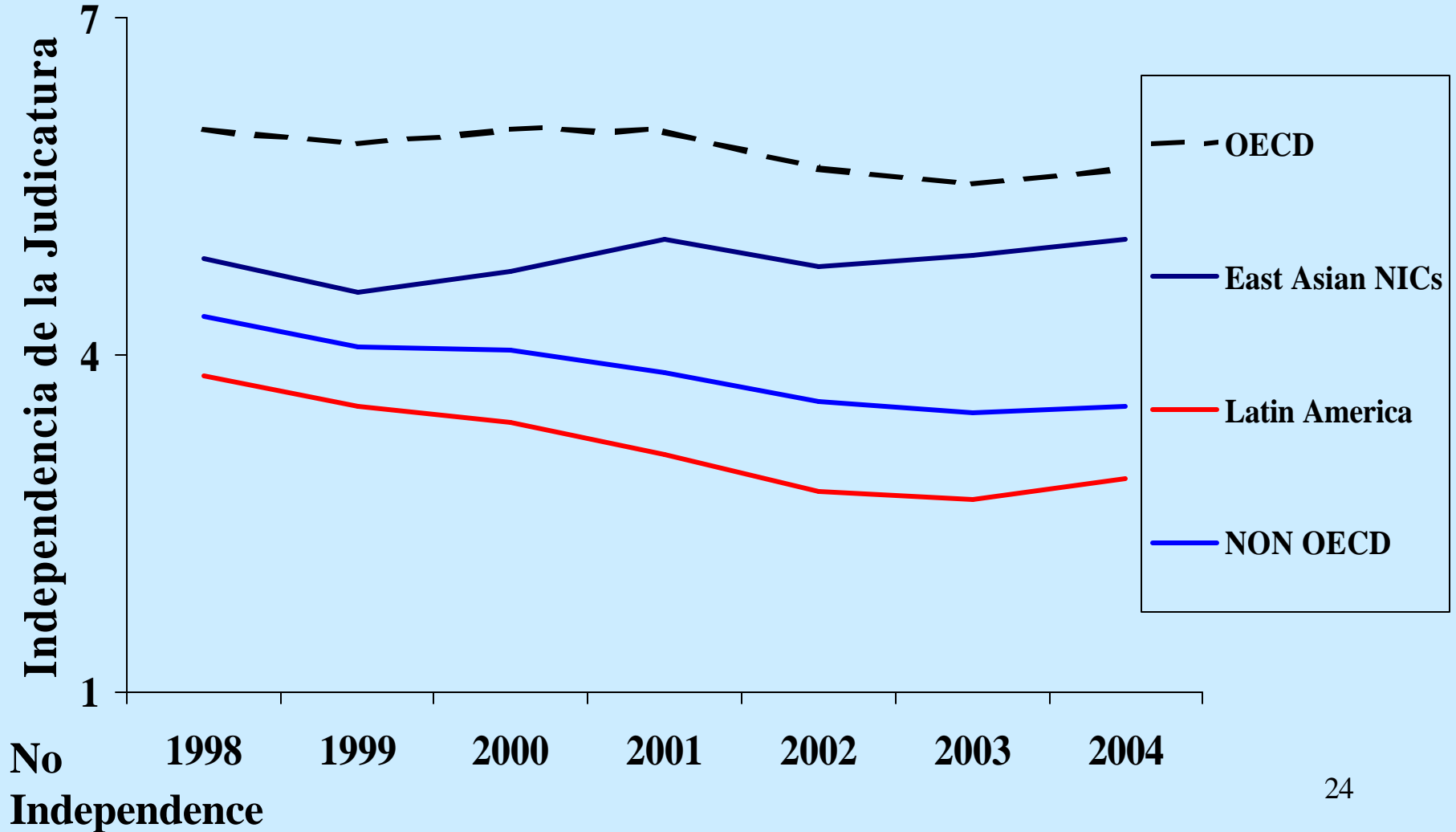


The 'Mezzo' Level of Governance Measurement

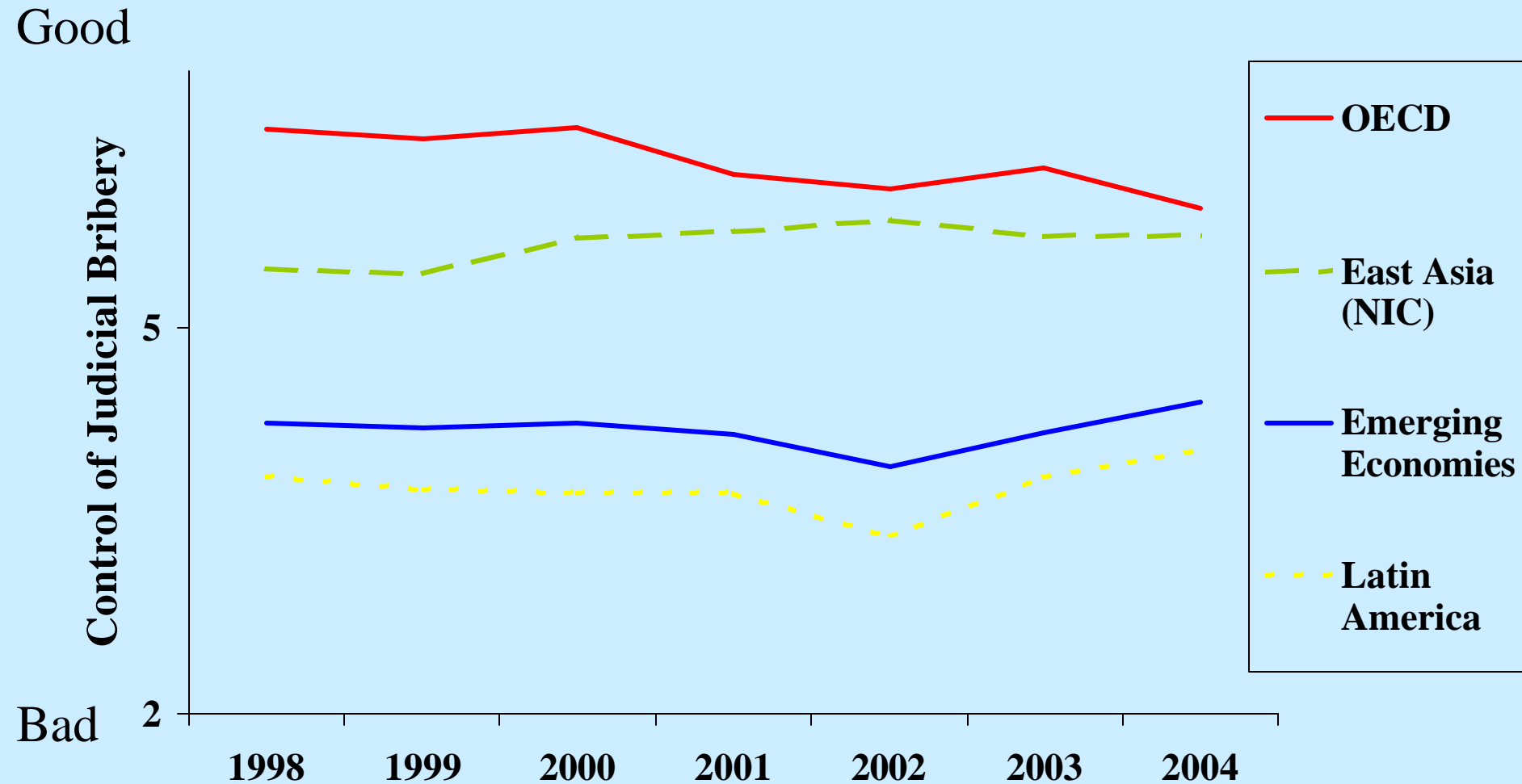
- **Based on cross-country surveys, mainly of enterprises –**
(such as the EOS of WEF, BEEPS/WBES of WB, etc.)
- **Thousands of firms interviewed on a range of issues;**
focus on governance, specialized questions
- **More detailed unbundling of governance and**
corruption phenomena than aggregate indicators
- **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

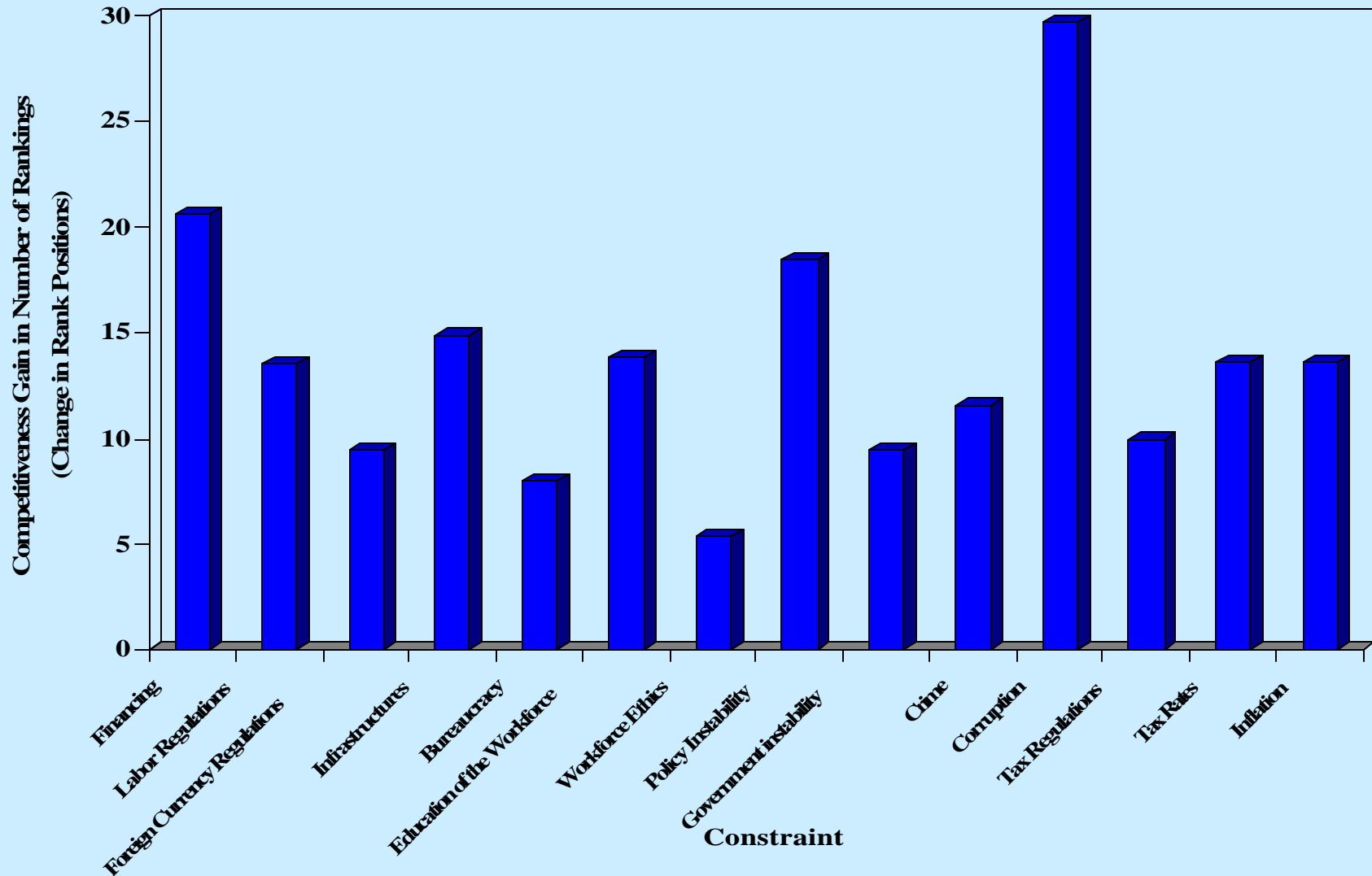


Control of judicial bribery over time: EOS 1998–2004



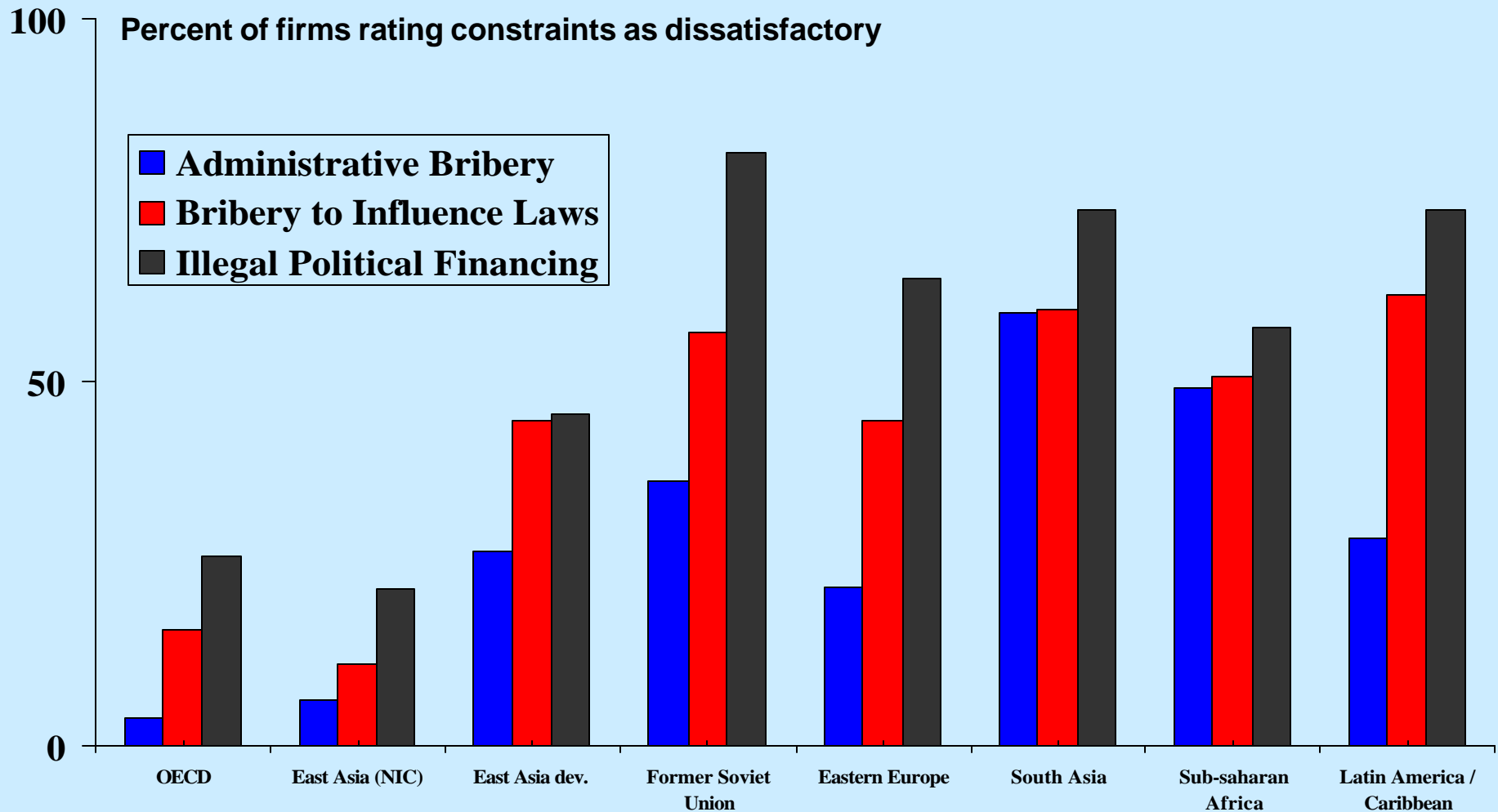
Source: EOS 1998-2004. Question: “In your industry, how commonly firms make undocumented extra payments or bribes connected to getting favorable judicial decisions? common / never occur”.

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)



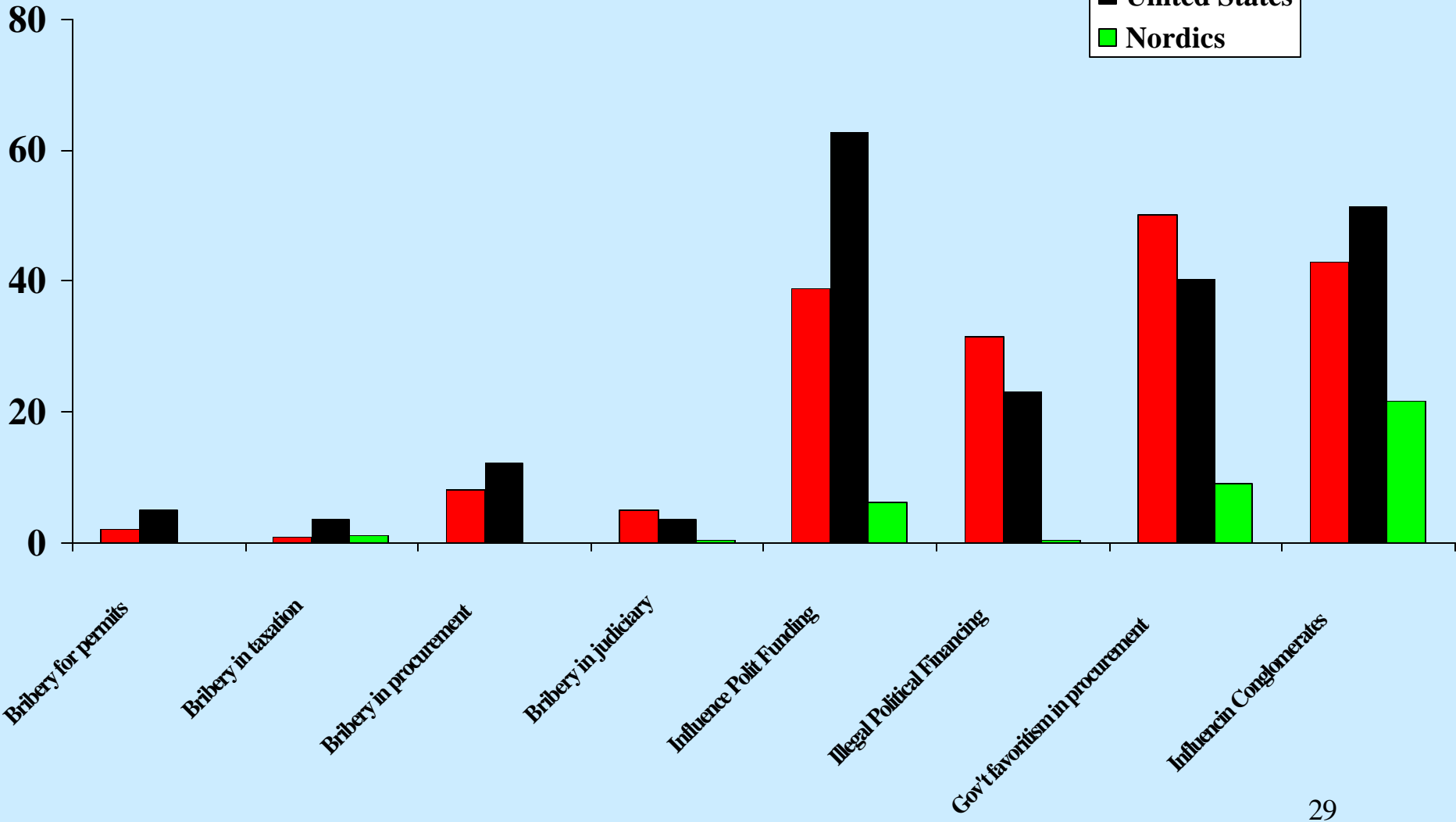
Source: EOS 2003. Each region has the following number of countries: OECD: 23; East Asia (Developing): 6, East Asia (NIC): 4; Eastern Europe: 14; Former Soviet Union: 2 (Russia and Ukraine); South Asia: 4; Sub-Saharan Africa: 21; Middle East North Africa: 7; Latin America and Caribbean: 21.

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*

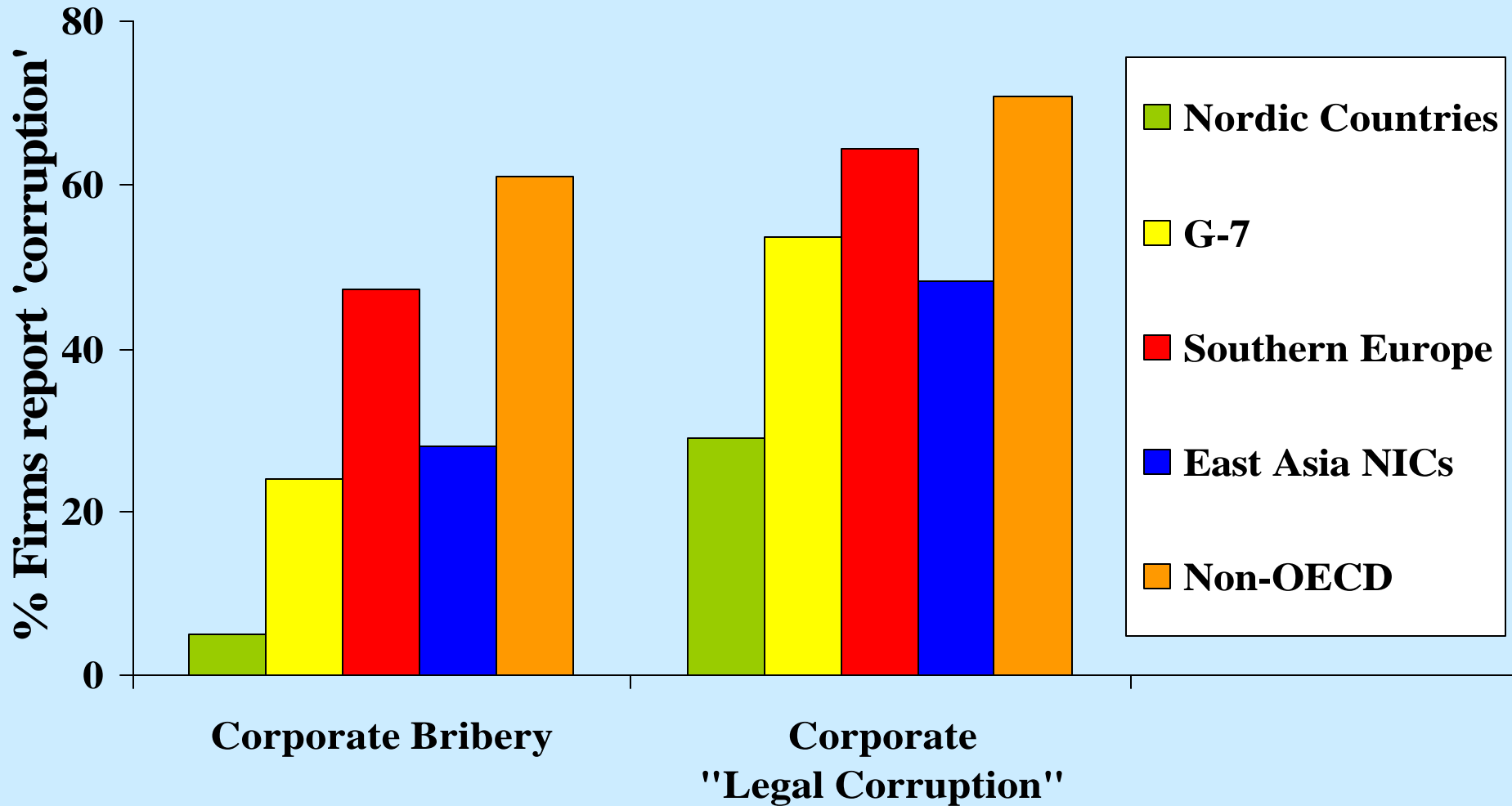
% Firms Report Problem (1-3)



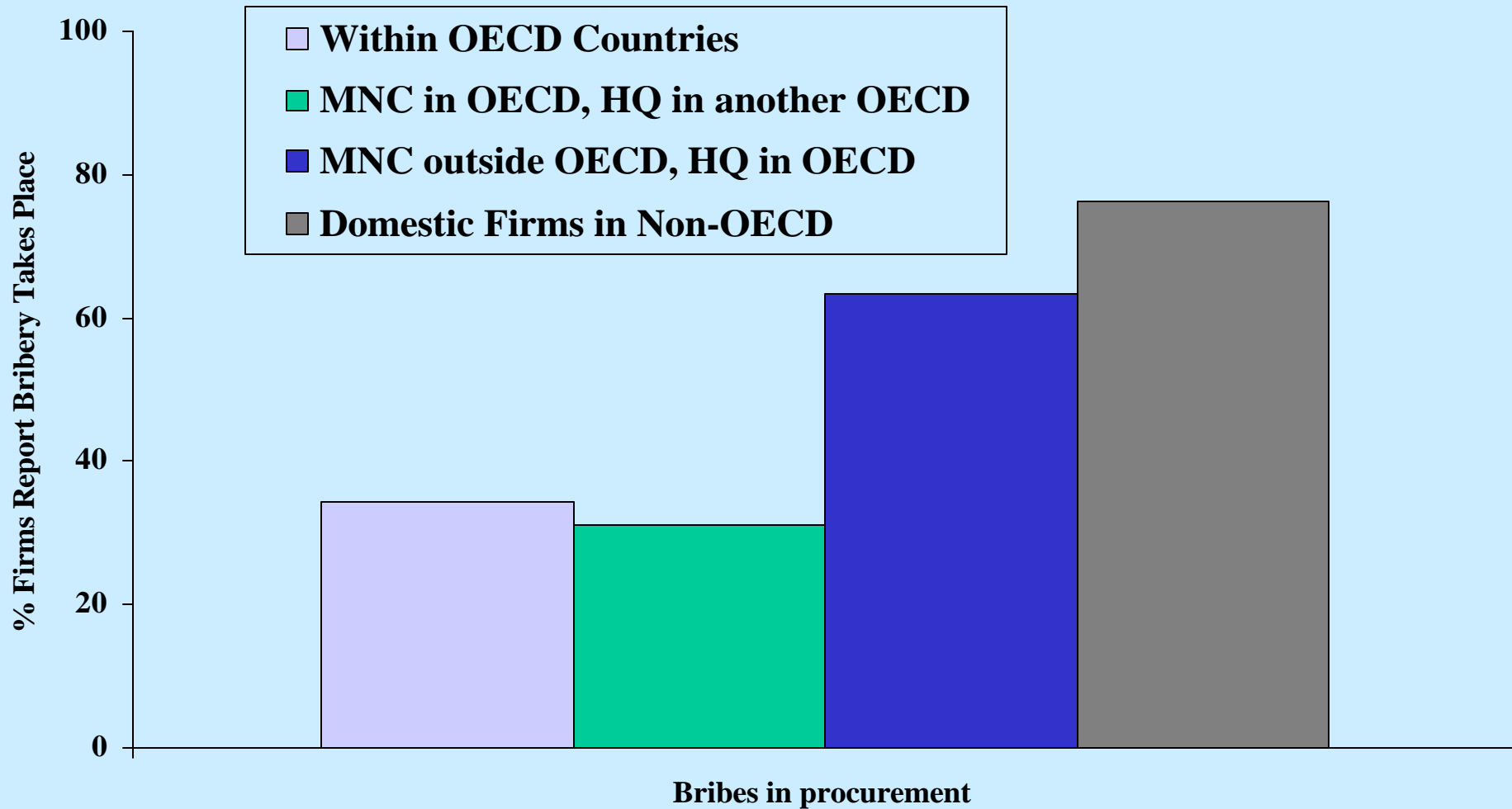
Source: EOS (firm survey), 2004. Y-axis measures percentage of firms who responded with a rating of 1,2 or 3 (in a 1-7 scale).

Corporate Corruption, 2004

% Firms report corruption type (1-4)



Frequency of bribery at home and abroad, 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.³¹

State Capture & Inequality of Influence

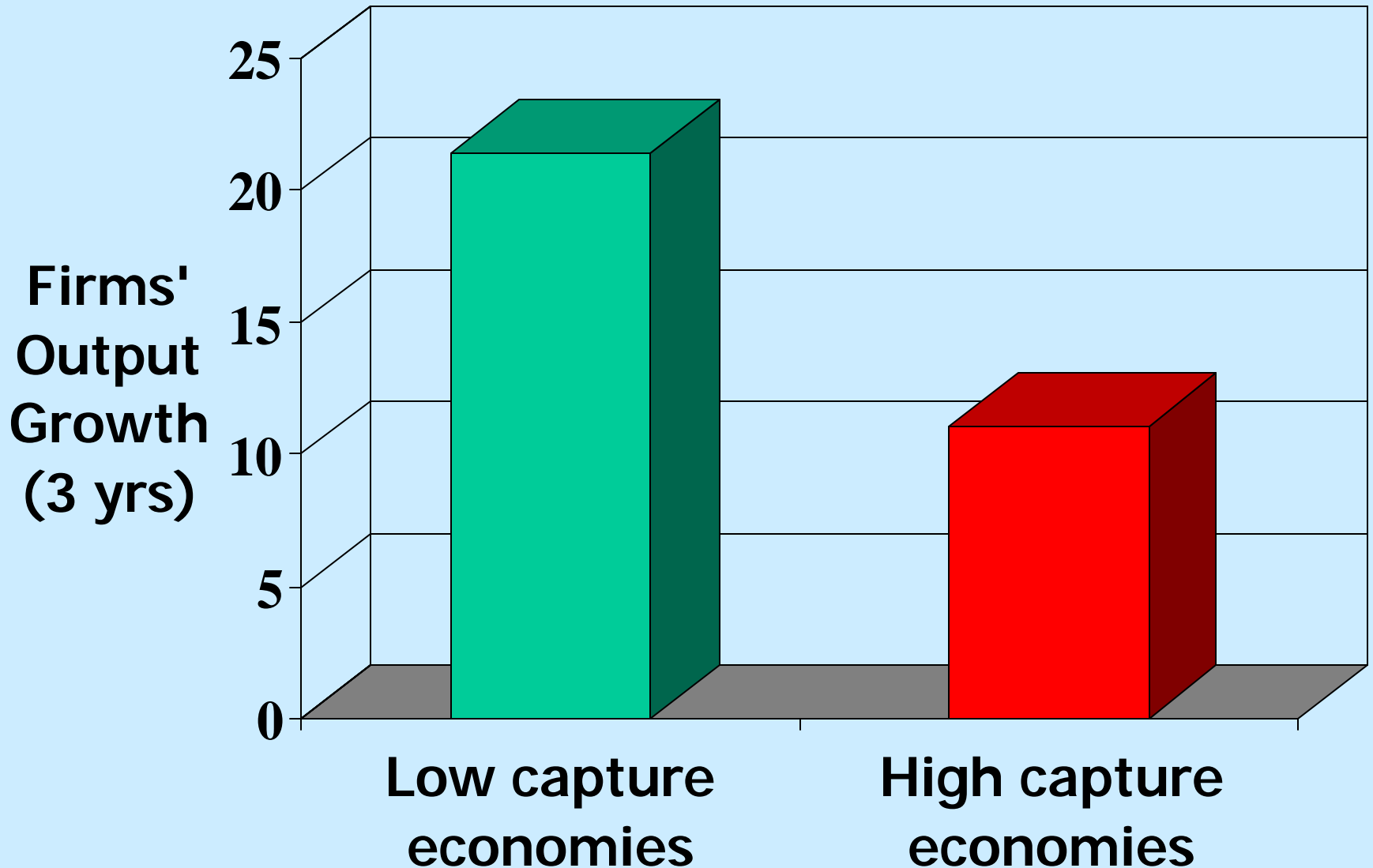
- **State Capture/Undue Influence: power of elites**
- **State Capture as extreme manifestation of unequal influence: shaping laws, regulations and policies by powerful firms, illicitly**
- **Elites appropriate, and resources not funneled to improve public governance – *more capture***
- **So when growth 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

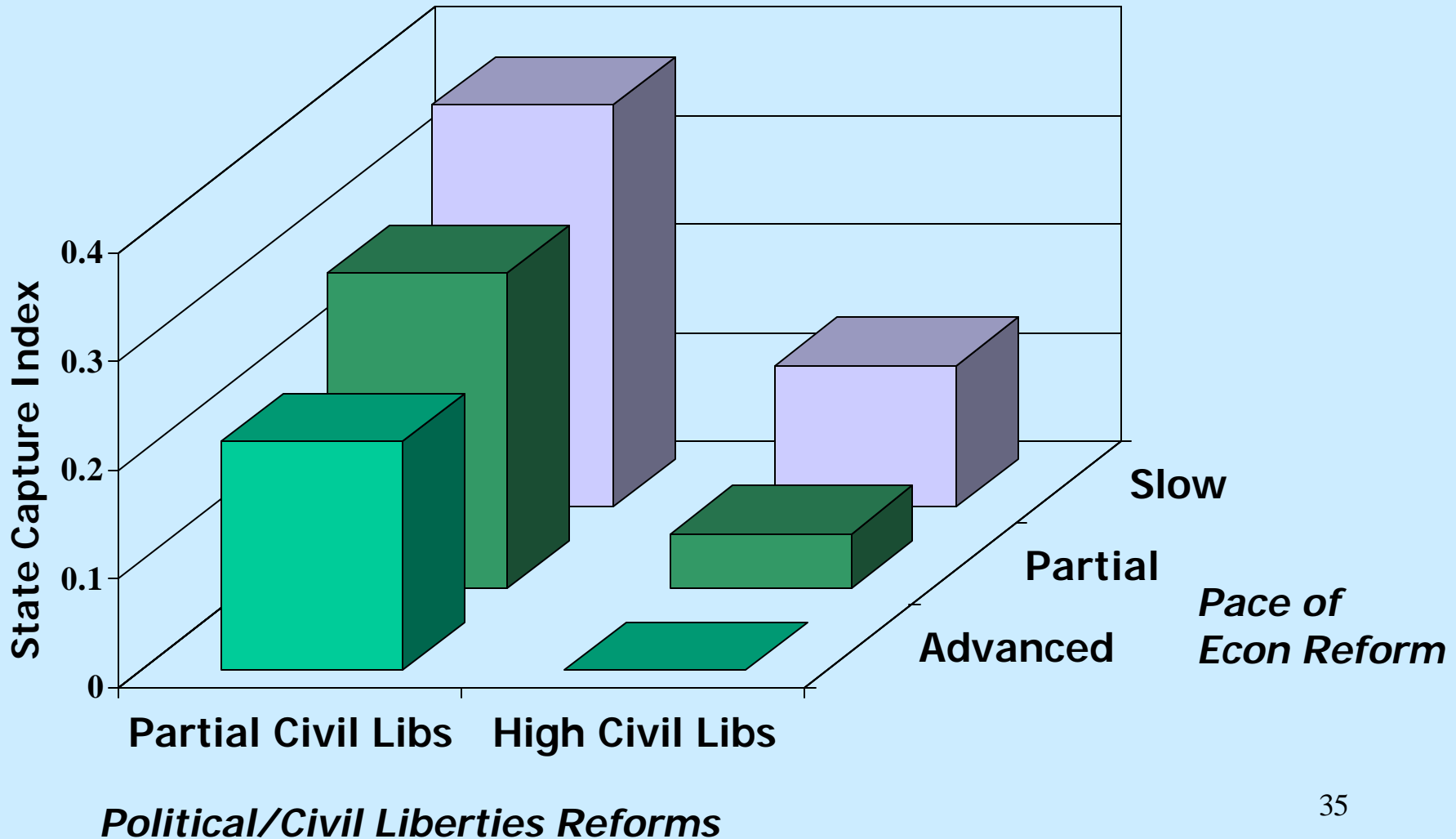
- **Examples include:**
 - *private purchase of legislative votes*
 - *private purchase of executive decrees*
 - *private purchase of court decisions*
 - *illicit political party financing*

Economic Cost of Capture for Growth



Based on survey of transition economies, 2000

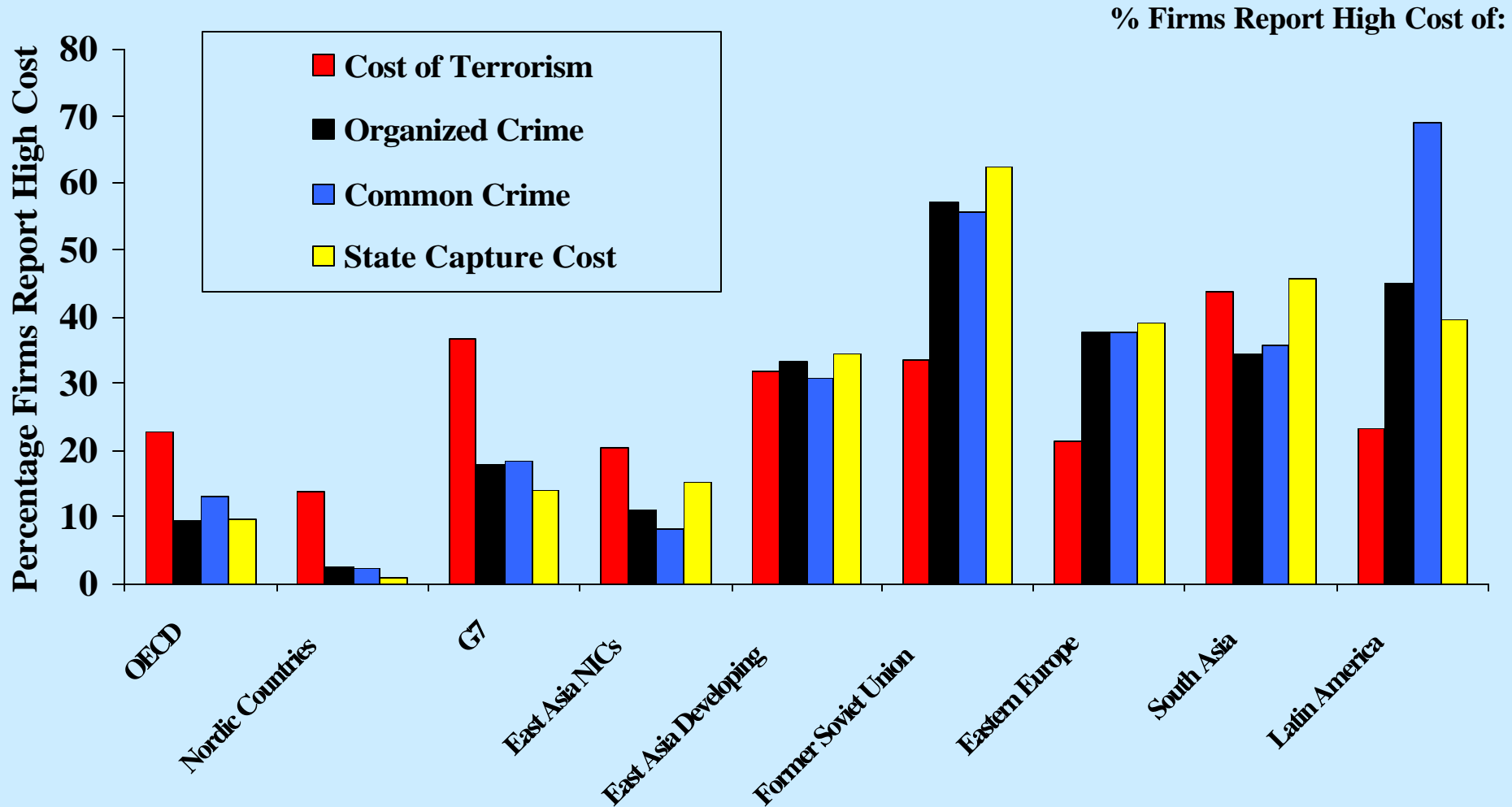
Addressing Capture: Economic Reform, Political Competition & Voice/Civil Liberties Matter



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**

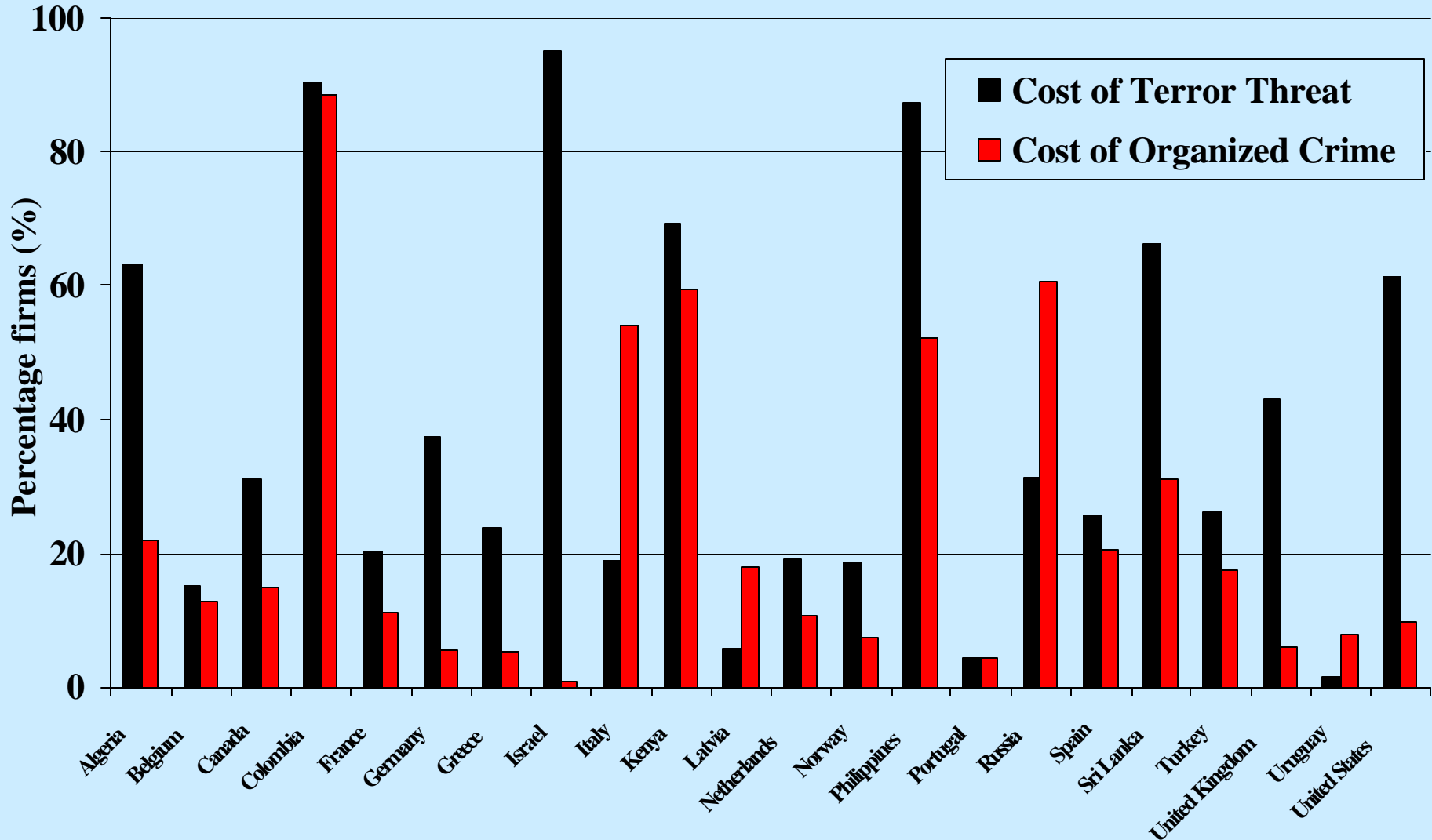
Global vs Domestic Governance Challenges: % Firms Report High Cost of Terrorism and Crime, EOS 2004



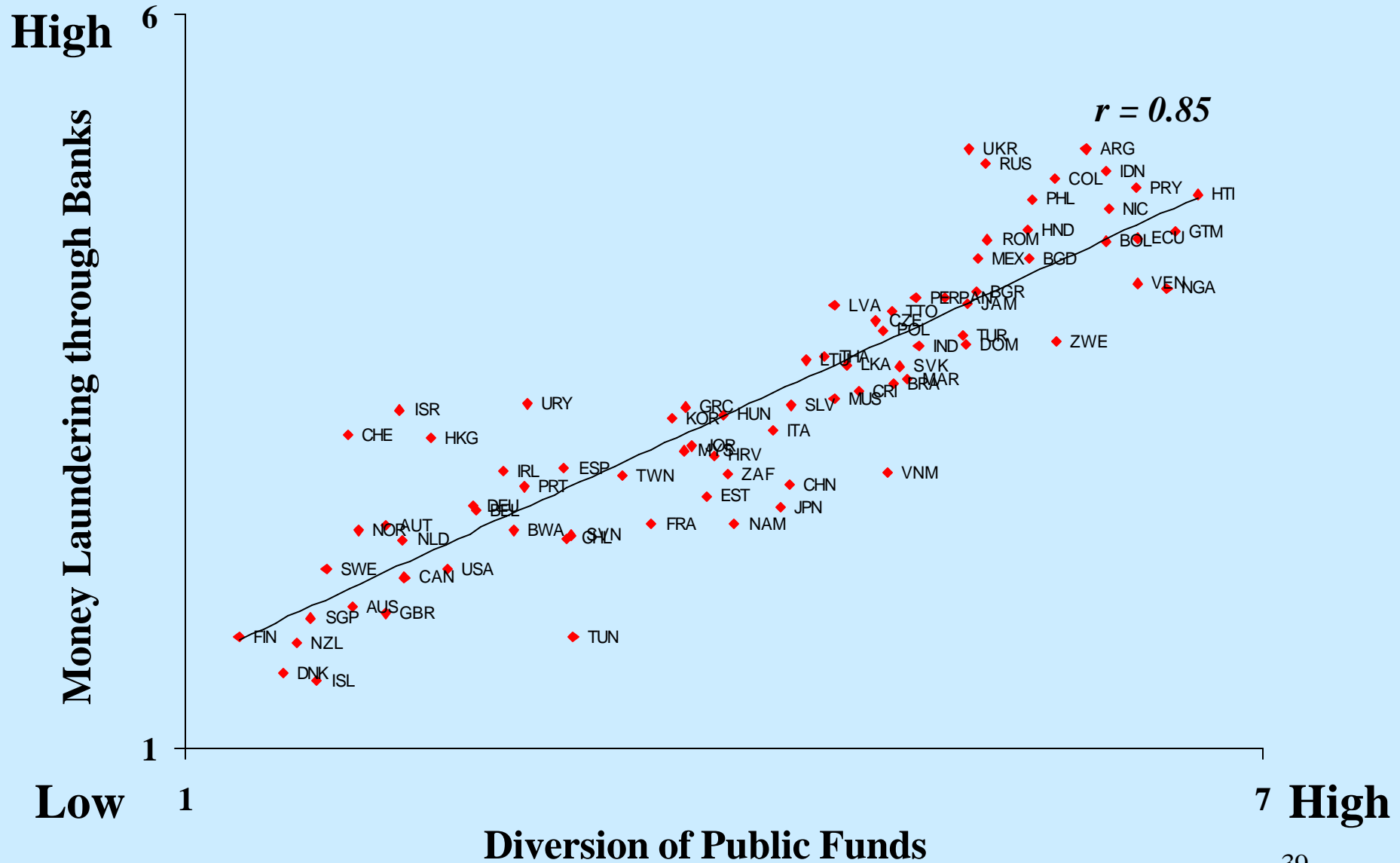
Source: EOS 2004. A firm is considered as reporting high cost when rated the question as unsatisfactory (1,2, or 3) in the scale of 1 to 7. Questions were, respectively: “The threat of terrorism in your country, incidence of common crime and violence (e.e. street muggings, firms being looted), organized 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”.

Firm's Cost of Terrorism threat and Organized Crime

(% Firms Report High Cost, selected countries)



Money Laundering through Banks and Diversion of Public Funds



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*

A few Illustrations

Challenge: poor governance and

stance

Guatemala

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

7. Monitoring and Evaluation of NAS

6. Implementation by Government

5. Revision of the NAS

4. Public dissemination + discussion

3. Draft of the NAS

2. Diagnostic surveys + analysis

1. Establishment of Steering Committee

Honduras

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

Sierra Leone

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

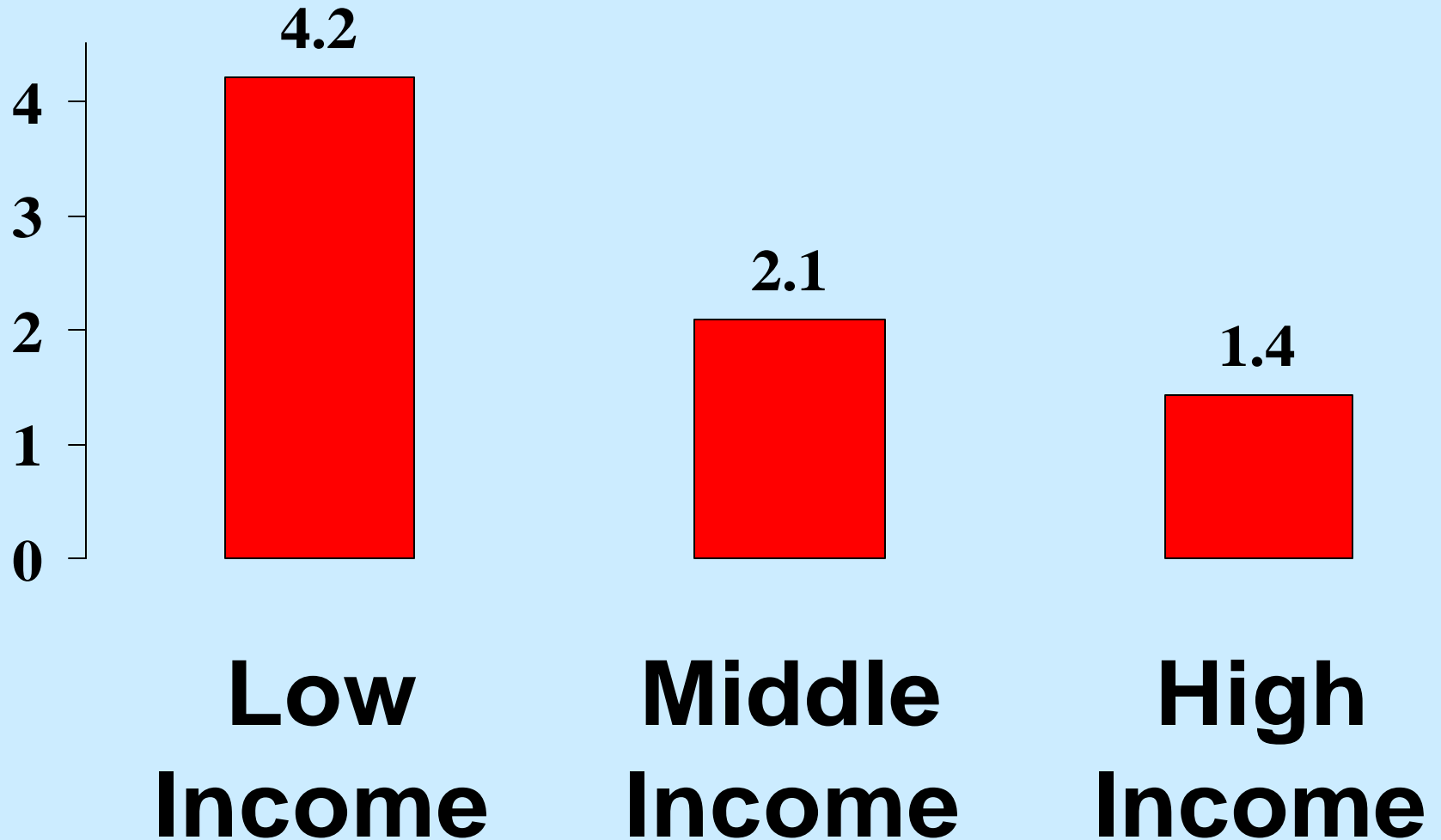
Key Partnership: Government + Civil

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**

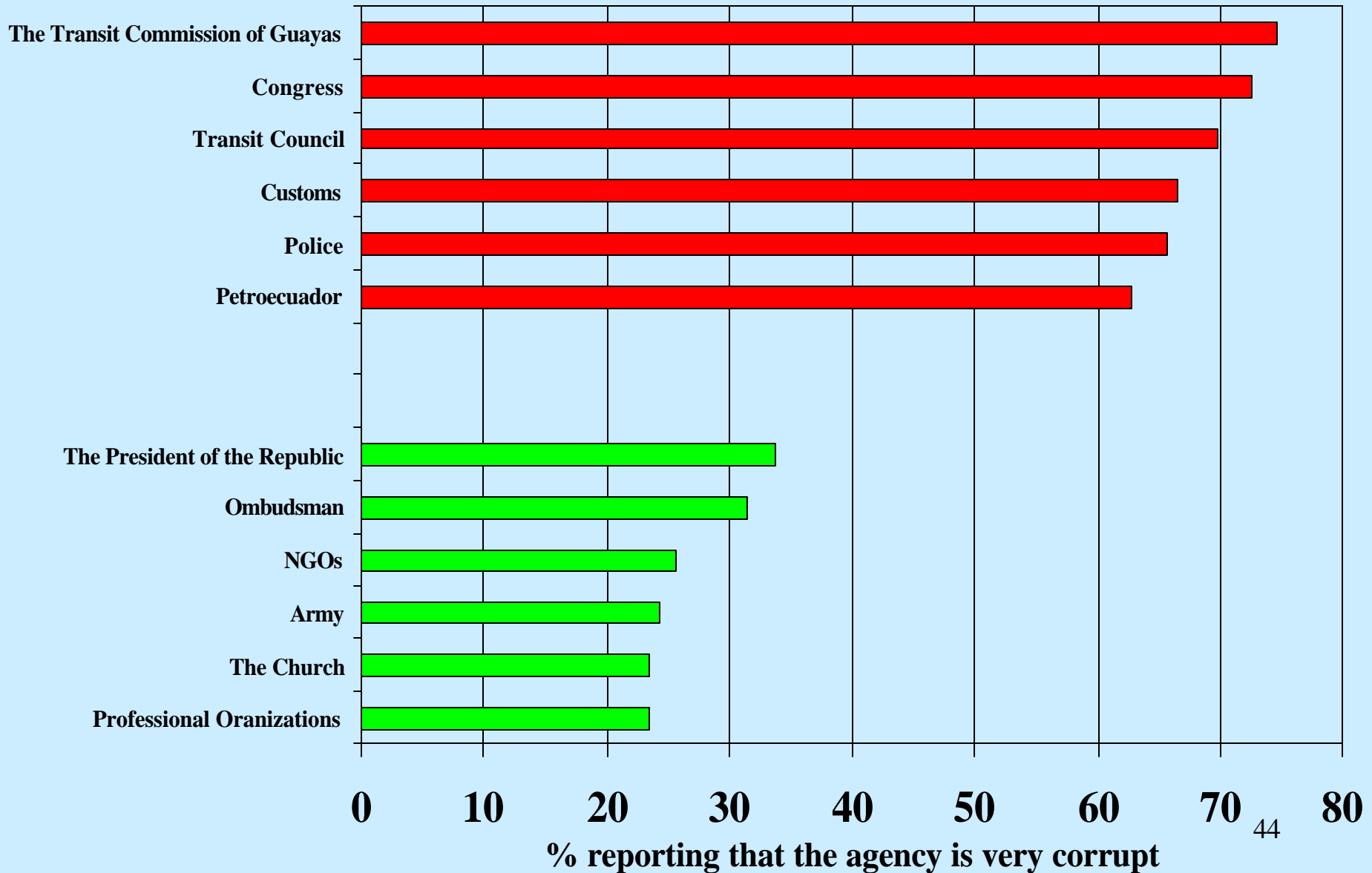
In a diagnostic in a Latin American country, misgovernance is a regressive tax (similarly in other countries)

Bribe/Total Income ratio, %

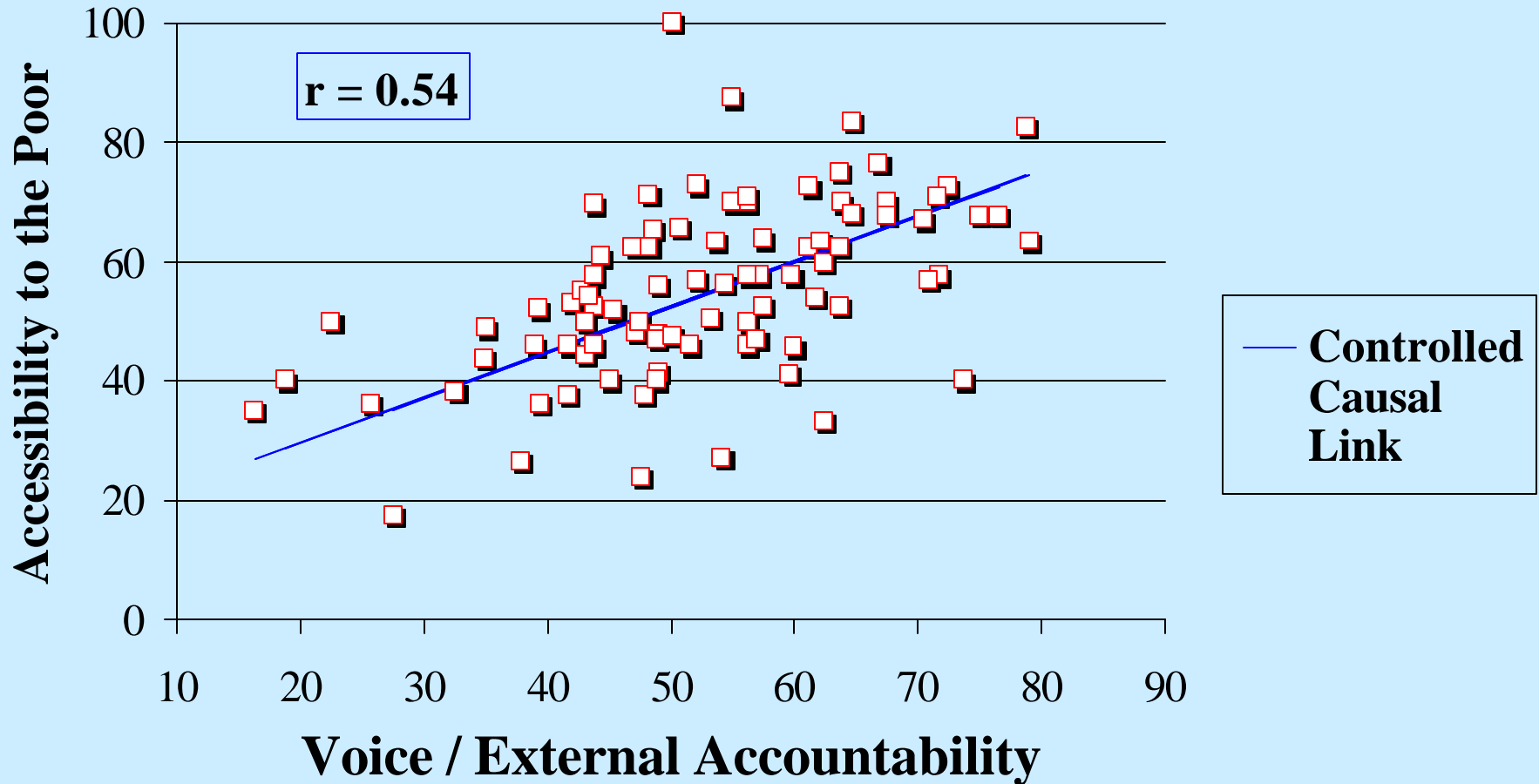


Misgoverned vs. well Governed Agencies in-Country

(as ranked by public officials, 2000 diagnostic)



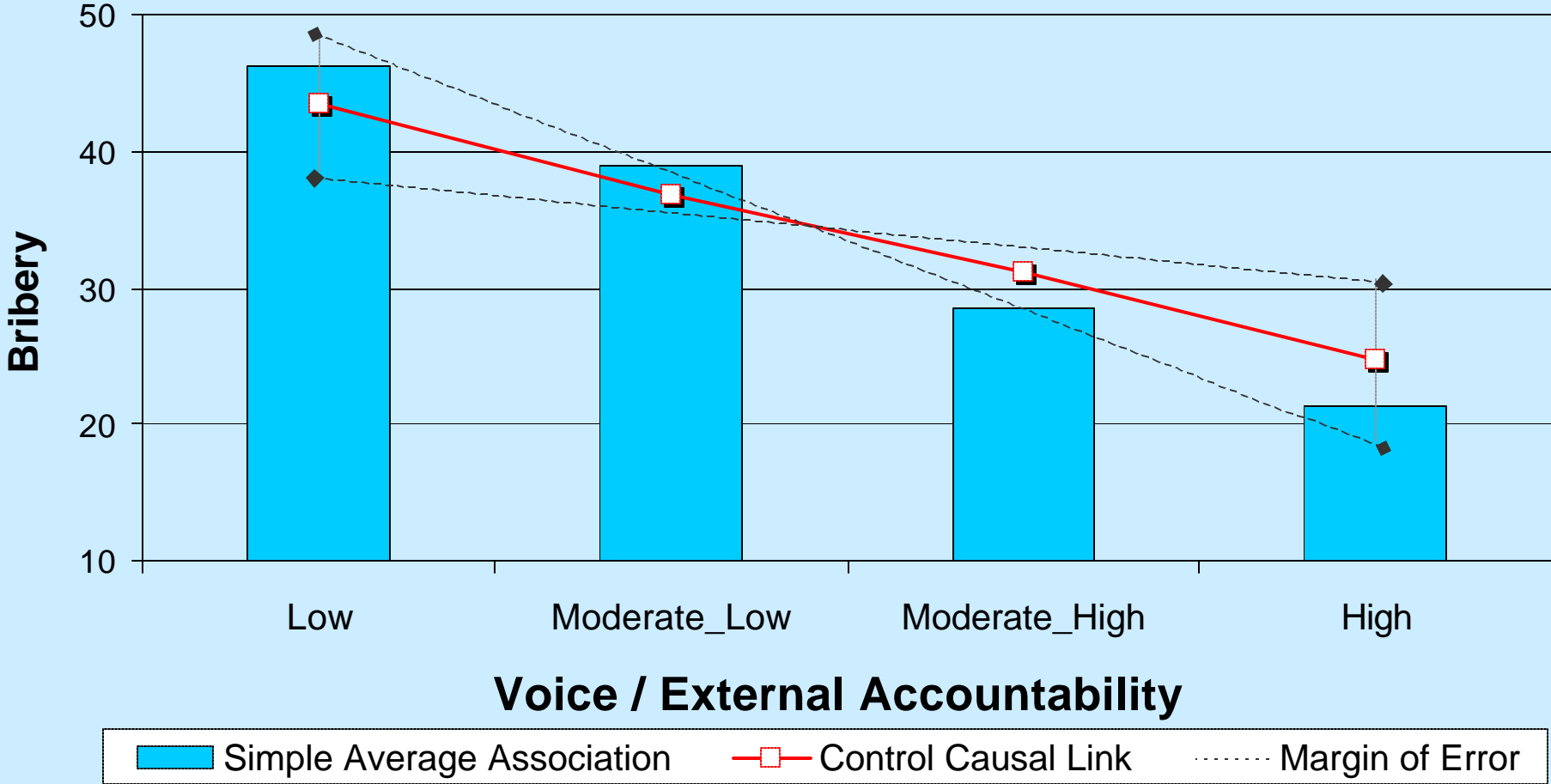
Citizen Voice Improves Accessibility of Public Services to the Poor



Based on Public Officials Survey. The sample of institutions includes 44 national, departmental, and municipal agencies which are a priori anticipated to be accessible to the poor

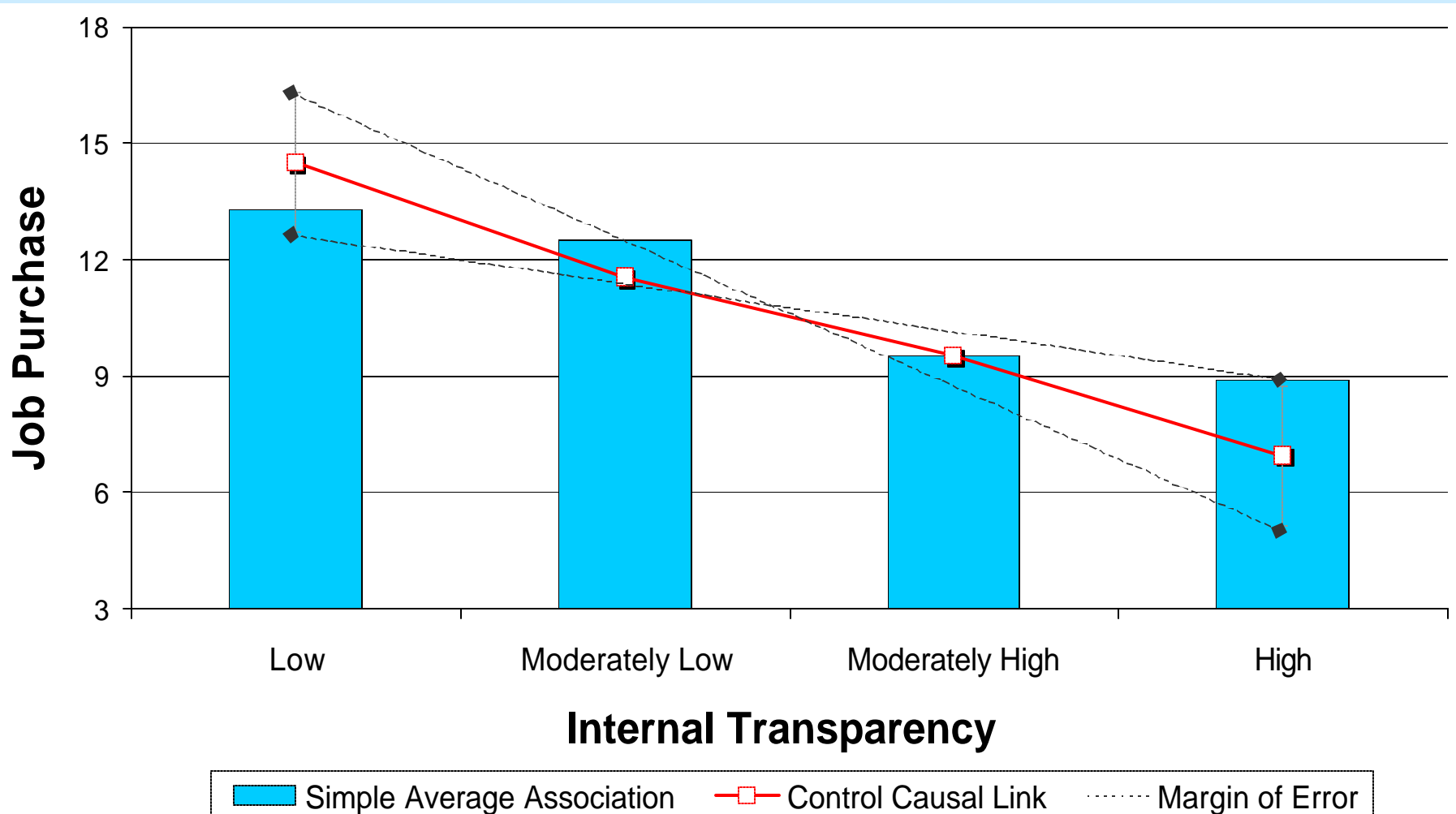
Citizen Voice Helps Control Bribery

(Bolivia Diagnostics)

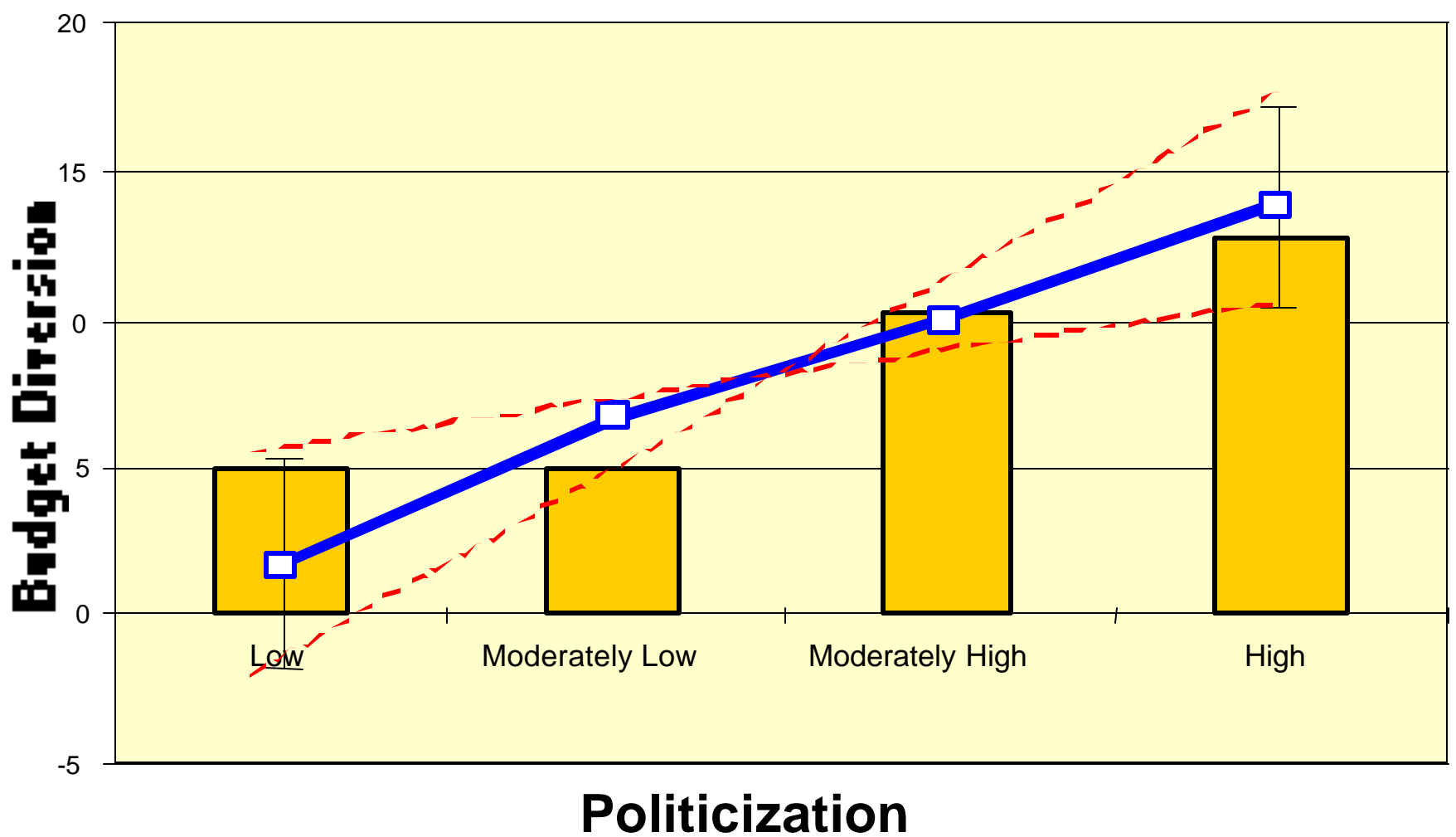


Based on 90 national, departmental, and municipal agencies covered in the Bolivia Public Officials Survey.⁴⁶

Transparency within Government Agencies Prevents Purchase of Public Positions



Politicized Agencies tend to have high incidence of Budgetary Leakages



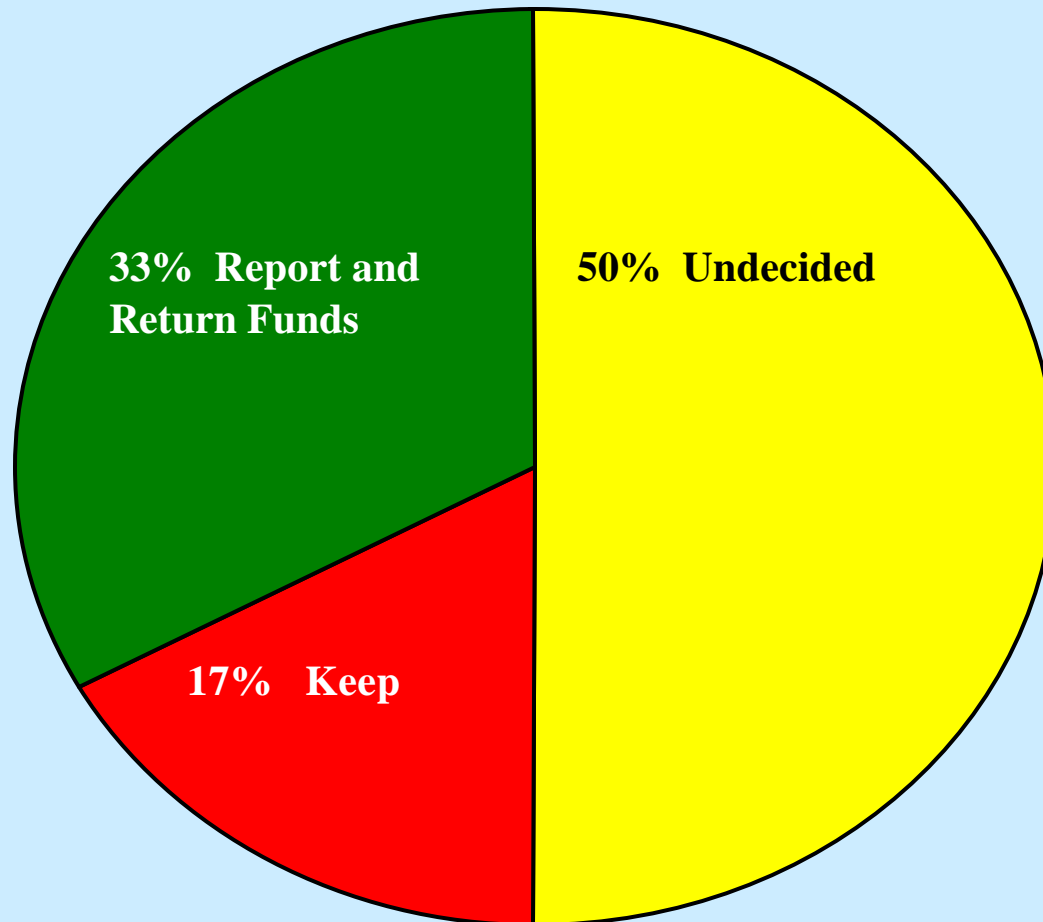
Yellow columns depict the unconditional average for each category. Blue line depicts the controlled causal effect from X to Y variables. Dotted red lines depict the confidence ranges around the causal effect depicted by the blue line.

A 'Live' Test: 'Cultural Determinism' or Information and Incentives...

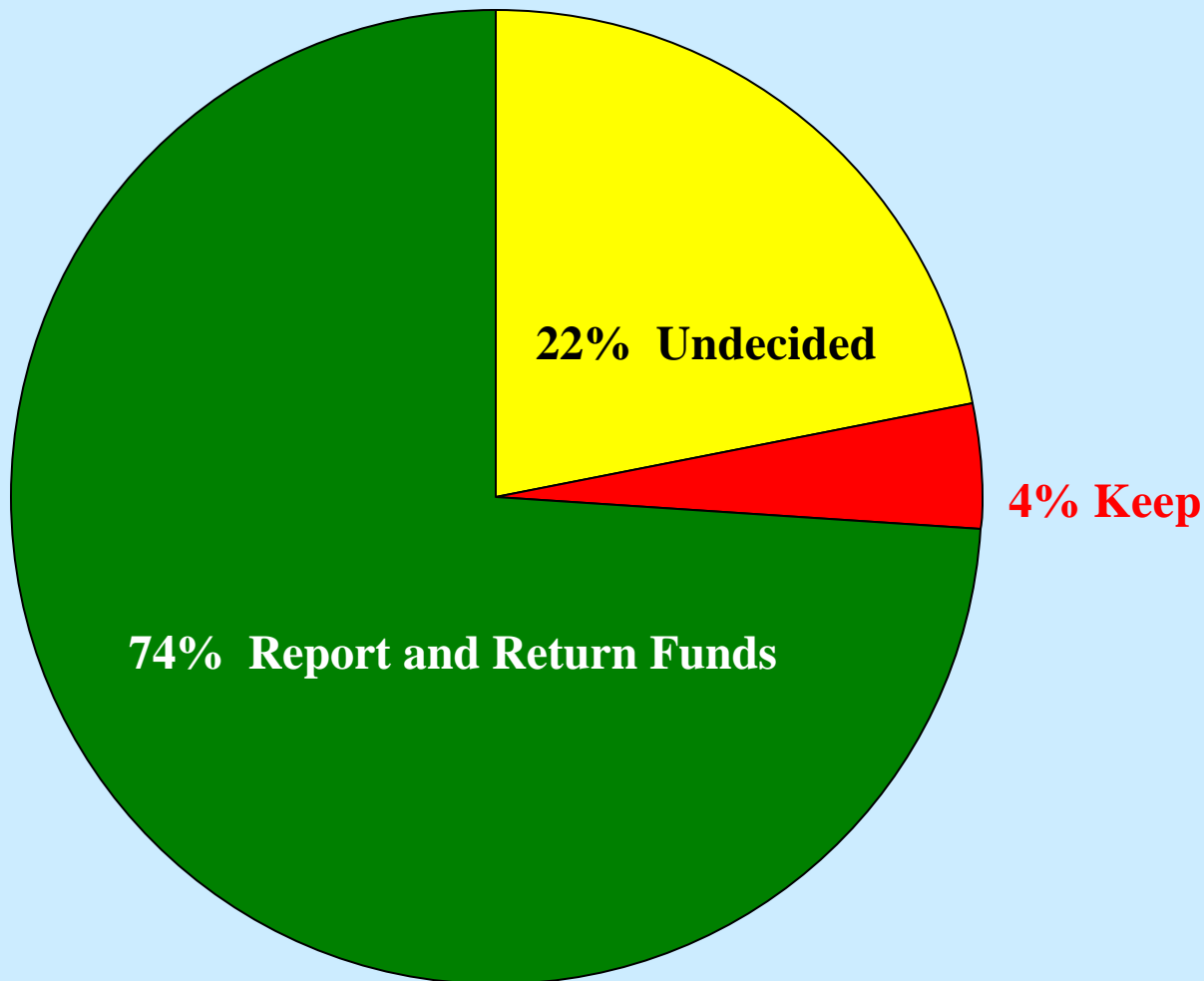
- You are approaching your car in the empty and unattended garage late at night**
- You see an envelope on the floor, and you pick it up**
- It contains 20 bills of US \$100 each.**
- If no possibility that anyone would know: No cameras, no monitoring, no reporting**
- What would you do with such envelope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

A. If no possibility that anyone would know:

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



**B. If 30% probability that information is shared
(e.g. 30% that camera recording info which may be reviewed)**

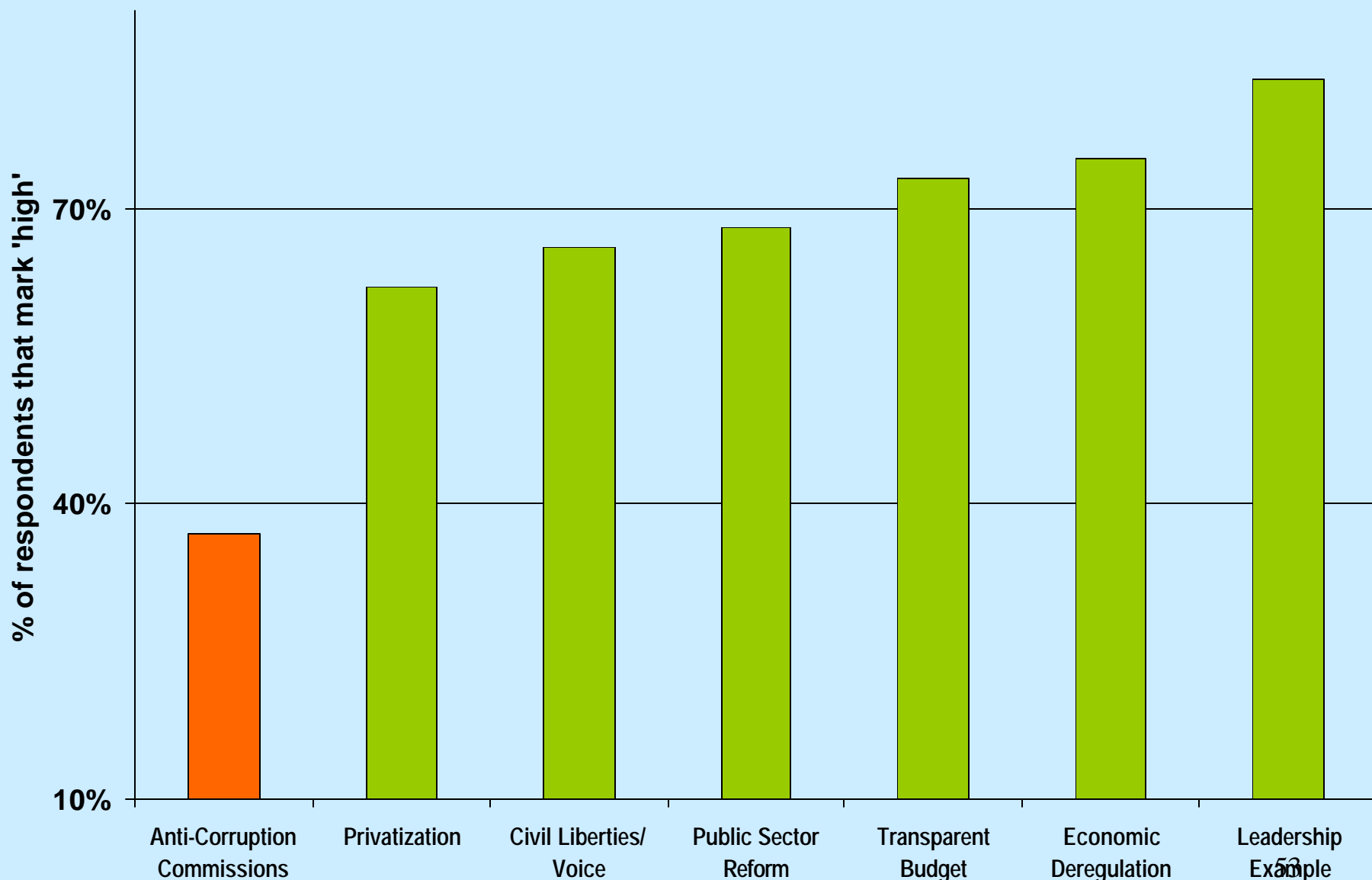


Evidence challenged myths

- 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



Source: D. Kaufmann, 'Corruption: The Facts', *Foreign Policy*, Summer, 1997

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

Percentile Rank

Good
Governance

100

50

0

Poor
Governance

Legal Origin:

- Common law
- Civil law
- Ex-Socialist

Voice and
Accountability

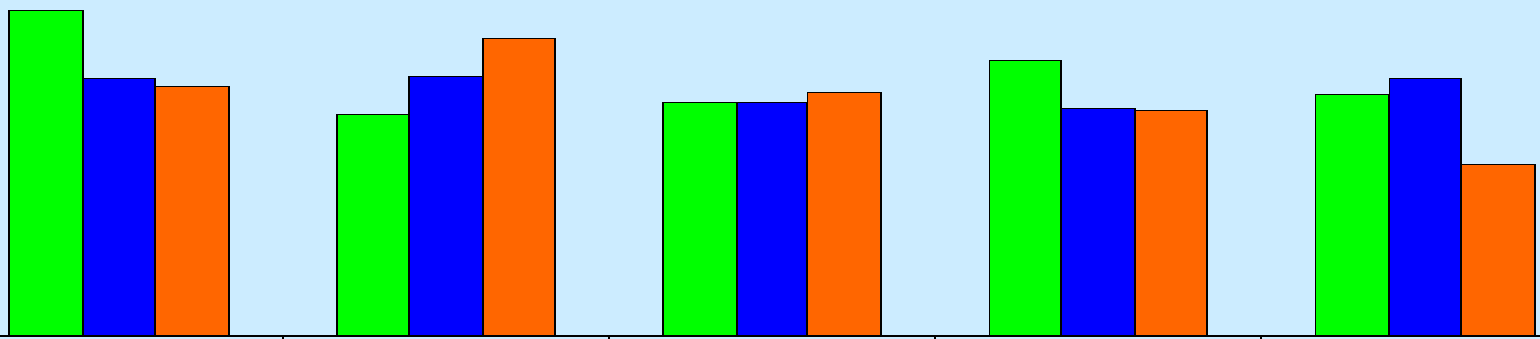
Political
Stability, No
Violence

Regulatory
Quality

Rule of Law

Control of
Corruption

Governance Indicators



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

Institutional Checks & Balances

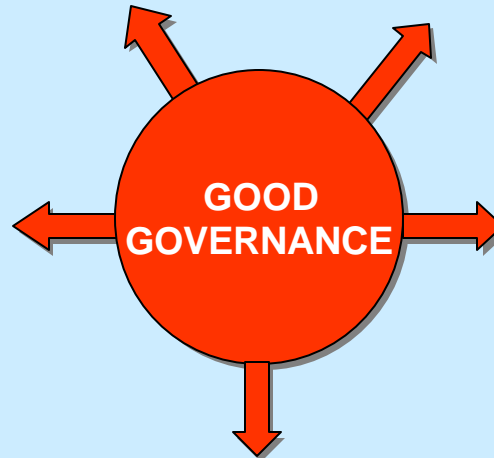
- Independent, effective judiciary
- Legislative oversight
- Decentralization with accountability
- Global initiatives: OECD Convention, anti-money laundering, WCO

Political Accountability

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

Civil Society Voice & Participation

- Freedom of information
- Public hearings on draft laws
- Media/NGOs
- Community empowerment
- Report cards, client surveys



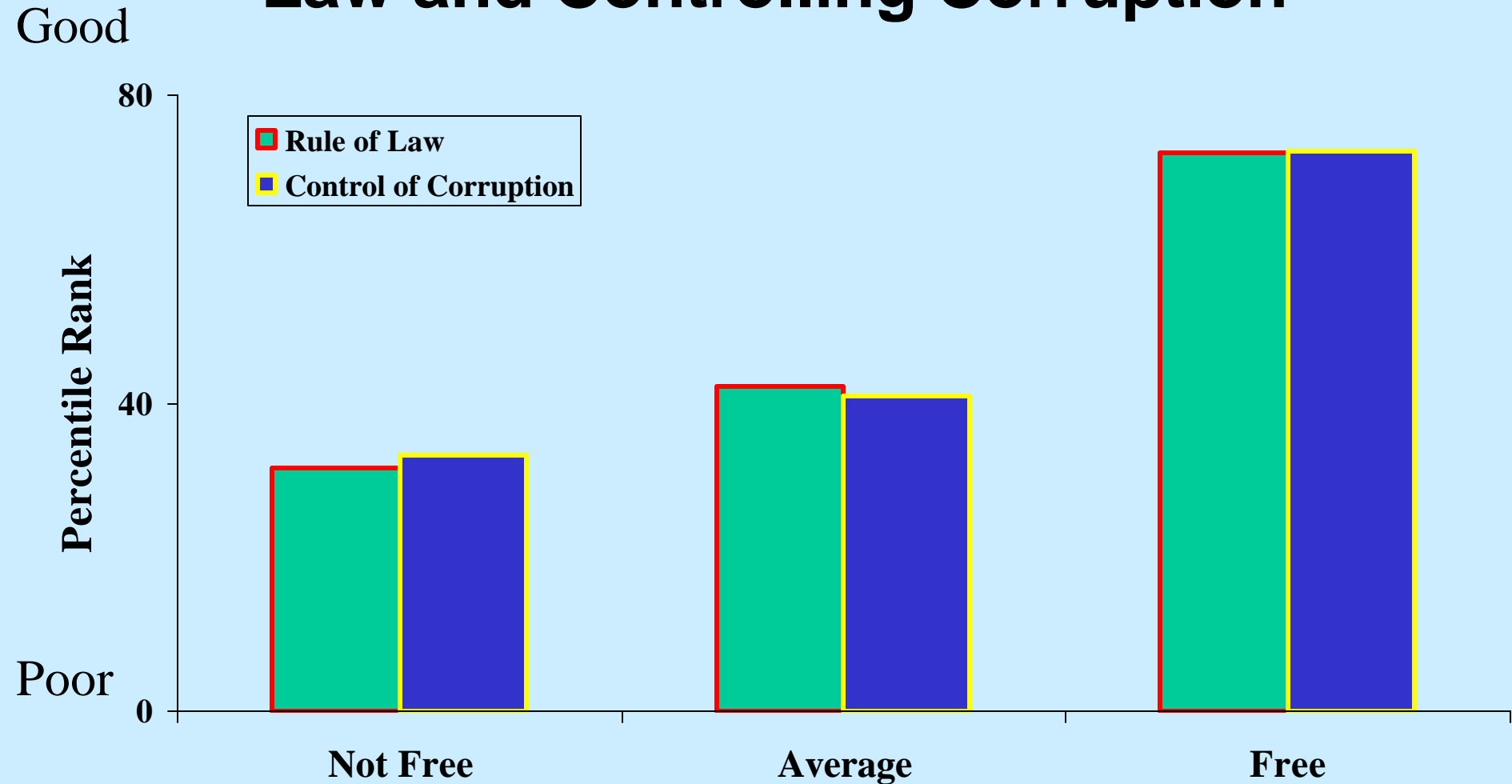
Competitive Private Sector

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

Public Sector Management

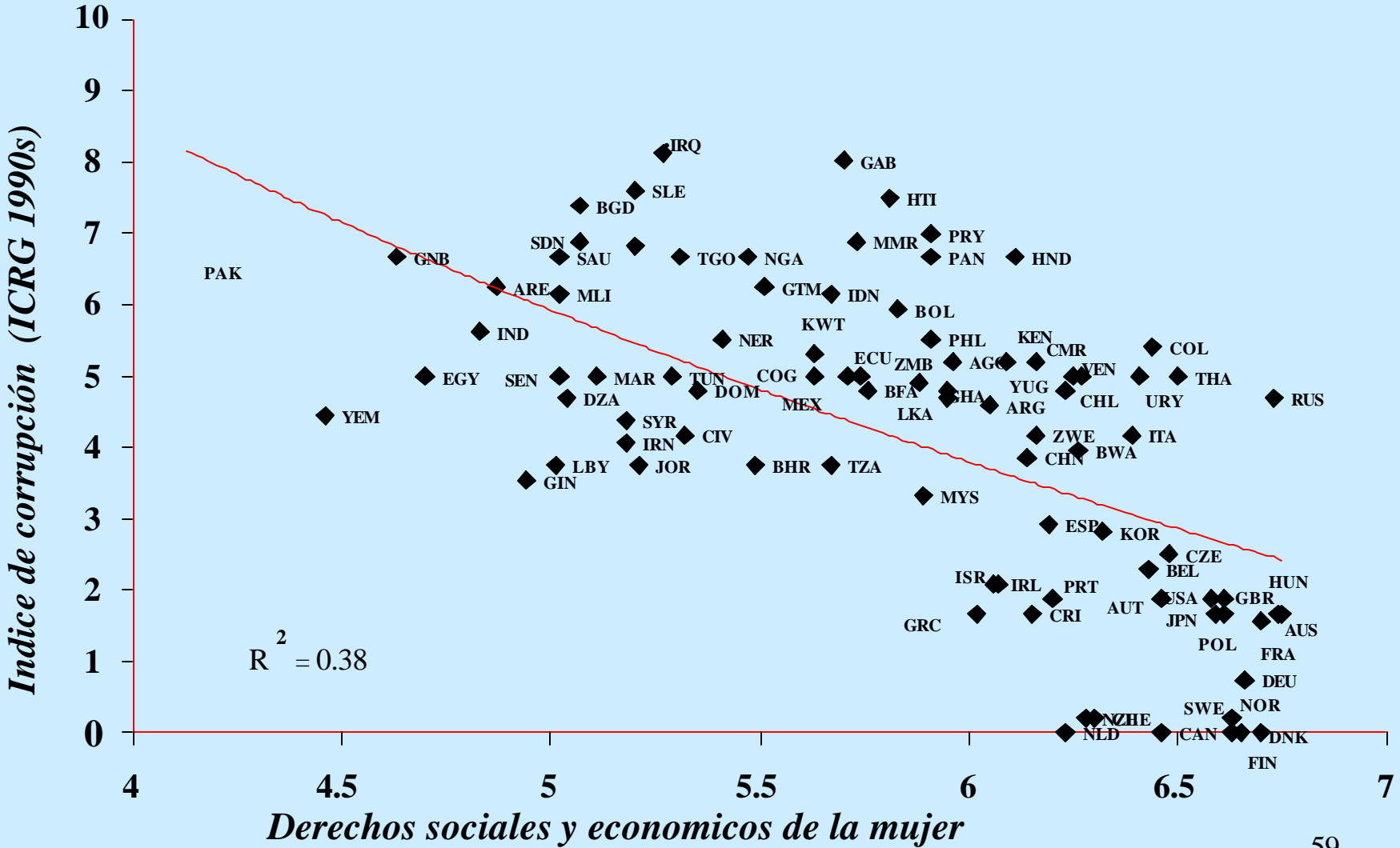
- Meritocratic civil service with adequate pay
- Public expenditure, financial management, procurement
- Tax and customs
- Frontline service delivery (health, education, infrastructure)

Freedom of the Press to improve Rule of Law and Controlling Corruption



Sources: Freedom House, 2002 and KK2002

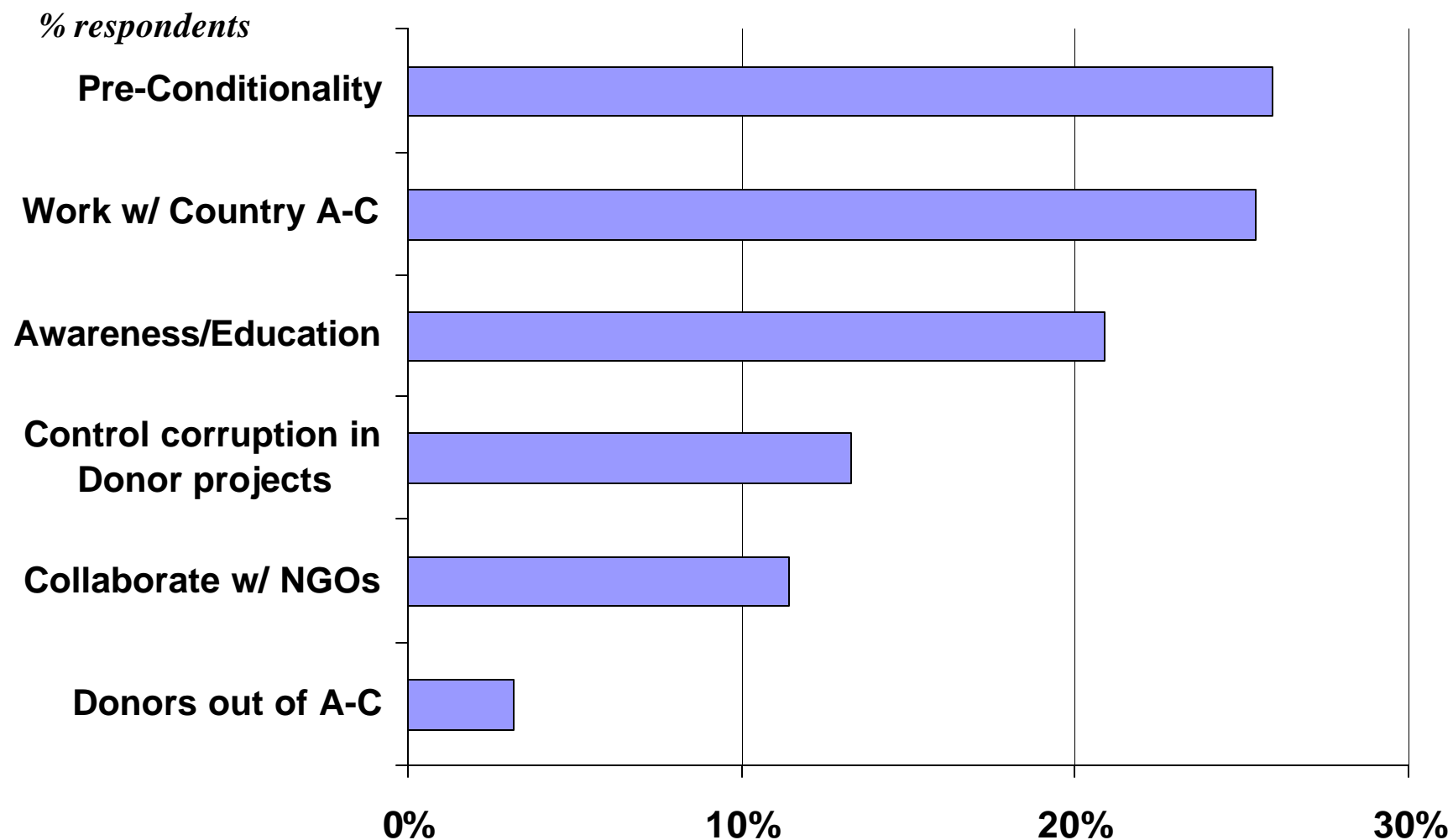
Socio-Economic Rights of Women and Corruption



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

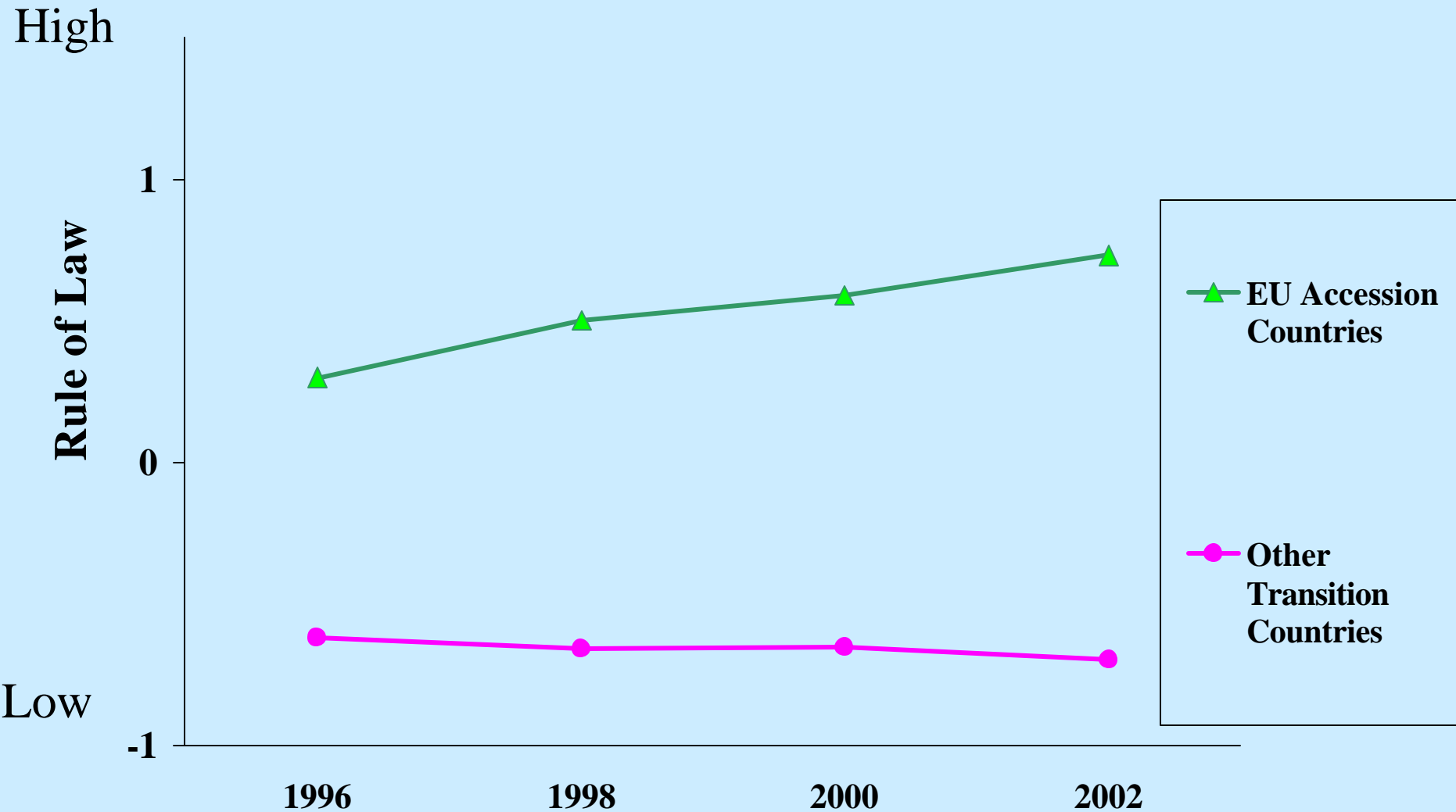
Most Important Role for Donors in Helping Country on Anti-Corruption (A-C)



Percentage of Responses selected as Most Important Role for Donors

Source: World Bank Institute Governance WebSurvey, http://www.wbigf.org/hague/hague_survey.php3. Based on 2,427 responses.

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



Source for data: <http://www.worldbank.org/wbi/governance/govdata2002>.

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:**
<http://www.worldbank.org/wbi/governance/pubs/govmatters3.html>
- **Rethinking Governance: Empirical Lessons Challenge Orthodoxy**
http://www.worldbank.org/wbi/governance/pubs/rethink_gov.html
- **Governance Redux: The Empirical Challenge**
<http://www.worldbank.org/wbi/governance/pubs/govredux.html>
- **Growth without Governance:**
<http://www.worldbank.org/wbi/governance/pubs/growthgov.html>
- **The Inequality of Influence**
<http://www.worldbank.org/wbi/governance/pubs/influence.html>
- **Corruption, Governance & Security: Challenges for the Rich Countries and the World**
<http://worldbank.org/wbi/governance/pubs/gcr2004.html>
- **Governance Indicators Dataset:**
<http://www.worldbank.org/wbi/governance/govdata2002/>
- **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>