Quality of Government and Epistemic Democracy

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Introduction: The Success and Malaise of Electoral Democracy

Democracy as an overall model for how societies should be governed has been a remarkable success over the last forty years. More countries than ever are now considered to be democratic or at least on their way to becoming democracies (Diamond 2007, Teorell 2010). Various international organizations that have democracy promotion on their agenda should nowadays be very content since there are certainly many reasons to be enthusiastic about this historically remarkable development. The enthusiasm is, however, dampened by the fact that empirical research show that there is no guarantee that procedural democracy will produce policies that improve the general human well-being of its citizens. As I will show below, established measures on various aspects of human well-being that now exists for a great many countries either have a very weak, or no, or sometimes even negative, correlation with measures of the level of democracy. The reason, I will argue, is that electoral-representative democracy does not automatically translate into what I define as quality of government (which is close but not identical to what usually is labeled “good governance”). For example, the noted democratization researcher and promoter Larry Diamond had the following to say when the U.S. based National Endowment for Democracy celebrated its first twenty-five years of operations:

There is a specter haunting democracy in the world today. It is bad governance—governance that serves only the interests of a narrow ruling elite. Governance that is drenched in corruption, patronage, favoritism, and abuse of power. Governance that is not responding to the massive and long-deferred social agenda of reducing inequality and unemployment and fighting against dehumanizing poverty. Governance that is not delivering broad improvement in people’s lives because it is stealing, squandering, or skewing the available resources (Diamond 2007:199)

It is noteworthy that Diamond here makes a distinction between democracy and good governance. One aspect of the “specter” that haunts democracy is that a procedurally correct democratic system may produce decisions that are ill-informed and not in line with what
according to the factual matters is true. The idea behind what has become known as epistemic democracy theory is that the decision taken by a democratically elected legislative assembly should not only result in decisions that are in accordance with procedural fairness based on, for example, Robert Dahl’s idea of politically equality. Instead, epistemic democracy requires that the decisions are also based on what according to established knowledge is true or right (Anderson 2006, List and Goodin 2001). What is “true” or “right” is certainly contested in many policy areas, but one way to think about this can be taken from medical ethics stating that diagnosis and treatments should be based on “science and proven experience” as stated in, for example, the Swedish Health and Medical Service Act. Another definition would be that public policies should be “evidence based”.¹ As for the political process, this has been stated by List and Goodin (2001) as: “Decision rules ought to be chosen so as to track the truth”.

There are two problems with this understanding of epistemic democracy. The first relates to the issue about “truth for what”: Epistemic democracy cannot only be motivated on the ground that the decisions should be true in general since it is true that the chemical Zyklon B works for mass killings of people if locked into air-tight chambers. Or to take a more recent example from the G. W. Bush administration in the U.S., epistemic democracy is not to be a process for finding out what kind of torture that makes prisoners talk but at the same time does not maim them so much that they can no longer reveal correct information (Danner 2011).

The standard for a democratic system should be that the decisions are not only right or true, but right or true so as to improve the well-being of citizens in respect of an extensive set of liberal rights as suggested by John Rawls. The second problem in discussions of epistemic democracy is how to avoid “epistocracy”, that is, rule by experts, which is anathema to most definitions of democracy. The third problem is “which rules” in the machinery of representative democracy should be altered so as to increase the epistemic content in the decisions. Most of the suggestions seem to be about changing the rules on the “input” side of the democratic system, be they various forms of deliberative processes or more jury-like or experimental processes (Anderson 2006). These are theoretically interesting suggestions but they all suffer from a certain lack of realism when it comes to establishing them as functioning alternatives in real existing democracies. I will argue that there is a way

¹ There are now at least two scholarly journals published that cater to this notion of “evidence based policy”, namely Evidence & Policy now in its seventh year and Journal of Evidence Based Social Work that started in 2003.
to secure a more epistemic orientation of today’s electoral representative democracies, namely to increase their quality of government (henceforth QoG) defined as impartiality in the exercise of public policies. This has several advantages, not least that it can be backed by considerable empirical analyses showing that it improves the likelihood that a political system that combines representative democracy and QoG is more likely to launch policies that improve general human well-being. In addition, it has been shown to work, it is simple, it has overwhelming support from most electorates and it is by and large “for free” in pure economic terms.

Democracy – Reasons for the Current Malaise

In a recently published article, Nobel Laureate Amartya Sen compares “quality of live” in China and India and comes to the conclusion that on most standard measures of human well-being, the communist-autocratic China now clearly outperforms democratically governed India (2011). This applies, inter alia, for infant mortality, mortality rates for children under the age of five, life-expectancy, immunization of children, basic education of children, poverty rates and adult literacy. Sen comments on, but presents no explanation to why India’s democratic system does so poorly when it comes to improving human well-being for its population compared to autocratic China.

This problem can also be seen when comparing small countries. Jamaica and Singapore both achieved independence from British colonial rule in the early 1960s. They then had about the same size population and were both very poor. If the typical social scientist at that time would have predicted the situation for these two countries fifty years later, a fair guess is that he or she would have painted a very rosy future for Jamaica but a much bleaker one for Singapore. Jamaica then (as now) had large areas of arable land, important natural resources (bauxite), is located close to one of the world’s most important export markets and could have developed a huge tourist industry, especially since Cuba went out of this business at that time. Everyone in the country spoke English and very few ethnic-religious cleavages existed. Singapore, on the other hand, had no natural resources, no arable land, is far away from major export markets and had very problematic ethnic-religious divisions. The situation today, however, is completely the reversed of what would have been expected in the early 1960s. Singapore has nine times the GPD/capita than has Jamaica and hugely outperforms Jamaica on all standard measures of human well-being. The problem is that according to the best measure of democracy that I have come across, Jamaica has since independence been
counted as a democracy while Singapore has never been close to being regarded as a democracy (Werlin 2007, Rothstein 2011, ch. 9).

The question is if these two comparisons of cases showing that autocracies can outperform democracies are matched by available cross-country statistics. In order to do such analyses, one needs a measure of democracy and as is well-known, there has been a long debate on how to define and measure democracy. According to one definition suggested by Przeworski et. al. (2000) a democracy is “a regime in which those who govern are selected through contested elections” where “contested“ is defined as the presence of “an opposition that has some chance of winning office”. Teorell (2010) has convincingly criticized this and other dichotomous (or absolute) measures for democracy and instead argued for a graded definition and measurement strategy. The graded measure of democracy that he (together with Hadenius) has constructed is based on the average scores of political rights and civil liberties reported by Freedom House, and the combined autocracy and democracy scores derived from the Polity IV data set (Hadenius & Teorell 2005). This index goes from 0 to 10 where 10 is most democratic and as the authors show, this index performs better both in terms of validity and reliability than its constituents parts.

Using a set of thirty standard measures of national levels of human well-being and also some variables known to be related to human well-being such as capacity for taxation, and including between 75 and 169 countries, Holmberg and Rothstein (2011a) find only weak\(^2\), or no, or sometimes even negative, correlations between these standard measures of human well-being and the above mentioned measure of the level of democracy. These results are confirmed by other studies such as Doucouliagos and Ulubasoglu (2008), Norris (forthcoming) and UNDP (2002). The picture that comes out of available measures and statistics is this: Representative democracy is not a safe cure against severe poverty, economic inequality, illiteracy, being unhappy or not satisfied with one’s life, infant mortality, short life-expectancy, maternal mortality, access to safe water or sanitation, gender inequality, low school attendance for girls, low interpersonal trust or low trust in Parliament. Thus, democracy measured in this way is only weakly correlated, or even unrelated, to more “objective” measures of human well-being (such as population health statistics) as well as to subjective measures (such as subjective well-being or interpersonal trust).

An objection to this bleak picture of the actual epistemic-based performance of democracies is the argument that democracy results in respect for human rights which no

\(^2\) Correlations below 0.35 are considered as weak.
doubt is an important achievement. However, as Råby and Teorell (2010) have argued, this is close to saying that democracy results in democracy since respect for at least basic human rights is a condition for a country being defined as a democracy. It has often been said that representative democracy would minimize the risk for internal violence like civil war. Norris, however, shows that this is not borne out by the facts. In itself, liberal representative democracy, is not a cure against the outbreak of internal armed conflicts (Norris forthcoming, see also Öberg and Melander 2010). As Michael Mann has argued, when it comes to ethnic conflicts, democracy has a “dark side” (2005). As if this was not enough bad news, Råby and Teorell (2010) using data of interstate military conflicts from 1984 to 2000, have shown that democracy, contrary to what has been more or less taken for granted in international relations research, is not strongly related to the absence of inter-state war. Instead, they find that control of corruption trumps level of democracy for predicting the absence of war.

Thus, the worries raised by the epistemic democracy theorists are for real. On average, and as it is usually practiced, representative democracy alone does not produce “true” or “right” decisions that cater to improving human well-being when compared to non-democratic societies. However, the problems with finding good outcomes from democracy do not stop at this. One central idea of liberal representative democracy is that when people have democratic rights, they will be of the opinion that their government has legitimacy understood as the “right to rule”. Gilley, using survey data from the World Value Study covering more than seventy countries, has studied what it is that explains citizens’ perceptions of political legitimacy. He summarizes his result in the following way:

General governance (a composite of the rule of law, control of corruption and government effectiveness) clearly has a large, even overarching, importance in global citizen evaluation of the legitimacy of states .... it is notable that democratic rights, while certainly qualifying as one of the most important causes of legitimacy, turn out to be roughly on par with welfare gains, and both of these are far less important than good governance. This clashes with standard liberal treatments of legitimacy that give overall priority to democratic rights (Gilley 2006:56f, cf. Gilley 2009).

Thus, when people make up their mind about their government’s legitimacy, it is not democratic rights that are most important for them. Instead, it is various aspects of “good governance”.
One may think that this “democratic malaise” only relates to new and unstable democracies in the developing world or the so-called transition countries in the former Soviet bloc, or even to clientelistic democracies in Southern Europe such as Greece and Italy. The model democracies in Northern Europe and North America (north of Illinois?) would be spared from this “democratic malaise”. When it comes to outcomes in human well-being, this is generally true. However, it is not cut in stone that this also relates to political legitimacy. One example comes from Norway. In the late 1990s, the Norwegian government, like its Scandinavian counterparts, organized a mega social science research project designed to analyze how well the country’s democracy functions. This research program was led by very prominent Norwegian scholars, including three political scientists, one sociologist, and one specialist in cultural studies and it engaged over a hundred scholars from many other disciplines, including law and the humanities. Numerous studies about almost every aspect of Norwegian democracy were carried out between 1998 and 2003 resulting in over fifty books and seventy reports. Three of the project leaders also produced a final report presented to the Norwegian Parliament. To put it mildly, this report gives a very bleak picture of the present quality of democracy in Norway. Summarizing the report, two of the authors conclude that:

The parliamentary chain of government is weakened in every link; parties and elections are less mobilizing; minority governments imply that the connection between election results and policy formation is broken; and elected assemblies have been suffering a notable loss of domain (Østerud and Selle 2006: 557).

The report also points to other ways in which Norwegian representative democracy had eroded over the course of the study: the parliament had lost power to market forces, the mass media had become more dominated by the logic of the market, parties and major nation-wide interest organizations functioned less well and recruited fewer members and activists (Selle and Østerud 2006).

The entire research program was premised on the idea of a chain of command process starting with educated and well-informed voters, continuing with “free and fair elections” resulting in a government that through a loyal civil service could implement public policies resulting in outcomes in line with the wishes of the majority of the voters (Ringen 2010). The program’s empirical studies -- on almost every conceivable aspect of the workings of Norwegian democracy -- were evaluated against this normative ideal (described as the
“parliamentary chain of government” starting with the voters and ending with the political
decisions that are actually implemented (Christiansen & Togeby 2006).

In his thoughtful (and very positive) review of this report, Stein Ringen (2004) made a
poignant comment. While he did not disagree with the report’s many criticisms of the
workings of Norwegian democracy, he pointed out an intriguing irony. Norway is an
extremely rich country with a highly educated electorate. The income from the North Sea oil
creates an almost unmanageable budget surplus for the government. For many years the
country has been peaceful, lacking in major social conflicts. Norway has a long popular
democratic tradition going back to at least 1814 when the constitution was created. Further,
this is a country with a comparatively very generous welfare system, few industrial conflicts,
an ethnically homogenous population with a high level of social trust, a vibrant civil society
and a political culture built on compromise, deliberation, thorough investigations by experts
of both the need for and possible consequences of new policies, great efforts to respect of
minority rights and no known violations of human rights or liberties. Together with the other
Nordic countries, Norway ranks at the very top in the United Nation Development Program’s
measure of human development. Corruption by standard measures is one of the lowest in the
world and politicians are for the most part seen as being honest and benevolent. Ringen’s
most interesting remark was that if it is not possible to get a system of electoral-representative
democracy to work reasonably well in a country like this, then where on earth is such a
system going to work? If this is what empirical reality looks like in rich, peaceful and
homogeneous Norway, then what are the chances that this system of democratic
representation will work in countries like Iraq, Nigeria or Bosnia-Herzegovina?


Compared to democracy, Quality of Government (and its close cousins Good Governance and
State Capacity) is a relatively new concept that has made a strong impact since the mid-
1990s. The 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 erupted in October 2008 have shown that issues about “bad governance” cannot be seen only as a problem 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). However, as recently argued by Francis Fukuyama, the definition of the concept “is not well established” in the literature (2011: 469). Thus there is a need for conceptual clarification of what exactly this new concept entails. What should count as “quality of government”?

The Intellectual Background

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 for 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 have one thing in common, namely to challenge the then dominating societal view in studies of social and economic outcomes and development. These paradigms in the social sciences (for example, Pluralism, Elitism and Marxism) all argued that societal 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 had become known as “Bringing the State Back In” (Evans, Skocpol & Rueschemeyer 1985, cf. 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 the relation between institutions and social/economic outcomes was and if some types of institutions were better in producing valued social outcomes than others.

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 can be created by systematic 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: 97). In the former communist countries, this strategy became known as “shock-therapy capitalism” which ran into a number of problems, not least because its proponents did not pay adequate attention to the need for institutions to be able to hinder fraudulent, anti-competitive, corrupt 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 QoG and good governance agenda since then is the establishment of different types of measures, notably the Corruption Perception Index (CPI) 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 reasonable free from corruption and related practices have a strong 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 economic development (Acemoglu, Johnson & Robinson 2005, Holmberg, Rothstein & Nasiritousi 2009). In addition, Helliwell (2008), Pacek and Radcliff (2008) and Ott (2010) have observed positive links between measures of
good governance and subjective well-being (aka “happiness”), a survey-based measure of individuals’ evaluations of their quality of life.

There is also a large body of literature that testifies to the negative consequences of “bad governance” and “low quality government” for areas such as population health and people’s access to safe water (Sjöstedt 2008, Holmberg & Rothstein 2011b, Transparency International 2006). 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 is 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. In sum, while 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, the opposite is true for measures of good governance that relate to the output side of the political system (Holmberg & Rothstein 2011a and 2011c. In the figure appendix, two of the thirty scatterplots relating human well-being to the level of QoG and the level of democracy are presented to give an illustration of what the data look like). We can thus conclude that policy organizations which have put good governance and quality of government on their agenda are supported by (hopefully true and right) empirical findings.

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? 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 states’ 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 1999:1).

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 for containing both the institutions for access to political power and those that exercise and implement laws and policies (Rothstein & Teorell 2008). In the words of Keefer (2004:5), “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”. Yet, clearly some political institutions or aspects of “politics” must matter more than others for what should count as quality of government.

Including “sound policies” in the definition raises the quite problematic question of whether 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? More generally, such a definition of good governance that is not restricted to procedures but includes the substance of policies leads to what is known as the “Platonian-Leninist” problem of rule by experts. In the discussion about epistemic democracy, this is known as the problem of “epistocracy” (Estlund 2008). 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 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 1989:65). There are thus good reasons for keeping the definition of QoG to procedures which is in line with how most definitions of representative democracy are constructed (Teorell 2010).

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3 When Lenin did away with the last reminiscence of the internal party democracy at the 10th congress of the Bolshevik party in 1921, his argument was that since Marxism-Leninism had made politics a science, one could no longer vote on policy issues: Instead, these were to be decided by the “avant-garde” in the party who were in possession of the Marxist-Leninist scientific knowledge about politics.
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 comes from leading economist Alberto Alesina who together with George-Marios Angeletos have come to the conclusion that “a large government increases corruption and rent-seeking” (2005:1241). Similarly, Nobel laureate in Economics 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, despite the fact that most QoG data measure public sector corruption and that it seems logic that with more opportunity comes more corruption, empirical analyses do not support the idea that “big government is bad government”. If we take a look at available measures, the relationship between government size and corruption runs in the opposite direction, albeit weakly so. 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; 42), the data shows that "identifying big government with bad government can be highly misleading”. As argued by Avner Greif (2005:737), “public-order institutions that support modern markets require high fixed costs”.

Quality of Government as 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” would vary in different parts of the world (Kurer 2005). This is thus not a universal or complete definition because it is dependent on
how “abuse of public power” is defined. Needless to say, this relativistic definition would dramatically increase problems of operationalization and measurement in comparative empirical analyses, but it would also carry all the ethical difficulties connected to relativistic definitions that are known from discussions about how human rights and democracy should be defined. Without an universally accepted normative standard about what forms of behavior of public authorities 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 QoG 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 QoG, but so are many other practices that are not usually 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). The common denominator for all these practices is that the implementation of policies are impacted by some kind of undue favoritism of which corruption in the standard form of bribes is just one kind.

Quality of Government as the Rule of Law

Perhaps as central as corruption, the establishment of the rule of law is usually key in any discussion on QoG and placed high on the agenda for reforming developing and transitional countries (Carothers 1998). Still, although unequivocally embraced as a virtue of any political system, the concept is rarely defined with accurate precision. 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 and Chang 2006:1077-78). 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 (1997:245) defines the rule of law as “a set of stable political rules and rights applied impartially to all citizens”. Similarly, O’Donnell (2004:33) 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 pre-established, 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” (ibid.:33-4). 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 (Rothstein 1996). 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 (Rothstein 1998). 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 1988:46). The conclusion is that while the “rule of law” principles in most approaches
serve as central ingredients in QoG and good governance, they do not cover the full spectrum of the concept.

**Quality of Government as Democracy**

Establishing representative democracy has often been championed as an effective antidote to everything from corruption to poverty. This is because representative democracy is conceptually linked to accountability, which helps to reduce the discretionary powers of public officials (Fukuyama 2011, Deininger & Mpuga 2004:171). 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 quality of government, state capacity and good governance since we instead 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 what usually counts as QoG. On the contrary, measures of democracy seem to be curvilinearly related to, for example, the level of corruption (Montinola & Jackman 2002; Sung 2004, Charron & Lapuente 2010). Empirical research indicates that corruption is worst in countries that have been newly 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). 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 we have to conclude that quality of government is different from, and should not conceptually be equated with, representative democracy.

Having said this, democracy and QoG as impartiality do overlap at the conceptual level in two very important areas. First, this is apparent with respect to the “bundle of political rights” required to upheld a democratic system. Democracy, in O’Donnell’s (2001:18) words, presupposes “a legal system that enacts and backs the universalistic and inclusive assignment of these rights”. Democratic legitimacy requires that political rights such as freedom of association and of expression must be secured within a legal framework—and this framework in its turn must be impartially applied to all its subjects. As a consequence, democracy as political equality entails impartial government institutions in the *regulation* of the access to political power.
Secondly, this overlap is also readily seen if we consider the idea of “free and fair elections”. Elections have to be administrated by the existing government but if they are to be considered free and, in particular, fair, the ruling party must refrain from organizing them in a partisan way that undermines the oppositions’ possibilities to reach power. That is, in order to be seen as “free and fair” elections must be administrated by impartial government institutions (Choe 1997). But again, the impartial organization of elections does not imply that the content or outcome of this process is impartial. On the contrary, the reason why many people take part in elections (and politics in general) is that they are motivated by very partial interests. For the definition of good governance launched by the World Bank Research Institute mentioned above, this implies that the fairness and impartiality of the system of voice and accountability” could be included in the definition but not the content of this process.

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 QoG (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 a concept like QoG in terms of administrative and regulative efficiency would border on 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 economic 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 governance systems produce efficient outcomes. 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 it needs, have institutions that are qualitatively different in their operative principles than the opposite type of societies.
Towards a Definition of Quality of Government

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 our purpose is to reach a universal and procedural definition that could be acceptable to groups in a democracy with, to quote John Rawls (2005:xvi), “a pluralism of incompatible yet reasonable”, 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 I prefer the term “quality of government” to the World Bank term “good governance” since the latter has too broad connotations and often include non-government actors such as civil society organizations as well as trade and business organizations (Pierre & Peters 2000). However, in terms of the practicalities of empirical research, the difference between quality of government, good governance and state capacity is mostly terminological. The different expert based measures used to capture this phenomenon, be it measures of corruption, the rule of law, government effectiveness or the level of impartiality correlate at a surprisingly high level (about .9). Moreover, the expert based measures correlate to an equally surprisingly high level with various measures constructed from surveys of representative selections of the population indicating that experts and ordinary people give the same account of the problem in their country (Rothstein 2011).

As argued 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 or good governance. 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. This is also why the term “state capacity” is problematic since it usually only refers to brute administrative strength which can be used in ways that are deeply unethical and that could seriously damage the state’s legitimacy making it much harder to implement policies (cf. Levi 1998, Rothstein 1998). The first requirement for definitions of concepts like quality of government and good governance is thus that they are 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 this approach clearly has shifted the interest away from the “input” side 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 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. Countries like Switzerland, Finland and the United States are 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 and only the United States has a strong President and a politicized Supreme Court. Moreover, these three countries have very different electoral systems, party systems and systems for regional and local government. However, despite these huge differences in the institutional configuration of their (and all other democracies’) political systems, they are all counted as being democracies. The same type of difference in specific institutions can be shown if we compare countries that are generally ranked at the top when it comes to measures like corruption, rule of law and government effectiveness. Obviously, a definition of quality of government cannot relate to a specific set of institutional arrangements. Instead, it is necessary to look for some basic norm that characterizes their institutional systems as whole. For representative democracy, that is, the access to power, leading democratic theorist Robert Dahl has suggested such a norm, namely “political equality”. The question is what the equivalent for good governance could be given that issues are more related to the implementation 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, Jan Teorell and I have suggested such a basic norm, namely impartiality in the exercise of public power (Rothstein & Teorell 2008). 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” (Strömberg 2000, 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 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” (2004:100). 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 corpses 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 2005:223). 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 1995:126). 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 1998:238). 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 1998:238, 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 1995:103).

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). However,
when such partisan policies are to be implemented, their proponents usually do not want these
policies, once enacted, to be carried out 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 among the preferred group to get the
position. Thus, impartiality is a norm to be followed when policies are to be exercised, not
when policies are decided in the democratic process. 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, 154).

It should be underlined that the argument is not that impartiality is equivalent to “objectivity”. Terminology is a tricky business. Still I 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 law of nature process. My argument is 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 in the exercise of public power stands in sharp contrast to the public choice idea of public officials maximizing their self-interest. For example, the 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. Thus, while corruption in the form of bribes clearly implies a deviation from QoG as impartiality, the latter concept also stands against other types of favoritism when public policies are implemented.

**Explaining Variation in Quality of Government**

If QoG, as stated above, is highly correlated to the possibility of establishing policies that are “right” and “true” in the sense that they improve general human well-being, it is of course important to find explanations for the huge differences that existing measures show to exist. That this is not an easy task can be illustrated by a comment from noted economic historian Avner Greif who in the “Handbook of New Institutional Economics” states that QoG type of institutions exist “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” (Greif 2005:737). Attempts have been made to find an explanation for this but so far we lack a well-established theory. The work of Nobel Laureate Elinor Ostrom is
certainly a case in point since she shows how groups can establish and maintain regulatory institutions that serve to avoid a “tragedy of the commons” situation for common natural resources (Ostrom 1990). However, and as she readily admits, her cases are relatively small local groups in which it has been possible to develop high levels of social trust and social capital over a long period of time. For large nation-states, high levels of social trust are an exception (Uslaner 2008).

Using a new cross-country dataset based on a web-survey with experts on public administration that has been constructed to measure QoG as impartiality as above, Dahlström, Lapuente and Teorell (2011) have analyzed what type of structural features of a country’s public administration that can explain the variation in levels of corruption and with corruption related practices. Contrary to what has often been taken for granted, they show that the separation of the civil service career through special (privileged) employment contracts or special exams do not have an effect on levels of corruption. They also show that the comparative level of pay is not significant for the degree of corruption. However, their results do show that meritocratic recruitment to the civil service have a significant positive influence for minimizing corruption also when controlling for a large set of other standard variables (see figure 1 and 2 in appendix). This result confirms an earlier study by Evans and Rauch (2000) that demonstrated that meritocratic recruitment has a positive influence on a country’s level of corruption. These results are important because they indicate that a procedural value, in this case the impartiality in the recruitment to the civil service, results in a more efficient and effective public administration. Secondly, these results may also give us an idea of why it is that high levels of QoG as defined above have much stronger positive effects on almost all measures of human well-being than has a country’s level of democracy. Simply put, meritocracy imputes knowledge into the political system and thereby increases its epistemic orientation. If recruitment to, and promotion within, the public administration is based on impartial evaluations of the candidates skills and qualifications, this will increase the amount of “true” knowledge in the machinery of government. Thus, we arrive at the following conclusion. Electoral-representative democracy does not seem to ensure the necessary epistemic qualities in the political system for creating policies that increase human well-being. However, quality of government (or good governance) does substantially increase the epistemic quality which increases the likelihood that the political system will produce public policies that improve human well-being. Quality of government is, inter alia, causally related to the existence of impartial/ meritocratic recruitment of public employees. This implies that people with high levels of skills and knowledge (instead of those with a certain family
background, or membership in certain clientelistic networks, etc.) fill the positions in the public administration and positions as professionals in organizations implementing public policies. If the political system is a democracy that is combined with meritocratic recruitment, this is very likely to result in epistemic democracy as practice. We can speculate about how the causal mechanisms may work. One possibility is that a Weberian type of merit-based civil service functions as “cages of reason” (Silberman 1983) imputing knowledge-based rationality into the policy-making process. Another such mechanism may be that politicians that only surround themselves with political cronies recruited through patronage will end up with distorted views about reality. In contrast, merit-recruited civil servants may be “speaking truth to power” (Wildavsky 1987). A third mechanism may be that public services that are manned by merit-based professionals will use better (more true) knowledge in the implementation process than will a system based on patronage and nepotism.

Discussion: Why Epistemic Democracy by Quality of Government

There are several advantages with the QoG solution to the problem of “true and right” knowledge raised in theories about epistemic democracy. Firstly, an overwhelming amount of empirical studies show that QoG (or good governance) increases the epistemic value in both democracies and autocracies, understood as the production of general policies that improve general human well-being. Secondly, although highly skilled, knowledgeable and centrally placed civil servants are known to exert a substantial influence on the content of public policies, this system does not necessarily have to equal rule by experts (epistocracy). Instead, in combination with electoral-representative democracy, this can be seen as ensuring democratic rule through experts. In a democracy, the elected politicians are the ones who, at the end of the day, have to be accountable for the political decisions and if the experts/civil servants that have prepared and analyzed the policy proposal cannot convince the elected politicians about the merits of their suggestions, the politicians can and often do say no. They can, for example, turn to other experts that have a better understanding of how to combine knowledge with the politicians’ wishes. When the system works, and it has been shown to work by, for example, Hermansson in his study of Swedish politics between the 1910s and the 1980s, it can be seen as an realization of (at the risk of maybe using outdated language), “politics based on the ideas of the enlightenment” (Hermansson 1993 and 2003). Studying a large number of policy processes that took place when the Swedish welfare state was built, Hermansson’s study shows that in a respectable number of cases, an “enlightened”
A deliberative process between elected politicians, high level civil servants, experts and (often equally knowledgeable) representatives from interest organizations took place when important public policies were constructed. This resulted in political processes in which the basic principle of political equality and the principle that politics should be based on what is “true” were combined, resulting in what Lamont and Hall (2010) have defined as a “successful society”. A third advantage is that this system for increasing knowledge in the political system has a proven record. It has been tried and is used in quite a number of countries. In addition to comparatively good results when it comes to producing policies that are “true and right”, QoG as impartiality implying merit-based recruitment also seems to achieve a high level of political legitimacy. Although impartial recruitment to positions in the civil service seems to be a rare thing historically as well as today (see Fukuyama 2011), we do have a number of cases where it has been established in a sustainable manner. A fourth advantage is that the QoG principles of how to organize the public administration are easily understood by most citizens and not technically complicated to organize, not least when compared to other systems for increasing the epistemic content in the political system that have been suggested in this discussion. Lastly, the principles of impartiality in the exercise of public power resulting in meritocratic recruitment to positions in the public administration has been shown to be universally understood as in line with principles of fairness, even in deeply corrupt societies (Persson, Rothstein & Teorell 2010).

The discussion within epistemic democracy theory has to a large extent tried to solve the problem of inserting more knowledge in the democratic process through changes of the machinery of how the electorate’s preferences should be aggregated. Among the most well-known suggestions are systems for increasing deliberation among citizens (Fishkin 2009) and forms of “experimentally based learning” (Anderson 2006). What has been forgotten in this discussion is the possibility to solve the epistemic problem by increasing the quality of the public administration that both prepares policy proposals and implements them. The empirical analyses presented show that this can be done through a carefully designed system of impartial merit-based recruitment to the state.
References


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Figure Appendix

Figure 1. Meritocratic recruitment vs level of corruption

Source for fig 1: The Quality of Government Institute Dataset and Expert Survey: www.qog.pol.gu.se

Figure 2. Relative pay for civil servants and level of corruption

Source for fig 2: The Quality of Government Institute Dataset and Expert Survey: www.qog.pol.gu.se
Figure 3

Human Development Index vs. Level of Democracy

R²=0.22

Data runs by: Richard Svensson

Figure 4.

Human Development Index vs. Control of Corruption

R²=0.47

Data runs by: Richard Svensson