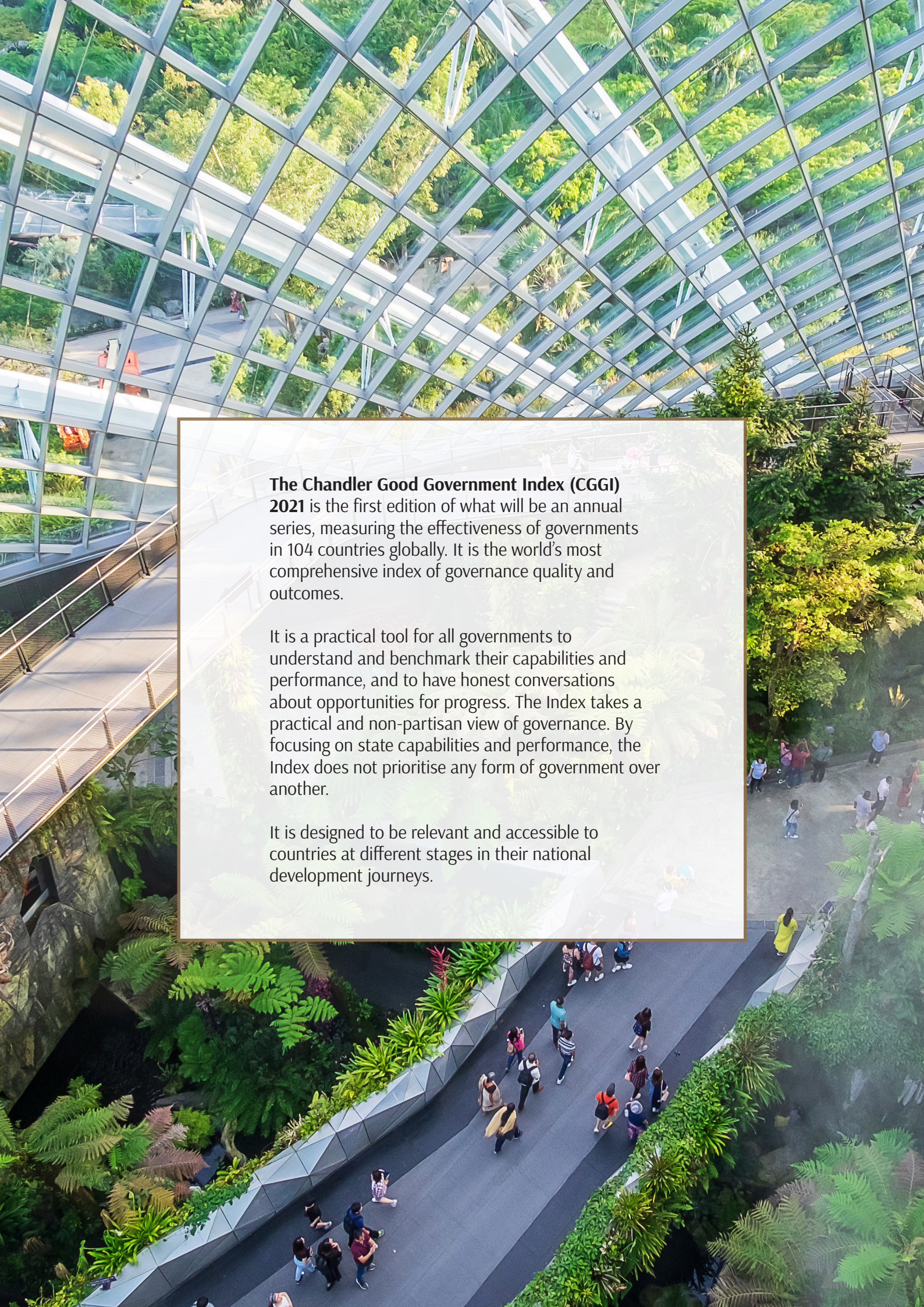# CHANDLER GOOD GOVERNMENT INDEX

2021
EXECUTIVE SUMMARY

CHANDLER
INSTITUTE OF GOVERNANCE

The Chandler Good Government Index (CGGI) 2021 is the first edition of what will be an annual series, measuring the effectiveness of governments in 104 countries globally. It is the world's most comprehensive index of governance quality and outcomes.

It is a practical tool for all governments to understand and benchmark their capabilities and performance, and to have honest conversations about opportunities for progress. The Index takes a practical and non-partisan view of governance. By focusing on state capabilities and performance, the Index does not prioritise any form of government over another.

It is designed to be relevant and accessible to countries at different stages in their national development journeys.

The Origins of the Index

The Index has its origins in the belief that good national **governance** and national **prosperity** are deeply connected.

This relationship is characterised by three principles:

1. Government **capabilities** matter, and governments need to invest time and effort into enhancing skills and experience

2. Effective governments create **opportunities** for people and businesses to thrive, forming the foundation of national development and prosperity

3. Good governance leads to better outcomes and increased **public trust**; high levels of public trust make it easier for governments to do their work

It is therefore essential that governments have the means to measure the quality of governance in their nation. Only then can they determine where to enhance capabilities and how to build good outcomes for national development and prosperity.

The Challenge of Good Governance

Every nation deserves good governance – good leadership, sound policy, effective institutions, and systems that work. Today's citizens, living in a highly globalised world, have better access to information than at any time in human history; they are keenly aware of what is possible – how government could function – from the rule of law to the delivery of education and healthcare.

Yet, around the world, citizens' expectations of their national government are often not met. This could be due to corruption, or to low state capacity and resources. Often, a lack of planning and implementation skills hinder regulatory enforcement and public service delivery. These conditions have been exacerbated in recent years, as governments face increasing challenges from climate change, digital transformation, and a global pandemic.

Why We Need This Governance Index Now

More than ever, good governance is the deciding factor in whether nations succeed. The COVID-19 pandemic has revealed strengths and weaknesses in institutions, laws, and leadership. To meet all these challenges, governments need the best capabilities available to deliver for their citizens and businesses; only then can they establish the trust required to make the bold - even controversial - decisions that will aid long-term opportunity and prosperity.

Constructing the Index

There are several well-designed dashboards and indices of national governance. What the CGGI offers is a comprehensive and new way of framing, measuring and addressing the important work of government.

The Index is especially oriented to government practitioners. **It is an index developed by government practitioners, for government practitioners**. Designed as a practical tool, it helps governments identify strengths and weaknesses, and provides examples of impactful policy and effective delivery. It is a learning tool to encourage policy and programme discussion and development.

The CGGI has been more than two years in the making. Its conceptual framework and methodology were first developed with inputs from people working in government. We then consulted with a wide variety of leaders, experts and researchers in governance from around the world. This broad collaboration allowed a comprehensive range of views to be captured and synthesised at various stages of review. Part of this process was in consultation with the distinguished members of the **CGGI Advisory Panel**:

Mr Reuben Abraham
CEO
IDFC Foundation and
IDFC Institute

Ms Elizabeth Anderson
Executive Director
World Justice Project

Dr Christian Bason
CEO
Danish Design Center

Mr Adrian Brown
Executive Director
Boston Consulting Group
Centre for Public Impact

Ms Nathalie Delapalme
Executive Director
Mo Ibrahim Institute

Dr Ed Olowo-Okere
**Director, Global
Governance Practice**
World Bank

Dr Manuel Gerardo Flores Romero
**Coordinator, Regulatory Policy
Program in Latin America**
OECD

Prof Kent Weaver
**Professor of Public Policy
& Government**
Georgetown University

Methodology

The CGGI is a composite index measuring the effectiveness and capabilities of 104 governments around the world, amounting to almost 90% of the world's population. The CGGI has intentionally reached for the broadest global coverage possible – subject to the limitations of data quality available.

The Index is made up of **34 indicators**, which are organised into **seven** pillars:

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Pillars						
Leadership & Foresight	**Robust Laws & Policies**	**Strong Institutions**	**Financial Stewardship**	**Attractive Marketplace**	**Global Influence & Reputation**	**Helping People Rise**
Anti-Corruption	Rule of Law	Coordination	Government Debt	Property Rights	International Trade	Education
Long-Term Vision	Quality of Judiciary	Data Capability	Country Budget Surplus	Macroeconomic Environment	International Diplomacy	Health
Adaptability	Transparency	Implementation	Spending Efficiency	Attracting Investments	Nation Brand	Satisfaction with Public Services
Strategic Prioritisation	Regulatory Governance	Quality of Bureaucracy	Country Risk Premium	Logistics Competence		Personal Safety
Innovation				Stable Business Regulations		Environmental Performance
						Income Equality
						Social Mobility
						Gender Gap
						Non-Discrimination
Ethical Leadership *				Tax Efficiency *	Passport Strength *	

The first **six** pillars relate to the six realms of government **capabilities**. Each of these pillars and its results are featured in depth in the body of the CGGI Index Report. The final pillar focuses on the key **outcomes** of good governance that help create opportunity and prosperity. The **34** indicators – **25** on capabilities, **nine** relating to outcomes – capture the core tenets of good governance. Each indicator is measurable and has a quality or component that governments can act upon to improve performance. The outcomes pillar, **Helping People Rise**, enables the CGGI to reflect how much capabilities have translated into results.

The Index uses more than 50 publicly available global data sources, the full list of which can be found in the Technical Annex. Since data sources come in a variety of formats, the data gathered from each source is normalised, given equal weight, and aggregated to produce the final CGGI score on a scale of 0 (lowest score) to 1 (highest score).

* Not included in CGGI 2021 due to incomplete data. To be considered for inclusion in future years.
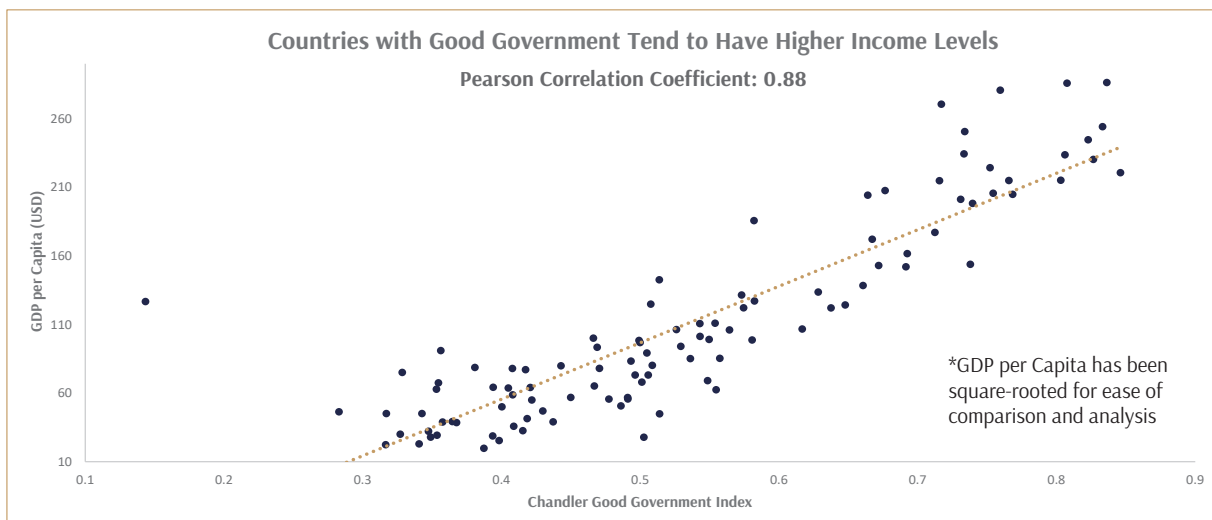
Top 20 Countries

Canada **10**

Iceland **19**

Ireland **11**

United Kingdom **12**

Netherlands **4**

Denmark **5**

United States **18**

France **16**

Belgium **20**

Switzerland **2**

6 Norway

7 Sweden

1 Finland

15 Estonia

14 Japan

Singapore **3**

8 Germany

13 Austria

Australia **16**

New Zealand **9**

Exploring the Relationship Between Governance and Socioeconomic Progress

How closely is good governance related to prosperity? It can be easy to dismiss effective government as a luxury that only wealthy nations can afford.

The 104 countries in the CGGI 2021 are at different stages in their development. The chart below shows that many well-performing countries in the CGGI are indeed high-income advanced economies.

Nonetheless, several nations are achieving good governance scores, beyond the typical limits of income status. These include countries such as Serbia, Thailand, Ukraine and Vietnam.

Source: Chandler Good Government Index 2021, The World Bank 2019.

Beyond GDP and income levels, good governance is also closely associated with good social outcomes for individuals, communities and societies. The chart below shows the strong relation between overall performance in the CGGI and the Social Progress Index (SPI). The SPI measures 50 social and environmental indicators, focusing on actual life outcomes in areas from shelter and nutrition to rights and education.

Source: Chandler Good Government Index 2021, Social Progress Imperative 2020.

Exploring the Relationship Between Governance, Anti-Corruption and Trust

" *There is no question in my mind that governments can win back public trust. Even the most cynical members of the public are willing to invest their confidence if they see real effort. However, we don't often find evidence that governments are harnessing that confidence to build and secure trust for the longer-term.*
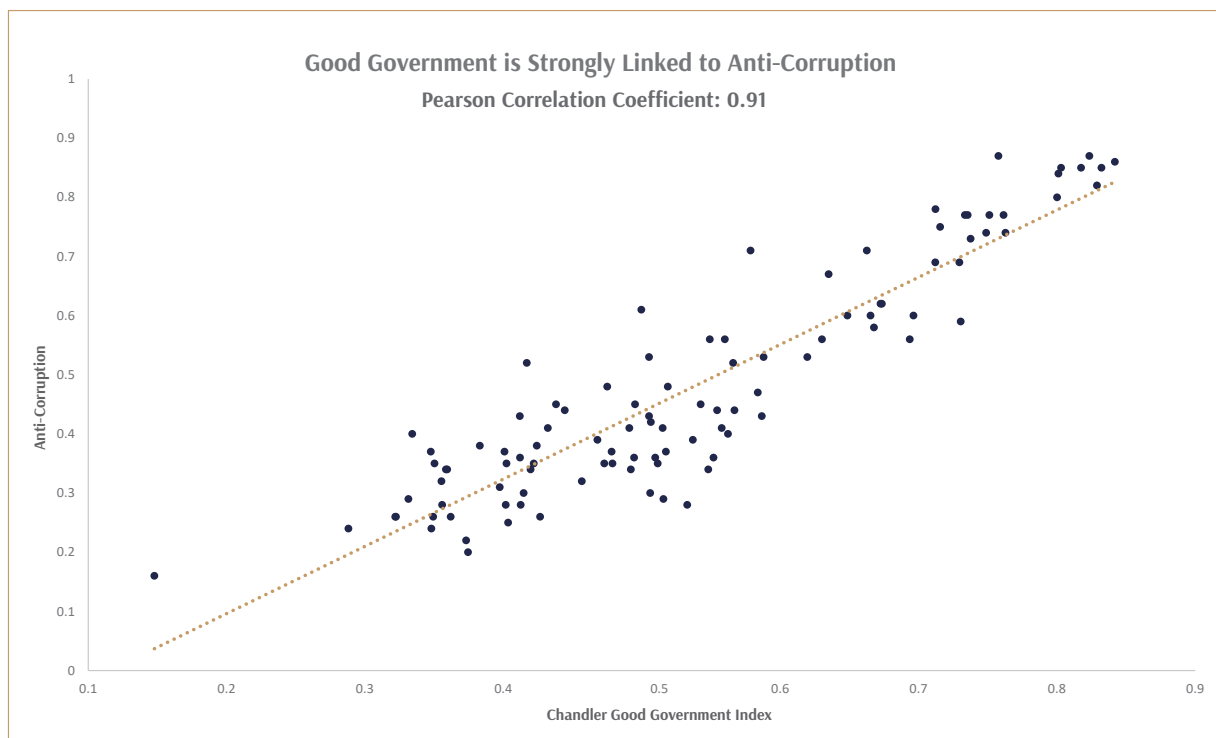
Chris Stone

Professor of Practice of Public Integrity
Oxford University

Measuring trust is difficult, and measuring trust in government even more so. Existing indices are unable to capture this dynamic relationship on a globally representative and structured basis.

Trust in government, in its essence, is based on three key qualities: the **values, competence** and service to the **public interest**, demonstrated by the government. The CGGI's 34 indicators aim to measure how these three qualities of trust play out via governance capabilities and outcomes.

Out of all the 34 indicators measured, one indicator in particular shows the strongest correlation with effective government - **anti-corruption**.

The chart below shows this very strong relationship. Governments with limited resources can consider prioritising anti-corruption measures in their efforts to perform effectively across the board and to build public trust.

Good Government is Strongly Linked to Anti-Corruption

Pearson Correlation Coefficient: 0.91

Source: Chandler Good Government Index 2021, Transparency International Corruption Perceptions Index 2019.
CGGI was correlated without the anti-corruption indicator.

Exploring the Relationship Between Capabilities and Outcomes

> " *The accumulation of capabilities must be at the center of any growth and development agenda*
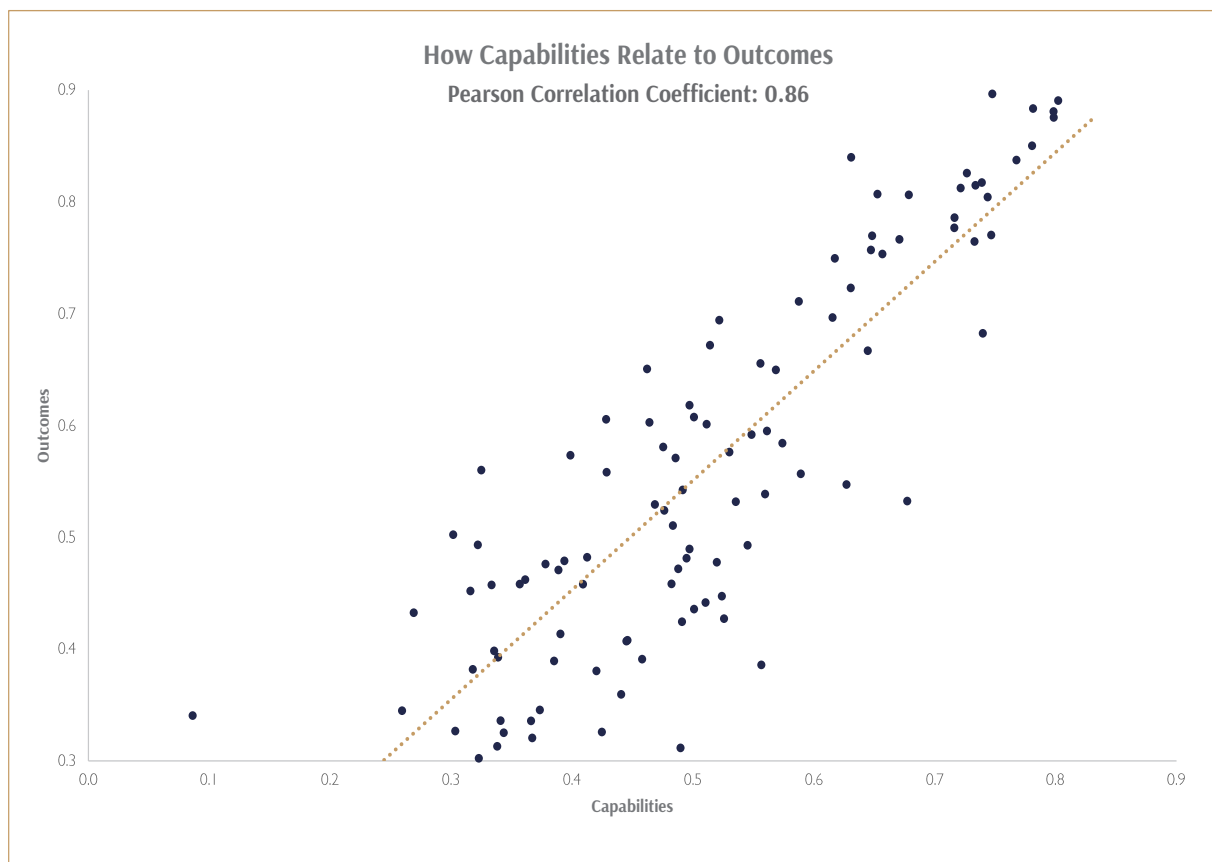>
> — Ricardo Hausmann
> **Rafik Hariri Professor**
> Harvard Kennedy School

How much do effective government capabilities translate into better outcomes for citizens?

Beyond measuring the **capabilities** of governments, the CGGI also measures quality of life **outcomes**, what we have termed, **Helping People Rise**. The chart below shows the strong relationship between capabilities and outcomes.

What else emerges in this exploration between capabilities and outcomes is how certain countries are achieving good results, beyond the relative limits of their capabilities, such as Slovenia, Romania and Ukraine. This sort of analysis raises interesting governance questions about what these countries might be doing, and what could others learn from them?

We can even explore which groups of capabilities have the strongest correlation to outcomes. Two pillars in particular - **Robust Laws and Policies** and **Strong Institutions** - relate the strongest to the Helping People Rise pillar.

How Capabilities Relate to Outcomes
Pearson Correlation Coefficient: 0.86

Source: Chandler Good Government Index 2021 .

Looking Ahead

The creation of the CGGI is opening up new avenues for exploring governance in practice. Our hope is that the CGGI presents a useful toolkit for governments — for how they can enhance their capabilities, create opportunities for people and businesses, and prioritise building trust.

Further Resources

Full Report

The full CGGI 2021 Report features in-depth commentary and analysis from world-class governance experts and practitioners. Readers will find the full list of country results and learn more about the seven pillars of governance and the 34 indicators. There are essays, interviews and commentaries about how each pillar translates to real world governance challenges.
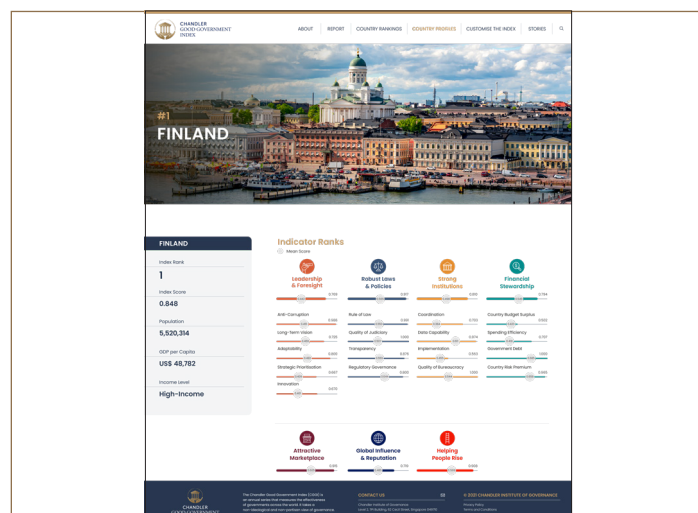
Technical Annex

The technical annex of the CGGI outlines comprehensive details of the methodology and sources used to construct the Index.

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 with breakdowns of all 34 indicators. We encourage you to try the website for yourself, when it launches in April 2021.
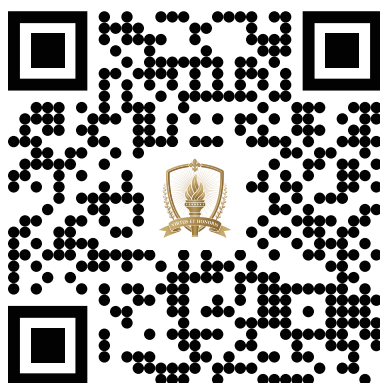
Scan the QR code to view CGGI website

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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.

www.ChandlerInstitute.org

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