

Participatory Assessment of Sustainable development indicators on good governance

Towards an European good governance barometer

Good governance is a key element in achieving sustainable development. But how are both concepts linked in the practice of measuring sustainable development? Experts and representatives of the civil society cooperated to define good governance criteria for sustainable development indicators.

By Silvia Gaggi and Carlo Sessa

The concept of good governance in the framework of sustainable development is relatively new. It was officially included in the European Sustainable Development Strategy in 2006. Some references to the concept were made in the previous edition of the Strategy, referring to 'commitments to reform and modernise structures and working methods of the EU institutions'. However, it was only when the White Paper on European governance was issued, in 2001, that the principles of good governance were finally defined and the concept could legitimately be considered in the Strategy as a stand-alone theme.

Due to the late elaboration of the good governance principles, the concept is a new area for official statistics, which is reflected in the lack of robust and meaningful indicators on this topic. The Sustainable Development Indicators set by Eurostat include a theme, out of ten, dedicated to good governance, which mainly relies on data from administrative sources, and should be considered as an initial attempt to translate into quantitative indicators some of the issues raised in the White Paper and in the renewed Strategy.

The PASSO project was financed by the European Commission, under the 7th framework programme, to assess the existing Eurostat indicators on good governance and help the construction of new robust ones. In doing so, PASSO undertook an innovative approach recognised and promoted by the European Commission, in bringing the voice of Civil Society into the debates. Civil society plays an important role in sustainable development and can bring new insights and perspectives into a theme, such as good governance, which is so much unexplored in statistics.

The European Commission White Paper on European Governance, issued in 2001, outlined five principles of good governance for the EU:

- Openness: EU institutions should work more openly.
- Participation: the quality, relevance and effectiveness of EU

policies depend on ensuring wide participation throughout the policy chain.

- Accountability: roles in the legislative and executive processes must be clearly defined.
- Effectiveness: policies must be effective and timely; delivering what is needed on the basis of clear objectives.
- Coherence: policies and actions must be coherent and easily understood.

While the principles of openness, participation and accountability refer to processes and procedures, the principles of effectiveness and coherence refer to the outcomes of these processes.

Since the first EU Sustainable Development Strategy (EU SDS), adopted at the European Council meeting in Gothenburg in 2001, a new approach to policy-making has been advocated including issues such as horizontal policy integration, multi-level cooperation, and suggestions for better regulation. This approach has been confirmed and fully endorsed again in the renewed EU SDS of 2006. The EU SDS proposes to base all major policy decisions on high-quality impact assessment, to use the full range of policy instruments in the implementation of policies and to shift taxation from labour to resource and energy consumption and pollution.

Good governance and the EU Sustainable Development Strategy

Finally, according to the 2009 Monitoring Report of the EU Sustainable Development Strategy: „Good governance plays a central role for delivering sustainable development, and its importance has been addressed by various scholars and international organizations. Good governance is a normative prescription of how to steer and guide societies. The concept originates from international development agencies. Of particular relevance to sustainable development are horizontal policy integration (coherence between different sectoral policies, such as economic, social and environmental policy), multi-level cooperation (coherence between the European, national and sub-national authorities) and participation (broad consultation of citizens and societal stakeholders).“ (1)

The principle of good governance in the context of the EU sustainable development strategy is therefore specifically focused on the issue of how the objectives, targets and actions of the renewed strategy are to be developed, implemented and monitored at the EU and country level in order to achieve coherent policies. Good governance is a specific theme of the system of Sustainable Development Indicators (SDI) delivered →

by Eurostat, and it is linked to all policy issues covered in the EU Sustainable Development Strategy which represent the other themes in the SDI system, as depicted in the figure overleaf. The other SDI themes are related to nine key sustainability goals:

- socio-economic development;
- sustainable production and consumption;
- social inclusion;
- demographic changes;
- public health;
- climate change and energy;
- sustainable transport;
- natural resources;
- global partnership, including the EU policies to foster sustainable development at the global level.

The linkage between these themes and good governance should be ensured by enforcing different policy guiding principles stated in the EU Sustainable Development strategy, which are presented in the right hand box of figure 1, including:

- respect of fundamental rights;
- solidarity within and between generations,
- open and democratic society, engaging citizens and business and social partners;
- policy coherence and multi-level governance;
- integration of economic, social and environmental policies;
- use of best available knowledge;
- application of the precautionary principle;
- application of the „make polluters pay“ principle.

The arrows in figure 1 show which principles are addressed in practice by the current set of good governance indicators. This is mostly focused on policy coherence and effectiveness of EU

policies (ticker arrow addressing principles 4 and 5), on openness and participation (principle 3) and on economic instruments to make polluters pay (principle 8). The whole set of current EU SD good governance indicators is presented in table 1.

Participatory assessment of indicators

The PASSO project was required to assess Sustainable Development Indicators on good governance and its cross-cutting features from a societal perspective. Starting from a desk research on the existing EU SDIs and the overabundance of governance indicators, which are used by governments, development agencies, non-governmental organizations, media, academic institutions, PASSO was designed to:

- appraise the relevance and efficiency of the existing indicators from the Civil society perspective in combination with experts views;
- identify gaps and suggest how to fill them, with possible amendments or development of new indicators;
- produce a priority list of such amendments and new developments based on a multi-criteria assessment of their relevance from the perspective of Civil Society Organizations (CSO)
- draft recommendations for the improvement of SDS/SDIs.

To do so, PASSO undertook a participatory approach, making research and technological development performers, statisticians, experts in governance and CSOs representatives work together throughout the project. This was done in the form of a small interdisciplinary European group with 18 members, participating in two Delphi surveys, a Europe-wide large CSOs network consulted throughout the process as well as national working groups which conducted national surveys. This ensured that the final outcome was the result of a consensus between all social actors concerned.

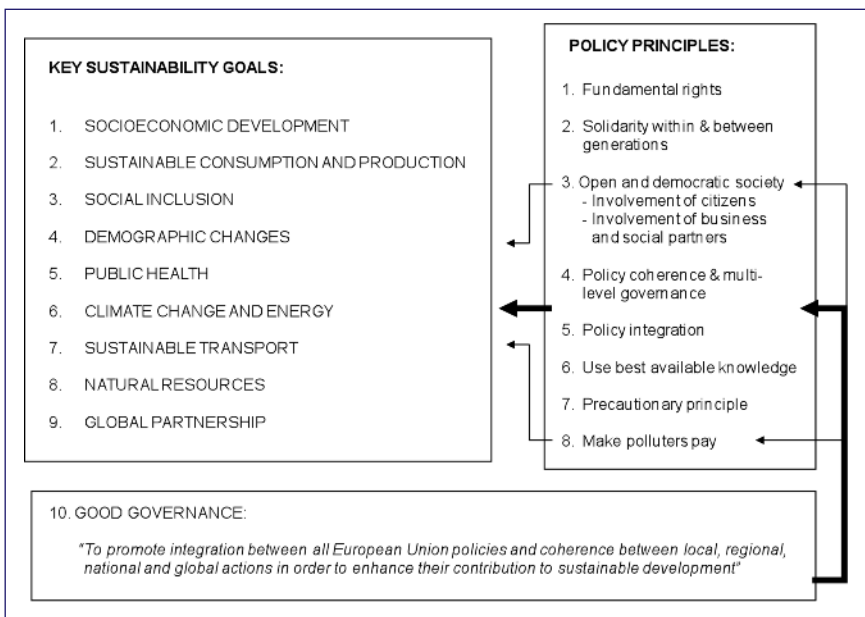
The aim of PASSO was therefore to support and stimulate a co-construction of indicators of sustainable development in Europe, based on a work of experts, on the one hand, and on the contributions of the civil society representatives on another hand.

The results of this overall process of consultation are presented below, showing a conceptual framework which takes into account the outcomes of the national consultations and of the experts' workshops, and then a list of indicators proposed to monitor good governance.

Framework for indicators

The PASSO framework is presented in the scheme overleaf, showing a se-

Figure 1: The good governance concept in the current EU SDI Framework



Source: PASSO project

quence concepts that have been discussed (left hand boxes) and a parallel sequence of statements related to the indicators needed to monitor the different concepts. The concepts are illustrated more in detail below.

Governance deals with managing, steering and guiding action in the realm of public affairs, especially in relation to public-decision making. As such, governance is a process, a mean to an end. And the end of good governance here is to produce better economic, social and environmental policies to achieve sustainable development. As any process, governance should be measured by means of a coherent set of input, capacity, process, output, outcome and impact monitoring indicators.

Governance is multi-level

Governance involves different actors taking legislative and executive decisions at different levels which produce complex effects, often simultaneously at various territorial scales, e.g. neighbourhood, city, region, nation or EU. It also involves actors delivering services or providing relevant inputs in the overall decision making process. This include again the different tiers of government, local, regional, national or EU, but also non-governmental actors as active citizenship networks, CSOs, business, trade unions. This has two implications for the monitoring indicators. Firstly, they should be defined to measure the contribution of all the actors involved to the governance process, and they should be built up at different territorial scales with different levels of detail, with the purpose to monitor good governance of sustainable development policies at all levels. The multi-governance and multi-stakeholders dimension of this exercise need to be emphasized.

Governance is founded on an important prerequisite, the rule of law, which is a condition sine qua non for any democratic society, and it is heavily influenced by another important en-

abling factor. That is the presence of civic culture and social capital like norms, values and trust levels among people and institutions, which would greatly facilitate the governance process itself. The rule of law is intended here as covering all the basic rights and liberties that shall be enjoyed by every citizen in a democratic society. These are fundamental rights, including the political liberties, the liberty of conscience and freedom of association, the freedom and integrity of the person, the protection from arbitrary arrest and seizure, the right to a speedy trial, due process, and uniform procedures conducted according to publicized rules. Indicators may be defined to measure the state of affairs respectively of the rule of law and of civic culture or social capital in different regions and countries of Europe. The correlation of civic culture or social capital indicators with the indicators of good governance should be established on the ground of specific studies. Indicators of fundamental rights and civic culture or social capital are not, however, the main focus of the PASSO project, which is concentrated on the indicators of good governance.

Guiding principles of good governance processes

Any good governance process should take care of five guiding principles or criteria:

- participation;
- capacity;
- transparency and accountability;
- responsibility;
- use of best available knowledge.

These criteria have been extensively discussed with the group of experts and in the national consultations organized by the PASSO project. Also the relationships among the different criteria have been assessed, to conclude that participation is the →

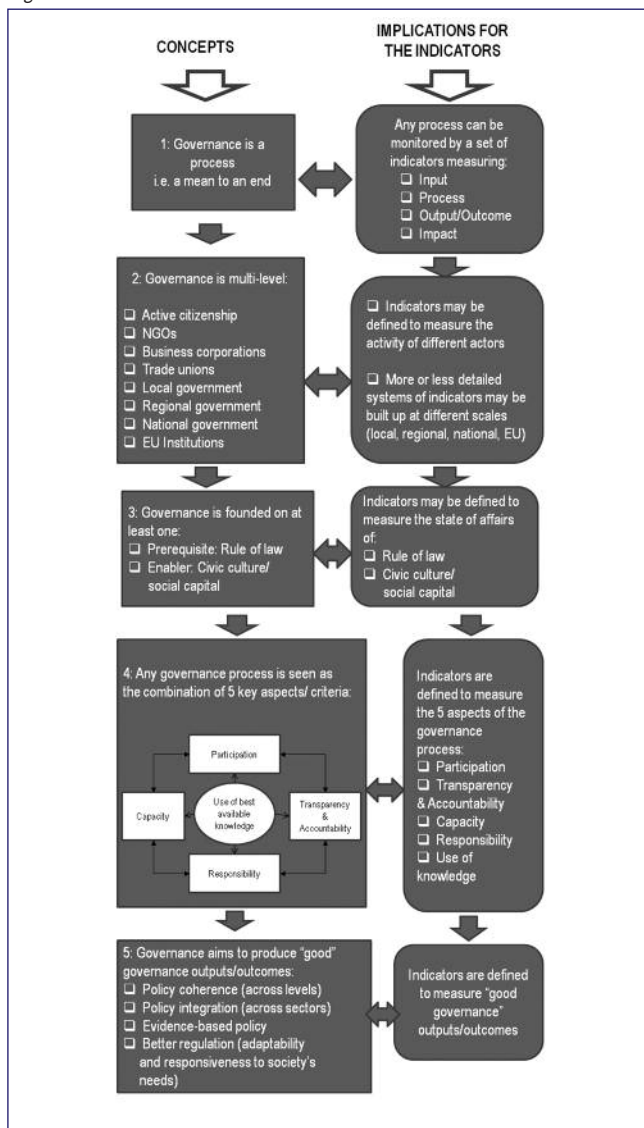
Table 1: Indicators of the good governance theme from the monitoring report of the EU sustainable development strategy

Indicators	Recent trends (ex-2009 Monitoring Report)
Policy coherence and effectiveness	
Citizens' confidence in EU institutions	The EU parliament is the most trusted among the EU institutions, followed by the European Commission and the Council of the European Union. The trust levels for these main EU institutions in the EU-27 were lower in 2008 than in 2007.
Infringement cases	The number of infringement cases in EU-25 has increased from 170 to 207 between 2005 and 2008. The situation among policy areas varies, and just three predominate (internal market; environment, health and consumer protection; justice and home affairs).
Transposition of Community law	The implementation of Community law into national law has slightly increased in the EU-25 between 2004 and 2008. The transposition level has been above or almost on the target rate since 2005, but has remained below in several policy sectors.
Openness and participation	
Voter turnout	Participation in national parliamentary elections in the EU-27 has decreased between 2000 and 2008. However, the turnout has been generally higher than in EU elections.
E-government availability	The offer of on-line public services has steadily increased in the EU-25 since 2004, reaching 62% in 2007. It varies however considerably among Member States.
E-government usage	The use of on-line public services increased significantly in the EU-27 from 2005 to 2008, but varied considerably between countries. Overall, close to a third of EU citizens used e-government in 2008.
Economic instruments	
Environmental taxes compared to labour taxes	The ratio of environmental to labour taxes decreased slightly in the EU-27 from 2000 to 2007. By and large, there has been a slight shift from environmental to labour taxes.

Source: PASSO project

leading criteria, but capacity, transparency and accountability as well as responsibility are equally important. All these four criteria are interrelated. A clear definition of responsibilities is needed to allocate capacity, human, technical, financial resources, to the different actors in the system as well as to identify who is accountable for what to whom. Capacity as well as transparency and accountability are both required to enable participation. And the use of best available knowledge is needed to implement effectively the overall process. The latter criteria claims in particular for a more frequent adoption of evidence-based policies, e.g. by means of systematic impact assessment of policy decisions. The smooth interaction of all these elements is fundamental for the success of the governance process. The table 2 is based on the participatory assessment made in PASSO and illustrates the single aspects that each of the five criteria should include.

Figure 2: The PASSO framework



Source: PASSO project

Good governance outcomes

Good governance processes aims to produce good governance outcomes, including in particular:

- policy coherence across different level of governments;
- policy integration across different sectoral policies;
- evidence-based policy deliberations;
- better regulation, ensuring a greater adaptability and responsiveness of policies to society's needs.

Indicators for monitoring these good governance outcomes have been identified as a result of the Delphi Survey.

Indicators on good governance

The assessment process of the good governance indicators started with a complete review of all existing sets of indicators on good governance worldwide. The sources analysed include Eurostat, the World Bank, the US Agency for International Development, Transparency International and the Bertelsmann Foundation, amongst others. For each institution, the sets of good governance indicators were presented. For each indicator, the definition was given as well as a preliminary assessment of its relevance in monitoring the EU Sustainable Development Strategy.

All in all, a list of 482 good governance indicators was compiled. The long list passed various assessment phases:

- Following a protocol for selection, the list was shortened on where indicators that 'were too specific', 'did not indicate progress' or 'were redundant', were excluded.
- The 135 remaining indicators were once again assessed by four experts according to basic criteria of appropriateness for the purpose of the PASSO project.
- The reduced list of 39 indicators was presented to the first Delphi Workshop, where the small interdisciplinary European group of 18 members, composed of representatives from academia, the research world and CSOs representatives assessed the list and proposed new indicators.
- The list of 58 indicators was submitted for assessment to national CSOs. All indicators were retained and no new suggestions were made.
- The list, together with the remarks and opinions expressed by national CSOs, was resubmitted to the restricted mixed group of research and technological development and CSOs representatives. The aim of the second Delphi Workshop was to decide about inclusion or exclusion of indicators from the final PASSO list.
- The resulting list of 30 indicators was finally presented at the final forum and there approved.

From the 30 indicators identified by PASSO, Civil Society highlighted the following ten indicators as being most important for measuring good governance:

- Access to education
- Coproduction of policies. NGOs and other stakeholders present at all stages, this includes inception, formulation and evaluation of policy.

- Regulatory Impact Assessments (RIA) application. Does the government regularly assess the potential socioeconomic impact of the draft laws it prepares?
- Capacity for interdisciplinary policy work. Accessibility of public documents and information, namely by means of a more effective application of the Aarhus Convention.
- Level of corruption. This was defined as a reverse indicator.
- Decision processes clearly stated and respected.
- Continuity of implementation of policies.
- Mobilizing public support. To what extent does the government consult with trade unions, employers' associations, leading business associations, religious communities, and social and environmental interest groups to support its policy?
- Social cohesion. The extent to which social policy prevents poverty and limits socioeconomic disparities.

An important highlight of the CSOs assessment is that 6 of 7 indicators that are currently used by Eurostat to measure good governance in the EU were not evaluated among the most important indicators. This indicates that the CSO representatives that took part in the National Consultations could envision different ways of measuring good governance than the current practice of Eurostat.

The way forward

Looking forward to the evolution of the good governance theme in the EU SD monitoring system, two different perspectives emerged from the PASSO discussions.

A first mostly top-down perspective, focused on the implementation of EU policies and actions, the transposition of EU directives in the Member States, citizens' participation to electoral turnouts and their level of confidence in the institutions of

„A limited number of good governance indicators should be identified, that could be used as a benchmark to compare the governance of sustainable development in the EU.“

representative democracy. The focus in this perspective is on good governance outcomes, policy coherence, integration, evidence-based policy, better regulation, related mostly to EU policies.

A second mostly bottom-up perspective, which was advocated by the representatives of civil society involved in the PASSO project, focused on the implementation of a fully participatory democracy in Europe, and the related actions and policies to build up the capacity of governments and other societal actors, enhancing the transparency, accountability and responsibility of all actors involved at all levels of government, EU, national, regional and local, as well as their connectivity. The focus in this perspective is on ensuring good governance outcomes in a multi-level and multi-stakeholders governance framework.

Following the second perspective, it is assumed that to really ensure good governance of sustainable development in Europe, a multi-level governance system is needed that manages to distribute capabilities and duties in such a way that perverse incentive and information problems at one level are offset to →

Table 2: The PASSO good governance process criteria

Criteria	What should be monitored?
Participation	<ul style="list-style-type: none"> ■ Electoral law/process ensuring fair opportunities ■ Voter turnout ■ Check and balance of powers (Executive, Legislative, Judicial): de jure and de facto ■ Civil dialogue: CSOs and stakeholders (business, trade unions) consultation structured according to a code of practice ■ Citizens' empowerment and participation in the policy-making process: de jure and de facto
Capacity	<ul style="list-style-type: none"> ■ Awareness raising and civic pedagogy ■ Adequacy/predictability/management of public budgets ■ Performance of public policy delivery (efficiency/effectiveness) ■ Networking, coordination, transversal projects ■ Human capital (availability of staff/skills, training, opportunities for learning by doing, career development) ■ Capacity building for CSOs and/or active citizens' organisations delivering public services
Responsibility	<ul style="list-style-type: none"> ■ Allocation of public policy responsibilities to government according to subsidiarity rules ■ Delegation of public policy implementation responsibilities to non-governmental actors (active citizens, CSOs) ■ Responsibilisation/control of business, consumers, tax payers
Transparency & Accountability	<ul style="list-style-type: none"> ■ Transparency/legitimacy of decision making processes ■ Transparency of budgets ■ Availability and access to diverse sources of information about actions and policies ■ Auditing of State/independent agencies ■ Code of ethics for civil servants and policy makers ■ Policy evaluation: ex-ante and ex-post impact assessment of policies
Use of best available knowledge	<ul style="list-style-type: none"> ■ Use of scientific knowledge to support policy formulation, monitoring, evaluation ■ Use of local/citizens' knowledge to support policy formulation, monitoring, evaluation ■ Use of Internet and open source media

Source: PASSO project

some extent by positive incentives and information capabilities for actors at other levels. This multi-level governance system will require constitutional systems that generate adequate information at multiple scales, e.g. systems of indicators with different levels of detail, and provide legitimate decision-making procedures without being too complicated for the different actors involved. Such a multi-level system will achieve better outcomes than simple, streamlined systems at any one scale – as it would be for instance a highly centralised system of EU monitoring indicators which pretends to cover a series of context-specific factors.

The challenge is therefore to identify, design and implement a limited number of good governance indicators that may be used as a benchmark to compare the governance of sustainable development challenges in the EU-27 countries. This would be a sort of minimum requirement set of indicators, a EU good governance barometer, which the Member States should agree to adopt for measuring the progress of sustainable development governance in their countries.

This set of EU-wide governance indicators should however exclude any indicator which strongly depends on local context-specific factors, and which would therefore more suitable to be included in systems of indicators developed at national or sub-national level. It should include instead key indicators of participation to representative and deliberative democracy processes, capacity, transparency and accountability, responsibility and use of best available knowledge in the Member States.

Annotations

- (1) Eurostat: Sustainable Development in the European Union. 2009 Monitoring Report of the EU sustainable development strategy. Page 260, Luxembourg 2009.

Literature

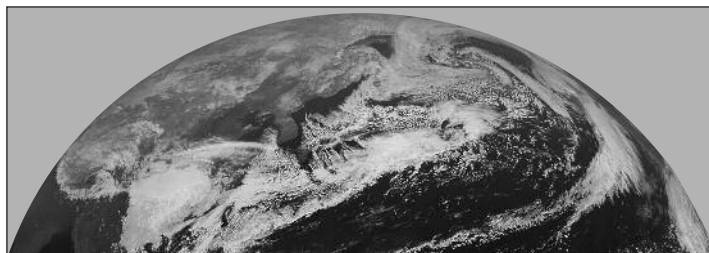
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