

Country-level governance diagnostics: Strengthening local capacities for greater government effectiveness

Assessing the state of governance in a country contributes to building local knowledge and in-depth understanding of the institutional vulnerabilities that contribute to weak performance and corruption in the public sector. Countries in different regions have partnered with the Global Program (World Bank Institute-WBI) to undertake governance and corruption (GAC) diagnostics. The diagnostics are an in-depth practice oriented and participatory research process with as an end product, enough reliable evidence to place governance and corruption issues on the public agenda, promoting multi-stakeholder dialogue for articulating and designing realistic action plans and responses for policy reform.

In practice, the GAC process has proven to provide unique opportunities to build the human and institutional capacity needed in countries seeking to obtain baseline data on public governance. This data then can be compared over time in subsequent collection exercises. Governments can then measure progress and redirect policy actions when unexpected factors change the sociopolitical and economic environments. Strengthening the *effectiveness of collective action* is important when dealing with the complexities of improving governance and reducing corruption. Understanding the types and causes of corruption is indeed a challenge and it requires taking a broad look at issues affecting different actors and sectors and the relationship among them. It also requires clarity on the fact that designing remedial actions are unique to each country's context. The value-added of the GAC diagnostic is that it gives a broad picture of the situation based on triangulated data collected through inquiring both providers and users of the public system. The diagnostic process is also an opportunity to demonstrate and foster transparency and accountability, and build trust among governments and their constituencies, an important step towards building consensus and ensuring the sustainability of reforms.

Strengthening local capacity throughout the survey design and implementation

A wide range of indicators to measure governance have been developed by research institutions and development practitioners including WBI's measures of the six dimensions of governance (see opposite box). To complement the quantified data and provide more in depth and specific knowledge on the state of governance in a given country, some countries have chosen to undertake GAC diagnostics. Demand driven, the diagnostics are devised in response to governments' requests and recognized need to monitor and evaluate how exactly poor governance and corruption have negatively impacted the development process and economic growth in their countries. Overall, bad governance obstructs poverty reduction efforts, diverts public spending, reduces citizen's income and lowers the quality of life. As paying bribes to obtain basic services becomes a norm, the development of the private sector is also constrained, leading to reduced investment and growth.

Governance Indicators*

1. Voice and Accountability
2. Political Stability and Absence of Violence
3. Government Effectiveness
4. The Rule of Law
5. Regulatory Quality
6. Control of Corruption

*The data and methodology used to construct the indicators are described in "[Governance Matters V: Governance Indicators for 1996-2005](#)," by D. Kaufmann, A. Kraay, and M. Mastruzzi (September 15, 2006) available at www.worldbank.org

The GAC process consists of the collection of quantitative and qualitative data with the use of tailored instruments to a particular country context and challenges. The aim is to provide an understanding and broad picture of the perceptions and experiences of groups of stakeholders on the state of governance and corruption in their country. Typically, the representative samples of people surveyed have covered three groups: households, public officials and private enterprises. In other countries, they have included other groups of key stakeholders such as non-governmental organizations (NGOs) as they have become important providers and users of public services.

The design of contextually adapted survey tools (questionnaires) allows for the strengthening of local technical capacity to identify main governance challenges and the most affected sectors. In practice, this exercise has led to the acknowledgement that a multi-sector view of the manifestations of weak governance as well as the use of a systemic approach are important in order to find sustainable solutions. In some countries for example, the GAC process has allowed for the links between governance and security to be addressed.

Local capacity building and collective action is promoted through the creation of multi-sector steering committees, where representatives from key sectors of society lead the diagnostic process, bringing their unique experiences and vision on governance priorities. To ensure transparency and to reinforce the value of the exercise, local independent firms are contracted to conduct the data collection and analysis. The collection of data on governance and corruption requires however more than basic knowledge on survey techniques. This has become evident in countries with low levels of security and transparency in public transactions, widespread corruption and impunity. WBI has provided technical advice on those cases and has promoted sub-regional collaboration for technical knowledge sharing. In Benin, WBI facilitated an interactive training session where an African firm specializing in research and polling techniques shared its expertise on survey data analysis and results reporting techniques for policy reform and action planning.

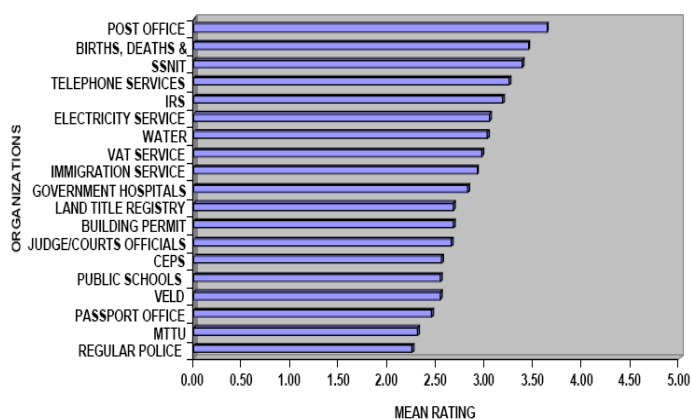
Providing Information for Policy Reform

The GAC process builds local knowledge and understanding about the performance of individual public sector agencies, not individuals, thus de-politicizing the issues. With different institutions being cross-evaluated, the vulnerable agencies where reform is most needed can be identified. Moreover, the data collected allows for the ranking of public agencies. That direct comparison can

promote healthy competition among service providers by putting pressure on them to improve their individual performance, given the results of the survey are properly disseminated.

Indeed, an important element in the governance reform process is to make reliable data available to the citizens. A well thought-out dissemination and communication strategy is thus required in order to ensure that as many and varied stakeholders are informed about the survey results. Making this type of data available to organizations involved in governance and

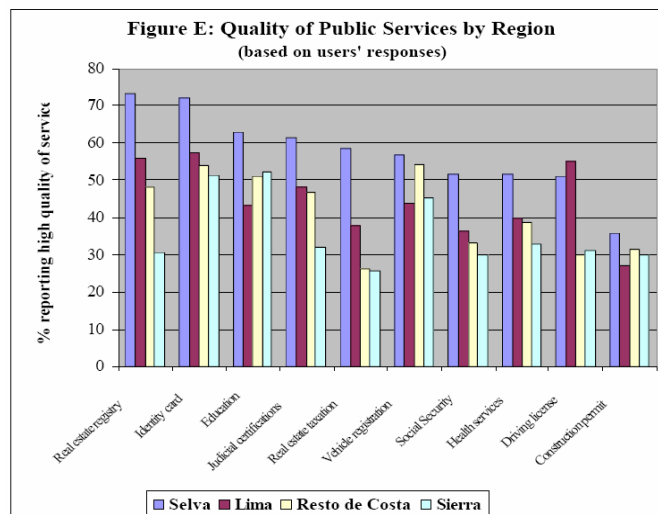
FIG.17: MEAN RATING OF QUALITY OF SERVICE OF ORGANIZATIONS BY HOUSEHOLDS



Source: The Ghana Governance and Corruption Survey: Evidence from Households, Enterprises and Public Officials (August 2000).

corruption reforms, the media and the private sector, contributes to building pressure for reform (*demand side of governance*). Also, a well planned strategy makes it more difficult for a faulted agency to ignore the results of the survey. It also gives the service in question an opportunity to start addressing the public concerns revealed: a first step towards greater transparency and accountability for concrete results. In Haiti for example, in response to the recently completed diagnostic survey on governance and corruption singling out a number of agencies for their poor performance and lack of integrity, representatives from both Customs Services and the public telephone company addressed the public in a high profile conference on corruption. After the results of the GAC survey were presented to the public, they addressed the findings and discussed possible causes for the reported lack of effectiveness and integrity in their respective institutions while proposing specific solutions towards improved governance and reduced corruption.

In the GAC process, the uniqueness brought by the triangulation of responses and the national coverage of the survey is that they allow for both regional and institutional comparisons: *the geographical and horizontal dimensions of accountability* are examined. The GAC survey provides information on regional differences through data on aspects such as the quality of public services and the frequency of bribe-giving across regions and major geographical areas. That type of data allows policy makers to differentiate and adapt reform options to local needs and priorities. In Guinea, the survey showed that the governance challenges and perceptions of corruption varied greatly across regions. In Madagascar, the governance and corruption survey conducted in 2005 put a particular emphasis on studying the perceptions and experiences of corruption per region. The national Anti-corruption Commission later followed up by taking a closer look at the links between environment and the prevalence of corruption. By looking at how the specific characteristics of a given region could more or less be favorable to the development of corruption, the goal was to better determine specific causes and tailored plans of actions in the fight against it.



Source: Voices of the Misgoverned and the Misruled: An Empirical Diagnostic Study on Governance, Rule of Law and Corruption for Peru (September 2001)

In Guinea households spend 8% of their incomes in bribes: low income citizens spend 8.3% while middle and high income households spend 7.5 to 7.8% of their income respectively.

Assessing the state of governance helps better expose the impact of bad governance on countries' economies in general and on households and the private sector in particular, which can galvanize stakeholders into action. The data collected can show how corruption contributes to increased poverty and inequality, and crystallize the costs of bad governance and corruption in the form of lost revenues for all: the public sector, private enterprises and households. In Guinea, the GAC survey revealed that low income households spend 8% of their income on bribes to access public services while middle and high income households spend 7.5 and 7.8% respectively. In countries like Malawi and Benin, private firms reported often having to pay bribes when registering or competing

for government contracts, costs that they are likely to in turn factor in the price of the services they offer to government through over billing. GAC surveys help quantify the impact of corruption such

as in the form of lost investments. In Benin, 23% of enterprises reported in the survey having been discouraged from investing in the country in the three years prior to 2006, for reasons such as bureaucratic costs and administrative obstacles, as well as corruption.

In fragile environments, the GAC survey can promote open dialogue on the linkages between governance and lack of security and how they particularly affect each other. The results of the exercise in Haiti showed that for the vast majority of households, NGOs and especially private enterprises, insecurity was a serious obstacle to access to public services and the conduct of their activities. However, 60% of victims of violence chose not to turn to the National Police because they saw it as being inefficient and corrupt.

Promoting partnerships and coalitions to improve governance and fight corruption

One of the most striking findings from the GAC surveys has been with regard to the levels of determination of people to combat corruption. In light of the data collected thus far, there is often tremendous local will to invest in that fight. A good appreciation and understanding of that determination at the national level and across sectors can help key stakeholders better harness that unleashed potential and apply it in the development of reform policies. In Benin, it is 35% of households who reported in the national survey that they would invest up to 50% of their monthly income to be rid of corruption.

In Benin, 57% of households are ready to fight corruption and 35% say they would spend up to half of their revenues to do so.

The GAC process promotes the development and strengthening of partnerships between different groups of stakeholders. There is ample evidence that shows that government-led anti-corruption reforms will have a greater impact if they are consulted with a broader audience. Continuous dialogue and collaboration between governments and their citizens bring both more legitimacy to the process and build consensus and ownership around the specific reforms to be undertaken. In Haiti, strong leadership by the semi-autonomous anti-corruption unit (ULCC) and the GAC Survey Steering Committee, helped foster a large sense of national ownership. Many Haitians present during the dissemination of the results of the survey in Port-au-Prince, praised the open and frank discussion that took place between government and non-government actors, about the types of corruption prevalent in the country and their effect on poverty reduction efforts.

Sustained collaboration between the various groups of stakeholders within a country is not only important to foster a sense of ownership and consensus but is also crucial to the continuous monitoring of the state of governance in a country. Outside pressure (civil society) to demand accountability and transparency is needed for sustained governance reforms. Civil society also plays an important role in monitoring progress and the GAC process builds space for its involvement from inception. Representation in the Steering Committee allows civil society organizations, including the media and private sector to build a more informed understanding of the governance challenges faced by their country. The diagnostics also promote local media involvement in governance and anti-corruption issues, usually seen as sensitive. A well-trained and professional media with access to information could be instrumental in promoting and sustaining governance and anti-corruption efforts. In Haiti, the GAC process has helped parliamentarians understand the importance of access to information within a well regulated environment to oversight and monitoring. A draft “access to information law” has been prepared and is being discussed in Parliament.

Finally, the GAC process has contributed to building a knowledge base of successful experiences that have spearheaded governmental action for reform. South-south exchanges of experiences on GAC assessments facilitated by WBI have been useful among countries, especially when facing similar governance challenges.

Conclusion

The GAC diagnostic process is a powerful instrument for strengthening the “demand side of governance.” Through stakeholder engagement and capacity building, it promotes participation and builds ownership for governance and anti-corruption reform. It is a “demand driven” initiative that allows state and non-state actors to become involved from the inception up to the design of governance and anti-corruption strategies for policy reform.

Data collected through the GAC diagnostic surveys help monitor the performance of public sector institutions, identifying the different manifestations of weak governance and corruption. The geographical dimension of the surveys allows for regional comparisons on the state of governance and levels of corruption, impacting the decision making process and prioritization of action plans and reforms.

By providing quality data and filling informational gaps in areas of governance and their impact across sectors, institutions and regions in a country, the diagnostic surveys set the platform for the development of informed public policies for good governance. Moreover, they arm both governments and their citizens with the knowledge -including benchmarks- to evaluate public sector performance and monitor the impact of reform policies.

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