

Robert Gregory

Assessing 'Good Governance': 'scientific' measurement and political discourse

The publicity of the government, the press, and a host of private organisations constantly assures the public that New Zealand leads the world in this, that, and the other. So often is the point repeated and asserted about so many features of the Dominion's life that it is now earnestly believed by the majority. It is held as a faith which few call in question ... Under its worst forms it can degenerate into smugness and complacency, the national delusion of the self-satisfied.

– Leslie Lipson (2011) *The Politics of Equality: New Zealand's adventures in democracy*, pp.459-60

What is 'good governance'?

The idea of governance – as distinct from government – has become intellectually fashionable in academic circles over the past decade or so, constituting a new conceptual paradigm that embodies ideas about the dispersal and fragmentation of formerly centralised state authority, the increasing involvement of civil society in the delivery of public goods and services, and the networked collaboration of a wide range of governmental and non-governmental bodies in the pursuit of public purposes and the public interest (for example, Bevir, 2009; Bovaird and Löffler, 2003; Kjaer, 2004; Osborne, 2010; Pierre and Peters, 2000, 2005; Rhodes, 1996, 1997, 2007; Sørensen and Torfing, 2007; Stivers, 2008). According to Rhodes (2007, p.1247), writing with particular reference to Britain, the model of Westminster hierarchical government is 'no longer acceptable', requiring 'a different story of the shift from Government with its narrative of the strong executive to governance through networks'. This

paradigm shift – which Marsh (2008, p.735) has critically described as 'the new orthodoxy' – has been strongly contested by other scholars who are also less convinced about the scope of actual change in governing relations (for example, Bell and Hindmoor, 2009; Frederickson, 2005; Hill and Lynn, 2005; Grix and Phillips, 2011; Lynn, 2010, 2011; Olsen, 2006; Robichau, 2011).

While 'government' can be understood as an entity, embodying such components as the 'machinery of government', governance is better understood as a process. 'Good governance', therefore, refers to processes that work well or badly according to certain criteria. Just what these criteria are or should be is a matter of political choice. As Holmberg,

Friedrich (1940, p.6) famously observed, 'Public policy is being formed as it is being executed, and it is likewise being executed as it is being formed.'

'Good governance' is probably best defined experientially: for example, people living in what have come to be known as 'failed states' probably share a sense of living in a society that is chaotic, unpredictable and largely indifferent to their welfare, individually and collectively. Diamond (2007, p.119) does not paint a glittering picture:

There is a specter haunting democracy in the world today. It is bad governance – governance that serves only the interests of a ruling elite. Governance that is

'good governance' – occurs in a democratic polity in which officialdom (political and administrative) serves the interests of all, is non-corrupt, is not given to the abuse of power, seeks effectively to reduce inequality, unemployment and poverty, uses public resources in the pursuit of collective purposes, operates according to the rule of law, and maintains fair and open electoral processes.

We might assume that, if they were asked, most New Zealand citizens, for example, would say that they prefer to be subjected to 'good governance' than to 'bad governance', notwithstanding the likelihood that some people will see any form of government as 'bad'. But 'good governance' and 'bad governance' are rhetorical categories rather than scientific ones. One person's 'good governance' is another's 'bad governance', in the same way that 'One person's "red tape" may be another's treasured procedural safeguard' (Kaufman, 1977, p.4).

Such evaluations are obviously political rather than scientific. Citizens of virtually all of the world's developed nations are likely to believe that their countries are more or less 'well governed', with their positive or negative judgements being based on a myriad of often conflicting assessments, impressions, experiences and biases. 'Good governance' is experienced by people in a wider community of shared interest, a polity – which may be another way of saying that 'good governance' is a process which effectively promotes and secures some albeit elusive notion of 'the public interest'. As Rothstein (2013, p.12) says, 'Trying to define good governance while ignoring the normative issue of what should constitute "good" defies logic.' He cites Offe's (2009) argument that the concept is empty of agency: 'There is no verb form of the word like there is for government. Members of the government can govern but what is it that members of a network of governance are doing? In reality, the concept tends to capture all forms of collective social co-ordination, outside pure market relations or the family' (Rothstein, 2013, p.8). For his part, Offe (2009, p.553) claims that 'the use value of the concept of governance for the social sciences is jeopardized by a tendency of "over

'Good governance' ... is a process which effectively promotes and secures some albeit elusive notion of 'the public interest'.

Rothstein and Nasiritousi (2008) point out, 'because "good governance" is such a broad concept and encompasses a range of issues, empirical analyses hinge on the definition of the term'. However, it must also be true that the assessments as to whether 'governance' is good or bad, or better or worse, must depend to some extent on the outcomes that they give rise to, support, facilitate or enhance. It is possible to conceive, theoretically at least, of a country which displays 'good governance' but repeatedly produces disastrous policy and governmental outcomes, and a situation in which the converse is true. (Even if such possibilities seem to offend common sense, this in itself is an insufficient reason for academics to desist from conceiving them.) Thus, there is an ongoing relationship between means and ends, process and result, and so on. And while this involves interaction between two clearly separable components at a conceptual level, in practice they are always in an iterative, mutually constitutive relationship. As

drenched in corruption, patronage, favouritism, and abuse of power. Governance that is not responding to the massive and long-deferred social agenda of reducing inequality and unemployment and fighting against dehumanizing poverty. Governance that is not delivering broad improvements in people's lives because it is stealing, squandering, or skewing the available resources. The Philippines, Bangladesh and Nigeria lie at different points along the path of democratic decay, but they reflect a common problem. Where power confers virtually unchecked opportunities for personal, factional, and party enrichment, it is difficult if not impossible to sustain democratic rules of the game. The democratic spirit of elections drowns in vote-buying, rigging, violence, or all three.

Reversing, in summary form, Diamond's dimensions of 'bad governance' it follows that its opposite –

aggregating” the phenomena it refers to ... It is not surprising that the concept has not been introduced by an authority in social theory, but by the World Bank, which suggested it in 1989 – with rapid and obviously lasting success.’

Nor, as Rothstein (2013) argues, should elements which need explanation, in and of themselves, be included in any definition of ‘good governance’, if the quality of how the state manages to govern society is considered to be a truer measure of ‘good governance’ than how access to power is organised in a representative democracy. In this regard, Rothstein cites Sen (2011), who claims that on most standard measures of human well-being, the People’s Republic of China now clearly outperforms democratically-governed India. For their part, Holmberg and Rothstein (2011) find weak, sometimes negative and sometimes no correlations between standard measures of human well-being (including child deprivation) and the level of representative democracy. They cite a study by Halleröd et al. (2013), using data from 68 low- and middle-income countries, measuring seven aspects of child poverty and showing no positive effect of democracy on levels of child deprivation for any of the indicators – access to safe water, food, sanitation, shelter, education, health care and information. Rothstein’s conclusion is that ‘Representative democracy is not a safe cure against severe poverty, child deprivation, economic inequality, illiteracy, being unhappy or not satisfied with one’s life, infant mortality, short life-expectancy, maternal mortality, access to safe water or sanitation, gender inequality, low school attendance for girls, low interpersonal trust or low trust in Parliament’ (Rothstein, 2013, p.4). Presumably, given the experiences of countries like Britain, the United States and New Zealand over the past couple of decades or so, he might have added high levels of income inequality to this list.

Apart from the idea of governance that grew out of the critique in Western democracies of what has been seen as the growing inefficiency and rigidity of traditional Weberian public administration, Rothstein identifies two other emergent conceptualisations

of governance. The first is the idea of ‘participatory governance’, which focuses on means of overcoming a ‘democratic deficit’ by involving citizens in ‘broad based and open systems for collective deliberation in public decision making either as a complement or an alternative to the system of representative democracy’ (Rothstein, 2013, p.9). The second is what Rothstein calls the ‘political economy approach to governance’. This idea has not emerged from any dissatisfaction with public administration and policy in mature Western democracies, but from

government to effectively formulate and implement sound policies; and the latter two deal with the respect of citizens and the state for the institutions that govern economic and social interactions among them (Kaufmann, Kraay and Mastruzzi, 2010, p.4).

Because of the ambiguity of the idea of ‘governance’, and because complex definitions are too difficult to operationalise for comparative purposes, Rothstein (2013) prefers a parsimonious conceptualisation of the ‘quality of government’. This is built on the Rawlsian

One inevitable by-product of the emergence of such indexes has been a burgeoning of academic criticism of the methodologies adopted in formulating them.

cross-national research on development and economic growth in so-called ‘third world’ countries. Here, ‘good governance’ – central to which is the effective fight against corruption – is seen to be essential in achieving social and economic development.

The latter approach has been central to the work of international donor organisations, and is exemplified in the World Governance Indicators (WGI) developed in recent years under the imprimatur of the World Bank, covering more than 200 countries since 1996 and updated annually (Kaufmann, Kraay and Mastruzzi, 2008, 2010).¹ The WGI are widely publicised and draw upon data from many sources in ranking countries on six aggregate measures of governance: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. The first two dimensions address the process by which governments are selected, monitored and replaced; the second and third ones are intended to cover the capacity of the

normative understanding of what should be seen as a just political order, and the Machiavellian strategy of practical implementation in enhancing human well-being, social trust, life satisfaction, peace and political legitimacy. Discarding the six dimensions of the WGI, Rothstein instead argues that the *sine qua non* of quality government is impartiality in the exercise of political power. Rothstein is aware of the objections that can be raised against such a parsimonious procedural conceptualisation.² The main point is to contrast such a conceptualisation of ‘good government’, one that can be operationalised for meaningful comparative purposes, on the one hand, with the WGI attempt to operationalise for cross-country comparisons six dimensions of governance, all of which in themselves embody complex relationships between ‘input’ and ‘output’ sides of government.

It may be, after all, that ‘good governance’ is something of an indefinable abstraction. Of course, in practical terms the notion speaks to a community’s

collective capacity to ensure that the haunting spectre of which Diamond speaks is not allowed to visit its calumnies on that particular polity. But which factors most enhance or diminish the risk of any of these tragic outcomes? What actions are necessary to ensure that any of these tragedies are avoided? What theoretical knowledge is available to inform such action, providing governors and people with some useful understanding of the relationships among a range of variables? These are challenging questions for public policy makers.

Political considerations of what constitutes either 'good government' or 'good governance' have been around a long time. Citizens in states the world over have always engaged in arguments

to generate comparative measures of 'good governance', as if such quantitative evaluations can be based on detached, better informed, rational and scientific calculation, even assuming that we know what 'good governance' actually is. Apart from the WGI, there has been an explosion of indexes and indicators, as various international organisations develop measures to rank comparatively the performances of different countries, both globally and regionally. Among the most widely cited of other indexes to have emerged within the past 20 years, Transparency International's Corruption Perceptions Index (CPI), established in 1995, ranks countries according to the degree of corruption experienced across all areas of society. Others include the

One inevitable by-product of the emergence of such indexes has been a burgeoning of academic criticism of the methodologies adopted in formulating them. While it is not the purpose of this article to canvass and try to assess the relative merits of all such criticisms, it is worthwhile mentioning some of those pertaining to the WGI, to at least gain a sense of how problematic are the foundations of such indexes in general.

Criticisms of the WGI

Indexes result from simplistic reductionism

Probably the most common criticism of the WGI (and other indexes) is that the vast complexities of 'good governance' cannot be reduced to any meaningfully precise single index number. Arndt and Oman (2006, 2010) and Arndt (2008), perhaps the most widely cited critics of the WGI, emphasise this point in their critiques. While a single composite number is seductive, and enables quick comparisons to be made among countries, the problem is that for comparative purposes these numbers are virtually meaningless, since they are based on sources and information which vary greatly between countries, and even within countries, over time (Anderson, 2009). As Pollitt (2008, p.19) argues, the concept of 'governance' itself is 'so vague, abstract, value-laden and multi-faceted as to present an insurmountable challenge for expert measurers and lay decision makers alike ... the idea of reducing governance to six composite indicators – let alone one, as some indices attempt – seems just too Olympian.'

Indexes are ideological and ahistorical

The WGI emerged out of, and were intricately connected to, the neo-liberal ideas which constituted the so-called 'Washington Consensus' in the 1980s. This sought to progressively replace 'Weberian' public administration with market-driven modes of policy formulation and service delivery. It also, however, sought to 'roll back the state', by means of economic deregulation, cutting back public expenditure, guaranteeing individual property rights against collective predation, and privatising state assets. In this view, diminished governance is good governance, and the

Probably the most common criticism of the World Governance Indicators is that the vast complexities of 'good governance' cannot be reduced to any meaningfully precise single index number.

about the quality of the regimes under which they live. And if, for the sake of argument, we can distinguish crudely between two groups – the governors and the governed – then the former have always tried to ensure the acquiescence of the latter, just as the latter have or have not been more or less compliant. The French patriots who sought the head of Louis XVI, Hitler's Nazis who brought an end to the Weimar Republic, the revolutionaries who overthrew Libya's Colonel Gaddafi, and so on, are all dramatic examples of the 'conversation' between the governors and the governed. They differ only in scope, intensity and consequences, rather than in kind, from the more mundane judgements made, for example, by voters in the regular electoral processes of stable liberal democracies.

What has emerged in recent years, however, and which by implication seeks to supplant political ways of judging governmental quality, is the attempt

Asia Foundation's Economic Governance Index, the OECD Better Life Index, the United Nations Development Programme's Human Development Index, the Fund for Peace Failed States Index, the Economist Intelligence Unit's Democracy Index, the World Justice Project Rule of Law Index, the Open Budget Index, the Freedom House Index of Press Freedom, the UN Industrial Development Organisation's Competitive Industrial Performance Index, and the Reporters Without Borders' Press Freedom Index. Then there is Hofstede's (2001) heroic attempt to rank countries on a set of six indexes which purport to measure, respectively, 'power distance' (PDI), 'uncertainty avoidance' (UAI), 'masculinity versus femininity' (MAS), 'individualism versus collectivism' (IDV), 'long-term versus short-term orientation' (LTO) and 'indulgence versus restraint' (IVR). And so it goes on, seemingly without end.

'sound policies' of which Kaufmann and his collaborators speak are assumedly those policies which serve such ends, as distinct from those that might serve other – perhaps more social democratic? – ones. It may not be necessary to agree fully with Pollitt's trenchant assessment in taking his point: the operationalisation of the elusive concept of 'governance' has been taken over by 'a group of technocrats employed at an intergovernmental, non-majoritarian institution which is both well-heeled in resource terms and well-insulated against conventional political questioning' (Pollitt, 2008, p.20).

The WGI are based on a strong ideological orientation towards the amorphous notion of 'good governance', interpreting it as a product of 'less government', with a strong 'minimalist' bias in operating assumptions about the legitimate scope of state power and authority. In Offe's words (2009, p.555), 'governance' 'is not interested in enhancing state capacity, but in substituting or at least restraining it according to neo-liberal premises'. According to Oman and Arndt (2010), bias in the WGI stems from the imbalance between the weight given to household surveys and similar instruments, and that given to the opinion of firm surveys and expert assessments.

The indicators are also ahistorical, in that they tend to represent their key dimensions as central to a liberal democratic 'end of history' apotheosis. They say almost nothing about the complex historical, cultural and political forces which have shaped the present day representation of a state in the form of a series of index numbers. They say nothing, therefore, about how those historical factors can shape the future of governance in those states.

They are tautological, lacking in transparency, and non-theoretical

Langbein and Knack (2008) argue that the six dimensions of the WGI do not in fact measure different things, but rather that each of the indexes reflects the perceptions of the quality of governance more broadly. Similarly, the ambiguity of the idea of 'good governance' gives rise to tautology: as Rothstein and Teorell (2008, p.168) put it, 'What is required for the quality of life

enjoyed by citizens? Quality of governance. What is quality of governance? That which promotes the quality of life.' This in itself assumes that 'good governance' is in fact that which enhances citizens' quality of life, which is what Rothstein and Teorell themselves quite reasonably argue. But if quality of governance is considered to be that which enhances economic production and commercial profitability, then, as the Economist (4 June 2005) critically observed, 'What is required for growth. Good governance. And what counts as good governance? That which promotes growth. And what is required for growth ...'. Rothstein and Teorell's argument (p.168) that Kaufmann et al.'s conception of 'good governance' is 'just about as

of the six dimensions of good governance. The situation is clouded by the fact that low and high corruption, on the one hand, and good or bad governance on the other are relative not absolute concepts. Countries like the United States, Britain and Australia, for example, score relatively well on both good governance indicators and on the CPI, but not as well as a number of other countries, including New Zealand, on either indexes. It is not at all clear how the WGI can help to explain, as distinct from demonstrating, such differences (Andrews, 2008).

As Oman and Arndt (2010) see it, the WGI suffer from a transparency paradox, in that, while the construction of the indexes is itself not transparent, they

Not only do the WGI tend to oversimplify complex realities, but the indexes themselves tend to become reified: that is, they become accepted as precise and objective measurements, as largely indisputable 'facts'.

broad as any definition of "politics" is hard to resist.

Do the six WGI dimensions simply say roughly the same thing, but with different words in each case? If there is indeed some substantive relationship between economic development and 'good governance', then is it a causal one – and if so, in what direction? – or is it a spurious correlation more explicable by other, independent variables? For example, do low levels of governmental and/or business corruption foster good governance, or does good governance keep the lid on governmental and/or business corruption? Is it possible to have simultaneously both good governance and high levels of corruption, and low levels of corruption together with not-so-good or bad governance? These are theoretical possibilities at least, but the WGI do not recognise them as such, since low corruption is taken a priori to be one

are nevertheless used by international aid agencies as a means of enhancing the transparency and objectivity of their aid allocation decisions. The lack of transparency results in the main from the absence of any coherent theory or analytical framework of governance to guide their scoring systems. They simply produce scores according to aggregated subjective perceptions relating to each indicator. They do not say anything explicitly about the priorities that governments might be encouraged to attend to, or the sequencing of reforms and developments that might arguably be needed to lift a country's WGI scores. Are there social, political or economic 'tipping points', for example, which can have a major impact, for better or for worse (depending on the specific criteria by which 'better' and 'worse' are evaluated)?

Misuse

Not only do the WGI tend to oversimplify complex realities, but the indexes themselves tend to become reified: that is, they become accepted as precise and objective measurements, as largely indisputable 'facts'.³ They therefore diminish rather than enhance the capacity for more insightful analysis and judgements about the countries themselves. Because they lack any coherent theoretical foundations, they say nothing about how individual countries can develop better governance (assuming that it is possible to know in what specific ways 'better' governance differs from 'good governance', or 'not so good governance').

Worse than this, however, to the extent

In other words, indexes are useful and valid to the extent that they measure what can sensibly and reasonably accurately be measured, rather than trying or purporting to measure accurately what they cannot so measure. In this regard, the Serendipity Prayer may be recast: 'Grant me the ability to measure those things than can sensibly be measured; the intelligence to understand those that cannot be measured; and the wisdom to know the difference.'

The timeless fallacy of the 'one best way'

The issue of the lack of a theoretical model or conceptual framework to explain what 'good governance' actually is and how it might be achieved undermines

the institutions believed to be central to 'good governance'. For example, in his comparative study of public financial management in a selection of OECD and non-OECD countries Andrews (2010) found that there was no single best way, no best practice model, in achieving sustained sound practice and that good public financial management means different things in different countries.

In similar vein, Sundaram and Chowdhury, in their edited volume entitled *Is Good Governance Good for Development?* (2012), strongly question any received wisdom that economic development is dependent upon action that would substantially raise countries' scores on the six WGI dimensions. The rapid rates of economic development displayed over the past two or three decades by countries like China and Vietnam are obvious cases in point. In Vietnam the regime has deliberately eschewed the progressive development of Western institutions like 'the rule of law', in the apparent belief that economic growth is the main priority and any real concern over 'good governance' – if it is a concern at all – can be left until later (Painter, 2012). (The same can also be said of China, of course.) Painter (2006) has mounted a similar argument in regard to Vietnam's apparent adoption of some of the principles of Western New Public Management (NPM) before securing the rule of law and an administrative system based solidly on the principles of Weberian legal-rational authority. He is not convinced that some of the key ideas embodied in NPM cannot be successfully adopted in developing countries where legal-rational foundations have not been consolidated – a view that runs counter to the widely cited argument made by Schick (1998).

That there are indeed many different ways to achieve economic development, rather than a single technocratic template based on the sort of dimensions embodied in the WGI, is reflected in the pragmatic programmes of marketisation displayed in post-Mao China, according to the idea of 'crossing the river by feeling the stones' (Gabriel, 1998). More generally, Grindle (2004, pp.541-2) argues that the path to 'good governance' as a means of

... there was no single best way, no best practice model, in achieving sustained sound practice and that good public financial management means different things in different countries.

that the WGI (and the CPI) become used as decision tools for international agencies, the WGI can actually impede what might be considered by many to be desirable forms of development, simply because the indicators do not necessarily provide valid and meaningful comparisons among different countries.

The problem lies with composite indexes, like the WGI, rather than with indexes per se. Pollitt (2008, p.18) argues that 'WGIs ... are highly attractive to elite groups yet almost useless, if not actively misleading, for lay decisionmakers ... By contrast PISA [the OECD's Programme for International Student Assessment] measures are attractive and useful, though with some significant pitfalls concerning what the tests do and do not mean, and with a considerable gap between the results and the drawing of policy conclusions.'

the implicit assumption that there is any single pathway to 'good governance' (or it defines 'good governance' in such a way that it is a function of a particular set of elements and factors – the tautological problem again). As discussed, the WGI, developed under the auspices of the World Bank, suggest that 'good governance' is essential to socio-economic development. Indeed, international donor organisations stress the need for the development of sound political institutions, together with effective anti-corruption strategies, to be key components in their decisions on the allocation of aid.

However, there has emerged a growing scepticism about these sorts of assumptions, one which rejects the idea that 'one size fits all' when it comes to development, and is much more open-minded about the relationships between such factors as economic development and the progressive establishment of

effectively tackling poverty in developing countries is 'fraught with ambiguities, challenges, and the potential for failure and less-than-anticipated results'. She suggests that the best that can be hoped for, at least in the shorter term, is 'good enough governance'.

Response

The authors of the WGIs have offered detailed and sometimes quite persuasive refutations of these and other criticisms (Kaufmann, Kraay and Mastruzzi, 2007, 2010). In response to Thomas (2010), who queries what the WGI actually measure, they argue that the absence of definitional consensus regarding governance 'would paralyze any effort to measure governance using any means' (2007, p.24).⁴ Similarly, 'Endlessly waiting for the articulation of a complete, coherent and consistent theory of governance before proceeding to measurement and action (of course with due regard to limitations), while perhaps intellectually satisfying to a few, would be impractical to the point of irresponsibility' (ibid., p.26). They are particularly careful to offer caveats regarding the interpretation and use of the WGI, cautioning users that 'aggregate indicators such as the six WGI measures are often a blunt tool for policy advice at the country level', and that 'Users ... can usefully complement their analysis with an in-depth examination of the detailed disaggregated data sources underlying the WGI, together with a wealth of possible [sic] more detailed and nuanced sources of country-level data and diagnostics on governance issues' (2010, p.21).

Regarding ideological biases, they point out that they found no substantial difference between the views offered by business people and those household surveys that they did use, nor any apparent bias in the ways rating agencies assessed the performances of governments of the political left or right. At least in regard to perceptions of corruption, this argument may be supported by Rothstein (2013, p.22-3), who cites a large survey of 'ordinary people' in various EU countries which produced results 'surprisingly similar' to expert-based measures (see Charron, Lapuente and Rothstein, 2013).

However, much of their response focuses on narrower methodological points, without really offering a convincing refutation of the argument that (a) 'governance' is too elusive a concept in the first place to be operationalised with the precision that the WGI purport to offer; and (b) their own assumptions as to what constitutes 'good governance' demand critical scrutiny. Moreover, their pleas for caution in the interpretation and use of the WGI – 'our estimation of, and emphasis on ... margins of error is intended to enable users to make more sophisticated use of imperfect information' – while valid in itself, overlooks the reality that most (especially non-academic) users of the WGI are likely to have neither the time,

were prepared to entertain. (Tsoukas, 1997, p.838)

Tsoukas identifies three paradoxes of the modern age: there is more information, but less understanding; more information but less trust; and more social engineering and more problems.⁵ Such contradictions suggest that a type of Gresham's Law in economics (that is, bad money drives out good money) applies to the extent that, in the comparative assessment of 'good governance', quantitative data tends to drive out qualitative assessment, a process hugely enhanced by the increasing sophistication and capacity of information technology. Experimental knowledge derived from spurious calculation that is overly abstracted from lived realities can

According to the WGI [New Zealand] is one of the best governed countries, with very little corruption – and it is a unitary and parliamentary system to boot.

expertise nor inclination to act on such warnings. As Pollitt (2008, p.20) asks, 'what percentage of the users of WGIs access the technical documentation [that supports them]?'

Social science and social criticism: keeping a balance

Tsoukas's (1997) notion of the 'tyranny of light' gives pause for thought. In his words:

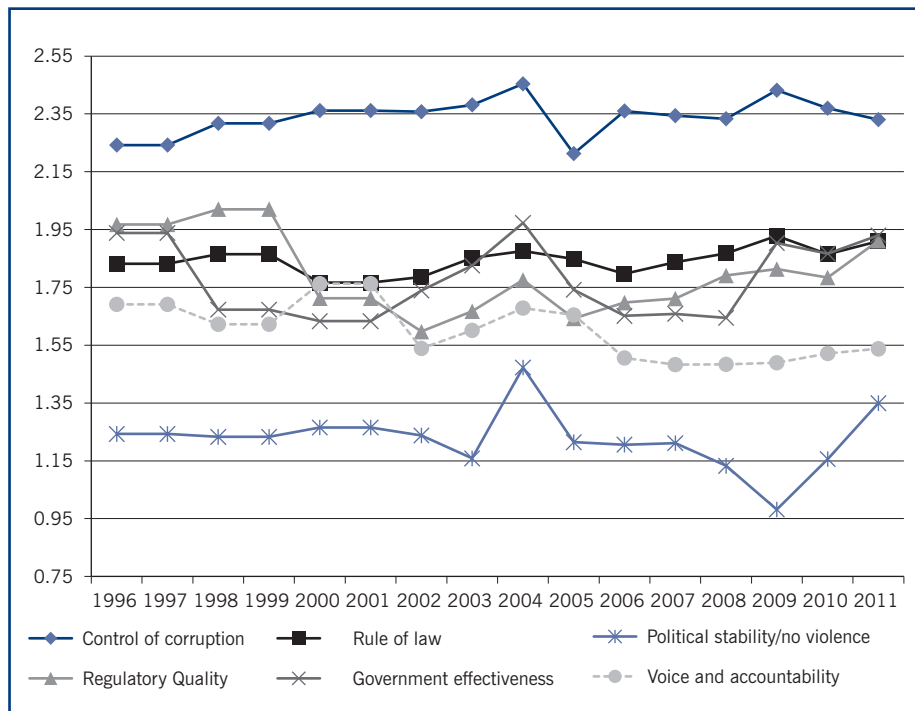
Since the Enlightenment, knowledge has been viewed through the metaphor of light. More knowledge has been taken to mean a stronger human ability to see and thus an enhanced capability for action or, to be precise, for control ... That more knowledge could cause problems, that light might prove another tyranny, that knowledge might bring suffering, were not thoughts the philosophers of the Enlightenment

tend to supplant insightful reflection on social and political experience.⁶

A good example is provided by Gerring and Thacker (2004). Their data enables them to calculate precisely that a country which swaps its federal, presidential system for a unitary, parliamentary one can reduce its level of perceived political corruption 'by somewhere between 0.335 to 0.860, or by 0.586 on average' (Gerring and Thacker, 2004, p.326). Admittedly, they qualify their calculation with '*ceteris paribus*', but of course when it comes to such a radical transformation of a political system all other things are most unlikely to be equal or to remain the same. While they themselves are not unmindful of this, the prospect of serious obstacles to such a change does not deter them:

as a practical matter, the alteration of basic-level political institutions lies more directly in the control of governments than other factors that might ameliorate political corruption.

Figure 1: New Zealand on WGI, 1995 – 2011. From Zirker, Scrimgeour and Gregory (2013).



Source: Zirker, Scrimgeour and Gregory (2013)

It is usually easier to change political institutions than to achieve long-term economic growth, and it is of course impossible to change cultural and historical antecedents such as religion (the presence or absence of Protestantism), legal origin (English or non-English), socialism or the tenure of democracy. Whatever its obstacles, constitutional reform may offer a relatively practical programme for the improvement of governance around the world. (ibid., p.327)

Again New Zealand could find itself touted as a model for reform, just as it was during the heyday of NPM in the late 1980s and early 90s. According to the WGI it is one of the best governed countries, with very little corruption – and it is a unitary and parliamentary system to boot. However, lest New Zealand should once again become the destination for hordes of academics, politicians and governmental officials from other countries, hell bent on discovering the Holy Grail of 'good governance', they might first pause to ask what New Zealand's scores on the WGI between 1995 and 2011 – see Figure 1 – actually mean, in their own terms as distinct from comparing them with those of other countries. (And for their

part, New Zealanders might ponder this article's epigraph, from Lipson.)

Are they not largely meaningless? Or worse, are they not misleading? The scores indicate that things have not changed much over the best part of two decades, except – paradoxically – for 'Political Stability/No Violence', which seems to have suddenly spiked around 2004, before dropping below 'normal' levels around 2008–09. How can one sensibly explain these numerical changes? Does the drop around 2004 represent the widespread protest movement against the proposed foreshore and seabed legislation? Was this movement a manifestation of increased political instability and violence, or do both the spike and the drop reflect the political predispositions of those whose opinions shaped the scores? It would not be difficult to mount an argument to that effect, but no doubt other arguments could readily be made in refutation.

Similar ambiguity surrounds the scores for the other five dimensions. What does the graph tell us about the ongoing effects of the welfare reforms of 1990–93, described as 'the most radical social policy changes in 60 years' (Boston, 1999, p.4)? Probably nothing. In short, anyone looking at this graph for valid information about changes over time

within New Zealand society and politics would probably be left imposing meaning on the graph rather than inferring meaning from it.

This is not just a problem of social inquiry, whether formally scientific or socially critical, *per se*, but is also, and paradoxically, an incipient threat to the democratic values which are supposed to be central to at least a Western notion of 'good governance'. It can be argued that indexes such as the WGI make it easier rather than harder for lay people to consider 'good governance' because they have available to them a neat figure and a set of rankings that they can readily understand, useful reference points to guide their own assessments. This may be so, but the question arises as to whether it is not in fact better to have no such indexes if such numbers disguise a whole host of methodological problems which by their nature tend to undermine the validity of the index itself; and secondly, whether the existence of what can easily become a reified index actually tends to disenfranchise lay people from what should be a much more inclusive debate. Most people do not display the mentality of Charles Dickens' typically Victorian schoolmaster in *Hard Times*, Thomas Gradgrind: 'A man of realities. A man of facts and calculations' (Dickens, 1961, p.2).⁷

Today, in the era of what Pollitt (2008, p.18) calls 'the politics of quantification', numbers embody in themselves a claim to 'science' and 'objectivity', purporting to place them above political disputation. In this sense, the 'facts' always speak for themselves, a position not dissimilar to the argument invoked in New Zealand and elsewhere during the neo-liberal heyday that 'there is no alternative'. Tsoukas argues, in ways that are also analogous to the New Zealand experience of those times, that this claim to higher levels of scientific sophistication tends to alienate lay audiences, who see instead the machinations of a technological elite like the World Bank.

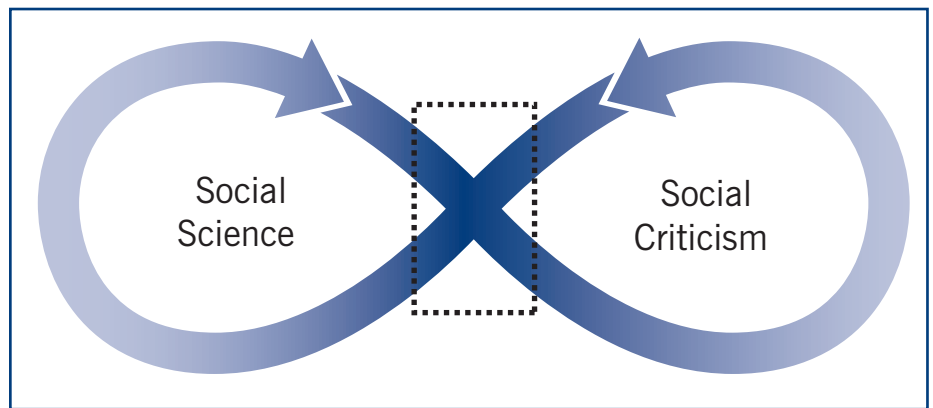
Paradoxically, however, there may be something of an inverse relationship between the artifactual nature of indexes such as the WGI, on the one hand, and their political force on the other. This is

because, although these measures may often be treated with suspicion by lay people, lay people also – in the absence of anything better – will tend to accept them as unproblematic measures, if indeed lay people take more than a cursory interest in them at all. On the other hand, however, such indexes tend to become the lingua franca within elite discourse. They thus have a major impact, tending to become reified constructions which constitute a shorthand means of representing, if not understanding, what otherwise have to be seen as highly complex and contingent phenomena. They increasingly take on a life of their own as valid depictions of the ‘real world’. Tools for research can too readily become masters of understanding. This can diminish thoughtful communication not only within elites, but also among lay people, and between elites and lay people.

What is more desirable in attempts to understand what constitutes ‘good governance’ – largely spurious objectivity or inevitably manifest subjectivity? And is it better to try to be roughly right than to strive to be precisely wrong? While formal social science, as exemplified in the burgeoning of numerical indicators, can usefully contribute to public debates on the extent to which any country displays ‘good governance’, it should not be allowed to displace such debate. As Bevir (2006, p.601) puts it, a challenge is how ‘effectively to engage social scientists, most of whom still favour typologies, correlations and models, rather than skeptical narratives. Many social scientists are aware that their modes of knowledge create distortions and simplifications. They just regard these problems as necessary consequences of crafting generalizations that are capable of guiding action in the world.’ Social science should be mediated by such open and usually informal inquiry and commentary as diagrammatically represented in Figure 2, where the shaping of a better informed understanding of what shapes and maintains ‘good governance’ emerges around the nexus point of an ongoing, mutually constitutive relationship.

The irony is that seeking after a scientific measure of ‘good governance’

Figure 2: The crucial nexus



(including levels of corruption), tends in itself to diminish the democratic essence which is so often thought to be central to ‘good government’. Democratic virtue is thereby thrice reduced, in the hubristic pursuit of a scientific objectivity which by its flawed nature can only be spurious at best and politically self-serving at worst. Valid cross-national comparisons of factors in different countries which can be argued to diminish or enhance the quality of both government and governance are instead increasingly displaced by reified illusions.

Conclusion

Indexes and indicators such as those embodied in the WGI have a valid role to play in social science research into the means of promoting, establishing and sustaining government or governance which is ‘getting better’, ‘good’ or even ‘outstanding’, depending on the criteria by which such categorisations are made. Those who generate these measurements, as upholders of Tsoukas’s ‘tyranny of light’, are not about to turn their ivory towers into tents and steal quietly into the dark night. However, in promoting the sharp illumination that they believe measurement provides they should not at the same time be allowed to extinguish the more diffuse, yet more authentic, glow of understanding that is emitted by democratic discourse on what these criteria should be in the first place.

All public institutions – including the Institute of Governance and Policy Studies – and all components of civil society have to be committed to fostering, developing and sustaining an intelligent and balanced relationship between social science and

social criticism. In the quest for ‘good governance’ the real challenge is to ensure that while we have ever burgeoning stores of data and information, we also have more knowledge of what this data and information actually means, and – above all else – more wisdom in applying it.

- 1 See <http://info.worldbank.org/governance/wgi/index.asp>.
- 2 For example, a procedural definition of political processes cannot preclude morally bad decisions which might violate the rights of minorities and individuals. Rothstein argues that ‘the strategy suggested by John Rawls is the right one. His central idea is that if a society structures its systems for making and enforcing collective decisions in a fair way, this will increase the likelihood that the outcomes are normatively just’ (Rothstein, 2013, p.115).
- 3 See Oman and Arndt (2010, pp.15-16) for a critique of the over-estimation of the accuracy of countries’ point scores for cross-country comparisons and the identification of change (or the lack of it) in the quality of governance over time.
- 4 They were responding to an earlier (2006) draft of Thomas (2010).
- 5 This is reminiscent of T.S. Eliot: ‘Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?’
- 6 As Bevir (2006, p.592) argues: ‘If natural scientists and economists played the fullest role in directing the expansion of state activity after the Second World War, other social scientists also contributed, and a positivist concept of social science helped to legitimate their contributions at a time of optimism about technocratic reform. With state funding for social science favouring scientism and policy relevance, social scientists who defined themselves as delivering such goods were simply more likely to find stable employment. The positivist concept of science also appealed to some social scientists as a way of taking control of the mass of data then being generated. The new techniques and concerns of modernist empiricism had led, in this view, to “hyper-factualism”; social scientists were being overwhelmed by quantitative and qualitative data in the absence of a theoretical framework with which to make sense of it all’.
- 7 ‘A man who proceeds upon the principle that two and two are four, and nothing over, and who is not to be talked into allowing for anything over ... With a rule and a pair of scales, and the multiplication table always in his pocket, Sir, ready to weigh and measure any parcel of human nature, and tell you exactly what it comes to. It is a mere question of figures, a case of simple arithmetic’ (Dickens, 1961, p.2).

Note: This is a short version of a working paper, ‘Assessing “good governance” and corruption in New Zealand: “scientific” measurement, political discourse, and historical narrative’, published on the IGPS website: <http://igps.victoria.ac.nz/publications/publications/show/347>

References

- Anderson, J. (2009) *A Review of Governance and Anti-Corruption Indicators in East Asia and Pacific*, draft working paper, June, Washington, DC: World Bank
- Andrews, M. (2010) 'Good government means different things in different countries', *Governance*, 23 (1), pp.7-35
- Arndt, C. (2008) 'The politics of governance ratings', *International Public Management Journal*, 11 (3), pp.275-97
- Arndt, C. and C. Oman (2006) *Uses and Abuses of Governance Indicators*, Paris: OECD Development Centre
- Arndt, C. and C. Oman (2010) *Measuring Governance*, policy brief 39, Paris: OECD Development Centre
- Bell, S. and A. Hindmoor (2009) *Rethinking Governance: the centrality of the state in modern society*, Cambridge: Cambridge University Press
- Bevir, M. (2006) 'Political studies as narrative and science, 1880–2000', *Political Studies*, 54 (3), pp.583-606
- Bevir, M. (2009) *Key Concepts in Governance*, Los Angeles: Sage
- Boston, J. (1999) 'New Zealand's welfare state in transition', in J. Boston, P. Dalziel and S. St. John (eds), *Redesigning the Welfare State in New Zealand: problems, policies, prospects*, Auckland: Auckland University Press
- Bovaird, T. and E. Löffler (2003) 'Evaluating the quality of public governance: indicators, models and methodologies', *International Review of Administrative Sciences*, 69 (3), pp.313- 28
- Charron, N., V. Lapuente and B. Rothstein (2013) *Quality of Government and Corruption from a European Perspective: a comparative study of good government in EU regions*, Cheltenham: Edward Elgar
- Diamond, L. (2007) 'A quarter-century of promoting democracy', *Journal of Democracy*, 18 (4), pp.118-120
- Dickens, C. (1961) *Hard Times*, introduction by G.K. Chesterton, London: J.M. Dent & Sons
- Frederickson, G. (2005) 'Whatever happened to public administration? Governance, governance everywhere', *Oxford Handbook of Public Management*, Oxford: Oxford University Press
- Friedrich, C. (1940) 'Public policy and the nature of administrative responsibility', *Public Policy*, 1 (3), pp.3-24
- Gabriel, S. (1998) <https://www.mtholyoke.edu/courses/sgabriel/economics/china-essays/7.html>
- Gerring, J. and S. Thacker (2004) 'Political institutions and corruption: the role of unitarism and parliamentarism', *British Journal of Political Science*, 34 (April), pp.295-330
- Grindle, M. (2004) 'Good enough governance: poverty reduction and reform in developing countries', *Governance*, 17 (4), pp.525-48
- Grix, J. and L. Phillpots (2011) 'Revisiting the "governance narrative": "asymmetrical network governance" and the deviant case of the sports policy sector', *Public Policy and Administration*, 26 (1), pp.3-19
- Halleröd, B., B. Rothstein, A. Daoud and S. Nandy (2013) 'Bad governance and poor children: a comparative analysis of government efficiency and severe child deprivation in 68 low- and middle-income countries', *World Development*, 48, pp.19-31
- Hill, C. and L. Lynn (2005) 'Is hierarchical governance in decline? evidence from empirical research', *Journal of Public Administration Research and Theory*, 15 (2), pp.173-95
- Hofstede, G. (2001) *Culture's Consequences: comparing values, behaviors, institutions, and organisations across nations*, 2nd edn, Thousand Oaks, CA: Sage
- Holmberg, S. and B. Rothstein (2011) *Correlates of Democracy*, working paper series 2011: 10, Gothenburg: Quality of Government Institute
- Holmberg, H., B. Rothstein and N. Nasiritousi (2008) *Quality of Government: what you get*, working paper series 2008: 21, Gothenburg: Quality of Government Institute
- Kaufman, H. (1977) *Red Tape: its origins, uses and abuses*, Washington, DC: Brookings Institution
- Kaufmann, D., A. Kraay and M. Mastruzzi (2007) *The Worldwide Governance Indicators Project: answering the critics*, World Bank policy research working paper 4149, available at <http://ssrn.com/abstract=965077>
- Kaufmann, D., A. Kraay and M. Mastruzzi (2008) *Governance Matters VII: aggregate and individual governance indicators 1996–2007*, Washington, DC: World Bank
- Kaufmann, D., A. Kraay and M. Mastruzzi (2010) *The Worldwide Governance Indicators: methodology and analytical issues*, World Bank policy research working paper 5430, available at <http://ssrn.com/abstract=1682130>
- Kjaer, A. (2004) *Governance*, Malden, MA: Polity/Blackwell
- Langbein, L. and S. Knack (2008) 'The Worldwide Governance Indicators and Tautology: causally related separable concepts, indicators of a common cause, or both?', policy research working paper 4669, Washington, DC: World Bank
- Lipson, L. (2011) *The Politics of Equality: New Zealand's adventures in democracy*, introduction by J. Johansson, Wellington: Victoria University Press
- Lynn, L. (2010) 'Has governance eclipsed government?', in R. Durant (ed.), *Oxford Handbook of American Bureaucracy*, Oxford: Oxford University Press
- Lynn, L. (2011) 'The persistence of hierarchy', in M. Bevir (ed.), *Sage Handbook of Governance*, Thousand Oaks: Sage
- Marsh, D (2008) 'What is at stake? A response to Bevir and Rhodes', *British Journal of Politics and International Relations*, 10 (4), pp.735-9
- Offe, C. (2009) 'Governance: an "empty signifier"?' *Constellations*, 16 (4), pp.550-61
- Olsen, J. (2006) 'Maybe it is time to rediscover bureaucracy', *Journal of Public Administration Research and Theory*, 16 (1), pp.1-24
- Oman, C. and C. Arndt (2010) *Measuring Governance*, policy brief 39, Paris: OECD
- Osborne, S. (ed.) (2010) *The New Public Governance? Emerging perspectives on the theory and practice of public governance*, London: Routledge
- Painter, M. (2006) 'Sequencing civil service pay reforms in Vietnam: transition or leapfrog?', *Governance*, 19 (2), pp.325-46
- Painter, M. (2012) "'Poor governance" for development in China and Vietnam', in J. Sundaram and A. Chowdhury (eds), *Is Good Governance Good for Development?*, London: Bloomsbury Academic
- Pierre, J. and B.G. Peters (2000) *Governance, Politics and the State*, New York: St. Martin's Press
- Pierre, J. and B.G. Peters (2005) *Governing Complex Societies: trajectories and scenarios*, Basingstoke: Palgrave Macmillan

- Pollitt, C. (2008) 'Moderation in all things: governance quality and performance measurement', paper for the Structure and Organisation of Government (SOG) conference, Gothenburg, November
- Rhodes, R. (1996) 'The new governance: governing without government', *Political Studies*, 44 (4), pp.652-67
- Rhodes, R. (1997) *Understanding Governance: policy networks, governance, reflexivity and accountability*, Buckingham, PA: Open University Press
- Rhodes, R. (2007) 'Understanding governance: ten years on', *Organization Studies*, 28 (8), pp.1243-64
- Robichau, R. (2011) 'The mosaic of governance: creating a picture with definitions, theories and debates', *Policy Studies Journal*, 39 (1), pp.113-31
- Rothstein, B. (2013) *The Three Worlds of Governance: arguments for a parsimonious theory of quality of government*, working paper series 2013: 12, Gothenburg: Quality of Government Institute
- Rothstein, B. and J. Teorell (2008) 'What is quality of government? A theory of impartial government institutions', *Governance*, 21 (2), pp.165-90
- Schick, A. (1998) 'Why most developing countries should not try New Zealand's Reforms', *World Bank Research Observer*, 13 (1), pp.123-31
- Sen, A. (2011) 'Quality of life: India vs. China', *New York Review of Books*, LVIII, pp.44-7
- Sørensen, E. and J. Torfing (2007) *Theories of Democratic Network Governance*, Cheltenham: Edward Elgar
- Stivers, C. (2008) *Governance in Dark Times: practical philosophy for public service*, Washington, DC: Georgetown University Press
- Sundaram, J. and A. Chowdhury (eds) (2012) *Is Good Governance Good for Development?* London: Bloomsbury Academic
- Thomas, M. (2010) 'What do the worldwide governance indicators measure?', *European Journal of Development Research*, 22 (1), pp.31-54
- Tsoukas, H. (1997) 'The tyranny of light: the temptations and the paradoxes of the information society', *Futures*, 29 (9), pp.827-43
- Zirker, D., F. Scrimgeour and R. Gregory (2013) 'Iceland and New Zealand: comparative perceptions of corruption in a global economic downturn', *Public Administration and Policy*, 16 (2), pp.17-49



Institute for Governance and Policy Studies
A research institute of the School of Government

Upcoming Events

Date	Title	Speaker	Venue
Friday 28 March 12.30 – 1.30pm	Regulating Really Responsively Co-hosted with The Treasury and the Ministry for Business, Innovation and Employment	Professor Julia Black <i>London School of Economics and 2014 Sir Frank Holmes Fellow, Victoria University of Wellington</i>	The Treasury, 1 The Terrace, Level 5, Rooms 510-511, Wellington <i>All welcome, RSVP's not required</i>
Tuesday 1 April 6.00 – 7.00pm	Learning from Regulatory Disasters	Professor Julia Black <i>London School of Economics and 2014 Sir Frank Holmes Fellow, Victoria University of Wellington</i>	Victoria University of Wellington, Pipitea Campus, Rutherford House, Lecture Theatre One (RHLT1) <i>All welcome, RSVP's not required</i>
Friday 4 April 12.00 – 1.45pm	Experimenting with Experimental Governance Co-hosted with ANZSOG and the State Services Commission	Professor Julia Black <i>London School of Economics and 2014 Sir Frank Holmes Fellow, Victoria University of Wellington</i>	NZICA Conference Centre, Level 7 Tower Building, 50 Customhouse Quay, Wellington <i>RSVP required, to register please visit www.anzsog.edu.au/events</i>
Wednesday 14 May 12.30 – 1.30pm	Technocrats or Populists: Who Gained Influence During the Global Financial Crisis?	Professor Alasdair Roberts <i>Suffolk University Law School, Australia and New Zealand School of Government Visiting Scholar Program at Victoria University of Wellington</i>	Victoria University of Wellington, Pipitea Campus, Government Buildings, Lecture Theatre Four (GBLT4) <i>All welcome, RSVP's not required</i>

For further information on IGPS Events visit our website <http://igps.victoria.ac.nz/>