

CHALLENGES AND OPPORTUNITIES

As seen throughout the different definitions and measurement projects, governance is a multidimensional concept. This represents at least four challenges. First, since there is no framework for choosing which dimensions or aspects to include in the measurement of governance, there are content validity and aggregation problems. In other words, without theoretical and analytical clarity, governance conceptualization and operationalization become problematic. For instance, WGI include “Political Stability and Absence of Violence” as a major dimension; in contrast, OECD does not incorporate it into their model. Similarly, some dimensions overlap with each other and there are dimensions that lack a clear operational definition and specific indicators; such is the case for concepts like “Rule of Law” or “Corruption” which have their own theoretical debates and quantification issues.

Second, this conceptual vagueness affects indicator selection and the integration of information sources in two ways. On one hand, due to the lack of objective information on governance (administrative records), measurements rely mostly on subjective data (perceptions). As a result, there is a risk of confusing indicators associated with institutions, with indicators related to the effects of these institutions. On the other hand, increasing the number and types of information sources reduces the conceptual precision and carries a risk of biasing the measurements (Bersch & Botero: 2014).

Third, the use of different sources of information increases problems of measurement continuity and data quality. It becomes difficult to perform exercises of comparison between countries or to study changes in governance over time.

**CONTENT &
AGGREGATION
VALIDITY**

**CONCEPTUAL
PRECISION &
INDICATOR
BIAS**

**COMPARABILITY
PROBLEMS**

UNINTENDED CONSEQUENCES

Fourthly, the adoption of these indicators can lead to unintended consequences, such as “signaling” or imitation of models or practices not applicable to the context of a country (Andrews, 2008). In the case of signaling, countries decide to address aspects of their governance because it makes them “look good”; although this does not necessarily imply substantive changes. In the case of imitation, the policies carried out in a country will not always work in another, since this depends on the institutional culture, capabilities, as well as the specific context of each State (Foresti, Wild, Rodriguez, & Norton, 2014).

EMPIRICAL RELEVANCE

Nevertheless, as a result of the importance given by the international community and academy, four areas of opportunity can be identified. First, advances in research in social sciences have agreed on a minimum set of factors that promote better development. This makes it easier to decide which elements are indispensable for a multidimensional concept. To put it in another way, the clarity of relations between factors and outcomes, as well as the breakdowns of components, will allow us to conceptualize and operationalize governance more precisely.

DATA COLLECTION INSTRUMENTS

Secondly, in order to develop indicators or assessments on institutional design, capabilities, quality of institutions and trust in Government, it is absolutely clear the importance of having measurement instruments, such as censuses, administrative records, surveys about public administrations and population surveys on the quality of public services and related to measuring actual facts or experiences when possible.

CAPACITY BUILDING

Third, the need for more information urge decision makers, National Statistical Offices, international organizations and research institutes to join efforts in order to strengthen States capacities for generating official statistical information. The role of National Statistical Offices, as domestic coordinators for gathering such information, is fundamental to generate solid statistical information related to governance.

PRACTICAL PURPOSE

Finally, governance indicators should be as transparent as possible; be useful to guide concrete actions for investing and improving efficiency, and remain sensitive to the political contexts of each country (Arndt & Oman, 2006).