

Anheier, Helmut K.; Lang, Markus; Knudsen, Edward L.

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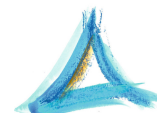
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Introducing the Berggruen Governance Index I: Conceptual and methodological framework

Helmut K. Anheier^{1,2} | Markus Lang³ | Edward L. Knudsen^{2,4}

¹UCLA Luskin School of Public Affairs, Los Angeles, California, USA

²Hertie School, Berlin, Germany

³University of Heidelberg, Heidelberg, Germany

⁴University of Oxford, Oxford, UK

Correspondence

Edward L. Knudsen, Politics and International Relations, University of Oxford, Manor Road Building, Oxford OX1 2JD, UK.

Email: tedknudsen@comcast.net

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Abstract

Governance is at the heart of how well governments meet public needs and manage a wide array of common problems. Why do some countries perform poorly in delivering healthcare, reducing inequality, providing a clean environment or delivering some other public good to their populations even while they have the resources to do so? Does the capacity of states to provide the basics for societies to thrive depend on forms of democratic accountability that represents different interests, or are systems under technocratic control that impose solutions and disregard, even suppress, many voices better at meeting public needs? Existing indices do not systematically examine the relationship between the components that contribute to governance performance. In our understanding of governance, depicted as the Governance Triangle, public goods provision is a function of state capacity and accountability. Rather than focusing on a single composite performance measure, the Berggruen Governance Index examines the interactions among these dimensions. We find that the key to good governance is achieving a balance among the three dimensions on an upward and sustainable trajectory. This article introduces the Index and the conceptual and methodological framework that underpins it and then outlines the content of this special issue.

1 | INTRODUCTION

Public health failures, unwillingness to address climate change, economic insecurity and widespread political instability are core governance challenges of the twenty-first century. All around the world, states struggle to provide public goods like education, health, social security or infrastructure. In some countries of the Global South and the Global North, in democracies and autocracies alike, it appears that governments' ability to efficiently address public needs and deliver such goods at adequate levels of quantity and quality has either stagnated or diminished, often to critically low levels.

However, the true state of governance in the twenty-first century is not as dire as news headlines of pandemic, war, economic crisis or environmental degradation would seem to indicate. For example, vaccines against COVID-19 were developed in record time, the production of renewable energies has increased rapidly, and millions were lifted from poverty

in recent decades. Indeed, many countries have made significant progress in recent decades, and especially in the Global South, with China as the primary case (see Yang's article, 'Lessons and Challenges of China's State-Led and Party-Dominated Governance Model,' in this special issue). But these gains have not been spread evenly. In the Global North, gains, too, have been uneven, with many countries progressing moderately. By contrast, some major countries like the United States have slid backwards on core measures of governance performance (see Knudsen's article, 'A Falling Star? The Causes of Declining State Capacity and Democratic Accountability in the United States,' in this special issue).

We argue that governance performance is at the heart of how well countries manage a wide array of public problems.¹ In doing so, we propose to reposition the actual *delivery* of goods, rather than just procedural state efficiency, at the core of research agendas and policy debates. However, the 'new' governance debate we wish to advance should overcome the limitations of the 'old' one

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by viewing state capacity as a tool to be used rather than a problem to be contained; by treating state capacity as a means to an end, not an end in itself, meaning that its discharge has to be judged by actual performance; and by understanding that discharge of state capacity has to reflect voice, priority setting and accountability processes. In essence, we seek to avoid both the ‘neoliberal’ and the ‘technocratic’ trap. That is, we reject a ‘neoliberal’ view that overemphasises the capacity of nonstate actors to solve public problems and downplays state capacity, seeing it as an instrument of regulatory control rather than governance capacity for effective delivery, and at the same time, we avoid the ‘technocratic’ trap of policymaking informed by statist orientations that assume governments know best and can do it alone.

2 | WHY A NEW GOVERNANCE INDEX?

New approaches demand new measures. Although countries across the globe may face similar challenges—from pandemics to rising inequality to carbon emissions—they handle them differently, sometimes strikingly so. They do so with neither equal efficiency nor effectiveness, even after taking countries’ level of economic development or the type of political system into account. Such differences have long been revealed, especially since the 2000s, and under the leadership of the World Bank (Kaufmann et al., 2010), when systematic efforts were made to understand the governance record of countries with the help of performance indicators. These looked at country performance beyond conventional measures such as GDP or the Human Development Index, and included dimensions such as accountability, political stability, government effectiveness, regulation, the rule of law and control of corruption.²

Whilst this first generation of governance indicators proved to be a valuable source and contributed to our understanding of governance, it nonetheless left unopened the ‘black box’ of how differences in governance performance come about, and what their effects are on public goods provision. By this we mean the relationship between the various components that contribute to performance, namely, the mechanisms of accountability, the state’s capacity to generate resources and enlist other actors, and, in the final analysis, its ability to provide public goods. This is where the Berggruen Governance Index (BGI) comes in: rather than focusing on a composite performance measure, we examine the interactions among the factors underlying governance outcomes. What leads to certain outcomes may be as relevant for scholars and policymakers as the final outcomes themselves, if not more so.

We ask: why do some countries perform badly in delivering healthcare, providing a clean environment and social security or delivering some other public good to

their populations, even when they have the resources to do so? And why do others, with fewer or similar resources available, fare better? Does the capacity of states to provide the basics for societies to thrive depend on democratic accountability that represents different interests, or are systems under technocratic control that impose solutions and disregard, even suppress, many voices better? Can we necessarily assume that democratic accountability makes for better governance performance, or is it state capacity alone that makes the difference? Does a seemingly ‘apolitical’ technocratic approach to governance lead to better outcomes than a system of contestation and democratic decisionmaking? Does democratic accountability encourage muddling-through in addressing public problems, while autocracies can make bold moves and end up improving public goods delivery more quickly and more effectively? Questions such as these are at the core of what the BGI is about and the new understanding of governance that underlies it.

The BGI focuses on public governance, or how the state uses its power to execute tasks, ensure compliance and provide public goods. As Fukuyama (2013) describes it, public governance is ‘government’s ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not... [G]overnance is about execution, or what has traditionally fallen within the domain of public administration, as opposed to politics or public policy.’ Yet what then is the role of forms of accountability and popular decisionmaking in setting priorities?

We argue that employing state capacity necessitates information about prevailing needs and the ability to set priorities. In other words, systems of voice and accountability connect state capacity to public goods provision. We combine these three dimensions in our understanding of governance: public goods provision is a function of state capacity and accountability. Thus, the BGI reports on variations in public goods provision across countries and over time based on variations in state capacity and forms of accountability. As we will show further below, the relationship is referred to as the Governance Triangle.

3 | WHY REFOCUS GOVERNANCE?

The term governance rose to prominence partly to reject earlier state-centric approaches that guided conventional development policies during the Bretton Woods era. It became more widely accepted only in the late twentieth century after institutions like the International Monetary Fund (IMF), World Bank and OECD embraced it, as did the European Commission (World Bank, 1991). Reasons for the ‘explosion’ of the term’s use around this time include increased economic globalisation and massive growth in international

financial flows and trade, as well as a rise in corruption and state failures, leading to a general critique of development policies of the 1970s and 1980s (Arndt & Oman, 2006; Bevir, 2012). Its popularity as a concept grew apace throughout the 1990s, 2000s and 2010s. As Brown (2016, p. 5) observes, “governance” has ascended in scholarly circles as well as those of politics, business, public agencies and non-governmental organizations.’

In the context of the World Bank’s widely-used *Doing Business Index*³ and other similar approaches, scholars like Fukuyama (2013) point out that governance analysis often focuses too much on *limiting* the state, rather than *empowering* it to provide for citizens. Fukuyama (2013, p. 348) argues that many governance studies err in having a ‘relative emphasis on checking institutions rather than power deploying institutions.’ He goes on to suggest that more emphasis should be placed on how ‘Weberian’ (merit-based) a given system of government is and how state capacity is wielded.

However, others take issue with the term in general, pointing to the ‘neoliberal’ character of some conceptualizations of governance (Ives, 2015; Pyysiäinen et al., 2017). In her critique, Brown (2016, p. 5) argues that governance ‘transforms the state itself into a firm, produces everyday norms of identity and conduct that configure the subject as human capital, and configures every kind of human activity in terms of rational self-investment or entrepreneurship.’ Others yet have lamented the technocratic vision the concept advances, ignoring politics and the normative bases of legitimacy (Kelly & Simmons, 2019).

The BGI seeks to avoid such distortions and elisions by looking beyond mechanistic or technocratic views of how states offer public goods and by bringing politics back in. With a focus on accountability and state capacity, we combine governance concerns of both the ‘first order’ (i.e. more politically-oriented aspects of how decisions are made) and the ‘second order’ (i.e. more policy-oriented aspects of how decisions are implemented) (Anheier & List, 2013; Kooiman & Jentoft, 2009).

In summary, the BGI avoids common pitfalls in the study of governance. First, we reject the narrow ‘statist’ orientations of earlier approaches and instead incorporate the role of business and civil society into the analysis. Next, we accept the role of the state as the primary provider of public goods, even when working with nonstate actors, viewing its capacities as a tool for meeting needs and solving problems. Thus, we view state capacity as a means to an end, not an end in itself. Furthermore, in line with Brown (2016), we reject a ‘neoliberal’ approach to governance, focusing on public goods that the average person needs and not overemphasising the role of market firms and nonprofit organisations. Finally, we reject ‘technocratic’ and overly narrow formulations, using a broad array of measures

and criteria and incorporating aspects of ‘first order’ decisionmaking and voice processes.

However, we do not wish to promote the BGI as the panacea for solving the world’s governance problems. Nor do we intend to overstate the depths of insights that can be gleaned from country-level analysis given the complexity of the factors and developments involved and the importance of subnational as well as international aspects. While we emphasise the relationships among factors adding to, or subtracting from, governance performance, and while we analyse country patterns and developments (see article ‘Introducing the Berggruen Governance Index, II. Initial Results’ in this special issue), we agree with Hirschman (1986) and exercise great caution when looking for necessary and sufficient conditions of change. Indeed, we follow his advice and are ‘on the lookout for unusual historical developments, rare constellations of favorable events, narrow paths, partial advances that may conceivably be followed by others’ (see article ‘Introducing the Berggruen Governance Index, III. Implications for Theory and Policy’).

The BGI is meant to point us towards these developments as well as towards general tendencies across countries—a line of thinking that resonates well with the approach taken by Acemoglu and Robinson (2019) who argue that neither is societal progress an inevitable outcome nor does it proceed along a simple mechanistic path of cause and effect. It is a contingent phenomenon and depends on how institutions such as the rule of law evolve and organisational capacities develop, in particular the balance between state power and social self-governance, as well as on economic and political opportunities that present themselves in the course of history. Countries can advance but also backslide in their governance performance; they can go through periods of stability showing remarkable resilience to internal or external shocks; and they can also be trapped in a faux stability of low performance.

4 | CONCEPTUAL FRAMEWORK

As mentioned, we are not the first to propose an indicator system to measure governance performance (Anheier et al., 2018; Gisselquist, 2013; Malito & Bhuta, 2018). Indeed, observers have noted that the ‘market’ for such indicators is crowded, and it takes a unique approach to stand out and become visible to policymakers and the public at large (Kelly & Simmons, 2019). We therefore strive to create an index that first and foremost rests on an improved conceptualization of governance which sees *public goods provision* resulting from the interplay of *democratic accountability* and *state capacity*. We see state capacity as the crucial link mediating between democratic accountability and public goods provision. Whereas

state capacity is about the state administration's ability to generate revenue, to organise collective action and to achieve stated goals, democratic accountability refers to the process by which governments are selected, monitored, held accountable and replaced.

The overall framework of our approach can be depicted as the Governance Triangle (see Figure 1). The promise is that the framework, once fully operationalised, measured and statistically analysed, can help assess the different pathways by which democratic accountability and state capacity influence public goods provision. The model can be analysed over time and cross-nationally as well as for specific regions, regime types, level of economic development or the experience of crisis episodes of different kinds (civil and inter-state wars, natural disasters, severe recessions,

colonialism, etc.). What is more, the BGI can be used to help explain variations in economic growth, levels of inequality, political and social stability and the trustworthiness of governments.

Following from the Governance Triangle, the BGI consists of three main dimensions: democratic accountability, state capacity and public goods provision (see Figure 2). Mindful of the 'narrow paths' and complex interactions that Hirschman (1986) discusses and the 'narrow corridor' towards liberty and prosperity that Acemoglu and Robinson (2019) identify in their analysis of how societies develop, we analytically separate democratic accountability, state capacity and public goods provision when operationalising the Triangle. This separation allows us to examine empirically how each dimension relates to the other, exploring key

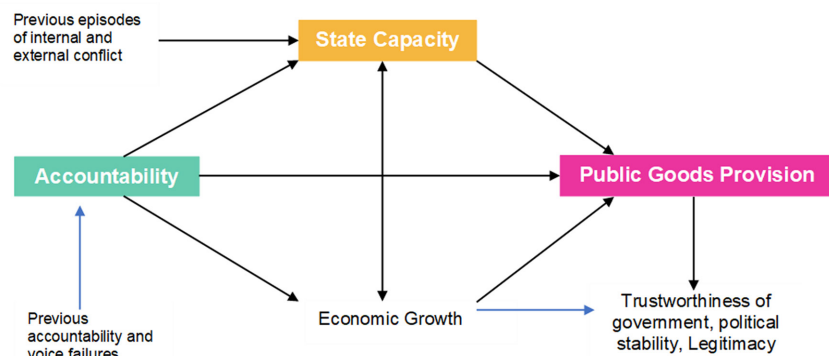


FIGURE 1 The Governance Triangle. Source: Berggruen Governance Index 2022.

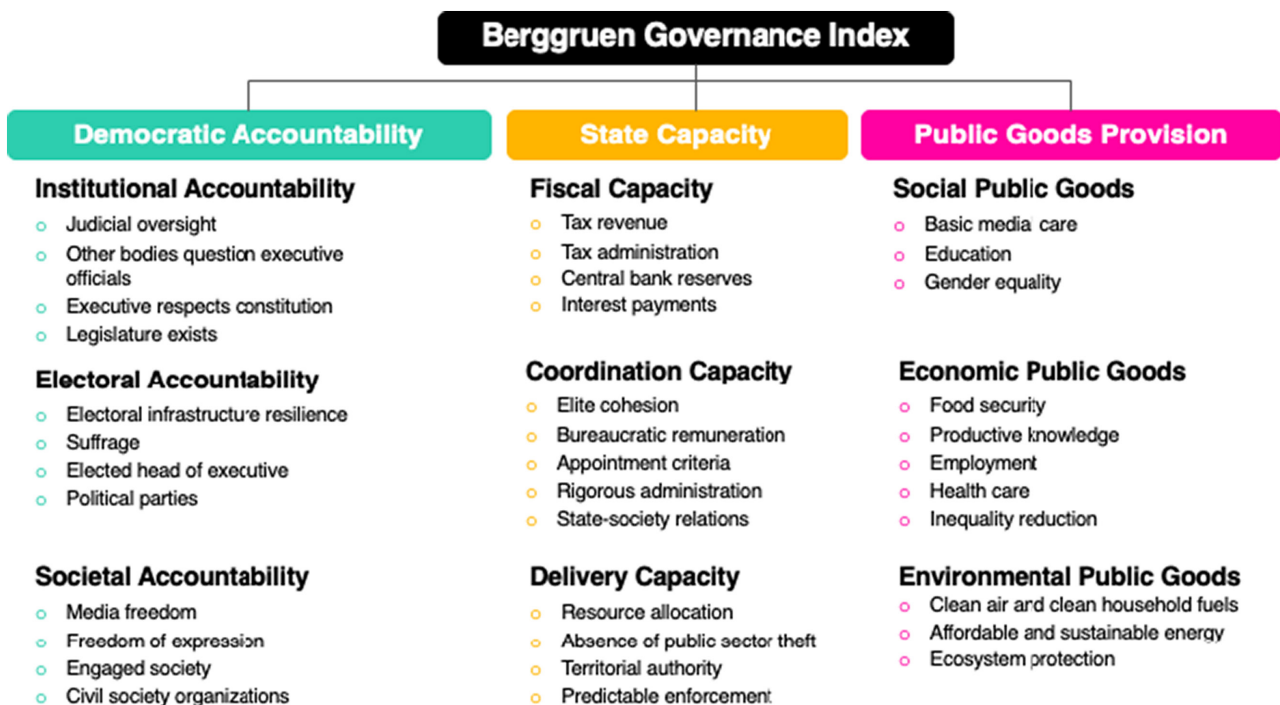


FIGURE 2 The Berggruen Governance Index.

questions such as how forms of accountability relate to public goods provision. It also allows us to address, among other questions, whether and under what conditions autocratic regimes might perform better than democracies and vice versa.

Each dimension is broken down into subdimensions, which are constructed with the help of individual indicators. Here we describe how we operationalise each of the dimensions and subdimensions. The Appendix S1 to this article offers a full list and description of all respective indices, subindices and indicators used to construct the BGI.

4.1 | Public goods provision

Our primary goal in developing the BGI is to gain a better understanding of the provision of public goods and quasi-public goods. We use the term ‘public goods’ to mean goods from which the population of a country cannot be excluded, and over which they do not have to compete, that is, ‘pure’ public goods such as clean air, as well as those for which there is partial exclusion and some degree of competition, that is, quasi-public goods such as basic medical care or education. To determine a minimal set of public goods, we rely on the conceptual specification of the UN Sustainable Development Goals (SDGs).⁴ While the SDGs are partly the result of political compromises, they have arguably been thoroughly vetted and hence become accepted by the international community. They therefore make a suitable basis for analysis of public goods provision across countries.

The assumption we make in relying on the SDGs is that countries which come closer to attaining public-goods-oriented SDGs also make progress in providing other public goods such as more advanced healthcare provision, knowledge generation or ecosystem protection. Based on this assumption we distinguish between three sets of public goods:

1. Social public goods.
2. Economic public goods.
3. Environmental public goods.

Figure 2 shows what SDGs or public goods we associate with each of these three sets. For example, within *social public goods*, a country can provide *basic medical care* (SDG 3), *education* (SDG 4), as well as *gender equality* (SDG 5) as public goods to its populace. But the same country might also decide to focus on *economic public goods* by putting more resources into *food security* (SDG 2), by *reducing inequality* (SDG 10) including *access to healthcare*, or by boosting *decent work* (SDG 8). Countries may also concentrate on *environmental public goods*, by providing *affordable and*

sustainable energy (SDG 7) or *protecting ecosystems* (SDG 15).

To some extent, the choice of these three sets of public goods to construct subindices reflects common development paths of countries with already high public goods provision capabilities. Yet it also leaves room for alternative development paths by allowing for indirect tradeoffs between different sets of SDG-aligned public goods.

To create an index of public goods provision, we rely mainly on indicators that are included in the UN's SDG indicator framework (United Nations Statistics Division, 2022b) and are frequently used in national well-being frameworks (Brandt et al., 2022). All these frameworks have the important advantage that they were assembled by a large number of country and domain experts. What is further helpful for our purposes is that these experts have classified the 231 unique indicators in the UN framework into three different tiers. A tier 1 indicator, for instance, is ‘conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50 per cent of countries and of the population in every region where the indicator is relevant’ (United Nations Statistics Division, 2022a).

For the BGI we use only tier 1 indicators given that tier 2 indicators ‘are not regularly produced by countries’ and tier 3 indicators are only ‘being (...) developed or tested.’ When tier 1 indicators are too sparsely covered to be useful for the operationalisation of one of our public goods subindices, we instead draw on data sources from the Growth Lab at Harvard University, the Notre Dame Global Adaptation Initiative and other providers, which fulfil tier 1 and higher requirements.

4.2 | State capacity

While we operationalise public goods provision in reference to the SDGs, we conceptualise state capacity following Berwick and Fotini (2018) who distinguish between three primary activities for which countries develop competence or power:

1. Extraction: the state's ability to secure resources through mechanisms such as taxation;
2. Coordination: the state's capacity to solve collective action problems via, for example, a functioning public administration system;
3. Compliance: the state's ability to implement set priorities and enforce regulations.

We call the capacity associated with the extraction or generation of resources *fiscal capacity*, the capacity associated with the ability to organise collective action *coordination capacity* and the capacity associated with

implementation and achieving compliance by legitimacy or force *delivery capacity*.

As Figure 2 indicates, a given country can be said to have *fiscal capacity* if it generates *tax revenue* now, but also has the tools to sustain it in the future (*tax administration*). Other fiscal capacity subdimensions include *central bank reserves* and *interest payments*. These subdimensions are helpful to capture to what extent governments will be able to withstand (external) economic and geopolitical shocks (Chițu et al., 2019). Similarly, a country can be said to have *coordination capacity* if it is able to maintain a merit-based ‘Weberian’ bureaucracy⁵ (*bureaucratic remuneration*, *appointment criteria*, and *rigorous administration*) and if *elite cohesion* can be maintained. Yet *coordination capacity* also means that state expenditures favour public goods that benefit society in general over particularistic interests (*state-society relations*). Finally, having *delivery capacity* implies that a country can *allocate sufficient resources* and has the *territorial authority* to do so. Furthermore, a country with high delivery capacity can ensure that its law enforcement is predictable and stable (*predictable enforcement*) and that corruption does not cripple the ability to produce public goods (*absence of public sector theft*).

To construct the state capacity index, we use both objective indicators like tax revenue and government expenditure, and subjective, expert-coded indicators like V-Dem indicators ‘concerning the state’ (Coppedge et al., 2021). These indicators have proven to be highly correlated with state capacity measures available for specific countries and years, as well as with widely used commercial government quality indices (Hanson & Sigman, 2021). The main reason we use both objective and subjective indicators is that a combination of the two types helps us to ensure that increases in objective indicators actually enhance capacity. Take, for example, an increase in government expenditure: it can increase the capacity to build hospitals and schools, but it can also merely fill the pockets of politicians, bureaucrats or businesspeople. By combining objective measures like government expenditure and subjective measures like ‘public sector theft,’⁶ we are able to take into account capacity-enhancing effects of government spending without having to make the assumption that all government spending is necessarily capacity enhancing. In other words, we use different types of indicators to be able to distinguish countries that managed to ‘only’ increase taxation and spending from countries that were able to also increase coordination and delivery capacity.

4.3 | Democratic accountability

Whether countries acquire state capacity—and the ability to provide public goods to citizens—depends on

the ways and means by which governments set priorities relative to needs. While countries can provide public goods to the populace in the absence of elections, institutional checks and civil society activism, governing without voice mechanisms or ignoring them may be less sustainable in the long run. Of course, the complexity of the relationship between forms of accountability and regime sustainability is a central theme of political science,⁷ yet it has received less attention from a governance perspective. In essence, it is empirically not clear through which causal pathways low or high democratic accountability influences public goods provision.

High democratic accountability could influence public goods provision directly, as is sometimes assumed,⁸ or it could influence public goods provision in a mediated fashion, through state capacity. By the same token, low democratic accountability could allow some countries to grow faster, rendering the provision of public goods, at least temporarily, more instead of less likely (Gerring et al., 2020). The prime example for this causal pathway is China, as Yang reviews in her article, ‘Lessons and Challenges of China’s State-Led and Party-Dominated Governance Model,’ in this special issue. By including democratic accountability, we hope to be able to study such pathways in more detail.

In conceptualising democratic accountability, we closely follow Lührmann et al. (2020). They distinguish between horizontal accountability (the extent to which state institutions hold the executive branch of the government accountable), which we call *institutional accountability*; vertical accountability (the ability of a state’s population to hold its government accountable through elections and political parties), which we call *electoral accountability*; and diagonal accountability (the extent to which actors outside of formal political institutions hold a government accountable), which we call *societal accountability*.

Figure 2 indicates that we assume a given country to be more institutionally accountable if there is, for instance, *judicial oversight*, if the *executive respects the constitution* and if a *legislature exists* and *state bodies investigate and question government action in practice*. In a similar vein, we assume a country to be electorally accountable if there is resilient *election infrastructure*, broad *suffrage* and an *elected executive*. The *presence of competing political parties* is also an indicator of electoral accountability. Finally, we perceive a country as societally accountable if *media freedom* and *freedom of expression* are not unduly restricted and limited and if there are *civil society organisations* and an *engaged, participatory society*.

As the measure of accountability, we use already estimated and validated democratic accountability indices which V-Dem team members released in

2021 (Coppedge et al., 2021; Lührmann et al., 2020). These V-Dem indices are constructed through the aggregation of selected accountability and democracy-related variables in the V-Dem dataset (Coppedge et al., 2021). They are uniquely helpful to validate our own, newly estimated state capacity and public goods provision indices. While it would, of course, be possible to construct our own indices by extending V-Dem's, we see limited benefits in the construction of new indices in the absence of new accountability datasets. It seems, by contrast, more useful to concentrate on the alignment of a broader set of indices that can be used to better understand the relationships between democratic accountability, state capacity and public goods provision.

5 | INDEX COVERAGE

Certainly, many other indicators could be and have been considered for capturing these three dimensions of governance. However, we have been careful to only select indicators that are regularly updated and available over long periods of time. This is arguably more difficult in the case of state capacity and public goods indicators than in the case of democratic accountability indicators. While it is possible for the V-Dem project to promptly update its indicators, there is typically a multi-year lag in the availability of tax revenue, health and education data (International Monetary Fund, 2022; Institute for Health Metrics and Evaluation (IHME), 2019; UNESCO, 2021). Moreover, public goods indicators on productive capacity and environmental protection are often only available since the late 1990s (Growth Lab, 2019; IUCN, 2022).

It is for these reasons that we limit our overall dataset to the 2000–2019 period and to 134 countries for which reliable index scores for all three dimensions and their subdimensions can be estimated. Figure 3 shows for which countries our indices have been calculated. A full list of countries and index scores is presented in the Appendix S1 to the article ‘Introducing the Berggruen Governance Index, II. Initial Results’ in this special issue.

6 | AGGREGATION

For the aggregation of subindices and indices, we use Bayesian latent variable models (Arel-Bundock & Mebane, 2011; Hanson & Sigman, 2021; Lührmann et al., 2020). A latent variable is essentially a variable that cannot be directly observed, such as the fiscal capacity of a state, yet can be estimated with the help of observed variables like tax revenue, reserves, interest payments and so on. Figure 4 illustrates the core idea, namely that a latent variable can be inferred based on a set of observed variables x_1 , x_2 and x_3 . Somewhat counterintuitively, the arrows point from the latent variable to the three observed variables because, to put it simply, we model the latent variable as the underlying factor that generates x_1 , x_2 and x_3 . This means in the fiscal capacity example that we model fiscal capacity as an underlying factor that generates a certain amount of tax revenues, reserves, etc.

In constructing the state capacity and public goods indices, we follow two basic steps: first, we estimate subindices like fiscal capacity relying on the indicators mentioned above. Second, following extensive validity

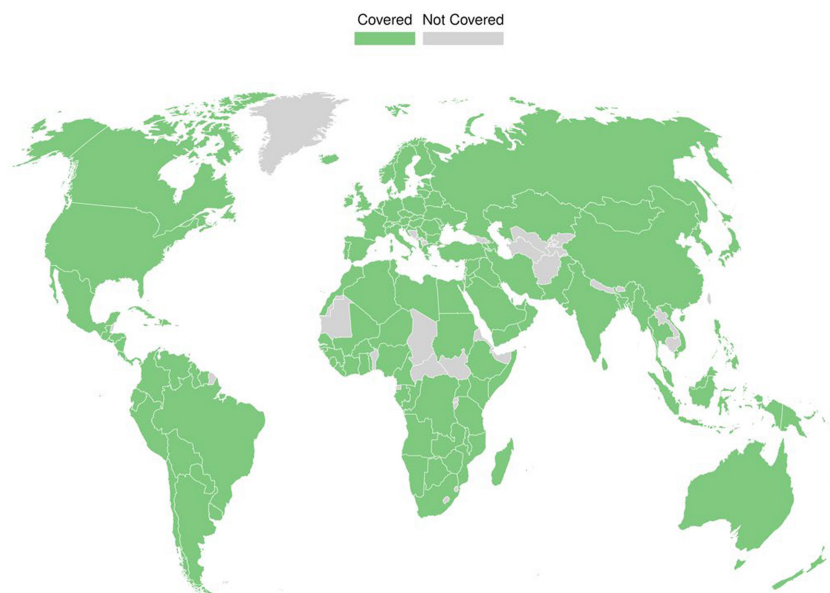


FIGURE 3 Countries covered in BGI 2022 dataset.

checks, we use the subindices estimated in step 1 to estimate higher level indices. Figure 5 illustrates how we infer state capacity, a higher-level latent variable, with the help of three newly estimated subindices: 1) Fiscal Capacity, 2) Coordination Capacity and 3) Delivery Capacity. For the subindex Coordination Capacity, Figure 5 also presents the sub-subindicator level. Likewise, we repeat the first step to construct three lower-level public goods indices, which are then aggregated into the higher-level Public Goods Index in the second step.

Our overall aggregation approach closely resembles the strategy that the V-Dem project team uses to construct its higher-level accountability index based on three lower-level accountability indices (Lührmann et al., 2020). These lower accountability indices are estimated with the help of objective and subjective indicators related to accountability and democracy drawn from the much larger V-Dem dataset. The models used by both the V-Dem project and

our project to construct higher-level indices based on lower-level indices can also be described as ‘hierarchical models.’

We use Bayesian latent variable models to analyse the data (see Appendix S1 for a fuller description). Using a Bayesian approach means that the models themselves assign weights to individual indicators and subindices, not we researchers. This has the advantage that we avoid inconsistencies and arbitrariness in the aggregation process associated with the manual assignment of prior weights. It also enables us to consider that, for instance, increases in coordination capacity and delivery capacity likely depend on earlier increases in fiscal capacity. To put it simply: our models allow us to construct higher-level indices that are more than the sum of their parts. While this clearly improves the higher-level indices we make available, it also asks for caution in the use and interpretation of lower-level indices: they are not a substitute for higher-level indices, but are mainly helpful for identifying weaknesses or strengths in accountability mechanisms, capacity generation or overall public goods provision. A given country might, for instance, have difficulties in attaining high overall public goods provision because of critical weaknesses in the provision of social public goods, that is, health, education and gender equality.

One specific advantage of Bayesian latent variable models is that the reliance on Bayesian Markov-Chain Monte Carlo (MCMC) techniques to identify

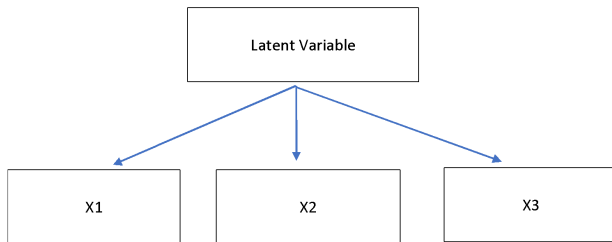


FIGURE 4 A graphical example of a latent variable model.

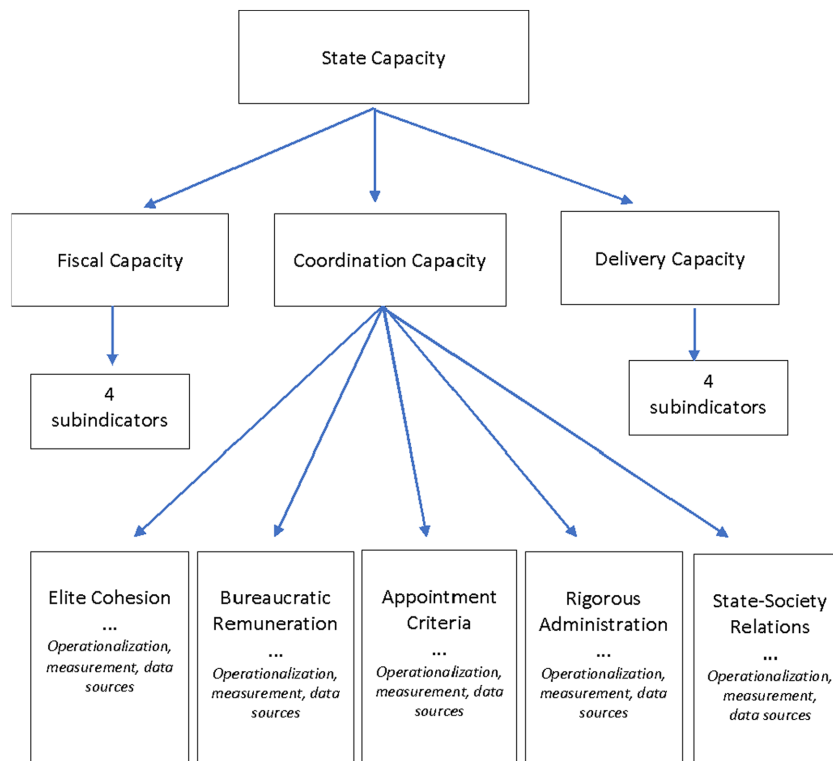


FIGURE 5 A graphical example of a latent variable model of state capacity.

underlying factors makes them more robust to missing data than traditional factor analysis models (Hanson & Sigman, 2021). Yet given the variety of countries we seek to cover, it is clear that missing data can still be a problem in estimating index scores for certain countries. To address this problem, we rely on data augmentation methods⁹ rather than multiple imputation methods (Merke, 2011), as data augmentation produced fewer biased results for countries with higher proportions of missing values. In addition to the use of data augmentation, we only include countries that are covered by key indicators at the subindex level for all years in the dataset. This means that higher-level index estimates are always based on multiple key indicators.

7 | CONCLUSION

In our view conceptualising and operationalising governance performance as the interaction among the three dimensions of democratic accountability, state capacity and public goods delivery opens the ‘black box’ of governance at the macro level. The Governance Triangle, operationalised by the BGI, holds the promise of an improved understanding of how and why countries manage to meet the needs of their populations over time. It is also our hope that the BGI can point to possible trajectories of specific countries in terms of governance performance and suggest potential policy implications.

To advance these aims, the rest of this special issue on the Berggruen Governance Index proceeds as follows. The remainder of Part I continues to outline the results of the Index and their implications at the global level. The second article in this part offers an initial look at results, pointing out important trends and relationships by region and country.¹⁰ This part's third and final article explores various implications for theory and policy from the Index's approach and its results.

Part II dives into specific country and regional reports. We examine many of the world's ‘great powers,’ such as the US, China, Russia and India, exploring challenges relating to democratic accountability, state capacity and public goods provision in all of them. Part II also looks at important world regions, such as Latin America, Western Europe, Africa and the post-Soviet space.

Part III concludes the special issue, beginning with a recap of the 2022 UCLA Conference on Advancing Governance Indicator Systems. This article outlines the contributions of other important governance index projects, as well as surveying the feedback the BGI received from other experts. Building off of this, the final

article on the way forward offers conclusions and insights about the future of global governance indicators and how they might best be adapted to an increasingly uncertain and ‘planetary’ age.

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CONFLICT OF INTEREST STATEMENT

There are no conflicts of interest.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are openly available at <https://governance.luskin.ucla.edu/datasets/>

ORCID

Helmut K. Anheier  <https://orcid.org/0000-0003-2443-659X>

Markus Lang  <https://orcid.org/0009-0005-7144-1692>

Edward L. Knudsen  <https://orcid.org/0000-0002-9235-1806>

ENDNOTES

¹ At the outset, we should clarify what we mean by governance performance, as we make the analytic distinction between the three dimensions of democratic accountability, state capacity and public goods provision. In the broadest sense, governance performance indicates the extent to which any of the three dimensions is being realised. In a narrower sense, it refers to the ability of a country to achieve advances in any two or all three dimensions over time. By implication, governance performance can also stagnate or decline.

² See <https://composite-indicators.jrc.ec.europa.eu/explorer/explorer/indices/wgi/worldwide-governance-indicators>

³ <https://databank.worldbank.org/source/doing-business>

⁴ <https://sdgs.un.org/goals>.

⁵ A Weberian bureaucracy is a hierarchically structured, professional, rule-bound, impersonal, meritocratic and disciplined body of public servants who possess a specific set of competences and who operate outside the sphere of politics (Sager & Rosser, 2021).

⁶ The higher a country scores on the V-Dem indicator ‘public sector theft’, the less public sector theft there is in this country. To avoid confusion, we refer to the ‘absence of public sector theft’.

⁷ See, among others, Linz and Stepan (1978); North et al. (2009); Acemoglu and Robinson (2012, 2019).

⁸ See Tarverdi et al. (2019) for a detailed discussion of the role of democracy on governance.

⁹ We use data augmentation techniques implemented in the R packages BLAVAAN/JAGS.

¹⁰ The full dataset is available for download in various formats at <https://governance.luskin.ucla.edu/datasets/>. A data exploration tool offers readers a variety of ways to examine the data; available at <https://governance.luskin.ucla.edu/index/>.

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AUTHOR BIOGRAPHIES

Helmut K. Anheier is faculty member at UCLA's Luskin School of Public Affairs and Professor of Sociology at the Hertie School in Berlin, Germany, where he served as President from 2009 to 2018. His research centres on governance, indicator systems, culture, civil society and non-profits.

Markus Lang is an economic sociologist and data scientist. He holds a degree in political science from the University of Bamberg and completed his PhD at the University of Heidelberg. His current research interests include profit inequality among businesses and the rise of ethnonationalist, anti-system movements.

Edward Knudsen is Research Associate at the Hertie School and doctoral researcher in international relations at the University of Oxford. His research examines historical political economy in the US and Europe. He holds a master's in International Political Economy from the LSE and a bachelor's from the University of Wisconsin-Madison.

SUPPORTING INFORMATION

Additional supporting information can be found online in the Supporting Information section at the end of this article.

Appendix S1.

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