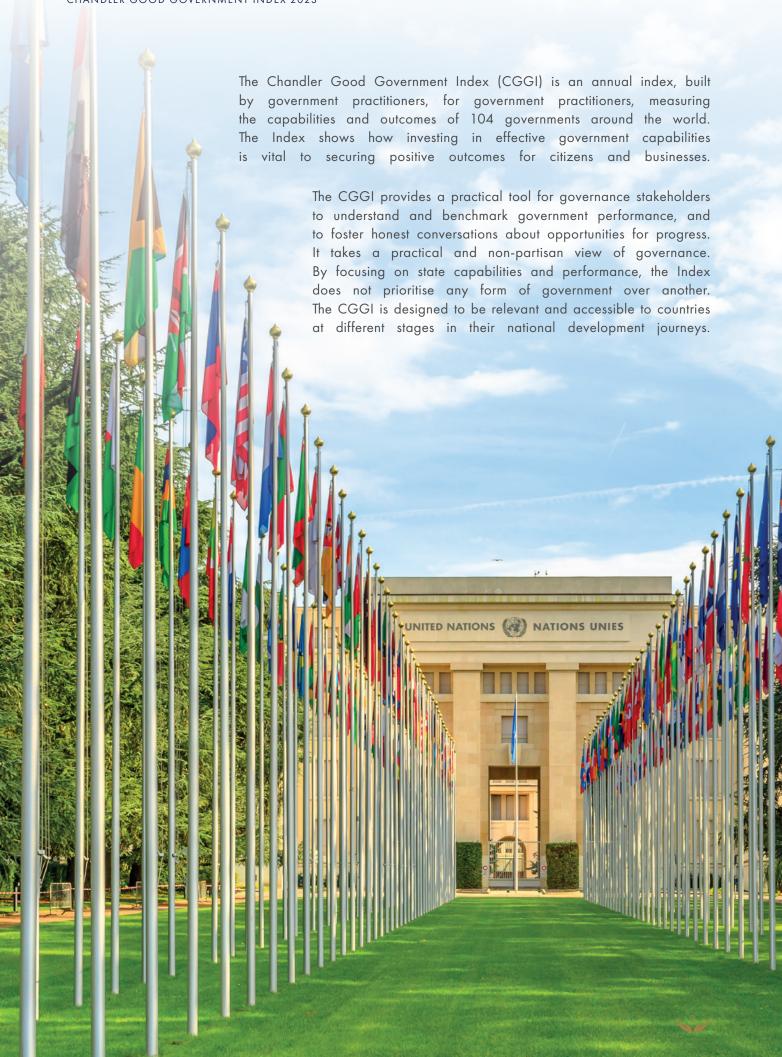


# CHANDLER GOOD GOVERNMENT INDEX 2023

**EXECUTIVE SUMMARY** 





## CCGI 2023 - Measuring Good Government in a 'Polycrisis'

ore than ever, good government matters. The COVID-19 pandemic, recent geopolitical conflicts, supply chain and energy shocks, rampant inflation, and the growing impacts of climate change are all putting governments under extreme pressure. These challenges are revealing strengths and weaknesses across public institutions, laws, policies, and leadership around the world.

This year, the CGGI 2023 Report, now in its third edition, has a special focus on how the pillars of good government are standing together in the face of a global 'polycrisis'. That is "when crises in multiple global systems become causally entangled in ways that significantly degrade humanity's prospects."

In these difficult times we explore:

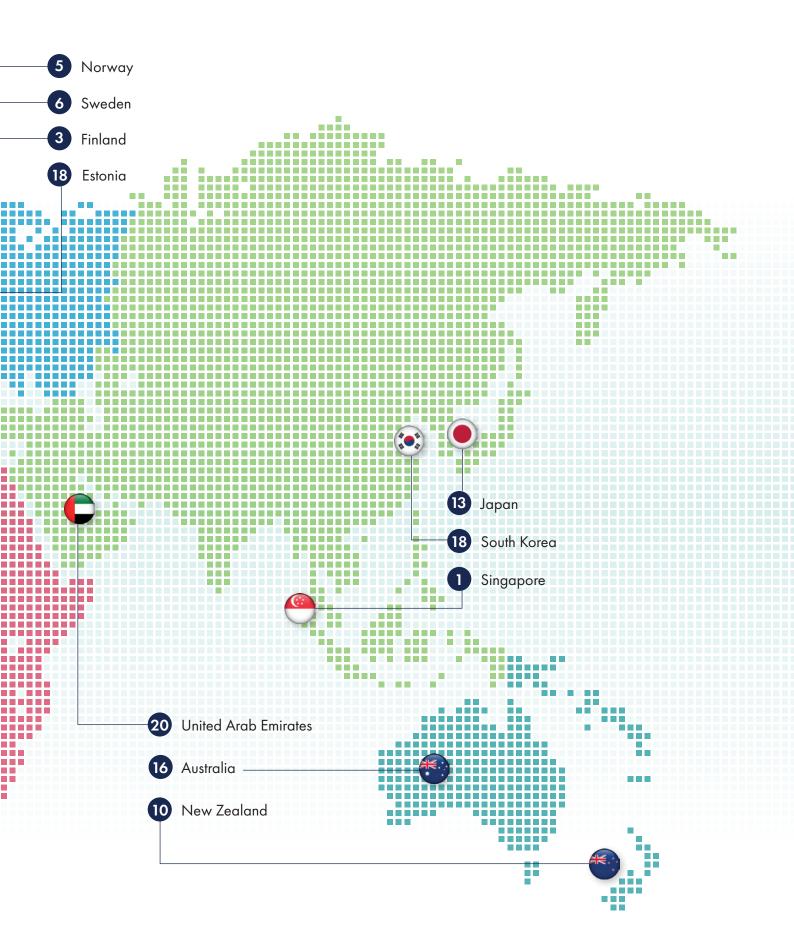
- How a government's institutions—its leaders, civil service and organisations—are coming together to prepare for and respond to crises;
- How governments are confronting inflation and the cost-of-living crisis by creating more efficient marketplaces that support trade and sustain good jobs, to build shared prosperity;
- How governments are building more inclusive communities and resilient health systems for their citizens;
- How governments accomplish the above while focusing on the perennial principles of good government—excellent service delivery, maintaining integrity and accountability, and engaging and communicating with key stakeholders.

Here at the Chandler Institute of Governance we realise that there is no perfect way to measure governance globally, but we do believe that there are key public sector capabilities that are closely linked to government performance, and the outcomes we all experience in our daily lives. The purpose of the CGGI is to shine more light on those capabilities that all governments need to perform, both in times of crisis and in the calm between the inevitable storms.



## The Top 20 Countries







## **Index Insights**

There is a strong relationship between good governance and a nation's ability to prepare for – and respond to – crises.

his is our third year publishing the CGGI
– our first Index was built on data that
largely predated the COVID-19 pandemic,
our second incorporated data as the pandemic
intensified, and this year's data was collected
as the effects of the pandemic began to wane.
This in itself presents an interesting snapshot of
governance during a time of crisis. But, increasingly,
a more relevant and telling snapshot is not how a
government responds to a single crisis but rather a
cluster of them – hence the growing popularity of
the term "polycrisis".

That is the focus of the 2023 Insights section – examining the relationships between good governance and crises. The breadth of government capabilities that the CGGI measures, and its geographical reach – 104 countries, or approximately 90% of the world population – enable us to explore that relationship from a number of angles, and at a number of levels. What does a country's overall CGGI score tell us about its ability to prepare for and manage a crisis – and what patterns emerge when we plot that across 104 countries?

We also dive into the data behind those overall scores – the CGGI's seven pillars, and 35 indicators – to explore the relationship at a more granular level. Stories and interviews which bring the data to life, and attempt to unpack what is causing some of the trends we are seeing, are to be found in the main annual report.

## Middle-Income Countries Moved Most in Rankings

This year's overall CGGI rankings were relatively stable – only one-third of countries moved more than two spots from last year's rankings. These movers tended to be upper- and lower-middle-income

countries with almost half of them (48%) moving more than two spots in the overall rankings. Some of the biggest improvers are Kenya, Kyrgyz Republic, North Macedonia and Vietnam. High-income and low-income countries, on the other hand, were much more stable – out of the 44 we measure, only five climbed or fell more than two spots.

More pronounced movements could be seen in the seven separate pillars and the individual indicators that comprise those pillars. The 2023 Annual Report explores some of the biggest jumps in greater detail. The United Arab Emirates, for instance, broke into the top 20 overall rankings thanks to its strong performance in two pillars: Strong Institutions, and Leadership and Foresight. Thailand, meanwhile, moved up four places in the Helping People Rise pillar, an ascent partly powered by its performance in the Health indicator, where it climbed 22 spots in a single year.

#### Good Governance and the Polycrisis

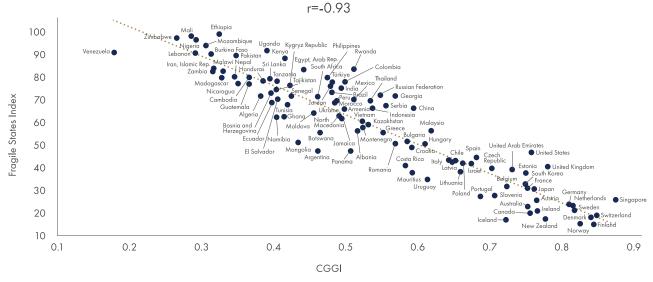
In its Global Risks Report, the World Economic Forum (WEF) shared four principles that governments can embrace to help prepare for the world's most pressing short- and long-term crises:

- 1. Strengthening risk identification and foresight;
- 2. Recalibrating the present value of "future" risks;
- 3. Investing in multi-domain risk preparedness, and
- 4. Strengthening preparedness and response cooperation.

The CGGI methodology and its range of indicators allow us to capture many of these principles – which means that the CGGI can credibly look at how good governance influences a country's capacity to manage and respond to current and looming crises. And we can also examine the key capabilities which allow governments to continue to perform despite facing increasing pressures.



#### Good Governments Can Manage Risks on the State



Source: CGGI 2023; Fragile States Index, 2022, The Fund for Peace

#### Good Governments Build Strong Nations That Have the Capacity to Manage Risks on the State

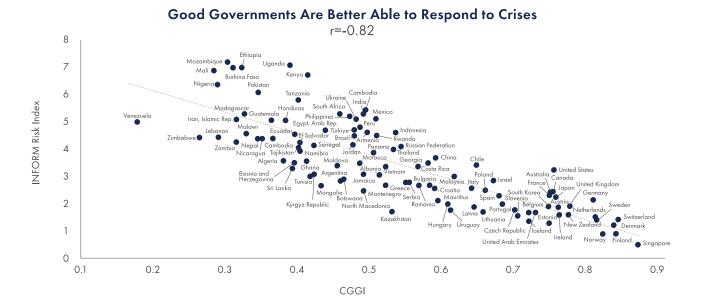
A strong relationship emerged when we compared countries' CGGI scores with the Fragile States Index, a political risk assessment tool developed by the Fund for Peace that measures important vulnerabilities that contribute to the risk of state fragility.

In other words, a well-governed country is likely to have developed more resilience to prepare for a polycrisis, and to manage it. Such a conclusion may sound unsurprising – but the strength of the relationship, and

how well it holds up regardless of a country's income level, ideology, or geography, is powerful.

## Good Governments Are Better Able to Respond to Crises

Comparing the 2023 CGGI rankings with the INFORM Risk Index by the Joint Research Centre of the European Union, another strong relationship emerges – this time between the country's quality of governance and its ability to prevent and respond to humanitarian crises and disasters.



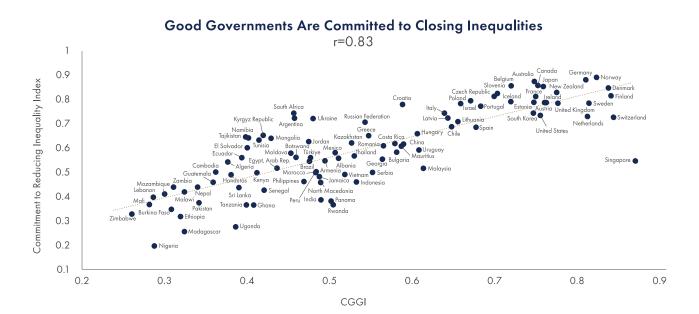
Source: CGGI 2023; INFORM Risk Index, 2023, Joint Research Centre of the European Union



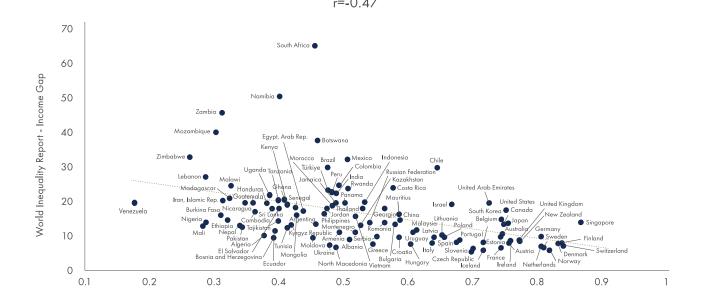
This relationship is particularly important and urgent for governments given the recent Intergovernmental Panel on Climate Change (IPCC) report and the rapidly closing window for nations to take climate action. Governments will have to – and some are already having to – manage the resulting environmental and humanitarian fallout of climate inaction.

Good Governments Are Better Prepared to Achieve Shared Prosperity

Among the many issues on which the COVID-19 pandemic shone a spotlight, one was that a crisis can disproportionately affect vulnerable groups. Crises can not only lead to unequal social and economic outcomes, but they can also widen them, which may even lead to social instability.



Source: CGGI 2023; Commitment to Reducing Inequality Index, 2022, Development Finance International, Oxfam



Good Governments Make an Impact in Closing the Income Gap

Source: CGGI 2023; World Inequality Report, 2022, World Inequality Lab



This year's countries' CGGI rankings showed a strong relationship with the Commitment to Reducing Inequality (CRI) Index, which ranks 161 governments worldwide. The index assesses governments' efforts based on action in three areas vital to reducing levels of inequality: social spending, progressive taxation, and labour rights.

While governments can take steps to build fairer and more inclusive societies, it may take consistent effort over a longer period to generate a significant impact. This year's CGGI country scores are significantly correlated to the Income Gap metric in the World Inequality Report, implying a possible relationship between good governance and income inequality outcomes. However, this correlation is not as strong as compared to the correlation with preparedness to deal with inequalities, suggesting there are other important factors that contribute to income inequality outcomes, and that changes in capabilities may take some time to impact outcomes.

## The Indicators Linked With Performance in a Polycrisis

To understand how governments can continue to perform while confronted with different interconnected crises, we also dive into the indicator-level data of the CGGI.

## Rule of Law, Ethical Leadership and Property Rights are Strong Indicators of Overall Performance

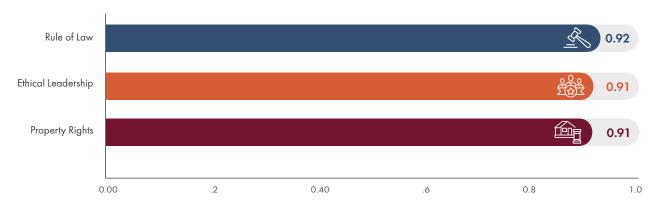
Crisis preparedness, crisis response, closing inequalities – as the data shows, good governance is correlated with all of them. But what does the data suggest are the capabilities that are the most highly correlated with overall good governance? Answering that requires diving into the CGGI's 35 indicators, of which 26 are focused on government capabilities, and nine on outcomes.

As found in the CGGI 2021 and 2022, three indicators remain the most strongly correlated with a country's overall CGGI score: Rule of Law, Ethical Leadership (previously known as the Anti- Corruption indicator) and Property Rights. That such a finding holds true amid such turbulent times is, itself, a finding – a reminder of how fundamentally these three capabilities underpin government functions and public service delivery.

#### Good Governance Can Defray Impacts on Social Mobility From Crises

Among all nine outcomes measured in the 2023 CGGI Helping People Rise pillar, Social Mobility enjoys the highest correlation to government capabilities, i.e. the average score of the Index's 26

## The Rule of Law, Ethical Leadership and Property Rights Are Strong Indicators of Overall Government Performance



Correlations With CGGI Overall Score (Excluding the Correlated Indicator)

Source: CGGI 2023



capability indicators. The CGGI defines social mobility as "the extent to which socio-economic circumstances at birth influence a person's future status and prosperity." There is no single-sentence answer to "What does good government look like in practice?" but our findings suggest that social mobility is an important part of the conversation.

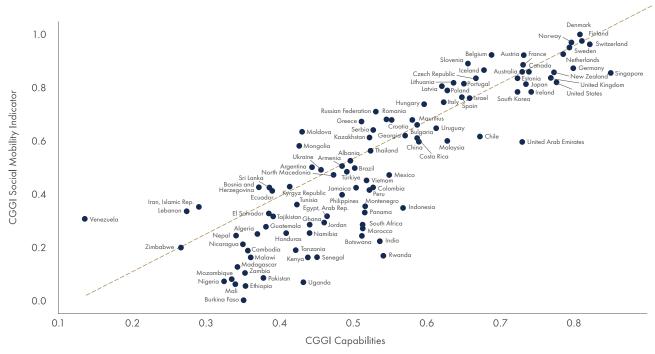
While all nine outcomes – which span education and healthcare, personal safety and income inequality – are important, social mobility implies an investment in people's futures and their aspirations for a better life. It can be difficult to draw clear lines, year-on-year, between good government and social mobility, but there can be little doubt that countries that invest in good governance in the long term are likelier to improve their social mobility. It will remain a vital issue for governments, as lower wages and lost opportunities brought on by the pandemic have created long-term repercussions for social mobility.

## Good Governance Is Crucial in a Crisis, the Calm, and in Between

The data presents a clear picture: good governance matters hugely in times of crisis (let alone a polycrisis). In their ability to prepare and respond, good governments enjoy a measurable advantage. But, of course, good governance matters hugely in calmer times as well. The capabilities and skills that effective governments rely on in times of crisis are often the products of decisions made well before any crisis strikes – unrehearsed often means unprepared. And the actions and behaviours that helped a country navigate a crisis are likely to be useful long after the crisis abates. So, while the particulars of good governance may change in a crisis, the principles that underpin it remain.

#### Good Governments Show a Strong Relationship With Social Mobility

r=0.87



Source: CGGI 2023



## Practitioner Stories and Interviews featured in the 2023 CGGI Annual Report



Narrowing the Gender Gap in Sweden

by Lena Ag, Director General at the Swedish Gender Equality Agency





**Outcomes in Thailand** by HE Anutin Charnvirakul, Deputy Prime Minister and Minister of Public Health,





Punching Above Its Weight — **Singapore Standing Tall** 

by Dr Ann Florini, Fellow, Political Reform Programme, New America



Spain: Championing a Robust **Trade Ecosystem** 

by Antonio Garcia Rebollar, Economic and Trade Counsellor, Spanish Embassy in Singapore





**Reforming to Perform** in Mauritius

by Hon Teeruthraj Hurdoyal, Minister of Public Service, Administrative and Instutional Reforms, Mauritius



The Power of Accountability: Rwanda Measuring Its Way to **Good Governance** 

by Dr Usta Kaitesi, Chief Executive Officer, Rwanda Governance Board



Punching Above Its Weight — Singapore Standing Tall by Dr Hsien-Hsien Lei, Chief Executive

Officer, The American Chamber of Commerce in Singapore



Punching Above Its Weight —

**Singapore Standing Tall** by Lim Siong Guan, Former Head of the Civil Service, Singapore





**Driving Digital** Transformation in Latvia

by Gatis Ozols, Deputy State Secretary on Digital Transformation Affairs, Government CIO



Creating a Colombian Oasis for Investors in Latin America by Julio César Puentes Montaño,

Vice-President of ProColombia





The Role of Central Banks in **Managing a Crisis** 

by Dr Duvvuri Subbarao, Former Governor of the Reserve Bank





**Excellence in Government Services: The Emirati Way** 

by HE Mohamed Bin Taliah, Chief of Government Services of the United Arab **Emirates Government** 





**Empowering Judicial Reforms** in Costa Rica

by Justice Damaris María Vargas Vásquez, Vice-President, Supreme Court of Justice of Costa Rica





## CGGI Data Process

The Chandler Good Government Index is a composite Index that measures the capabilities and effectiveness of governments. Our framework and dimensions (which we call pillars) of good governance are derived from interviews and research on what capabilities and characteristics are most important for a government to perform its duties and succeed.

The 35 indicators are made up of more than 50 metrics—of which almost 40% are quantitative data sources.

### 1

#### **Metrics**

The Index uses the most relevant metrics for each indicator, as determined by government and data experts, research on the pillars, and a set of selection criteria:



#### **Imputation**

This is a common step in many major global indices. Missing data from the metrics is imputed via several methods:



Looking for another indicator or study that measures a similar concept or theme.



Finding the average values of peer countries after filtering for geography and income.



The metric must be distributed in a free-to-access form in the public domain and online. This supports replicability and widespread use.



The metric should as far as possible be actionable and measure some quality or capability of governance that government leaders and officers can act on to improve performance.



There must be a robust way to convert the data into a clear and relevant numerical format.



The metric must provide data points for a large enough range of countries.



Each metric is normalised to a 0-1 scale to create a standardised scale for comparison and aggregation.
Indicators that comprise more than one metric are weighted equally, aggregated and rescaled again.





#### **Data Aggregation & Ranking**

The final score of the Index is aggregated using a simple average of all 35 indicators. This means that each indicator in the Index has an equal weighting. Finally, countries are ranked.



## Pillars and Indicators of the CGGI



#### **PILLARS**



Long-Term Vision Adaptability

> Strategic Prioritisation Innovation



Robust Laws & Policies

> Rule of Law Quality of Judiciary

Transparency

Regulatory Governance



Strong Institutions

Coordination

Data Capability

Implementation

Quality of Bureaucracy



**Financial** Stewardship

Government Debt Country Budget

Surplus Spending Efficiency

Country Risk

Premiu



Attractive Marketplace

Property Rights

Macroeconomic

Attracting Investments

Logistics Competence

Stable Business Regulations



Global Influence & Reputation

> International Trade International Diplomacy

Nation Brand

Passport Strength



People Rise

Education

Satisfaction with **Public Services** 

Personal Safety

Environmental Performance

Income

Social Mobility

Gender Gap

Discrimination

## Leadership and Foresight

Leadership makes a difference. What public sector leaders decide, do, or say impacts public trust in government. Good leaders create and sustain cultures of integrity, competence and service. They have a clear sense of medium- and longer-term pathways for their government and country. They cultivate the foresight needed to anticipate emerging challenges and opportunities.



#### **Ethical Leadership**

The extent to which government leaders demonstrate integrity and credibility, through the control and prevention of the abuse of public power for private benefit



#### **Long-Term Vision**

The ability to develop and express the desired goals and destination for the nation over a longer period of time



#### Adaptability

Responding to various trends and changes with appropriate strategies, policies, and actions



#### **Strategic Prioritisation**

Developing longer-term plans and decisionmaking frameworks that focus on important goals and outcomes



#### **Innovation**

The capacity for learning, and the generation, adaptation, and application of ideas





## **Robust Laws and Policies**

Effective and consistent laws and public policies are essential to a well-functioning and prosperous country. Laws set the rules of the game for social and economic activities. A consistent, principled, accessible, and transparent justice system engenders investor confidence and public trust. Good governments have robust policymaking processes that are balanced, inclusive, and effective.



#### Rule of Law

Whether laws are just and impartial, whether governments observe due process and are accountable to the laws, and whether justice is accessible to all



#### **Quality of Judiciary**

Whether courts of law are efficient and independent from external influence



#### **Transparency**

The public availability and accessibility of government information



#### **Regulatory Governance**

The ability of governments to establish clear and representative policies and regulations

## Strong Institutions

Institutions, such as Ministries, public departments, and statutory agencies, are the cornerstones of a well-functioning government. Strong institutions are grounded in purpose, can coordinate and work effectively with others, analyse and act well on new information, and can translate plans and policies into concrete actions and programmes.



#### Coordination

The ability to balance interests and objectives, and to ensure that multiple government agencies act coherently and in a collaborative manner



#### **Data Capability**

The ability to gather and use data, and to provide quality digital and online services



#### **Implementation**

The degree to which a government can execute its own policies and meet its policy objectives



#### **Quality of Bureaucracy**

The capability and performance of the civil service, regardless of political and policy changes





## Financial Stewardship

How governments acquire, allocate, and distribute public funds has far-reaching consequences for citizens and businesses. To sustain a country's prosperity, governments must ensure sound and prudent management of public revenue and expenditure. Those that manage and account for their spending well achieve better value for money. Good financial practices improve public trust in government. They also enhance confidence in a government's ability to repay debt, lowering the cost of sovereign borrowing.



#### **Government Debt**

The debt dynamics and risk of a country, based on its debt-to-GDP levels, changes in debt, country credit ratings, and stage of economic development



#### **Country Budget Surplus**

A government's average revenue and expenditure position, based on its fiscal balance, over a five-year period



#### **Spending Efficiency**

The extent to which public spending translates into outcomes and services with minimal wastage



#### **Country Risk Premium**

The risk of investing in a country due to its sovereign debt repayment ability and economic governance

## Attractive Marketplace

Competitive and attractive markets are essential for a flourishing economy and thriving nation. To cultivate them, governments must be able to secure and protect property rights, encourage and support domestic and crossborder economic activity, develop economic infrastructure, and design sound and stable regulations. Attractive marketplaces create jobs, innovation, and opportunities.



#### **Property Rights**

The extent to which the legal rights to own and use physical and intellectual property are established and protected



#### **Macroeconomic Environment**

The maintenance of inflation and unemployment levels within optimal ranges, given the economic situation and needs



#### **Attracting Investments**

The ability to attract foreign direct investment (FDI)



#### **Logistics Competence**

The quality of logistics infrastructure and systems within a country



#### **Stable Business Regulations**

The stability of policies and regulations concerning business activities





## Global Influence and Reputation

In a highly globalised world, a country depends on its international presence for trade, capital, information, opportunities, and international "space" to operate in. A government must effectively manage and safeguard its diplomatic networks, economic links, international partnerships, and country "brand". While some countries may wield significant influence due to their size or strengths, others may benefit from their reputation as trusted and constructive global voices.



#### International Trade

The freedom, access, and capabilities to buy and sell goods and services beyond national borders



#### **International Diplomacy**

The extent of a nation's diplomatic representation and presence abroad



#### **Passport Strength**

The credibility of a nation's passport, as measured by the number of visa-free arrangements that passport holders enjoy globally



#### **Nation Brand**

The coherence of a country's national tourism promotion, and its image and appeal to a variety of non-commercial stakeholders

## **Helping People Rise**

Governments that use their capabilities to create conducive conditions for people from all walks of life to achieve their fullest potential are Helping People Rise. Good public outcomes mean enhanced opportunities and a better quality of life for people; these in turn improve trust in government. The CGGI measures outcomes that governments can have significant control over.



#### Education

The literacy rate and years of schooling of the population



#### Health

How long a newborn child can expect to live, given current health and mortality expectations



#### **Satisfaction with Public Services**

Satisfaction with public transport, infrastructure, and education



#### **Personal Safety**

The state's ability to protect its people from violent crime



#### **Environmental Performance**

The safety and sustainability of a nation's ecosystems and environment



#### **Income Distribution**

The dispersion of individual incomes within a population



#### **Social Mobility**

The extent to which socio-economic circumstances at birth influence a person's future status and prosperity



#### Gender Gap

The extent to which both women and men can participate in, and benefit from, educational and economic opportunities



#### **Non-Discrimination**

Freedom from discrimination, regardless of a person's socio-economic status, ethnicity, gender, identity, or faith



## The CGGI Advisory Panel



**Dr Reuben Abraham** CEO of Artha Global



Ms Elizabeth Anderson
Executive Director of the
World Justice Project



**Dr Christian Bason**CEO of the Danish
Design Centre



Ms Nathalie Delapalme
Executive Director of the
Mo Ibrahim Foundation



Mr Adrian Brown
Executive Director of the
Centre for Public Impact



Dr Ed Olowo-Okere
Senior Advisor in the
Equitable Growth,
Finance, and Institutions
(EFI) Vice Presidency
at the World Bank

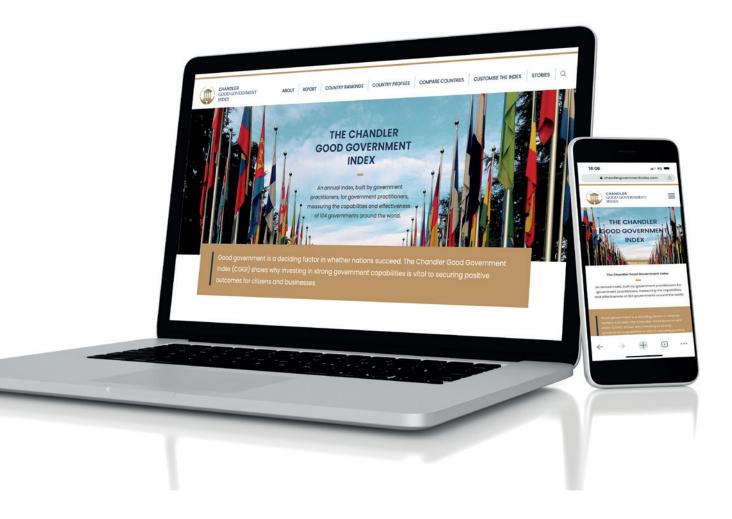


Dr Manuel Gerardo
Flores Romero
Coordinator of the
Regulatory Policy
Programme in Latin
America of the OECD



Prof Kent Weaver
Professor of Public
Policy and Government
at Georgetown
University

## The CGGI Website



The CGGI is designed to turn analysis into action.

The online version of the Index is a dynamic and engaging tool which allows users to dive deeper into the data.

All 104 countries featured in the Index can be individually explored on the website, with breakdowns for all 35 indicators. Users can use the interactive features to compare countries, view ranking trends over the years, or to customise the Index by increasing or decreasing the weightage of selected indicators. The website also features country profiles and stories about governance, including contributions by government practitioners, insights pieces, and further resources.

www.chandlergovernmentindex.com



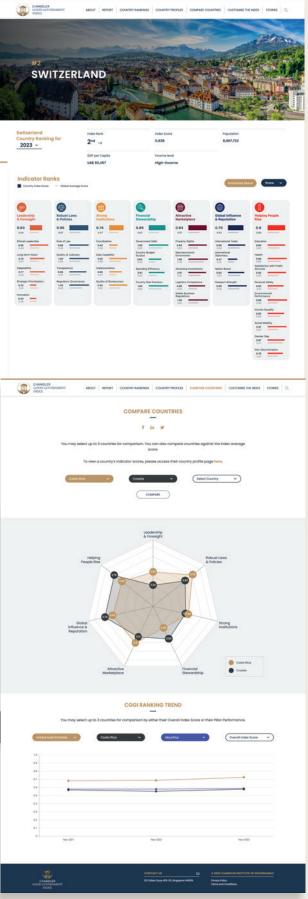


## CGGI Website Features





**Learn more, by exploring the CGGI Website**Scan the QR code to view website.







The Chandler Institute of Governance (CIG) is an international nonprofit organisation headquartered in Singapore. CIG supports a in developing its leaders, strengthening its institutions, and building its public service capabilities. We do this through advisory partnerships, training programmes, a proprietary index that measures government performance, and knowledge products.

To learn more, please visit our website.



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