Defining and measuring quality of government

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Quality of Government and its close cousins Good Governance and State Capacity are relatively new concepts that have made a strong impact in research as well as some of the highest policy circles since the mid-1990s. These three concepts have received most attention in circles dealing with developing countries and the so-called transition countries (Smith 2007). Especially good governance is now used by many national development agencies and international organizations such as the World Bank and the United Nations. An example is the International Monetary Fund that in 1996 declared that “promoting good governance in all its aspects, including by ensuring the rule of law, improving the efficiency and accountability of the public sector, and tackling corruption, as essential elements of a framework within which economies can prosper” (IMF 2005). However, the economic and financial crises that started in October 2008 have shown that issues about “bad governance” cannot be seen only as problems for developing and transition countries but also for the highly developed parts of the world (Rothstein 2011). A case in point is that several well-placed analysts have argued that the background to the financial and economic crisis can be found in how powerful investment banks on Wall Street used their influence to relax regulatory oversight and capital requirements (Kaufmann 2008; Johnson 2009; Johnson & Kwak 2010). It should be added that available measures of quality of government and good governance show that several EU countries (notably Greece, Italy and Romania) score lower than some much poorer countries in the developing world (Charron, Lapuente & Rothstein 2011).

But what, more exactly, does this new set of concepts entail? It has been argued that there is a serious lack of conceptual precision in the use of these concepts
(Fukuyama 2011, p. 469; Andrews 2010). In this chapter we shall argue that *quality of government* should be the preferred term and defined as having *impartial* government institutions. We will frame our justification for this conceptualization around a short intellectual background to the current issues at stake, followed by our criticism of previous efforts to define the concept. After having outlaid our own definition, we will present the results from a novel data collection effort aiming to measure the level of quality of government as impartiality in 97 countries. We conclude by discussing some of the most challenging questions on the future research agenda of this field.

**The policy background: the two failed hopes of democratization and marketization**

As is well-known, more countries than ever are now to be seen as democratic. The fall of the Berlin Wall and the dramatic political changes in Latin America as well as in parts of East Asia have had a huge impact (Teorell 2011). However, the hopes that democratization in itself would lead to greatly improved social and economic conditions has, for the most part, not been realized. As stated by Diamond (2007), in many newly democratized countries what we see is how the democratic spirit of elections is “drenched in corruption, patronage, favoritism, and abuse of power” and how “bad governance” thwarts development. The increased interest in policy circles for issues of governance and quality of government can to a large extent be understood as a reaction to the many “facts on the ground” showing that establishing “free and fair” elections and representative democracy is not a guarantee that poor countries will perform better and manage to improve economic and social conditions for their populations. A debate about “sequencing” has therefore emerged, the central issue being if donor organizations from the OECD countries should support state capacity before they give aid for democratization. The argument rests in part on the findings mentioned above,
but also on historical parallels where it is argued that for almost all stable democracies, increased state capacity came well before representative democracy was established (cf. Carothers 2007). This debate is far from resolved, but we would like to underline that for us, this is not an argument against the importance of democratization. Instead it is to say that democracy, as it is usually understood, has many virtues that are internal to the system itself, but it may not be as consequential for improving human well-being as many, including us, had hoped.

In development policy circles, the quality of government and good governance agenda has to a large extent replaced what was known as the Washington Consensus. This approach stated that economic growth could be created by massive deregulations of markets, tightening of public spending, guarantees for property rights and large scale privatizations (Serra & Stiglitz 2008). The reason why this strategy did not work was, according to many observers, that poor countries lacked the necessary type of institutions that were “taken for granted” in neo-classical economics. Among those, leading development economist Dani Rodrik lists both formal and informal institutions such as “a regulatory apparatus curbing the worst forms of fraud, anti-competitive behavior, and moral hazard, a moderately cohesive society exhibiting trust and social cooperation, social and political institutions that mitigate risk and manage social conflicts, the rule of law and clean government” (Rodrik 2007, p. 97). In the former communist countries, the so-called shock-therapy capitalism ran into a number of problems, not least because its proponents did not pay adequate attention to the need for institutions that would hinder fraudulent, anti-competitive and other similar types of destructive behaviour (Kornai, Rothstein & Rose-Ackerman 2004).
The empirical background: quality of government and human well-being

Until the mid-1990s, issues of corruption and bad governance were generally neglected in the social sciences. The reason was that many argued that some types of corruption could have a positive impact on economic development since this in many instances could “grease the wheels” (cf. Rose-Ackerman 1998). A central reason for the rise of the quality of government and good governance agenda since then is the establishment of different types of measures, notably the Corruption Perception Index launched by Transparency International in 1996 and later the World Bank’s Governance Indicators. Since these measures (and several others) became available, a great number of studies have shown that government institutions that are reasonably free from corruption and related practices have a positive impact on a large set of outcomes related to human well-being. Central in this discussion has been the link between the quality of government institutions that implement policies (control of corruption, the rule of law) and economic growth and lower levels of economic inequality (for a summary of these findings see Holmberg, Rothstein & Nasiritousi in this volume). In addition, Helliwell (2008), Pacek and Radcliff (2008), and Ott (2010) as well as Holmberg and Samanni in this volume have observed positive links between measures of good governance and subjective well-being (aka “happiness”, a measure of an individual’s evaluation of their quality of life in total).

There is also a large body of literature that testifies to the negative consequences of “bad governance”, chiefly in the form of corruption and lack of property rights, for areas such as population health and people’s access to safe water (Sjöstedt 2008; Holmberg & Rothstein 2011; Transparency International 2006; Swaroop
& Rajkumar 2002). In addition, Rothstein and Stolle (2008) show that high trust in legal institutions has a positive impact on interpersonal trust. Råby and Teorell (2010) show that measures of good governance are stronger in predicting the absence of violent interstate conflicts than are measures for democracy, and Lapuente and Rothstein (2010) make the same argument for civil wars. Maybe most surprising are Gilley’s findings about political legitimacy. From a study based on survey-data from 72 countries he concludes that “general governance (a composite of the rule of law, control of corruption and government effectiveness) has a large, even overarching importance in global citizen evaluations of states”. He further states that these governance variables have a stronger impact on political legitimacy than variables measuring democratic rights and welfare gains (Gilley 2006, p. 57; cf. Gilley 2009; Levi & Sacks 2009). In sum, it has been very difficult to find any positive correlations between measures of the degree of democracy and measures of human well-being in cross-country studies when controlling for measures of quality of government (Rothstein & Teorell 2008). Thus, policy organizations that have put *good governance* and *quality of government* on their agenda are supported by quite a large number of empirical studies.

**The intellectual background to the debate**

One of the major sources for the rise of the good governance and quality of government agenda has been the ‘institutional turn’ in the social sciences. Around 1990, three major works were published that have had a profound impact on the analysis of the importance of institutions, namely, James B. March and Johan P. Olsen’s *Rediscovering Institutions*, Douglass C. North’s *Institutions, Institutional Change and Economic Performance* and Elinor Ostrom’s *Governing the Commons*. Although coming from different intellectual traditions, they had one thing in common, namely they challenged
the then dominating societal views in studies of social and economic outcomes. These paradigms in the social sciences (for example, Pluralism, Elitism and Marxism) all argued that variables like economic power configurations, systems of social stratifications or the structure of class divisions were central in explaining political and thereby social and economic outcomes.

Contrary to this, the institutionally orientated scholars argued that political institutions, broadly understood, were central in explaining social and economic outcomes. In political science, this became known as “Bringing the State Back In” (Evans, Skocpol & Rueschemeyer 1985; Steinmo & Thelen 1992). In short, instead of focusing on how economic and sociological variables determined politics and outcomes of the political systems, the institutional approach turned the causal logic around by arguing that the character of a society’s political institutions to a large extent determined its economic and social development. In common language, the institutional turn in the social sciences showed why “the rules of the game” should have a more central role in social science research. This lead to a number of interesting questions for research, such as, why societies had different institutions, what was the relation between institutions and social/economic outcomes and if some type of institutions were better in producing valued social outcomes than others.

**Different conceptions of quality of government and good governance**

As could be expected, an extensive debate exists about how concepts like quality of government, good governance and state capacity should be defined. Should it be about procedures only (like most definitions of representative democracy) or should it also contain substantial policies and outcomes? Should the concept be universally applicable all over the globe (like the UN declaration of Human Rights) or should it be relativized
to different cultures? Should the concept be equated with administrative and economic efficiency or should it be understood as something that explains such efficiency? Should good governance include how well those who govern represent those who are governed or should it be about the capacity to steer society? One of the most frequently used definitions of good governance has been launched by the World Bank Research Institute and reads as follows:

The traditions and institutions by which authority in a country is exercised. This includes (1) the process by which governments are selected, monitored and replaced, (2) the capacity of the government to effectively formulate and implement sound policies, and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them (Kaufmann, Kraay & Zoido-Lobatón 1999, p. 1).

This definition forms the basis of the World Bank’s widely used Worldwide Governance Indicators that has measures for “voice and accountability”, “political instability and violence”, “government effectiveness”, “regulatory quality”, “rule of law” and “control of corruption”. This is a very broad definition and it has been criticised for including both policy content (“sound policies”) and procedures (“rule of law”) as well as citizens’ evaluations (“respect”). It has also been criticized for containing both the institutions for access to political power as well as those that exercise and implement laws and policies. In the words of Keefer (2004, p. 5), “if the study of governance extends to all questions related to how groups of people govern themselves …, then there are few subjects in all of political science and political economy that do not fall within the governance domain”. Or put differently, if quality of
government is everything, then maybe it is nothing. Yet, clearly some political institutions or aspects of “politics” must matter more than others for what should count as quality of government. We thus agree with the critique launched by Grindle (2007) that the good governance agenda, not least for many poor countries, can be overwhelming and, in particular, with her argument that it fails to distinguish between various institutional particularities and more basic principles.

Including “sound policies” in the definition raises the quite problematic question if international (mostly economic) experts really can be expected to be in possession of reliable answers to the question of what is “sound policies”. For example, should pensions or health care or education be privately or publicly funded (or a mix of these)? To what extent and how should financial institutions be regulated? Secondly, such a definition of good governance that is not restricted to procedures but includes the substance of policies raises what is known as the “Platonian-Leninist” problem. If those with superior knowledge decide policies, the democratic process will be emptied of most substantial issues. The argument against the “Platonian-Leninist” alternative to democracy has been put forward by one of the leading democratic theorists, Robert Dahl, in the following way: “its extraordinary demands on the knowledge and virtue of the guardians are all but impossible to satisfy in practice” (Dahl 1989, p. 65).

Is small government also good government?

Another idea that has been put forward is that quality of government equals small government. A case in point is Alesina and Angeletos who conclude that “a large government increases corruption and rent-seeking” (2005, p. 1241). Similarly, Nobel laureate Gary Becker has argued that “to root out corruption, boot out big government”. For Becker, as well as for many other economists, “the source of corruption is the same
everywhere; large governments with the power to dispense many goodies to different
groups”. Therefore, smaller government is “the only surefire way to reduce corruption”
(Becker 1995). However, if we take a look into the empirics, the relationship between
government size and corruption runs in the opposite direction. Thus, the comparatively
least corrupt countries – to a significant extent situated in the northern parts of Europe –
have generally much larger governments than the most corrupt ones. If we take all
countries for which data is available, the correlation between total tax revenues as a
share of GDP and institutional quality is 0.34 (Persson & Rothstein 2011). As North,
Wallis and Weingast (2009) show, rich countries have much larger governments than
poor countries. They explain this by arguing that not only infrastructure and the rule of
law are to be understood as public goods and thus to be financed by the state, but to a
large extent also education, research and social insurance programs that mitigate risks.
This is not an argument for saying that high public expenditure reduces corruption and
is a causal factor behind good governance, but as stated by La Porta et al. (1999, p. 42),
the data shows that “identifying big government with bad government can be highly
misleading”. As argued by Avner Greif (2005, p. 737), “public-order institutions that
support modern markets require high fixed costs”.

**Good government as the absence of corruption**

One way out of the definitional problem would be to define quality of government
and/or good governance simply as the absence of corruption. This turns out to be
problematic for several reasons. First, corruption is in itself difficult to define. The
standard definition is that corruption is “the abuse of public power for private gain”.
The problem with this definition is that it is relativistic since what counts as “abuse” (or
“misuse”) would vary in different parts of the world (Kurer 2005). Needless to say, this
would dramatically increase problems of operationalization and measurement but it would also carry all the difficulties connected to relativistic definitions that we know from discussions about human rights and democracy. Without a universally accepted normative standard about what forms of behavior that are acceptable and appropriate, there is no way to know (and measure) what should count as “abuse” when we compare various systems of governance in order to see if they would qualify for the epithet “good” or not.

The second reason why good governance or quality of government cannot be equated with the absence of corruption is that there may exist many problems when governing societies that are not confined to what is usually understood as corruption. A high degree of corruption is certainly an antithesis to good governance, but so are many other practices that are usually not seen as corruption, such as clientelism, lack of respect for the rule of law and property rights, nepotism, cronyism, patronage, systemic discrimination and cases where administrative agencies are “captured” by the interest groups that they are set out to regulate and control (Rothstein & Teorell 2008).

**Good governance as the rule of law**

Perhaps as central as corruption, establishing the rule of law is usually key in any discussion on good governance and placed high on the agenda for reforming developing and transitional countries (Carothers 1998). Still, although unequivocally embraced as a virtue of any system of good governance, the concept is rarely defined. One reason for this may of course be that the concept is inherently ambiguous and legal scholars argue over its exact meaning (Rose 2004). To begin with, they dispute whether or not the rule of law should be given a purely procedural interpretation, bearing no implications for the actual substance of promulgated laws. Those that defend a procedural notion claim
that the rule of law must be distinguished from the rule of “good” law. Critics argue that this would allow morally detested regimes, such as Nazi Germany, to be classified as abiding by the rule of law. Against the procedural view, these critics seek to inscribe into the rule of law various substantive moral values of liberal democracy (cf. Bratton & Chang 2006, pp. 1077-78). Yet, even among proceduralists, who adhere to a narrower conception, ambiguities remain. Usually more attention is paid to the internal qualities of the laws themselves — such as the need for the law to be clear, understandable, general, internally consistent, prospective, stable, etc. — rather than to define the core principles that a political system must abide by in order to be in accordance with the rule of law.

Searching for these core principles, one may instead turn to conceptions developed within political science. Weingast (1997, p. 245) defines the rule of law as “a set of stable political rules and rights applied impartially to all citizens”. Similarly, O’Donnell (2004, p. 33) states a minimal definition of the rule of law as “that whatever law exists is written down and publicly promulgated by an appropriate authority before the events meant to be regulated by it, and is fairly applied by relevant state institutions including the judiciary.” He then specifies his normative term:

By “fairly applied” I mean that the administrative application or judicial adjudication of legal rules is consistent across equivalent cases; is made without taking into consideration the class, status, or relative amounts of power held by the parties in such cases; and applies procedures that are preestablished, knowable, and allow a fair chance for the views and interests at stake in each case to be properly voiced.
The rule of law thus embodies the principle “equality before the law”. It entails “a crucial principle of fairness — that like cases be treated alike” (O’Donnell 2004, pp. 33-34). However, one problem is that good governance also applies to spheres of state action other than those directly governed by law. When public policy is to be enacted in so-called “human processing” areas, such as for example education, health care, welfare benefits, and active labor-market programs, widely discretionary powers usually need to be transferred to lower-level government officials and professional corps responsible for implementing policy. The reason is that they have to adapt actions to the specific circumstances in each case and it has turned out to be administratively impossible to enact precise “rule of law type” laws and regulations that can guide this. In many areas, governance is carried out by professional corps that are for the most part guided by professional standards issued by their organizations which are not connected to “rule of law” principles. For example, nurses in elderly care homes would probably not think of what they are doing as guided by “the rule of law”. This is not a novel insight: Aristotle himself observed that written laws cannot be applied precisely in every situation, since the legislators, "being unable to define for all cases ... are obliged to make universal statements, which are not applicable to all but only to most cases." (quoted in Brand 1988, p. 46). The conclusion is that while the “rule of law” principles in most approaches serve as a central ingredient in good government, they do not cover the full spectrum of the concept.

**Good governance and democracy**

Establishing representative democracy has often been championed as an effective antidote to everything from corruption to poverty. This is because it is linked to accountability, which helps to reduce the discretionary powers of public officials
This would indicate that democracy, quality of government and good governance could possibly conceptually overlap, as is the case in the World Bank’s definition mentioned above. This raises the question why we need concepts like good governance, state capacity and quality of government since we could just talk about “good democracy”. The problem is that empirically, there is no straightforward relationship between establishing electoral representative democracy and many features of good government. On the contrary, democracy seems to be curvilinearly related to the level of corruption (Montinola & Jackman 2002; Sung 2004). Empirical research indicates that corruption is worst in countries that have newly been democratized. For example, some of the worst cases of corruption have appeared in newly democratized countries, such as Peru under its former president Fujimori (McMillan & Zoido 2004) and Jamaica since the mid-1970s (Collier 2006). At the more country specific levels, one can note that studies of Italy show that politicians that stand accused of or are under investigation for corruption do not stand a lesser chance of being elected than “clean” politicians (Chang, Golden & Hill 2010). One should also keep in mind that the two states that have made the greatest progress in curbing corruption over the last few decades – Singapore and Hong Kong – have not been and still are not democracies (Uslaner 2008). From this, and from the empirical research (referred to above) showing that measures of various aspects of quality of government have a much greater impact on human well-being (and perceptions of political legitimacy) than measures of democracy have, we may conclude that quality of government is different from, and should not conceptually be equated with, democracy.
Quality of government as government efficiency

It would certainly be strange to argue that a government that is very inefficient or ineffective could be of high quality or produce good governance (Fukuyama 2004). Would it then be possible to define quality of government in terms of government efficiency or effectiveness? The reasons why this is problematic are two. First, the notions of “good” or “high quality” usually imply other things than just economic efficiency. It is easy to think of things that a government can carry out in an efficient way that normatively would be just the opposite of “good”. Secondly, defining concepts like quality of government in terms of administrative and regulative efficiency would border on establishing a tautology. One should bear in mind that the good governance agenda largely came about in studies trying to understand why many developing countries were unable to increase growth. Defining good governance in terms of efficiency (or efficient policies) would be tantamount to saying that efficiency causes efficiency. Not much would be gained by saying that societies with efficient (good, high quality) governance systems produce efficiency. If not a tautology, one could say that such a definition would make the distance between independent and dependent variables minimal. Instead, what we need to know is if societies that are socially and economically efficient, that is, are able to solve the problem of producing the amount and type of public goods they need, have institutions that are qualitatively different in their operative principles than the opposite type of societies.

In the long discussion of how representative democracy should be defined, the distinction between procedural and substantive definitions is a central theme (cf. Dowding, Goodin & Pateman 2004). Since we are striving for a universal and procedural definition that could be acceptable to groups in a democracy with, to quote John Rawls (2005, p. xvi), “a pluralism of incompatible yet reasonable”,

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comprehensive religious, philosophical, and moral doctrines, including substantial policies in the definition is a very risky business and not likely to achieve broad-based legitimacy. This is also why we prefer the term “quality of government” to the World Bank term “good governance” since the latter has too broad connotations.

Towards a definition of quality of government

As seen above, neither the absence of corruption, nor representative democracy, nor the size of government, nor the rule of law, nor administrative effectiveness capture what should be counted as quality of government. Searching for a definition, it is notable that the conceptual discussion has largely been detached from normative political theories about social justice and the state. It should be obvious that when terms like “good” or “quality” are placed in political concepts, it is impossible to refrain from entering the normative issues that are raised in political philosophy. One can say that modern political philosophy has been engaged with the issue of “what the state ought to do” but refrained from taking an interest in what the state “can do”. There are good reasons for why it is meaningless (or dangerous) to discuss the one without the other (Rothstein 1998). The quality of government and good governance agenda is a clear case where normative/philosophical theory and positive/empirical approaches should merge. This issue is certainly not confined to internal academic civilities. Without a foundation in ethical standards, the risk is that when approaches like the good governance agenda translates into practical policies, it may end up in mindless utilitarianism where basic human rights of (often poor) people are sacrificed in the name of some overall utility (Talbott 2005). The first requirement for a definition of concepts like quality of government and good governance is thus that it is based in a normative theory that gives some orientation for what should be regarded as “good” in this context. Secondly, any
definition of these concepts must take into account that the approach has clearly shifted the interest away from the “input” side of the political system to the “output” side of the political system.

In addition to standard requirements like precision and applicability for empirical research, a third requirement would be universalism. One reason for this is that the quality of government approach by many organizations and researches is de facto applied on a global scale. This demand raises the issue of how to deal with the huge variation in institutional configurations that exists between countries that in most evaluations of quality of governance are ranked at the top. Our argument is that it is important not to conflate a country’s specific institutional configurations with the basic norm that underlie these institutions. This is readily seen if we compare states’ administrative systems with their systems for representative democracy. Established democracies like for example Switzerland, Finland and the United States are in fact very different in their specific institutional configurations of representative democracy. There is for example, no national-level equivalent to the Swiss’ widespread use of referendums in the other two countries. Moreover, these three countries have very different electoral systems and they also differ very much in the political importance and power of their judicial systems. However, they are all still counted as being democracies because the institutions that make up their systems of representative democracy are all based on the basic norm of political equality as laid out by leading democratic theorist Robert Dahl (1989). The same type of difference in specific institutions occurs if we compare countries that are generally ranked at the top when it comes to measures like control of corruption, rule of law and government effectiveness. Obviously, a definition of quality of government need not relate to a specific set of institutional arrangements. Instead, we have to look for some basic norm that
characterizes their institutional systems as a whole. The question is what would be the equivalent to Dahl’s political equality for the “output” side of the political system. Based on the type of rights-based liberal political theory launched by philosophers such as Brian Barry and John Rawls, we have suggested such a basic norm, namely *impartiality* in the exercise of public power. This is defined in the following way: “When implementing laws and policies, government officials shall not take anything about the citizen or case into consideration that is not beforehand stipulated in the policy or the law” (Rothstein & Teorell 2008, p. 170; cf. Strömberg 2000, p. 66). This definition is fairly precise and can be applied universally. It makes clear what basic norm is being “abused” when corruption, clientelism, favouritism, discrimination, patronage, nepotism or undue support to special interest groups occurs. It excludes the content of policies since it is strictly procedural.

The inability to distinguish between basic norm(s) and specific institutional configurations has led some to argue against the possibility to establish a universal definition of quality of government or good governance (Andrews 2010; cf. Grindle 2004). This is problematic since it would be the equivalent to refrain from establishing a universal definition of democracy which would imply that we would not be able to distinguish between democracies and non-democracies. Precisely as there are many ways to institutionalize political equality and be a democracy, there can be many ways for a country to institutionalize impartiality in the exercise of political power to ensure quality of government.

What does it mean to be impartial in the exercise of public power? Cupit writes: “To act impartially is to be unmoved by certain sorts of considerations — such as special relationships and personal preferences. It is to treat people alike irrespective of personal relationships and personal likes and dislikes” (Cupit 2000; cf. Barry 1995, p.
The connection to “good” or “quality” is motivated by the fact that impartiality is the driving notion behind John Rawls’ liberal right-based theory of justice. As Goodin argues: “Certainly, the antithesis of justice is favouritism” (2004, p. 100). In this context, impartiality is not a demand on actors on the input side of the political system, but first and foremost an attribute of the actions taken by civil servants, professional corps in public service, law enforcement personnel and the like.

Equally important, however, are the things which the norm of impartiality does not rule out. Since QoG as impartiality is a procedural norm confined to the exercise of public power, one important field that is not affected by this conception is the substance of the content of policies. This builds on the idea that non-corruption implies that “a state ought to treat equally those who deserve equally” (Kurer 2005, p. 223). This is in line with the argument that the content of public policies should not be included in the definition of QoG. Instead, it is impartiality in the exercise of power (the “ought to treat equally” principle) that is the central component of QoG. To treat equal does of course not imply that everyone should get the same. Only people that are in need of a kidney transplantation should get one. Instead, this follows the idea of “equal concern and respect” launched by Ronald Dworkin (1977).

In political philosophy, this distinction between which norms should guide the content versus the procedural sides of the political system is readily seen in Brian Barry’s important book Justice as Impartiality. Barry argues that impartiality should be a normative criterion in the exercise of political power: “like cases should be treated alike” (Barry 1995, p. 126). His idea of “second order impartiality” implies that the input side of the political system should be arranged so that it gives no special favor to any conception of “the good”. However, as Barry readily admits, his theory “accepts that a demand of neutrality cannot be imposed on the outcomes” (Barry 1998, p. 238).
Accordingly, when it comes to decisions about the content of the policies that governments should pursue, it is not neutrality or impartiality but “reasonableness” that is his main criterion (Barry 1998, p. 238; cf. Hardin 1998.) By this he means that people engaged in the political process should give sound arguments based on a secular understanding of knowledge for why they prefer certain policies over others. In Barry’s words: “What is required is as far as possible a polity in which arguments are weighed and the best arguments win, rather than one in which all that can be said is that votes are counted and the side with the most votes wins” (Barry 1995, p. 103).

The implication is the one argued for here, namely that impartiality cannot be a moral basis for the content of policies that individuals, interests groups and political parties pursue on the input side of the political system since reasonableness is not the same as impartiality. For example, in a given situation there may be good reasons for lowering pensions and increasing support to families with children. This is, however, not the same as being impartial between these two groups, because there is no such thing as an impartial way to decide in a case like this (Arneson 1998). This is particularly problematic when it comes to conflicts over which public goods a state should provide since such goods can often not be divided into minor parts (like money), something that often makes reasonable compromises easier to reach. Either the airport or dam is built or nothing is built (Miller 2004).

What is presented here is not of the grand ambition that Barry, Rawls and other political philosophers have pursued, namely to construct a universal theory of social and political justice. The ambition is more modest, namely to construct a theory of what should count as quality of government. The implication is that when a policy has been decided upon by the political system, be it deemed just or unjust according to
whatever universal theory of justice one would apply, QoG implies that it has to be implemented in accordance with the principle of impartiality.

It is important to note that, for many, increased justice implies policies that contain more partiality (for example, extra resources to underprivileged groups); they usually do not want these policies, once enacted, to be implemented in a partial way where bureaucrats are given total discretion in each and every case (Tebble 2002; Young 1990). For example, it may be perfectly legitimate to argue for the government to establish academic positions that only women (or some other disadvantaged group) could apply for given the gender inequality that exists in higher academic positions. However, once such a position is announced and a number of women apply, the impartiality norm takes overhand since those who have argued for such a quota system usually wants the most qualified in the preferred group to get the position. Thus, while impartiality is a norm to be followed in one sphere, it would be dysfunctional and/or also unethical in other spheres. This conditionality in the application of impartiality as a justice principle goes in fact all the way back to John Stuart Mill:

Impartiality, in short, as an obligation of justice, may be said to mean being exclusively influenced by the considerations which it is supposed ought to influence the particular case in hand, and resisting the solicitations of any motives which prompt to conduct different from what those considerations would dictate (Mill 1861/1992, p. 154).
It should be underlined that the argument is not that impartiality is equivalent to “objectivity”. Terminology is a tricky business (especially if you trade in a language that is not your own). Still we would say that, as a concept, objectivity has an absolute and perfectionist ring to it that implies that humans can have full knowledge of a case and weigh all things equal and come down with a decision as if the outcome was decided by some natural law process. We would argue that impartiality implies somewhat more human and realistic demands. First, it is about a “matter of factness”, implying that things that according to the policy/law should not have an impact on the decision are to be left out. Secondly, it requires that the public official should not be a party to the case, neither directly nor indirectly. Moreover, the idea of QoG as impartiality notion stands in sharp contrast to the public choice idea of public officials maximizing their self-interest. For example, an impartial civil servant should not be susceptible to bribery, should not decide in cases where his/her friends and relatives are involved, and should not favor any special (ethnic, economic, or any other type of organized) interest when applying laws and rules.

The feminist challenge: commitment, flexibility and impartiality

Feminist scholars have pointed to the possibility of a conflict between the principle of impartiality and the capacity of the state to deliver the kind of social services required of public sector employees in the welfare state who must perform curative and caring work. Following Joan Tronto, Helena Stensöta has argued that we expect for instance preschool teachers, medical professionals, and social workers to demonstrate empathy and compassion and not to be governed by some general and abstract logic of justice as impartiality (Stensöta’s chapter in this volume). According to this approach, the “logic of care” leads to a more context-dependent ethic than the impartial application of
universal rules. In specific terms, we do not want a nurse in a public hospital to treat all patients alike but to give more care and attention to those who need it. In this and many other similar policy areas, legitimacy in the implementation process requires that public employees are committed, engaged and dedicated to their tasks instead of being impartial or, worse, indifferent.

The discussion about “the logic of care” puts light on an important dimension of this theory about QoG as impartiality. Namely, that impartiality is not to be understood as implying that the implementation of public policies equals an old-style Weberian rigid indifferent rule-following, or personal detachment, or a lack of creativity and flexibility by the people working in the public sector. Certainly, most of us want children who attend a public pre-school to be approached with empathy and concern, rather than some dry-as-dust rule-following personnel. Obviously, different children need different degrees of attention, comfort and support in different situations. However, most people would be morally upset if pre-school staff deliberately directed their care and concern towards children from families that had bribed them, or who belonged to a certain ethnic group, and thus in practice discriminated against the other children. As this case shows, there is no conflict between professionally distributed care and the principle of impartiality. As defined here, a traditional rule-based Weberian bureaucracy may in some areas be an incarnation of the impartiality principle, but so may professional standards that are based on strong commitments to the policy goals while implementing these goals with a high degree of flexibility, be they the reduction of poverty, the preservation of forests (Kaufmann 1960) or an active labor market policy (Rothstein 1996).
How to measure QoG as impartiality

From a positive theory as well as from a policy perspective, one could argue that a theoretical and conceptual exercise like this is of little use if it would not be possible to operationalize and measure impartiality. Together with our collaborators at the Quality of Government Institute at the University of Gothenburg, we therefore in 2008 launched a web-based expert poll on this specific topic (the details of which are resented in Dahlström, Lapuente and Teorell’s chapter in this volume). After two rounds of data collection spanning 2008-2010, we have collected data on perceptions of the structure and behavior of public administrations from 973 experts (mainly professors in public administration) from 126 countries across the globe. The survey was fairly short (7-8 web pages) and took about 15 minutes to complete. To enhance data quality, we rely in this chapter exclusively on the 97 countries for which at least three expert responses have been elicited. The countries sampled more or less span the globe, with the most conspicuous omission being Sub-Saharan Africa, where we have only been able to collect data from more than two experts in six countries.

Three measurement strategies were used to gauge the theoretical concept of impartiality in the exercise of public power as defined above. The first was very direct, asking the respondents to rate their country in terms of this explicitly stated definition:

Q: By a common definition, impartiality implies that when implementing policies, public sector employees should not take anything about the citizen/case into consideration that is not stipulated in the policy. Generally speaking, how often
would you say that public sector employees today, in your chosen country, act impartially when deciding how to implement a policy in an individual case?

Responses could be given on a response scale ranging from 1, “Hardly ever” to 7, “Almost always”. The cross-country mean is 4.3, ranging from 2.0 in Honduras to 6.4 in Australia (the cross-country standard deviation is 1.0). In this sample of countries, government institutions are thus perceived to be impartial slightly more often than not, but the variation across countries is substantial.

The second measurement strategy attempted to tap into perceptions of impartiality by way of a scenario, the case of a cash transfer program to the “needy poor”:

Q: Hypothetically, let’s say that a typical public employee was given the task to distribute an amount equivalent to 1000 USD per capita to the needy poor in your country. According to your judgment, please state the percentage that would reach:

The question was then followed by six pre-determined response categories for which the respondents could fill in a number from 0 to 100 (provided that they sum to 100 percent in total). The percentage reaching the “needy poor” is supposed to be a gauge of how impartially this particular policy would be implemented. The mean of this percentage is close to 50 percent (52), again accompanied by quite substantial cross-country variation, ranging from a low of 9.6 percent in Nepal to a high of 97 percent in Hong Kong (the cross-country standard deviation being 20 percent). The remaining (average) 48 percent of the cash transfer end up fairly evenly distributed across the
remaining response categories: with people with kinship ties to the public employee (12 %), middlemen/consultants (14 %), superiors of the public employee (9.5 %), or in the public employee’s own pocket (8.1 %), the remainder (4.3 %) reaching a residual category of “others”.

The third measurement strategy in this QoG-survey was to provide examples of government behavior that clearly breach the impartiality principle. Three such examples were provided and, again, the response categories ranged from 1, “Hardly ever” to 7, “Almost always”.

Q.: Thinking about the country you have chosen, how often would you say the following occurs today?

a. Firms that provide the most favorable kickbacks to senior officials are awarded public procurement contracts in favor of firms making the lowest bid?

b. When deciding how to implement policies in individual cases, public sector employees treat some groups in society unfairly?

c. When granting licenses to start up private firms, public sector employees favor applicants with which they have strong personal contacts?

These three variables all have fairly balanced cross-country means (at 4.0, 3.9, and 4.0), but again display substantial variation across countries (with standard deviations at 1.4, 1.1 and 1.3, respectively).

With all five measures of impartiality correlating strongly across countries (at .72 to .87), and clearly loading on one single factor in a principle components factor analysis, we have combined these five measures in an impartiality index constructed by adding each measure weighted by their respective factor loading. This factor index thus
by construction has a mean of 0 and a standard deviation of 1. The point estimates for each country are shown in Figure 1, together with bootstrap estimates of the 95 percent confidence intervals by country.

[Figure 1 about here]

As can be seen, the impartiality index varies widely across countries. The countries perceived as having the least impartial public administrations are Honduras, Pakistan, Venezuela, Moldova and Bangladesh, whereas the most impartial ones are located in Australia, Canada, Norway, Hong Kong and New Zealand. As the confidence intervals indicate, these point estimates are of course somewhat noisy. Some countries are causes of particular concern, such as Malaysia, Malta, Morocco, Mozambique, and Nigeria, having comparatively large standard errors due to a combination of small sample sizes and considerable disagreement among experts. The mean 95 percent confidence interval is however only .77, and the ratio of the between- over the within-country variance around 1.2.

The extent to which the impartiality index taps into a meaningful dimension of cross-country variation could also be assessed through a direct comparison to other measures of similar concepts. Quite reassuringly, the index correlates at .86 with a composite measure of public perceptions of the extent to which doctors and nurses, as well as the tax authorities, “give special advantages to certain people or deal with everyone equally”, in a sample of 28 countries from the European Social Survey (data from Svallfors 2011). Given their different origins, the fit between these two sources of data is pretty impressive (see Figure 2).
Moreover, the variation in the degree of QoG as impartiality across countries looks much as can be predicted from other measures such as the World Governance Indicators produced by the World Bank Research Institute or the Corruption Perception Index from Transparency International (correlations at .87 and .86, respectively). Although this fit across data sources is again reassuring, Figure 3 makes clear that there are still subtle differences between the information contained in these commonly employed corruption indices and our new measure of impartiality. The countries highlighted in the upper part of the figure, most notably Jamaica, Ecuador and Algeria, have higher levels of impartiality than one would expect given their perceived level of corruption. By contrast, the countries highlighted in the lower part, most notably the United Arab Emirates, Honduras, and the territory of Puerto Rico, have significantly lower levels of impartiality than their corruption scores would predict. Although corruption and a lack of impartiality tend to go hand in hand, these examples also make clear that these two concepts are not equivalent.

[Figure 2 and 3 about here]

The answer to the question if quality of government as impartiality can be measured is thus in the affirmative. It is possible to construct questions that in a meaningful way tap into this concept. Country experts in public administrations do answer questions about this issue in an intelligible way and they do not argue that the questions are meaningless, impossible to answer or uninteresting.
Conclusions

In this chapter we have argued that impartiality provides a coherent, encompassing, universal and measurable conception of quality of government. This leaves two very broad sets of questions on the table. The first concerns the consequences of impartiality. After all, the new research agenda on good governance and quality of government has mostly been driven by a desire to understand what government institutions lead to preferable outcomes, such as peace, prosperity and general human well-being. Can quality of government as impartiality live up to these expectations? In other words, can it be shown empirically that this novel theory and conception of quality of government really is what produces these outcomes?

The other central question is of course the origins of impartiality? Why have some countries in the world been more successful than others in turning their nepotistic, clientelistic, patrimonial, and corrupt government institutions into impartial state structures? Is there a common cure that could be transferred from previously successful cases to new political orders, or is each country trajectory unique, forever bound up in its own historically predetermined path dependence? As argued in the chapter by Persson, Teorell and Rothstein in this volume, one should not underestimate the problems in making transitions from low to high QoG. One important problem is that our knowledge about how such transformation has occurred is surprisingly scant. The economic historian Avner Greif states in the Handbook of New Institutional Economics that high QoG institutions “operate in a few advanced contemporary countries and only in recent times. We know surprisingly little, however, regarding the institutional development that led to these modern successes” (2005, p. 737).

One particular problem is that, precisely because high QoG institutions are impartial, they have no obvious interest group that is their natural supporter. The natural
thing for any interest group, whether based on economic, ideological or ethnical orientation, is to strive for political institutions and regulations that serve their particular interests and such institutions are by nature not impartial. Instead, QoG as impartiality must be seen as “public goods” type of institutions and are thereby suffering from all the well-known problems of collective action in creating goods such as various forms of “free-riding” and others sorts of opportunistic behaviour. An example of the magnitude of this problem is the Nobel Prize in Economics in 2009 that went to the political scientist Elinor Ostrom for her studies in how QoG institutions can be established for preserving natural “common pool” resources. While we think this prize was very well deserved, it should be noted that Ostrom’s cases are relatively small local groups where the agents have known each other for a very long time and, as she states, have been able to develop norms about reciprocity, trust and social capital (Ostrom 1990, p. 35). Our project is to understand how such institutions can come about in much larger settings where one cannot assume the existence of such norms of reciprocity, social capital or interpersonal trust among the agents.

References


Figure 1: An index of impartiality
Impartiality index
Figure 2: Impartiality and public perceptions of institutional fairness
Figure 3: Impartiality and the World Bank Institute corruption index
Since the average sample size per country is slightly less than ten respondents, non-parametric bootstrapped confidence intervals are deemed more accurate than parametric ones based on the normality assumption. The bootstrap estimates have been performed on the 936 respondents whom have provided a response for any of the five items comprising the impartiality index. Bias-corrected 95 percent confidence intervals with 1000 replications on a country-by-country basis have been estimated in Stata 11.0.

This is not to say however that there is lack of disagreement among different types of experts on the level of impartiality of their countries. A fixed-effects regression of the impartiality index on seven different respondent attributes reveal a significant effect of gender, education, of not living in the country one is assessing, and of having been recruited by another respondent. In the second (2010) wave of data collection, where this question was included, there is also a significant effect of being a government employee. Neither of these effects are large in substantive terms, however, and controlling for them only causes negligible alterations in the relative positioning of countries.

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