The Worldwide Governance Indicators:
Revised Methodology for Measuring Governance Using Perception Data

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Abstract

The Worldwide Governance Indicators (WGI) provide composite measures of six dimensions of governance—Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. The indicators draw on 35 data sources, including household and firm surveys and expert assessments from multilateral organizations, non-governmental organizations, academic institutions, and commercial data providers. They cover over 200 economies annually from 1996 to 2024 and are publicly available on the WGI website.

This paper summarizes the data sources and aggregation methodology underlying the WGI and documents a set of changes introduced as part of the 2025 revision. The changes include a stricter protocol for screening data sources; the addition of new qualified sources; a closer alignment of indicators with an institutional-functions framework; targeted refinements to the mapping of indicators across the six governance dimensions; revisions to the aggregation model that allow the global average of governance to vary over time; and the introduction of an absolute 0–100 scale anchored by fixed benchmark countries. Taken together, these changes form the basis of the revised WGI. Historical estimates have been recalculated back to 1996 to maintain a fully consistent series.

Sensitivity analysis shows that the updated estimates are robust to reasonable variations in source inclusion, weighting choices, and source data imputation. The WGI continues to offer a coherent, comparable overview of governance patterns worldwide, while assessments of specific institutional reforms are more effectively supported by purpose-built, country-level governance diagnostics.

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Acknowledgement

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This WGI modeling and methodology paper was prepared by Charlotte Nan Jiang, WGI Manager; Arvind Jain, Task Team Lead; Thomas Romano, Analyst; and Taylor Boyce, Analyst, all from DECIG. Debasmita Padhi and Jacquelyn Pavilon, also from DECIG, made significant contributions across data preparation, documentation, and code review.

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The Advisory Committee's contributions provided valuable input into the overall methodological approach for the revised WGI. At the same time, responsibility for the detailed methodological design and implementation rests solely with the WGI team, and certain changes and extensions introduced in this revision go beyond the Committee's recommendations. The views and decisions in this paper are therefore those of the WGI team and not necessarily endorsed by the Advisory Committee.

1. Introduction

This section introduces the motivation of the Worldwide Governance Indicators (WGI) and explains why governance—and perceptions of governance—matter for development outcomes. It also summarizes the WGI framework and outlines the methodological updates introduced in the revised WGI.

The Importance of Governance

Governance—the traditions and institutions by which authority in a country is exercised—is widely recognized as a critical driver of development outcomes. Theoretical and empirical research shows that countries with inclusive and accountable institutions tend to achieve higher levels of economic development, better public service delivery, and more robust job creation. Conversely, weak governance—marked by corruption, poor regulatory enforcement, or lack of rule of law—often impedes growth and undermines social outcomes (Acemoglu and Robinson, 2012; World Bank, 2017).

In terms of economic activity, governance sets the "rules of the game" that determine long-run growth. Institutional arrangements that ensure broad access to opportunity, uphold the rule of law, and prevent the concentration of unchecked power encourage investment, innovation, and entrepreneurship. Cross-country[1] evidence shows that the quality of governance—such as property rights, regulatory quality, and control of corruption—is a strong predictor of income levels and growth rates (Rodrik, Subramanian, and Trebbi, 2004).

Governance is equally essential for the effectiveness of public services. When institutions ensure accountability—through transparent budgeting, performance monitoring, and citizen engagement—resources are more likely to reach intended beneficiaries. For instance, public health spending reduces child mortality only in countries with strong governance; where governance is weak, additional spending often has limited impact (Rajkumar and Swaroop, 2008). Likewise, the World Development Report 2004 emphasized that improving service delivery depends on strengthening accountability across the chain of actors involved.

Finally, governance creates the enabling environment for private sector growth and job creation. Firms invest and expand where property rights are secure, policies predictable, and rules enforced fairly. These conditions foster productivity and sustained growth, which in turn create the foundation for more and better jobs (World Bank, 2012; World Bank, 2017). In sum, capable institutions support a virtuous cycle: they attract investment, enable innovation, and expand opportunity, driving development gains that are widely shared.

The Role of Governance Perceptions

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[1] In the WGI, the statistical unit is the economy. For readability, this paper sometimes uses the term country. In all cases, country should be understood as equivalent to economy, and countries as equivalent to economies.

Perception-based measures provide valuable insights into how governance functions in practice. They constitute an important source of evidence that complement formal and administrative indicators in four ways outlined below.

First, households and firms make decisions based on how they experience governance—not just on what is written in law or policy. When a citizen considers reporting a crime, or a business weighs an investment, they act on expectations: Will the police respond? Will contracts be enforced fairly? These expectations are shaped by daily interactions with public systems. Perceptions of stability, effectiveness, and integrity therefore shape real-world behavior.

Second, for some dimensions of governance, particularly those that do not leave a "paper trail," perception-based data may be the only viable measurement. Corruption is a prime example. While audits or prosecutions provide useful evidence, they are often incomplete or unavailable. In these cases, surveys and expert assessments offer meaningful signals of how governance works in practice. Perceptions also reveal the gap between de jure rules and de facto implementation—providing insights not captured by formal indicators.

Third, perceptions also provide important insight into the gap between formal commitments and practical realities. A country may have laws guaranteeing equal access to justice, but if citizens consistently report intimidation in the courts, or if businesses expect regulations to be applied selectively, these perceptions indicate that institutional performance may fall short in practice. In this way, perception data help identify where governance does not function as intended, even when legal frameworks appear sound.

Finally, perception-based indicators—when carefully designed and implemented—can reduce opportunities for manipulation. Because they rely on external surveys and expert judgments, they are harder to game by selectively changing policies that happen to be tracked in an indicator. This makes them a credible complement to administrative data in measuring how governance is experienced on the ground.

The WGI Project

Since its first publication in 1999 (Kaufmann, Kraay, and Zoido, 1999), the WGI has provided one of the most widely used frameworks for assessing governance perceptions worldwide (Kaufmann and Kraay, 2024). It draws on more than 30 cross-country datasets—including household surveys, firm surveys, and expert assessments—and provides annual composite indicators for over 200 economies. The WGI organizes these perception-based indicators across six dimensions of governance—Voice and Accountability, Political Stability (formerly referred to as "Political Stability and Absence of Violence/Terrorism"), Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. Prior to 2002, WGI updates were published biennially (1996, 1998, 2000); annual updates began with the 2002 cycle. Over more than two decades, the WGI has brought together diverse perception-based measures into a coherent global dataset, helping to shape research, policy dialogue, and measurement practice.

The WGI is intended to provide a high-level, cross-country snapshot of governance perceptions. By synthesizing information from a wide range of sources into six composite dimensions, the WGI extracts the common signal of governance performance across sources—filtering out source-specific noise—to highlight areas where institutions appear relatively strong or where weaknesses may be emerging. Their role is to serve as an entry point—an early signal that highlights where further, country-specific analysis may be warranted—rather than a tool for detailed, problem-specific diagnostics. For such assessments, the WGI does not provide the granularity needed to attribute changes to specific policy actions or interventions. They should therefore be complemented by more detailed country-level diagnostics that can provide information on institutional context and reform dynamics.

The 2025 Methodology Review

In 2025, the WGI project transitioned to new management under the Development Economics Vice Presidency's Policy Indicators Group (DECIG). As part of this transition, DECIG initiated a structured process to review and refine the original methodology, building on the strong analytical foundation established by the project, addressing previously identified methodological questions, and introducing a set of targeted improvements.

The review process drew on several channels of technical input. First, DECIG convened an Advisory Committee of leading experts in governance measurement, statistics, and composite indicator methodology. The Committee was established in two phases: an initial group of eleven members, consulted in spring 2025 and involved in formulating the Committee's initial set of recommendations, followed by the addition of five members in fall 2025 to broaden representation within the field. All members were invited to comment on the draft version of this methodology paper. Importantly, the Committee's mandate was advisory. Their insights contributed to the overall methodological approach; however, the detailed methodological design and implementation remain the responsibility of the WGI team. While several elements of the revised WGI draw on areas where the Committee provided relevant guidance—for example, the continued use of six governance dimensions (Section 2.1) and the decision to retain the UCM aggregation framework with modifications allowing global trends (Section 3.2)—other changes reflect the WGI team's broader analysis and consultations rather than Committee deliberations, such as the review of political indicators in Section 2.3 and the introduction of absolute scores in Section 3.3. Accordingly, the views and decisions reflected in this paper should not be interpreted as implying endorsement of each methodological choice by individual Advisory Committee members.

Second, the Concept Note outlining the proposed revisions was circulated across all World Bank Group Regions, the Prosperity Vertical (where the Institutions Global Practice resides), the Operations Policy and Country Services Vice Presidency, the Legal Vice Presidency, and the Millennium Challenge Corporation (MCC) to gather technical feedback from operational, corporate, and external counterparts. The consultation process also included a seminar with the World Bank Group's Boards of Directors to present the proposed approach and solicit additional input.

Across all these channels, the WGI team greatly benefited from the advice and feedback received. Nonetheless, full responsibility and accountability for the final methodological decisions, design, and implementation of the revised WGI framework rest solely with the WGI team.

Methodological design and implementation took place throughout 2025, with the first release of the revised WGI scheduled for December 15, 2025. The updated methodology is described in detail in the sections that follow, with a summary comparison of the original and revised WGI presented in Annex 1. The revised methodology will serve as the foundation for all subsequent annual updates. To preserve comparability over time, the WGI team has recalculated all historical estimates from

1996 onward using the updated framework. Following the original WGI's long-standing good practice, a full reproducibility package—including source data, code, and documentation—will accompany each annual release to support transparency and independent analysis.

To help users understand the effects of the methodology changes, Annex 2 compares the original and revised WGI using the 2023 estimates and decomposes the differences into two components: those arising from revisions to the selection and mapping of data sources and indicators (described in Section 2), and those stemming from changes to the aggregation methodology (described in Section 3). The revisions to data sources do not involve modifying the underlying data themselves—consistent with original WGI practice— but instead reflect updates to the data-source selection criteria, the indicator selection criteria, and the mapping of indicators into the six WGI dimensions. This comparison provides a transparent assessment of the magnitude and sources of divergence between the two versions of the indicators.

Limitations of Perception-Based Data

At the same time, perception-based data reflect certain constraints. They can be influenced by ideology, expectations, or recent events. Accordingly, the WGI draws on sources that meet clear standards of documentation and transparency, and users are encouraged to interpret results alongside other forms of evidence. Objective information—such as administrative records, audit findings, or case tracking—provides an essential complement, offering a different perspective that helps situate perception-based evidence within the broader landscape of governance data. A comprehensive assessment of governance therefore requires combining multiple sources of credible evidence to build a fuller and more balanced understanding.

The rest of this paper is organized as follows. Section 2 describes the data underlying the revised WGI, beginning with the governance dimensions, followed by the data sources and individual indicators. Section 3 outlines the aggregation methodology, including the modified Unobserved Components Model. Section 4 presents the results, focusing on absolute scores, trends in global averages over time, cross-country comparisons at a given point in time, and within-country changes over time. Section 5 reports sensitivity analysis of the indicators and aggregation. Section 6 concludes.

2. Data

This section describes the data underlying the revised WGI. It begins by outlining the six dimensions of governance that define the WGI framework, then details the data sources and individual indicators that inform them. The section also explains the screening criteria used to select sources, the mapping of indicators to governance dimensions, and the steps taken to ensure consistency and comparability over time.

2.1 Governance Dimensions

The WGI framework organizes the concept of governance into six dimensions, drawing on academic research, policy discourse, and measurement practice. In the WGI, governance is defined as "the traditions and institutions by which authority in a country is exercised." This encompasses three core aspects: (1) the process by which governments are selected, monitored, and replaced; (2) the capacity of the government to formulate and implement sound policies effectively; and (3) the respect of citizens and the state for the institutions that govern economic and social interactions. Two governance dimensions are identified within each of these three areas, for a total of six dimensions.

The first aspect—how governments are selected, monitored, and replaced—relates to:

(1) Voice and Accountability (VA): perceptions of the extent to which citizens can participate in selecting their government including electoral integrity, and of accountability mechanisms for citizens—reflected in the ability to access information, governmental oversight bodies, and a robust traditional/digital media landscape; and
(2) Political Stability (PV): perceptions of the extent to which political power and governance are secure from destabilization, and of the likelihood that authority will be challenged or altered through violent, coercive, or unconstitutional means.

The second aspect—government capacity to formulate and implement sound policies—includes:

(3) Government Effectiveness (GE): perceptions of the quality of public services, the civil service, policy formulation and implementation, and the credibility of a government's decisions; and
(4) Regulatory Quality (RQ): perceptions of the government's ability to design and implement policies and regulations that promote private sector development.

The third aspect—respect for institutions that govern economic and social interactions—comprises:

(5) Rule of Law (RL): perceptions of the extent to which agents respect and follow the rules of society, including contract enforcement, property rights, the police, courts, and the likelihood of crime and violence; and
(6) Control of Corruption (CC): perceptions of the extent to which public power is used for private gain, including both petty and grand corruption, as well as capture of the state by elites and private interests.

To confirm and refine these dimensions, the WGI team consulted the WGI Advisory Committee, composed of leading global experts in governance, statistics, and composite indicator methodology. The Committee reviewed the original WGI framework and endorsed the continued use of its six dimensions, noting that the core concepts of governance reflected in the literature, policy dialogue, and empirical practice have remained broadly stable since the WGI's inception. Accordingly, the revised WGI retains the original six-dimension structure, reaffirming the conceptual foundation of the WGI while strengthening its empirical implementation.

While the six governance dimensions are conceptually distinct, they are interrelated in practice. For example, greater political stability can create conditions for more effective policymaking, and regulatory quality may depend on an impartial judicial system. Consequently, the six aggregate indicators tend to be positively correlated across countries.

It is worth noting here that the revised WGI reports the six governance dimensions separately rather than combining them into a single overall index, as discussed further in Section 3 on aggregation. This approach continues the original WGI practice of not producing a single cross-dimensional composite at the country level, since such an index would be too broad to interpret meaningfully and its statistical properties would be difficult to describe. This is because many data sources contribute to more than one dimension, generating correlations that partly reflect shared inputs rather than true relationships across governance areas. Reporting each dimension separately therefore preserves conceptual clarity and allows margins of error to be estimated reliably, which is essential for meaningful cross-country and over-time comparison.

2.2 Data Sources and Selection Criteria

The WGI do not involve new primary data collection. Instead, they draw on existing perception-based sources that capture views on the quality of governance across countries and over time. These include household and firm surveys, as well as expert assessments produced by multilateral organizations, non-governmental organizations, academic institutions, and commercial data providers. All sources are carefully screened to ensure conceptual relevance, methodological rigor, and cross-country and over-time comparability, as described below.

Screening Criteria

WGI draws on a broad set of sources that capture perceptions of the quality of governance across countries and over time. Sources are screened against a standardized set of inclusion criteria to ensure conceptual relevance, methodological rigor, and comparability.

In the revised WGI methodology, data sources are evaluated using six criteria:

(1) Relevance: Sources must capture subjective perceptions relating to at least one of the six WGI governance dimensions.
(2) Originality: Sources must be based on primary data collection from household/firm surveys or expert assessments. Compilations or secondary products derived from other governance indicators are excluded.
(3) Cross-country coverage: Sources must cover multiple countries to permit meaningful international comparison, typically at global, regional, or major economic-grouping scales.
(4) Regular updates: Sources must be updated on a recurring basis. Annual frequency is preferred, but lower-frequency updates (e.g., every three years) may be considered for high-quality sources with broad coverage, particularly large-scale surveys.
(5) Transparency: Sources must provide well-documented information on their methodology, including respondent selection, data collection processes, scoring methods, and quality assurance procedures.
(6) Independence: Sources must be produced by recognized multilateral organizations, non-governmental organizations, academic institutions, or commercial data providers. Indicators produced solely by national governments are excluded.

These criteria warrant additional clarification. Perception-based measures are central to the WGI approach because they capture how governance is experienced in practice, provide information where no administrative “paper trail” exists, highlight gaps between laws and implementation, and are less susceptible to targeted “gaming” than purely legal indicators. This focus does not imply that perception data are sufficient on their own. As noted earlier, they are most informative when used in conjunction with other forms of evidence to provide a fuller view of governance. At the same time, no single initiative can encompass all forms of governance data. The WGI focuses on perception-based information as one type of evidence, while other efforts may draw on administrative, legal, or other objective data to address complementary aspects.

Originality is also essential. Sources that collect primary data are included, while compilations or secondary aggregates based on other governance indicators are excluded. For example, the Corruption Perceptions Index produced by Transparency International is excluded because it synthesizes data from other sources rather than collecting new information directly.

Cross-country coverage is equally important to ensure comparability. Single-country surveys or deep-dive studies can provide valuable insights for national or sectoral analysis, but they fall outside the scope of the WGI, which relies on sources implemented consistently across multiple countries using comparable methodologies and definitions.

Regular updating is a key requirement to support meaningful longitudinal comparisons. While annual or biennial updates are generally preferable, sources with slightly longer cycles—for example, those updated roughly every three years—can also be included when they are of high quality and provide broad regional or global coverage at consistent intervals. This reflects a trade-off between publication frequency and geographic reach, particularly for large-scale household and firm surveys, which are costly to implement and typically capture relatively slow-moving perceptions. To maintain coverage in years when no new release is available, the WGI carries forward the most recent observation, while acknowledging its limitations for interpreting short-term changes. At the same time, sources cannot be too infrequent. Some widely used surveys, while valuable for understanding governance over the long term, are not updated regularly enough to be used as recurring inputs to the WGI. For example, the Eurasia Barometer has been less consistent, with recent data collection occurring only in 2001, 2014, and 2021—and covering just 9 of 25 regional countries across those rounds. Similarly, the World Values Survey spans more than 100 economies, but its survey waves within each country are typically spaced around eight years apart, which makes it difficult to align with the WGI's annual update cycle.

Transparency of methods and independence of production are also core inclusion criteria. Sources must provide sufficient documentation of their methodologies and be produced by recognized organizations; indicators produced solely by national governments are excluded. For some commercial data sources, detailed documentation is made available to their subscribers or intended users rather than the general public; these are included when their methods are well-documented, consistently applied, and meet accepted professional transparency standards.

Following these criteria, the WGI team conducted a comprehensive search across the governance data landscape to identify qualified sources, with particular attention to strengthening representation from the Global South. On this basis, 35 data sources were selected for the 2025 revision. While many long-standing sources from the original WGI are retained, several changes were made to strengthen coverage and maintain consistency with the updated screening standards. Three new household survey sources were added—the Arab Barometer (updated every one to three years), the Asian Barometer (every three to five years), and the Eurobarometer (twice yearly for EU countries)—with the first two produced by Global South institutions, and all three meeting the updated screening criteria. Three sources were removed: two (the U.S. State Department's Trafficking in Persons Report and L'Agence Française de Développement's Institutional Profiles Database) because they are produced solely by individual national governments, and one (Political and Economic Risk Consultancy) because it was designed for in-depth country assessments rather than cross-country comparability.

Table 1 lists all 35 data sources used in the 2025 revision, and Table 2 summarizes the number of economies and years covered by each source. Nearly all of these 35 sources cover countries in the Global South, and 13 collect data directly from households or firms in those regions. Seven are headquartered in the Global South (e.g., the African Development Bank, Afrobarometer, Asian Development Bank, and Latinobarómetro), and many others maintain regional offices or partnerships with local institutions. Annex 3 provides detailed documentation for each data source and its assessment against the screening criteria.

Since the WGI's inception, the number of data sources has expanded substantially—from 11 in 1996 to 35 in the 2025 revision. Some earlier data sources have been discontinued as production ceased or methodologies changed; these remain incorporated for the years in which they were available and met quality standards. This evolution does not affect comparability over time. As will be explained in Section 3 on aggregation, the WGI employs an Unobserved Components Model (UCM)—a well-established statistical framework designed specifically to extract the common signal across multiple imperfect sources, while explicitly recognizing and adjusting for the measurement variation that is inherent in all data. As the number of qualified sources increases, this approach allows more precise estimation of the underlying governance dimensions while maintaining comparability across countries and over time.

Types of Data Sources

The 35 data sources included in the revised WGI fall into two broad categories: surveys of firms and households, and expert assessments. Each type brings distinct strengths. Firm and household surveys are valuable because they capture the direct perceptions of citizens and business managers regarding governance in the countries where they live and work. Expert assessments follow a broadly similar logic, but rely on experts, based in the countries or regions they evaluate, who provide numerical scores of governance dimensions using standardized methodologies and definitions developed by the producing organizations. These expert-based measures are well suited to cross-country comparison, given their structured design and quality assurance processes, and can also provide more specialized judgments on particular institutions that typical survey respondents may not be able to assess directly. They are also less affected by issues of respondent reticence, which can arise in household and firm surveys when addressing sensitive governance topics. At the same time, expert assessments reflect the views of a narrower set of respondents, and in some cases their judgments may overlap with those of other expert assessments. To mitigate this, the WGI excludes expert assessments that explicitly draw on existing data sources.

(1) Surveys of firms and households. Fourteen of the WGI sources consist of surveys that capture the perceptions of citizens and business managers regarding governance in their own countries. They include four major firm surveys—the World Economic Forum's Executive Opinion Survey, the IMD's World Competitiveness Report Survey, the World Bank Group's Enterprise Surveys, and the World Bank Group and European Bank for Reconstruction and Development's joint Business Environment and Enterprise Performance Survey. Household surveys comprise seven regional initiatives (Afrobarometer, Arab Barometer, Asian Barometer, AmericasBarometer, Eurobarometer, Latinobarómetro, and the European Quality of Government Index), as well as two global sources (Gallup World Poll and Transparency International's Global Corruption Barometer). In addition, the World Justice Project's Rule of Law Index combines household survey responses with expert assessments, making it a hybrid source that spans both categories.

(2) Expert assessments. The remaining 21 sources are based on expert evaluations conducted by multilateral organizations, non-governmental organizations, academic institutions, or commercial data providers. These rely on structured questionnaires and defined benchmarks, with country-based or regional experts providing ratings on governance dimensions.

Five expert assessments are produced by multilateral organizations. Four are similar policy and institutional assessments used by development banks in allocating concessional resources: the African Development Bank's Country Policy and Institutional Assessment (CPIA), the Asian Development Bank's Country Performance Assessment, the World Bank Group's CPIA, and the International Fund for Agricultural Development's Rural Sector Performance Assessment. Additional inputs include historical indicators from the European Bank for Reconstruction and Development's Transition Indicators.

Twelve expert assessments come from non-governmental organizations, covering issues such as budget transparency (International Budget Partnership's Open Budget Survey), electoral integrity (Ghana Center for Democratic Development's African Electoral Index), press freedom (Reporters Without Borders' World Press Freedom Index), civil liberties and political rights (Freedom House's Freedom In the World), and human rights (Human Rights Measurement Initiative). Broader governance measures are provided by initiatives such as the Bertelsmann Transformation Index and the Varieties of Democracy project. These NGOs are geographically diverse, with headquarters in Africa (African Electoral Index, African Institute for Development Policy's Africa Integrity Indicators), Europe (Bertelsmann Foundation, Reporters Without Borders, Varieties of Democracy), and the United States (such as Freedom House, the International Budget Partnership, and the World Justice Project).

Finally, four sources, which are based on expert assessment, are from commercial data providers: Crisis24's Country Security Assessment Ratings, the Economist Intelligence Unit's Democracy Index and Operational Risk Service, the PRS Group's International Country Risk Guide, and S&P Global's Country Risk Scores. Together, these cover areas such as the business environment, political risk, and security threats, while providing valuable continuity in coverage across countries and years.

Section 5 presents additional sensitivity analysis for the sources.

2.3 Indicator Compilation and Mapping

Indicator Compilation

From each of the 35 data sources, only indicators that align with the WGI conceptual framework are selected for inclusion. Most underlying data providers collect information on a wide range of topics beyond governance. For example, the World Economic Forum's Executive Opinion Survey covers institutional quality and corruption alongside broader themes such as innovation, infrastructure, and the macroeconomic environment, while the Gallup World Poll includes governance-related questions on confidence in national institutions and leadership as part of its broader coverage of well-being, employment, and social trust. Only the subset of questions conceptually relevant to the WGI's six governance dimensions are retained.

The selection of indicators also reflects a systematic review to ensure that those drawn from these diverse sources align with a functional approach to measuring governance, consistent with the principles set out in the *World Development Report 2017*: Governance and the Law. This approach emphasizes how governance works in practice—focusing on the effectiveness of institutional functions and interactions rather than their formal design. Because the WGI framework is perception-based—capturing how governance operates as experienced by citizens, firms, and experts—its indicators naturally align with this functional view: they reflect whether institutions deliver services, enforce rules, and maintain accountability, rather than merely whether formal provisions exist on paper.

One question arising from this process concerns how to treat indicators reflecting political characteristics—particularly those that conceptually belong to Voice and Accountability or to Political Stability. To consider this question, the key issue is not whether an indicator is "political" in a normative sense, but whether it has demonstrated links to economic or development outcomes. When such links are supported by empirical literature, there is a reasonable case for inclusion. As Amartya Sen, the 1998 Nobel Laureate in Economic Sciences, famously noted, famines have never occurred in functioning democracies, highlighting that certain political features can be relevant to the WGI when their impact on development outcomes is clear (*Development As Freedom*, 1999).

Building on this approach, the WGI team conducted a systematic literature review across indicators touching upon political characteristics, particularly those that relate to the Voice and Accountability and Political Stability dimensions. These dimensions encompass several thematic groups. For example, Voice and Accountability includes indicators reflecting concepts such as electoral integrity, freedom of expression and media, freedom of association and assembly, information access and state transparency, government accountability and oversight bodies, digital rights and internet freedom, institutional and political trust, and individual rights and equality before the law. Political Stability includes indicators reflecting concepts such as domestic political violence, peaceful power transition, domestic armed conflict, and international conflict. Each of these thematic groups was systematically reviewed to assess whether the underlying concepts have well-documented economic or development linkages. Only those supported by robust empirical evidence and consistent with the WGI conceptual framework were retained.

This review confirmed that a number of these political characteristics have demonstrable relevance for development outcomes. For example, freedom of expression and media freedom, while often viewed as political in nature, have demonstrable development impacts: they are associated with greater government responsiveness to shocks (Besley and Burgess, 2002), lower corruption (Brunetti and Weder, 2003), and higher returns on public investment (Isham, Kaufmann, and Pritchett, 1997). Similarly, indicators capturing domestic political violence—reflecting politically motivated repression or conflict within a country—have been shown to reduce investment and growth. Empirical studies link higher levels of political instability and violence to lower private investment (Alesina and Perotti, 1996), slower economic growth (Blomberg, Hess, and Orphanides, 2004), and substantial losses in output and regional productivity (Abadie and Gardeazabal, 2003).

By contrast, some other political characteristics were not retained, either because the empirical evidence on their economic relevance is weak, because they are conceptually too broad or abstract, or because they reflect conditions largely outside the control of a government. For example, while the right to associate and assemble peacefully is fundamental to democratic governance, the empirical literature linking these rights to economic outcomes is still relatively modest and context-dependent. Similarly, measures of general political culture—such as satisfaction with democracy or broad societal consensus—are too broad and diffuse to meaningfully inform assessments of institutional performance. Finally, although the economic costs of international conflict are well documented, the incidence of such conflicts is influenced by geopolitical dynamics that often extend beyond the control of domestic governance processes.

Annex 4 provides a literature review of the political characteristics covered under the WGI, particularly those relevant to the Voice and Accountability and Political Stability dimensions. Annex 5 lists the twenty-seven political indicators that were removed from the 2025 revision as a result of this review. These updates reflect the refined selection criteria applied under the revised WGI methodology and have been implemented consistently across all historical years to maintain full comparability over time. Internal tests show that Voice and Accountability and Political Stability scores with or without these indicators remain highly correlated (0.99), confirming country estimates are robust.

Indicator Mapping

As part of the indicator compilation, each selected indicator is mapped to one—or, where appropriate, two—of the six WGI dimensions: Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. The mapping reflects the indicator's conceptual focus and substantive content. For example, questions on media freedom are mapped to Voice and Accountability, while indicators capturing business regulatory quality fall under Regulatory Quality. Annex 6 lists the more than 400 individual indicators drawn from the 35 data sources and used for the most recent year available in the 2025 WGI revision, along with their mapping to the six governance dimensions.

In some cases, indicators genuinely span more than one governance dimension and are therefore mapped to two dimensions. For instance, the Country Policy and Institutional Assessment (CPIA) indicator on "Transparency, Accountability, and Corruption in the Public Sector"—produced by the World Bank Group, African Development Bank, and Asian Development Bank—relates to Voice and Accountability through its focus on transparency and oversight, and to Control of Corruption through its evaluation of anticorruption enforcement. Likewise, the World Economic Forum's Executive Opinion Survey includes a property-rights indicator that is relevant to both Regulatory Quality (through the predictability and soundness of regulations affecting ownership and investment) and Rule of Law (through the legal protection and enforcement of those rights).

Composite indicators are also systematically reviewed and, where appropriate, disaggregated to align their components with the most relevant governance dimensions. For example, the African Institute for Development Policy's Access to Information and Openness composite measure includes 13 questions spanning Voice and Accountability (e.g., press freedom), Government Effectiveness (e.g., agency websites), and Control of Corruption (e.g., asset disclosure). In such cases, components are disaggregated and mapped separately to ensure conceptual accuracy and internal consistency.

Compared with the original WGI, which mapped each indicator to a single dimension and treated composite measures as indivisible, these refinements introduce greater flexibility and stronger conceptual alignment. Allowing an indicator to map to up to two WGI dimensions also mechanically increases the correlation across the six aggregate governance estimates, a consideration that becomes important when interpreting relationships among them. This does not introduce double counting, however, since aggregation occurs only at the dimension level (see Section 3 for details). Finally, the revised WGI revisits and refines several original mappings to enhance consistency and comparability across sources.

The number of country–year observations generated by each data source varies with its geographic and temporal coverage. Table 3 summarizes the distribution of these observations across the six governance dimensions and the four main data source types in Section 2.2. Over the past two and a half decades, the six WGI dimensions have been constructed from just over 264,000 such observations. Close to one-third come from non-governmental organizations (about 91,000) and commercial data providers (about 83,000), which typically offer the broadest cross-country coverage and span multiple dimensions. Household and firm surveys contribute slightly under one-quarter of the total (about 62,000), while assessments by multilateral organizations account for roughly 10 percent, or about 28,000 observations.

3. Aggregation

This section summarizes the methodology used to combine the more than 400 individual indicators of governance, organized into the six dimensions described in Section 2, into six composite measures of governance. The process involves two main steps: first, rescaling indicators from different data sources to a common 0–1 range, and second, aggregating these standardized measures using an Unobserved Components Model (UCM).

3.1 Rescaling Indicators

For the more than 400 individual indicators, questions from each data source are first rescaled to range from 0 to 1, with higher values corresponding to better governance outcomes. For example, if a survey question asks for responses on a scale from 1 to 4, a score of 2 would be rescaled as $(2 - 1)/(4 - 1) = 0.33$. When a data source includes multiple questions related to the same dimension of governance, the rescaled values are then averaged to produce a single source–dimension input, ensuring that each source contributes only one signal per dimension and preventing data providers with more questions from being given undue weight.

When a data source provides information on a less-than-annual basis, the most recent available observation is carried forward until new data are released. As explained in Section 2.2, lower-frequency updates may be retained for high-quality sources with broad geographic coverage, particularly large-scale survey programs. By contrast, the most recent observation is not carried forward when a source has undergone a fundamental methodological revision or has replaced one data series with another. This avoids comparing values from substantively different measures—for instance, where a country was covered by the former series but not the latter. For example, the Global Integrity Index was replaced by the African Integrity Indicators in 2012, and the International Research and Exchange Board transitioned from the Media Sustainability Index to the Vibrant Information Barometer in 2019.

Although the rescaled data are nominally expressed on a 0–1 scale, they are not directly comparable across sources. For instance, one source might use a 0–10 scale but have most observations clustered between 6 and 10, while another uses the same scale but spreads responses more evenly. The simple distance to frontier rescaling described above does not adjust for this difference in response dispersion, but the Unobserved Components Model (UCM), the statistical approach used to estimate the six governance dimensions, accounts for such cross-source variation.

3.2 The Unobserved Components Model (UCM)

The six WGI dimensions are estimated using a statistical technique known as an Unobserved Components Model (UCM). The core premise is that each governance variable or question provides a noisy but informative signal of a broader, unobserved governance concept. Because these concepts cannot be observed directly, the UCM addresses a signal-extraction problem: how to combine multiple imperfect signals into the most reliable estimate of the governance dimension. The model aggregates information across indicators to produce the most precise possible estimate of each dimension under the stated assumptions. It also produces corresponding margins of error that quantify the inherent uncertainty surrounding these estimates. Together, the point estimates and their associated confidence intervals constitute the principal outputs of the UCM.

The Original Unobserved Components Model (Original UCM)

In the original UCM, used through the 2024 WGI update, each of the six governance dimensions was estimated using:

$$y(c,k,t) = \alpha(k,t) + \beta(k,t)\big(g(c,t) + \varepsilon(c,k,t)\big) \tag{1}$$

where $y(c,k,t)$ denotes the observed data for country c from source k in year t; $g(c,t)$ is the unobserved level of governance in country c and year t, normalized to have zero mean and unit standard deviation, i.e., $g(c,t) \sim N(0,1)$; $\varepsilon(c,k,t)$ is measurement error, normally distributed $\varepsilon(c,k,t) \sim N\big(0,\sigma^2(k,t)\big)$; and $\alpha(k,t)$, $\beta(k,t)$ and $\sigma^2(k,t)$ are source-specific parameters that vary across years and are re-estimated each period. See Kaufmann and Kraay (2024) for additional details.

The assumption that the global mean of governance was fixed at zero in every period prevented the model from capturing any trends in global averages of governance. Consequently, country-level estimates reflected only performance relative to a global average that was constrained not to vary over time.

The Revised Unobserved Components Model (Revised UCM)

The revised WGI adopts a modified UCM in which source-specific parameters are constant over time, and the global average of governance is allowed to evolve. The model is:

$$y(c,k,t) = \alpha(k) + \beta(k)\big(g(c,t) + \varepsilon(c,k,t)\big) \tag{2}$$

with $g(c,t) \sim N(\mu(t),1)$ and $\varepsilon(c,k,t) \sim N\big(0,\sigma^2(k)\big)$.

As before, the notation does not distinguish among the six governance dimensions, and Equations (1) and (2) are estimated separately for each dimension.

The revised specification introduces two key changes:

a) *Time-invariant source parameters*. Source-specific parameters are restricted to be constant over time: $\alpha(k,t) = \alpha(k)$, $\beta(k,t) = \beta(k)$, and $\sigma^2(k,t) = \sigma^2(k)$ for all t. This ensures that the rescaling and weighting applied to each data source are consistent across years.
b) *A time-varying global mean*. The restriction that the global mean of governance equals zero in every period is relaxed. Instead, $\mu(t)$ is allowed to vary over time, enabling the model to accommodate potential long-run trends in global average of governance.[2]

This specification has two advantages over the original UCM. First, rather than imposing a zero global mean for governance in every year, it assumes that the mean of governance over the full base sample period (1996–2024) is zero. This anchors the distribution of governance estimates around a central value while permitting trends in the global average to emerge over time. In other words, while the sum of $\mu(t)$ across all years in the base sample is zero, i.e., $\sum_t \mu(t) = 0$, the annual values $\mu(t)$ themselves are not necessarily zero. Although such global trends have historically been negligible (Kaufmann and Kraay 2024, Section 5.3), the revised UCM provides flexibility to capture them should they arise in the future. Second, imposing time-invariant source-specific parameters—$\alpha(k)$, $\beta(k)$ and $\sigma^2(k)$—simplifies the interpretation of the WGI estimates and their standard errors, as the rescaling and weighting of the underlying data remain constant across all periods.

Once the parameters of $\alpha(k)$, $\beta(k)$, $\sigma^2(k)$ and $\mu(t)$ in the revised UCM have been estimated, the conditional mean and standard deviation of governance for each country can be obtained following the same logic as in the original WGI framework. As shown in Annex 7, the expectation of governance conditional on the observed data for a country is:

$$E[g(c,t)|y(c,t)] = \mu(t) + \sum_{k=1}^{K} w(k) \left(\frac{y(c,k,t) - \alpha(k) - \beta(k)\mu(t)}{\beta(k)} \right) \tag{3}$$

where $y(c,t) = \big(y(c,1,t), \ldots, y(c,K,t)\big)'$ denotes the vector of available data for country c in year t from sources k[3], and $w(k) = \sigma^{-2}(k)/(1 + \sum_{k'=1}^{K} \sigma^{-2}(k'))$ are precision weights proportional to the inverse of the variance of measurement error for each data source. Because $\sigma(k)$ is time-invariant, the weights are constant across years and place greater weight on sources with lower measurement error, thereby increasing the precision of the estimate. This expression provides the estimate of governance for each country and year.

If the global mean of governance is zero (i.e., $\mu(t) = 0 \; \forall \; t$), then Equation (3) simplifies to the expression used in the original WGI methodology, but with source-specific parameters that are constant rather than time-varying. In this case, the estimate of governance is a weighted average of

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[2] Note that this formulation is a special case of the model discussed in Section 5.3 of the 2024 WGI methodology paper (Kaufmann and Kraay, 2024), obtained by imposing two additional restrictions: the global variance of governance is fixed at one in every period, and the variance of the measurement errors is held constant over time.

[3] The notation here implicitly assumes that the number of data sources K is constant across countries and years. In practice, because WGI sources have unbalanced coverage, the number of available sources varies by country–year. Accordingly, all summations in these expressions should be understood as taken only over the sources available for a given country and year.

the rescaled data from each source, $\frac{y(c,k,t)-\alpha(k)}{\beta(k)}$. The rescaling places observations from each source onto a common scale, while the weights reflect the precision of each data source: indicators with smaller variance of measurement error receive greater weight in the aggregated estimate.

Allowing the global mean of governance to vary over time modifies this expression. The governance estimate for each country becomes the sum of the time-varying global mean, $\mu(t)$, and a weighted average of the rescaled deviations of each observation from its source-specific mean in that period, $\frac{y(c,k,t)-\alpha(k)-\beta(k)\mu(t)}{\beta(k)}$. As before, rescaling ensures comparability across sources, and the weights assign greater influence to sources with higher precision. A hypothetical country that attains the global average score on every indicator in a given year will have an estimated governance level equal to the global average of governance in that year, $\mu(t)$. Observations that lie above (below) the global source-specific mean raise (lower) the estimate relative to $\mu(t)$, with the magnitude determined by the precision of the source.

The error term $\varepsilon(c,k,t)$ captures two sources of measurement error. The first reflects statistical imperfections in each data source, such as perception errors in expert assessments or sampling variation in survey responses. The second reflects conceptual limitations, as individual indicators may be imperfect proxies for the broader governance concept to which they are assigned. For example, indicators capturing corruption among elected officials and those capturing corruption among unelected public servants each cover only part of the overall corruption environment. Both types of measurement error are encompassed in $\varepsilon(c,k,t)$, and larger values of $\sigma(k)$ indicate greater measurement uncertainty.

The standard deviation of governance conditional on the observed data for a country is:

(4) $$SD[g(c,t)|y(c,t,k)] = \left(1 + \sum_{k=1}^{K} \sigma^{-2}(k)\right)^{-\frac{1}{2}}$$

This expression is identical to that in the original UCM methodology, except that the standard deviation is now constant over time because the variance of measurement error, $\sigma(k)$, is time-invariant. The conditional standard deviation declines as the precision of the available sources increases, i.e., lower $\sigma(k)$, or as the number of data sources, $K(c,t)$, expands.

These conditional standard deviations play a central role in interpreting the WGI estimates. Rather than focusing exclusively on a single point estimate, the methodology identifies a statistically likely range of values for the unobserved "true" level of governance. Under the normality assumption, there is a 90 percent probability that the true governance level lies within ±1.64 standard deviations of the conditional mean in Equation (3). This interval is informally referred to as the "margin of error," and it is reported alongside the point estimates on the WGI website (www.govindicators.org). It is important to emphasize, however, that the presence of a margin of error does not diminish the usefulness of the point estimate. Conditional on the statistical assumptions underlying the UCM, the point estimate remains the most likely value of the unobserved governance level given the available data.

The time-invariant, source-specific parameters $\alpha(k)$, $\beta(k)$, and $\sigma^2(k)$ capture remaining differences in the scale and units across data sources that are not eliminated through the standardization described in Section 3.1. These parameters are estimated once using the full base sample, which includes all available years of data going from 1996 to 2024, and are expected to remain fixed in subsequent editions until the next major update. The specific estimation approach for each parameter depends on the coverage of the underlying source. For sources that are globally representative—covering countries across all regions and income levels—the parameters can be estimated by maximum likelihood. Given the assumption of joint normality of governance and the error terms, this procedure yields consistent estimates for globally representative sources. For sources that are not globally representative, such as those limited to a particular region, a different approach is required. Because the distribution of governance for these subsets cannot be assumed to match the global distribution, the parameters of the revised UCM are obtained by treating Equation (2) as a regression equation and replacing the unobserved governance variable $g(c,t)$ with an estimated value $\widehat{g_{rep}}(c,t)$ derived from the globally representative sources. This procedure allows estimation of $\alpha(k)$, $\beta(k)$, and $\sigma(k)$ for region-specific or specialized sources while ensuring consistency of parameterization across all inputs.

Once all representative and non-representative parameters have been estimated, inserting these parameter values into Equations (3) and (4) yields the governance estimate for each country, denoted $\hat{g}(c,t)$, and the standard error of that estimate, denoted $\widehat{SD}(c,t)$.

3.3 Absolute Scores

After the UCM is applied and the parameters $\alpha(k)$, $\beta(k)$, $\sigma^2(k)$ and $\mu(t)$ are estimated, the resulting governance estimates for the six dimensions for each year are centered on the global average for that year and typically fall within the range of approximately –2.5 to 2.5 around that mean. To facilitate interpretation, each country–year estimate is converted into an absolute governance score on a 0–100 scale.

This transformation requires establishing fixed upper and lower performance benchmarks for each governance dimension. To do so, two hypothetical benchmark countries are constructed: a "best-case performer" and a "worst-case performer." The best-case performer is assigned a value of one on every representative source indicator, and the worst-case performer is assigned a value of zero. As noted in Section 3.1, these values correspond to the highest and lowest attainable levels once all inputs have been normalized. Representative sources alone are used to construct these benchmarks because a hypothetical country that appears in all data sources is not meaningful when some sources have regional or income-group coverage; therefore, only globally representative sources are used in defining the benchmark extrema.

Using these representative-source inputs, governance estimates for the two benchmark countries are computed with the same parameters $\alpha(k)$, $\beta(k)$, $\sigma^2(k)$ and $\mu(t)$ estimated using the revised UCM in Section 3.2. Because the revised UCM assumes the average of all governance estimates across all countries and all years in the sample years to be zero, the best-case and worst-case benchmark economies are defined using the global mean for an average year, i.e., $\mu(t) = 0$ for both the upper and lower bounds. The resulting estimates define the upper and lower bounds of the governance scale for that dimension and correspond, by construction, to absolute scores of 100 and 0 on the 0–100 scale.

All country–year estimates are then mapped linearly between these two benchmarks to obtain absolute governance scores:

(5) $$absolute\ score(c,t) = 100 \times \frac{\hat{g}(c,t) - \hat{g}(worst,t)}{\hat{g}(best,t) - \hat{g}(worst,t)}$$

where $\hat{g}(c,t)$ is the estimated governance value for country c and year t, $\hat{g}(best,t)$ is the estimated governance value for the benchmark "best-case" performer, and $\hat{g}(worst,t)$ is the estimated governance value for the benchmark "worst-case" performer, each computed using the parameters estimated under the Revised UCM (Section 3.2).

The confidence intervals for the absolute scores are obtained by applying the same linear transformation in Equation (5) to the lower and upper bounds of $\hat{g}(c,t)$. Specifically:

(6) $$CI(c,t) = 100 \times \frac{(\hat{g}(c,t) \pm 1.64 \times \widehat{SD}(c,t)) - \hat{g}(worst,t)}{\hat{g}(best,t) - \hat{g}(worst,t)}$$

where $\widehat{SD}(c,t)$ is the model-based standard error of $\hat{g}(c,t)$.

On a few occasions, the confidence interval exceeds or falls below the range attainable under the model. For these cases, the confidence intervals are imputed to be at 100 or 0, respectively. Additional guidance on interpreting these confidence intervals when comparing countries or tracking changes over time is provided in Section 4.

3.4 Confidence Intervals for Global and Regional Averages of Governance

The construction of confidence intervals for global and regional averages warrants explanation. While each country–year estimate $\hat{g}(c,t)$ has a model-based standard error that can be used to construct confidence intervals for individual country scores conditional on the assumptions of the model, the same is not available in closed form for averages across countries. Yet these averages are important for assessing global or regional trends over time.

To construct confidence intervals for averages, a nonparametric bootstrap is applied. For each year t, a random subsample containing 90 percent of economies is drawn (i.e., 10 percent are removed), and the average governance score is recalculated. This procedure is repeated 1,000 times, producing a bootstrap distribution of the global (or regional) mean. The 5th and 95th percentiles of this distribution provide the bounds of a 90-percent confidence interval for the average in year t.

4. Results

The revised WGI produces two outputs for each country, year, and governance dimension. First, the model yields a governance estimate $\hat{g}(c,t)$, which is normally distributed with a mean near zero and typically ranges between –2.5 and 2.5, accompanied by its model-based standard error. Second, this estimate is mapped onto an absolute 0–100 scale, $absolute\ score(c,t)$, with corresponding 90-percent confidence intervals, to facilitate comparisons across countries and over time.

This section presents the key empirical results from the revised WGI, focusing on four elements: the absolute governance scores, global trends over time, cross-country comparisons at a given point in time, and within-country changes over time.

4.1 Absolute Scores

A key innovation in the revised WGI is the introduction of absolute governance scores, which place all country–year estimates on a common 0–100 scale. While earlier WGI rounds allowed for relative comparisons across countries and over time, the absolute scale offers a clearer, more interpretable measure of a country's level of governance performance.

As described in Section 3, each country's governance estimate $\hat{g}(c, t)$ is mapped to an absolute scale using two constructed benchmark countries: one that attains the maximum possible value on all representative source indicators and one that attains the minimum. These two benchmark values define the upper and lower bounds of the scoring function, and all country–year estimates are rescaled linearly between them.

Figure 1 illustrates this mapping for Voice and Accountability in East Asia and Pacific (2024). Panel (a) shows the governance estimates together with the two benchmark thresholds: the red point represents the constructed worst-possible performance (mapped to an absolute score of 0), and the green point represents the constructed best-possible performance (mapped to 100). Panel (b) shows the corresponding absolute scores after applying the linear transformation, with each country positioned between these two anchors.

The figure highlights an important feature of the absolute scale: even the lowest-performing observed countries do not receive a score of zero, because none attains the constructed worst-possible benchmark. Instead, each country receives an absolute score that reflects its level of governance when mapped onto the fixed 0–100 scale. This property—anchoring all estimates of governance to a fixed global scale—allows the revised WGI to report estimates of governance that are directly interpretable across both countries and years.[4]

4.2 Global Trends Over Time

With the availability of absolute scores, a natural question is whether global average of governance has improved over time. Figure 2 shows the global averages of the governance score for each dimension between1996–2024. The first observation concerns the overall patterns of change. While some temporal patterns appear, some of the minor year-to-year shifts—particularly in the early periods—reflect normal variation in the underlying data available, and many global movements are not statistically significant once confidence intervals are taken into account. This reflects the fact that, in every period, some countries make absolute gains while others experience declines. The strongest global improvement is in Regulatory Quality, where the upper bound of the 1996 confidence interval lies below the lower bound for 2005–2024, indicating a statistically significant upward shift. Government Effectiveness also shows a statistically significant increase, with a upward trajectory through about 2016, consistent with the spread of new public-sector

[4] In the original WGI, over-time comparability depended on changes in the global average of governance being small. While the available evidence supports this assumption (Kaufmann and Kraay, 2024), the revised WGI framework now captures global trends explicitly, regardless of their magnitude.

technologies and efficiency reforms. After 2020, however, global averages appear to soften slightly, which coincides with the broad efficiency pressures associated with the COVID-19 pandemic. In other dimensions—such as Voice and Accountability and Political Stability—the global averages rise modestly in the early years but drift back toward their earlier levels around 2008–2010, with confidence intervals overlapping throughout. By contrast, for Rule of Law and Control of Corruption, no clear global trends emerge.

A second observation concerns the central tendency of each distribution. Political Stability and Rule of Law sit highest, with global averages in the low- to mid-60s and upper-50s, respectively. Voice and Accountability also lies modestly above the mid-point of the 0–100 scale, with averages in the mid-50s. Government Effectiveness and Regulatory Quality fall slightly lower but remain broadly similar, with global averages around the low- to mid-50s. Control of Corruption is the only dimension whose global mean is at or slightly below 50 throughout the period, signaling the greatest room for improvement.

4.3 Across-Country Comparisons at a Given Point in Time

Absolute scores make it possible to compare countries based on the cardinal differences in their governance levels. As an illustration, Figure 3 shows the distribution of scores for the six governance dimensions in 2024, along with their 90 percent confidence intervals. Economies at the 5th, 25th, 50th, 75th, and 95th percentiles are labeled. When comparing two countries, it is important to consider both the point estimates and their confidence intervals. For 2024, more than 60 percent of all country pairs are statistically different from one another, ranging from 55 percent in Political Stability to 69 percent in Voice and Accountability and Rule of Law. This share reflects both the slope of the empirical distribution (i.e., how far apart countries are in their scores) and the size of the standard errors.

In 2024, for Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, and Rule of Law, no country's lower bound of the 90 percent confidence interval reaches zero, indicating that even the lowest-performing countries have a non-zero absolute level of governance. Conversely, in Voice and Accountability, Regulatory Quality, and Rule of Law, no economy's upper-bound confidence interval reaches 100. This indicates that even the best performers in these dimensions remain below the constructed upper benchmark and therefore have room for further improvement.

4.4 Within-Country Changes Over Time

Figure 4 presents a comparison of countries' absolute governance scores for 2004 and 2024. At the country level, changes over time are assessed by comparing non-overlapping confidence intervals between the two years. Using this criterion, approximately 7 percent of economies show a statistically significant improvement in their country–dimension scores—that is, the lower bound of their 2024 score exceeds the upper bound of their 2004 score. These economies are labeled, and their 90% confidence intervals for 2004 and 2024 are displayed in Figure 4. This proportion is broadly similar across the six dimensions. By contrast, about 6 percent of economies experience a statistically significant decline, defined as the upper bound of their 2024 country–dimension score fall below the lower bound in 2004. The incidence of decline varies across dimensions: it is more common in Voice and Accountability (around 12 percent of economies) and Rule of Law (about 8 percent), and least common in Government Effectiveness (roughly 0.5 percent).

Table 4 reports the share of economies whose governance scores improved or declined between 2004 and 2024, based on point estimates only (i.e., without incorporating confidence intervals). Across dimensions, a majority of economies have improved their absolute governance scores over the past twenty years, with the largest share improving in Government Effectiveness (65.3 percent). Improvements are also broadly consistent across Political Stability, Regulatory Quality, and, to a lesser extent, Control of Corruption, suggesting that gains have been relatively widespread rather than concentrated in a single area. At the same time, Voice and Accountability and Rule of Law show a slightly higher number of declines, highlighting the persistent difficulty many economies face in strengthening these areas.

5. Sensitivity Analysis

This section examines the sensitivity of the results and provides empirical evidence on several frequently raised questions and critiques—the implications of including or excluding particular data sources, the effects of alternative weighting schemes, and the consequences of source data imputation.

5.1 Source-Specific Influence

To assess whether any single data source exerts disproportionate influence on the estimated WGI scores, a robustness exercise is conducted using a leave-one-out approach. The revised UCM is re-estimated 35 times, omitting one source in each iteration while retaining the remaining 34, and governance scores for all countries and all six dimensions are recomputed. The resulting series of scores is then compared with those obtained from the full specification that uses all 35 sources. Across dimensions and across all sources, the correlations between the leave-one-out estimates and the full-model scores are uniformly high (ranging from 0.96 to 1.00). This indicates that the estimated governance levels are highly stable and are not driven by any one data source in particular.

The distribution of weights from the revised UCM also sheds light on the contribution of each source. Because the model assigns greater weight to indicators with lower estimated measurement error, sources with stronger precision or broader coverage tend to receive relatively higher weights. In the full specification, several sources receive comparatively larger weights across multiple dimensions—such as the African Development Bank (Country Policy and Institutional Assessments), Economist Intelligence Unit (Operational Risk Service and Democracy Index), Freedom House (Countries at the Crossroads), S&P Global (Country Risk Scores), the World Bank Group's CPIA, and the World Justice Project (Rule of Law Index)—reflecting their estimated precision. Notably, the sources receiving relatively larger weights span the full range of provider types—multilateral organizations, non-governmental organizations, and commercial data providers. They also differ in geographic coverage: some are global in scope, while others focus on specific regions. This pattern reflects the weighting structure of the UCM, in which sources with smaller estimated measurement variance, $\sigma(k)$, receive higher weights regardless of provider type or coverage. The fact that both globally representative and region-specific sources obtain comparatively high weights underscores the model's ability to estimate comparable interpolating parameters for representative and non-representative sources through maximum likelihood and best linear predictions.

Overall, both the leave-one-out results and the distribution of estimated source weights indicate that the estimated WGI scores, based on the revised methodology, are robust to the inclusion or exclusion of individual sources, and that the revised UCM appropriately allocates influence according to empirical precision rather than source identity.

5.2 Alternative Weighting

A second robustness exercise examines the sensitivity of the governance estimates to an alternative weighting scheme. In the UCM, each data source receives a weight that is inversely proportional to the variance of its measurement error, so that sources providing more precise signals receive greater influence in the aggregate estimate. As a contrast, this exercise applies a non-parametric equal-weighting scheme in which all sources contribute uniformly.

The equal-weighting procedure begins by converting all available observations into common units through z-score standardization at the source–dimension level, so that each variable has a mean of zero and a standard deviation of one across all years. Because only the representative sources provide global coverage, their standardized values are averaged first to form a baseline governance estimate for each country–dimension.

For non-representative sources, the observations are likewise standardized at the source–dimension level, but then rescaled so that, within the set of countries covered by that source, they match the mean and standard deviation of the baseline estimate derived from the representative sources. This step ensures comparability across sources without assuming that the distribution of governance in non-representative sources mirrors the global distribution.

Once all standardized variables are placed on a common scale, governance estimates are computed as the simple average across all representative and non-representative sources. These equally weighted estimates are subsequently rescaled to have zero mean and unit standard deviation across all years, facilitating direct comparison with the UCM outputs.

Comparisons of the two aggregation methods show a very high correspondence; for example, the correlation between the equally weighted estimates and those produced by the UCM are 0.97 or higher for each of the six governance dimensions for calendar year 2024. This indicates that the WGI results based on the revised methodology are highly robust to alternative weighting choices.

While equal weighting provides a useful benchmark, the parametric UCM approach remains advantageous because it generates explicit estimates of measurement error for the governance estimates. Exploring additional alternative weighting schemes may be useful, but the results from this exercise suggest that the core WGI estimates based on the revised methodology are not sensitive to the particular weighting structure employed.

5.3 Source Data Imputation

A third sensitivity exercise examines the role of carrying forward values in the raw source data. Several data sources publish updates at intervals longer than one year—for example, on a three-year cycle—resulting in years in which no new observation is available for a given country. Consistent with the approach used in the original WGI, the revised WGI applies last-observation-carried-forward (LOCF) imputation to ensure that gaps in publication cycles do not introduce abrupt year-to-year fluctuations in the estimated governance signal that are unrelated to actual changes in underlying conditions. Because perception-based indicators tend to evolve gradually, LOCF reduces data loss and allows the UCM to extract a more precise signal from the available sources.

To assess the effect of this imputation rule, the estimated governance scores for the full time series 1996-2024 are compared under two scenarios: (a) the baseline WGI procedure using LOCF, and (b) a counterfactual scenario in which no LOCF is applied, and missing observations remain empty. The resulting country-level scores exhibit extremely high correlations across all six governance dimensions (all exceeding 0.99). A small number of outliers display larger deviations; these cases correspond to countries with very limited source coverage, for which the absence of LOCF removes a substantial share of available signals. While the overall levels remain stable, it is worth noting that the LOCF approach may also smooth year-to-year changes that could otherwise arise from the entry or exit of data sources.

Although the governance scores are similar across the two scenarios, the precision of the scores declines when LOCF is not used. Examining the standard errors for 2024—without applying the LOCF imputation—the average increase in standard errors ranges from roughly 3% to 8% across the six dimensions: Voice and Accountability (7.6%), Political Stability (3.3%), Regulatory Quality (3.0%), Government Effectiveness (6.4%), Rule of Law (5.9%), and Control of Corruption (3.0%)—thereby underscoring the role of LOCF in improving the precision of the estimated governance scores. LOCF reduces these standard errors by filling in missing values for the interim years between publication rounds, which is feasible for the WGI because these underlying perception indicators evolve slowly. Carrying forward high-quality but non-annual data—such as household or firm surveys—helps maintain continuity in the time series and improves the overall precision of the estimated governance scores.

Overall, the results indicate that LOCF has only a minimal effect on the level of the governance scores, but it improves their precision by reducing the extent of missing data in the UCM.

6. Conclusions

This paper has summarized the data sources and aggregation methodology used in the WGI as of the 2025 edition, which incorporates several methodological changes while recalculating the governance measures for 1996–2024.

The 2025 revision introduces six targeted improvements. First, a stricter screening protocol was applied to all data sources, building on the original criteria and placing emphasis on relevance, originality, cross-country coverage, regularity, transparency, and independence. Under this protocol, three sources were removed: two produced solely by single national governments and one that did not meet standards of cross-country comparability.

Second, the revised methodology identifies three additional qualified sources—two of them from Global South institutions—following a comprehensive search for potential additions with particular attention to strengthening representation from the Global South.

Third, the revised methodology ensures closer alignment between indicators and institutional functions, consistent with the analytic framework of the WDR 2017. As part of this review, politically linked indicators—mainly within Voice and Accountability and Political Stability—were assessed based on their demonstrated relevance for economic and development outcomes. Twenty-seven indicators were removed because they displayed weak empirical links to economic relevance, were conceptually diffuse, or reflected conditions largely outside the control of a single government.

Fourth, the revised methodology systematically reviewed the mapping of more than 400 individual indicators to the six WGI dimensions and strengthened their conceptual alignment where appropriate. This review included disaggregating composite indicators and assigning their components to the most suitable dimensions, as well as allowing indicators to map to up to two dimensions when a strong conceptual fit exists.

Fifth, the methodology now allows the global average of governance to vary over time by revising the UCM aggregation model and removing the earlier constraint that fixed each year's global mean at zero. This change enables the model to capture genuine shifts in worldwide governance perceptions when they occur.

Finally, the new methodology computes governance scores on an absolute 0–100 scale. This required constructing two benchmark economies—a best-case and a worst-case performer—as fixed reference points. Country–year estimates are mapped linearly between these benchmarks so that all countries receive an absolute score. Under this approach, even the lowest performers can receive a non-zero score, reflecting their performance on the absolute scale.

Taken together, these changes form the basis of the revised WGI, which now produce two outputs for each dimension: annual governance estimates in statistical units (approximately –2.5 to 2.5) and absolute scores on a 0–100 scale anchored by fixed benchmark countries. These outputs are accompanied by confidence intervals that allow users to distinguish meaningful movements from statistical noise. The introduction of the absolute scale also makes cross-country and over-time comparisons more intuitive. All results have been recalculated back to 1996 under the revised framework to ensure a fully consistent historical series. The complete set of results, the underlying calculation files, and a reproducibility package are publicly available on the WGI website (www.govindicators.org).

To assess the implications of these changes, the updated results were subjected to a set of sensitivity checks using alternative modeling choices. The analysis indicates that specifications varying source inclusion, weighting assumptions, and the treatment of missing observations yield results that are highly similar to the baseline. These findings suggest that the WGI results produced under the revised methodology are robust to reasonable modeling choices, although uncertainty remains higher for economies with fewer underlying sources, and results for such cases should be interpreted with appropriate caution.

A final point bears emphasis. While the WGI provides informative cross-country and over-time comparisons of broad governance dimensions, they are not designed to evaluate the impacts of specific reforms within individual countries. For such applications, the WGI should be complemented with more granular, country-specific information that can more directly capture the mechanisms through which institutional changes may affect governance outcomes.

Table 1. The 35 Data Sources Used in the Revised WGI

#	Code	Organization	Data Source
1	ADB	African Development Bank	Country Policy and Institutional Assessment
2	AFR	Afrobarometer	Afrobarometer Surveys
3	ARB	Arab Barometer	Arab Barometer Surveys
4	ASB	Asian Barometer	Asian Barometer Surveys
5	ASD	Asian Development Bank	Country Performance Assessment
6	BPS	World Bank Group; European Bank for Reconstruction and Development	Business Environment and Enterprise Performance Survey (BEEPS)
7	BTI	Bertelsmann Foundation	Bertelsmann Transformation Index
8	CCR	Freedom House	Countries at the Crossroads
9	EBR	European Bank for Reconstruction and Development	Transition Indicators
10	EIU	Economist Intelligence Unit	Operational Risk Service; Democracy Index
11	EQI	Quality of Government Institute, University of Gothenburg	European Quality of Government Index
12	EUB	European Union	Eurobarometer
13	FRH	Freedom House	Freedom in the World; Freedom of the Net; Nations in Transit; Freedom of the Press
14	GCB	Transparency International	Global Corruption Barometer
15	GCS	World Economic Forum	Executive Opinion Survey
16	GII	African Institute for Development Policy	Africa Integrity Indicators
17	GWP	Gallup	Gallup World Poll
18	HER	Heritage Foundation	Index of Economic Freedom
19	HRM	Human Rights Measurement Initiative	Rights Tracker
20	HUM	University of North Carolina-Asheville	Political Terror Scale
21	IFD	International Fund for Agricultural Development	Rural Sector Performance Assessment
22	IJT	Crisis24	Country Security Assessment Ratings
23	IRP	Ghana Center for Democratic Development	African Electoral Integrity Index
24	LBO	Latinobarómetro	Latinobarómetro Survey
25	MSI	International Research and Exchanges Board	Vibrant Information Barometer

#	Code	Organization	Data Source
26	OBI	International Budget Partnership	Open Budget Survey
27	PIA	World Bank Group	Country Policy and Institutional Assessment
28	PRS	The PRS Group	International Country Risk Guide
29	RSF	Reporters Without Borders	World Press Freedom Index
30	VAB	Center for Global Democracy, Vanderbilt University	Americas Barometer
31	VDM	Varieties of Democracy Institute	Varieties of Democracy
32	WBS	World Bank Group	Enterprise Surveys
33	WCY	Institute for Management Development	World Competitiveness Yearbook
34	WJP	World Justice Project	Rule of Law Index
35	WMO	S&P Global	Country Risk Scores

Note: This table summarizes the 35 data sources used in the revised WGI over the period 1996–2024. As discussed in Section 2.2, three household survey sources—Arab Barometer, Asian Barometer, and Eurobarometer—were added because they meet all six selection criteria, while three sources from the original WGI were removed—the U.S. State Department's Trafficking in Persons Report, L'Agence Française de Développement's Institutional Profiles Database, and the Political and Economic Risk Consultancy—as they do not meet all criteria.

Table 2. Number of Economies and Years Covered by Each Data Source

Code	Type	Economy Coverage	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ADB	Expert (IO)	40						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
AFR	Survey (NGO)	43				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
ARB	Survey (NGO)	16								x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
ASB	Survey (NGO)	16				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
ASD	Expert (IO)	34							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
BPS	Survey (IO)	30			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x							
BTI	Expert (NGO)	137				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
CCR	Expert (NGO)	69					x	x	x	x	x	x	x	x	x	x	x	x	x									
EBR	Expert (IO)	36	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x						
EIU	Expert (CDP)	180	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
EQI	Survey (NGO)	28												x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
EUB	Survey (IO)	40		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
FRH	Expert (NGO)	197	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
GCB	Survey (NGO)	159						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
GCS	Survey (NGO)	154	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
GII	Expert (NGO)	54								x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
GWP	Survey (CDP)	165								x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
HER	Expert (NGO)	185	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
HRM	Expert (NGO)	51																			x	x	x	x	x	x	x	x
HUM	Expert (NGO)	198	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
IFD	Expert (IO)	71						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
IJT	Expert (CDP)	211						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
IRP	Expert (NGO)	54			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
LBO	Survey (NGO)	18	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
MSI	Expert (NGO)	82			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
OBI	Expert (NGO)	125							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
PIA	Expert (IO)	87							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
PRS	Expert (CDP)	141	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Code	Type	Economy Coverage	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
RSF	Expert (NGO)	179				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
VAB	Survey (NGO)	34						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
VDM	Expert (NGO)	177	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
WBS	Survey (IO)	104																									x	x
WCY	Survey (NGO)	72	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
WJP	Expert/Survey (NGO)	142													x	x	x	x	x	x	x	x	x	x	x	x	x	x
WMO	Expert (CDP)	210	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Note: IO = international organizations; NGO = non-governmental organizations; CDP = commercial data providers. *Economy coverage* refers to the total number of economies ever covered by this source in the revised WGI. A *bold underscore* indicates that the source is treated as representative in at least one WGI dimension in the revised aggregation methodology. An “x” denotes that a data source was included in the revised WGI for the corresponding year.

Table 3. Distribution of Country–Year Observations Across Source Types

Governance Dimensions	Surveys (Household/Firm)	Expert Assessments: IO	Expert Assessments: NGO	Expert Assessments: CDP
VA	11288	4857	29890	12691
PV	5341	..	15096	17215
GE	11450	5860	3613	13671
RQ	6600	6627	8971	13072
RL	12852	5560	22325	13685
CC	14265	5307	11161	13065
Total	61796	28211	91056	83399

Note: IO = international organizations; NGO = non-governmental organizations; CDP = commercial data providers. The table presents the total number of observations from all sources within each category, including carry-forward values. While no IO produces expert-assessment indicators on Political Stability (PS), some collect survey data on this dimension through surveys—for example, the World Bank Group's Enterprise Surveys. In the original WGI, this category also included information reported by governments. However, as noted in Section 2.2, data produced solely by individual governments are not included in the revised WGI.

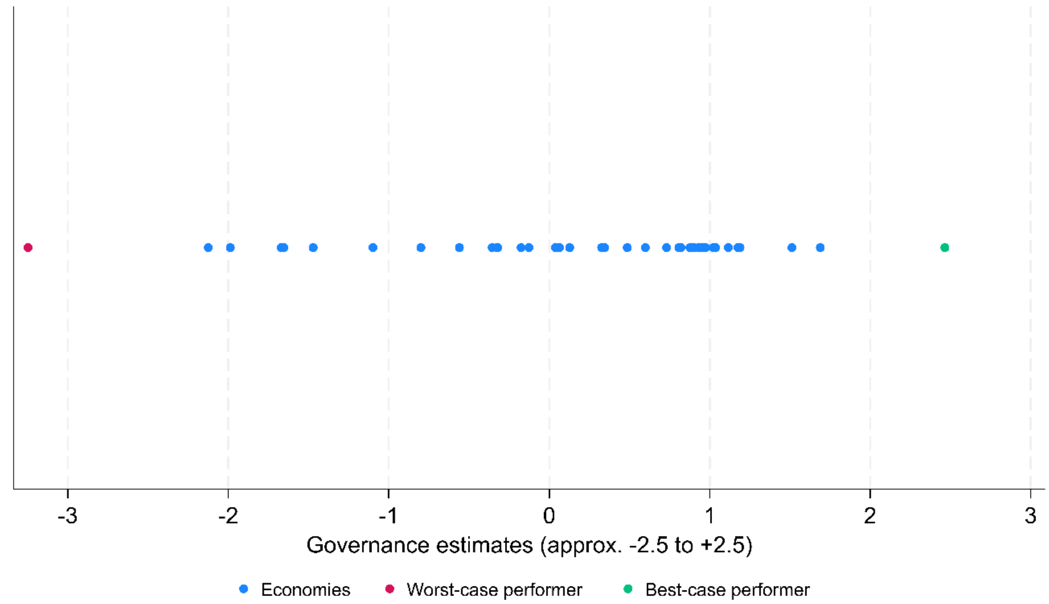
Table 4. Share of Economies with Improved or Declined Absolute Scores, 2004–2024

Governance Dimension	Absolute Score	
	Improved (%)	Worsened (%)
VA	48.3	51.7
PV	57.1	42.9
GE	65.3	34.7
RQ	55.6	44.4
RL	46.8	53.2
CC	51.0	49.0
Total	54.0	46.0

Note: The calculation is based on the point estimates only and does not incorporate confidence intervals.

Figure 1. Mapping Governance Estimates to Absolute Scores

Panel a. Governance Estimates for Voice and Accountability, East Asia and Pacific (2024)



Panel b. Absolute Scores for Voice and Accountability After Linear Transformation (2024)

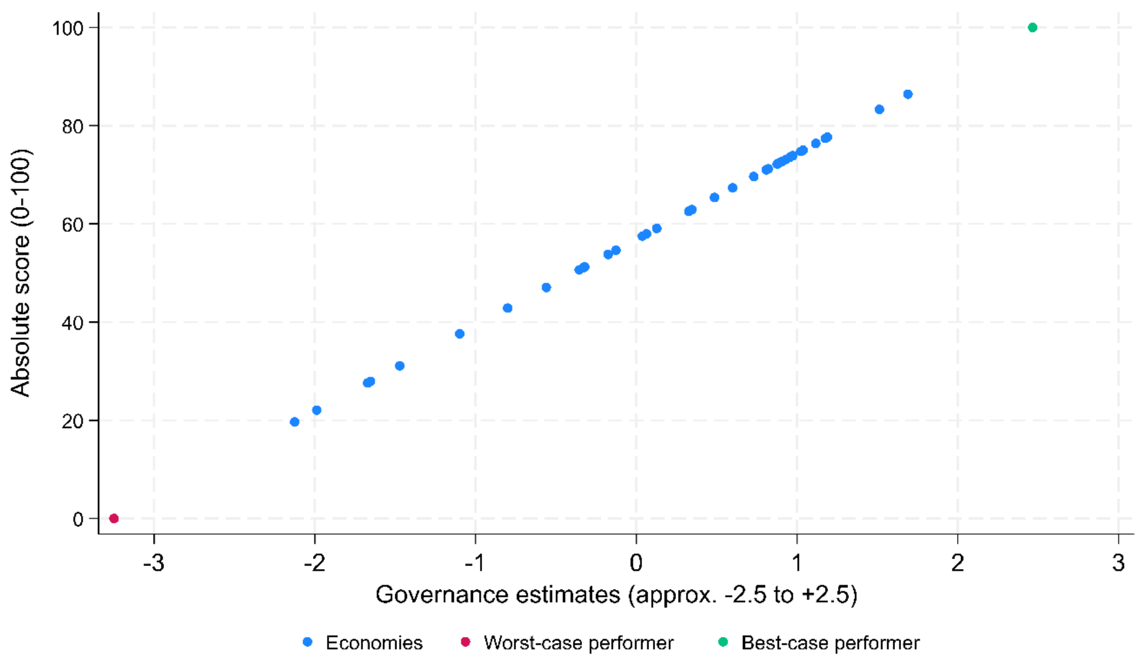
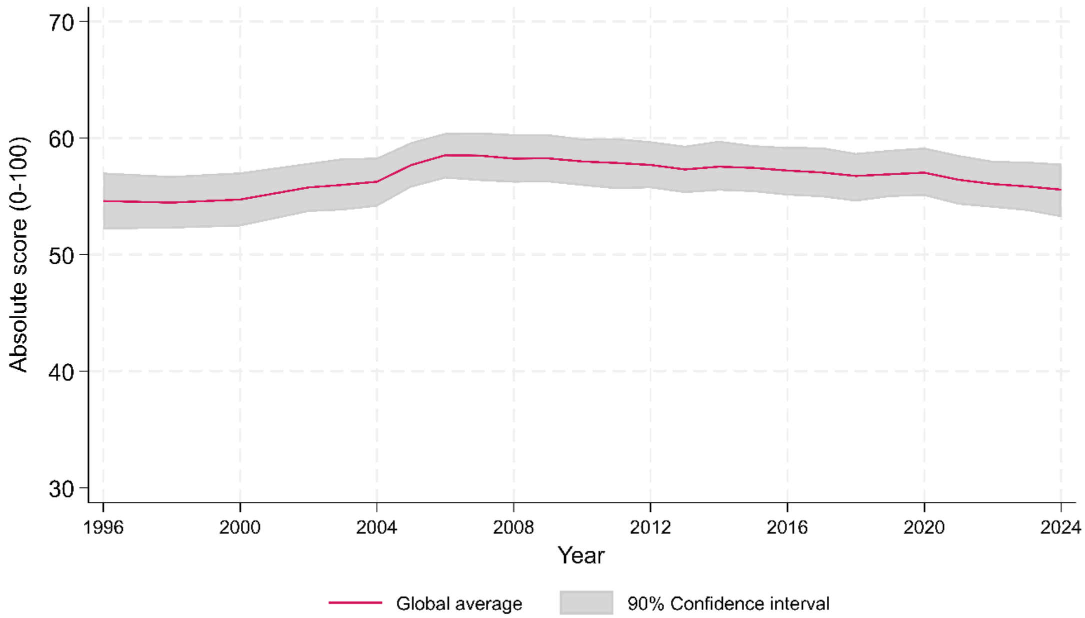
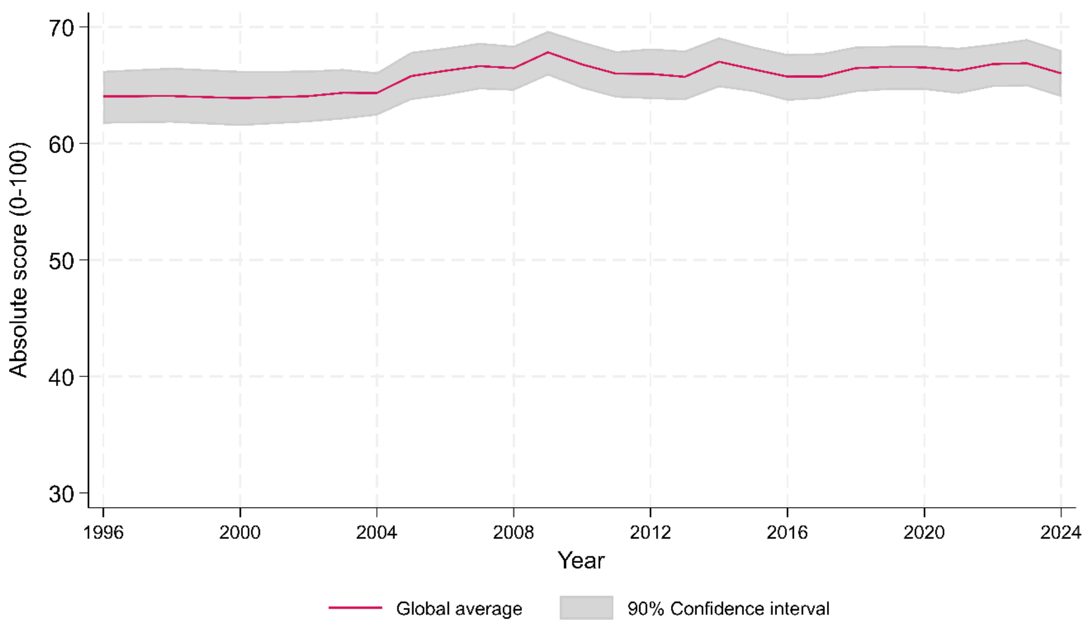


Figure 2. Global Trends in Governance, Absolute Scores and Confidence Intervals (1996-2024)

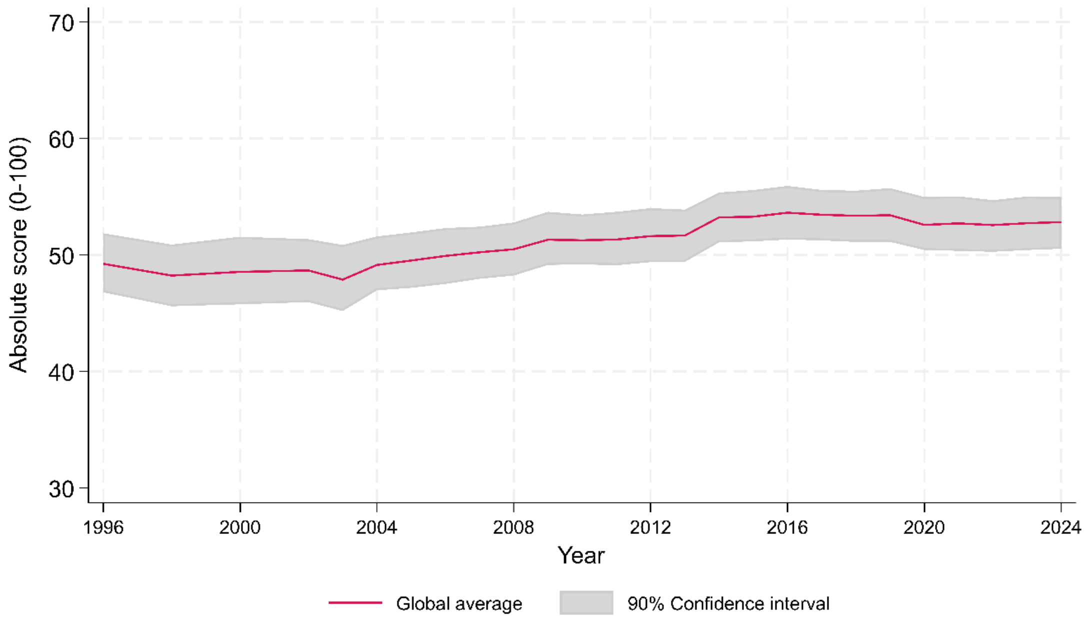
Panel a. Voice and Accountability (VA)



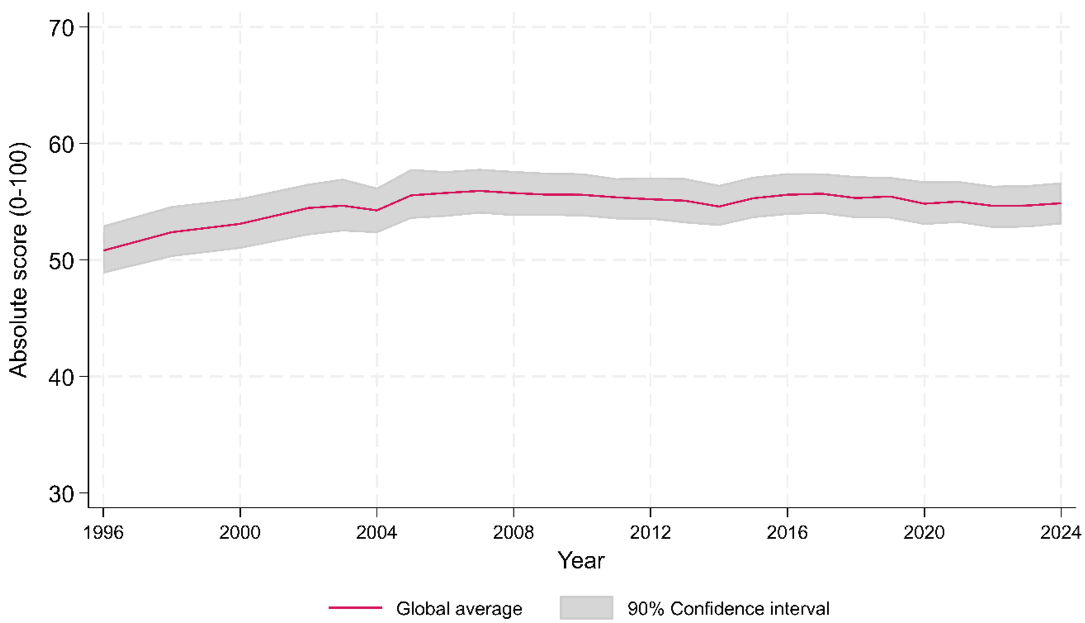
Panel b. Political Stability (PV)



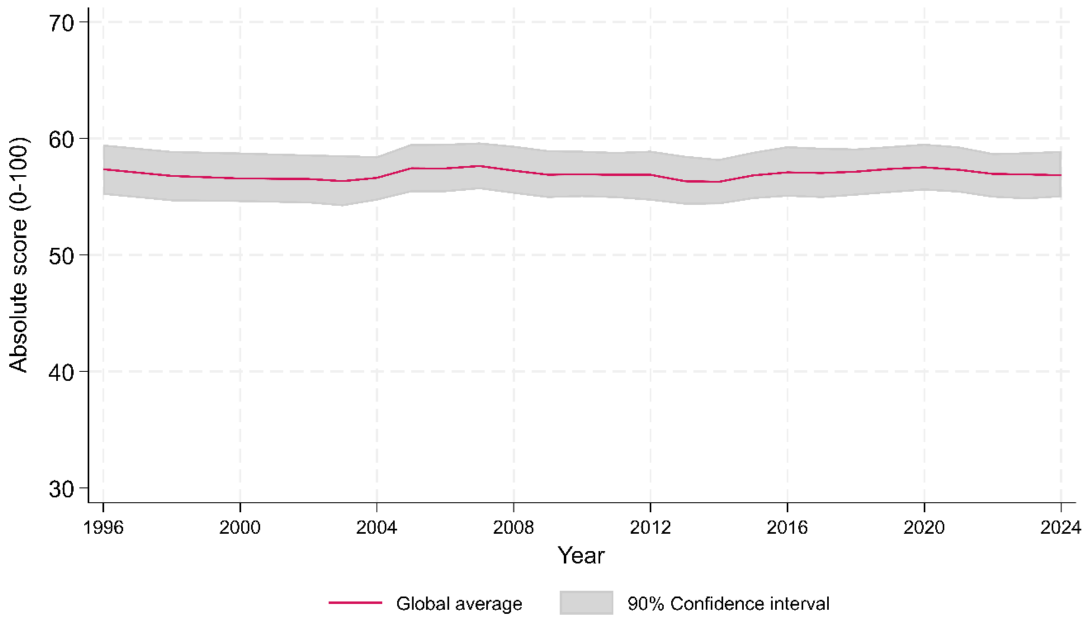
Panel c. Government Effectiveness (GE)



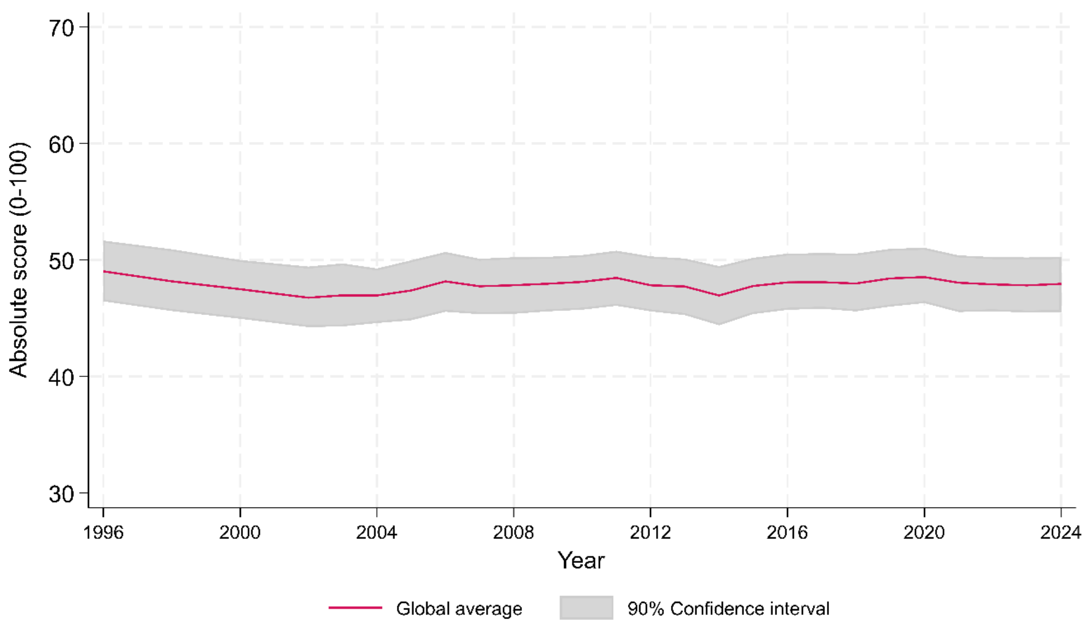
Panel d. Regulatory Quality (RQ)



Panel e. Rule of Law (RL)



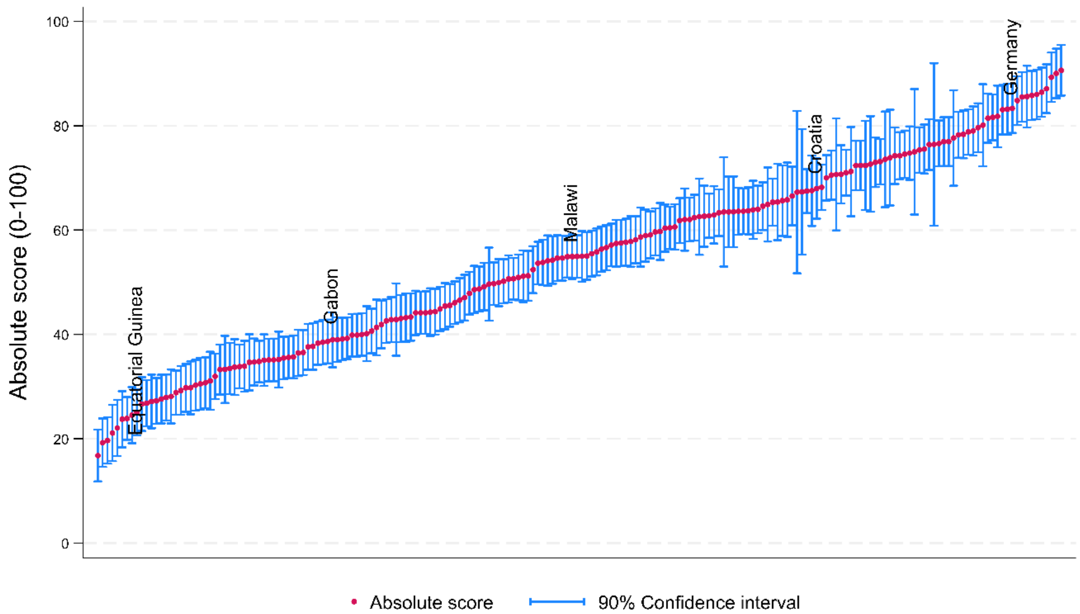
Panel f. Control of Corruption (CC)



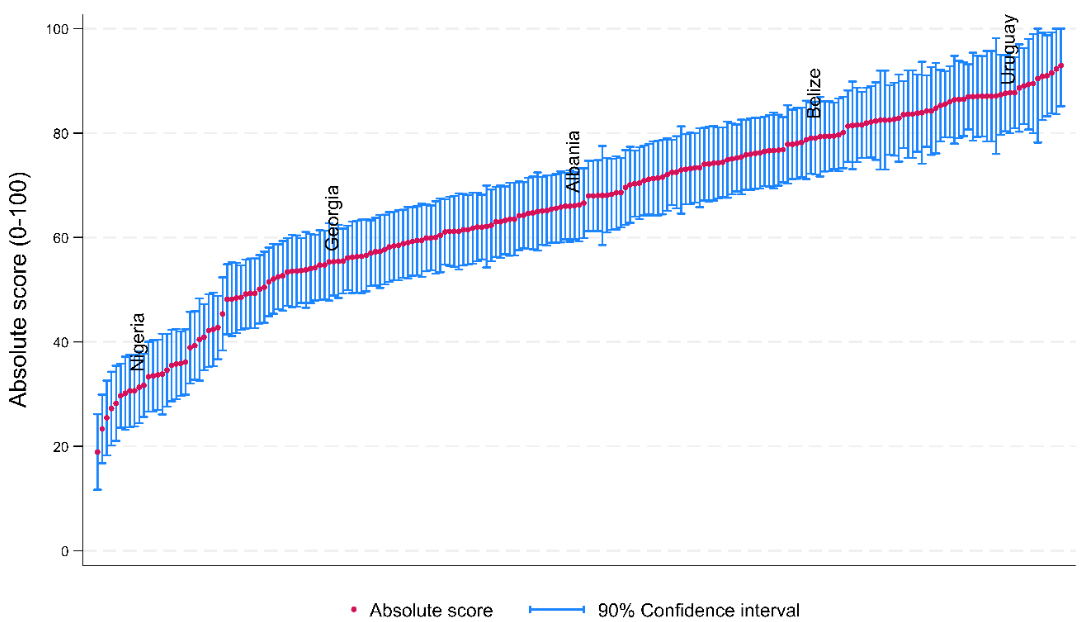
Note: The WGI produces annual data from 2002 onward and biannual data for 1996–2002. The global average reflects the mean of countries' absolute governance scores, and year-to-year changes can arise both from shifts in the underlying data and from changes in the composition of sources available in each period. Confidence intervals for global averages are computed using a nonparametric bootstrap procedure.

Figure 3. Distribution of 2024 Absolute Governance Scores and Confidence Intervals

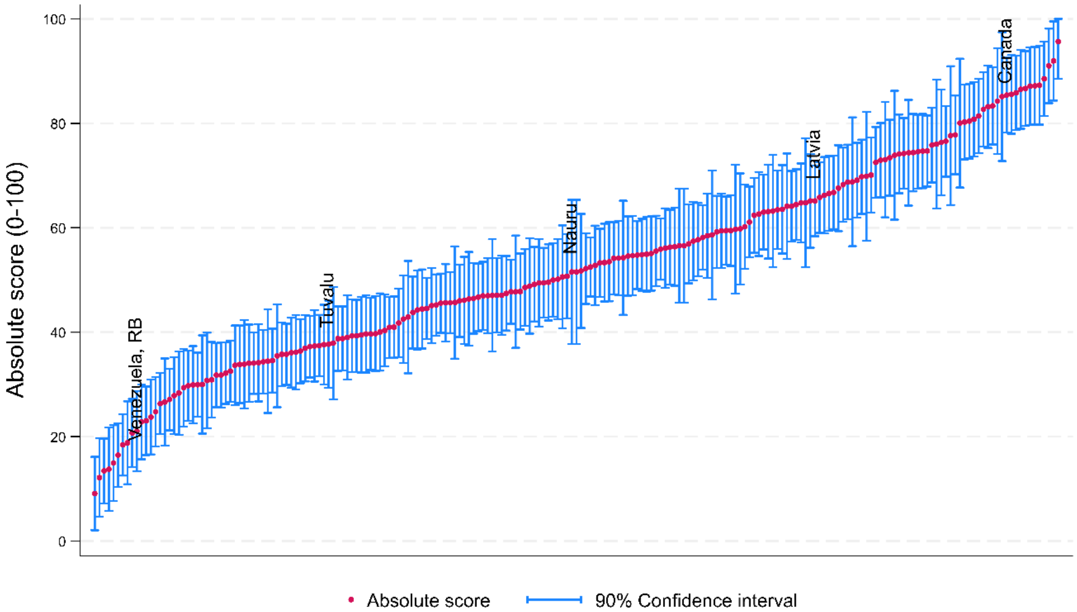
Panel a. Voice and Accountability (VA)



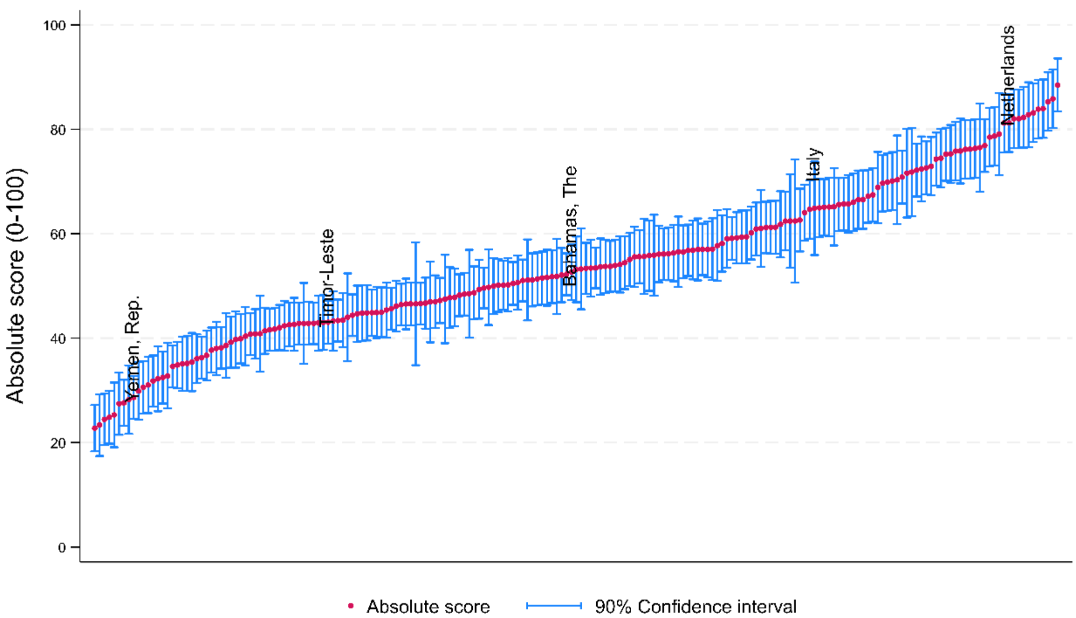
Panel b. Political Stability (PV)



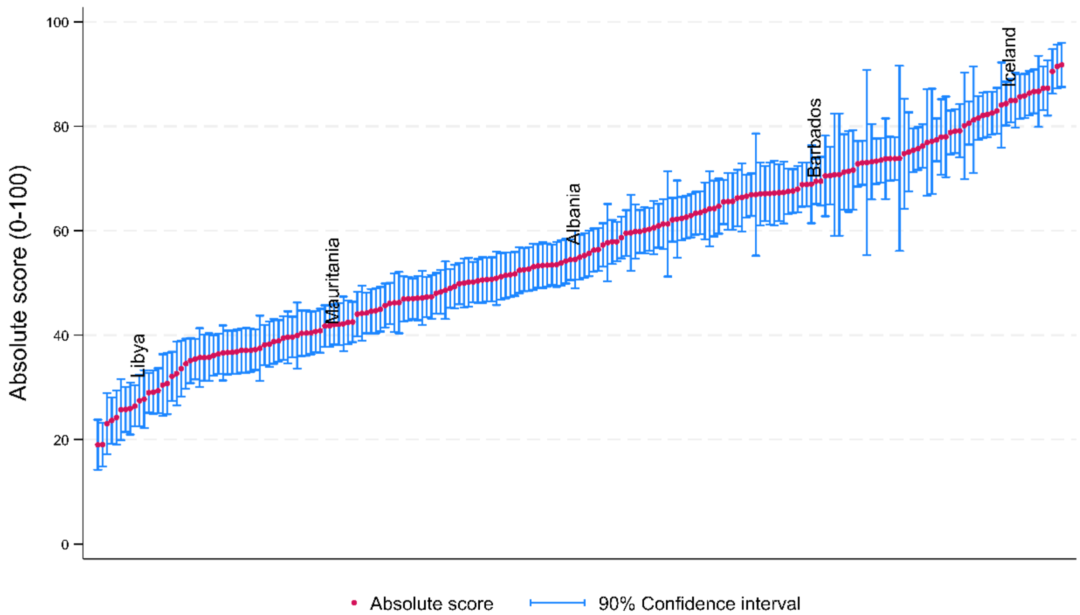
Panel c. Government Effectiveness (GE)



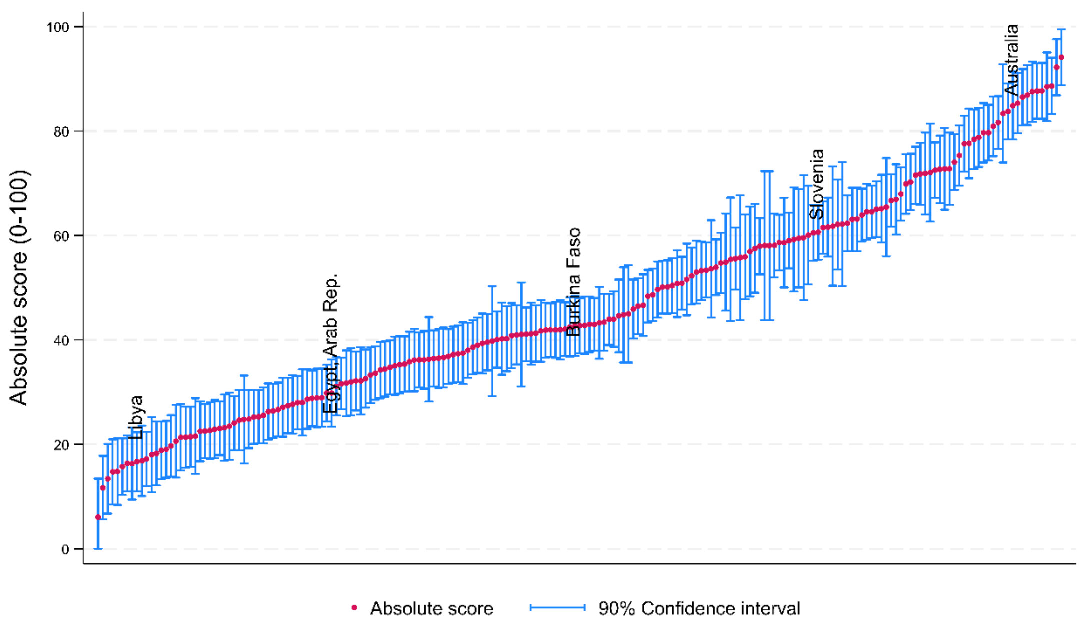
Panel d. Regulatory Quality (RQ)



Panel e. Rule of Law (RL)



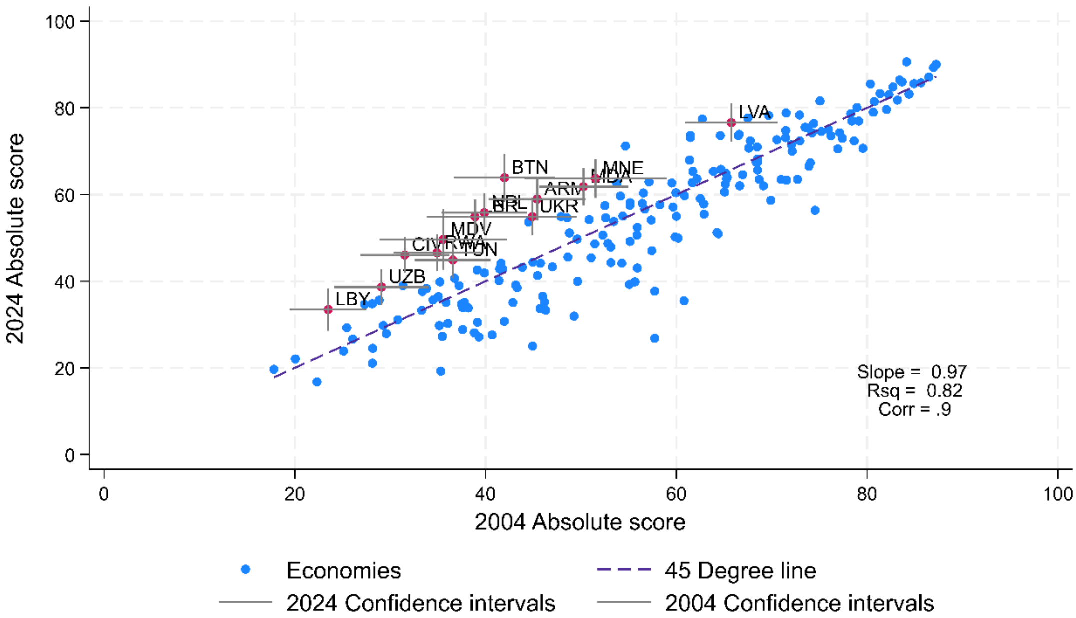
Panel f. Control of Corruption (CC)



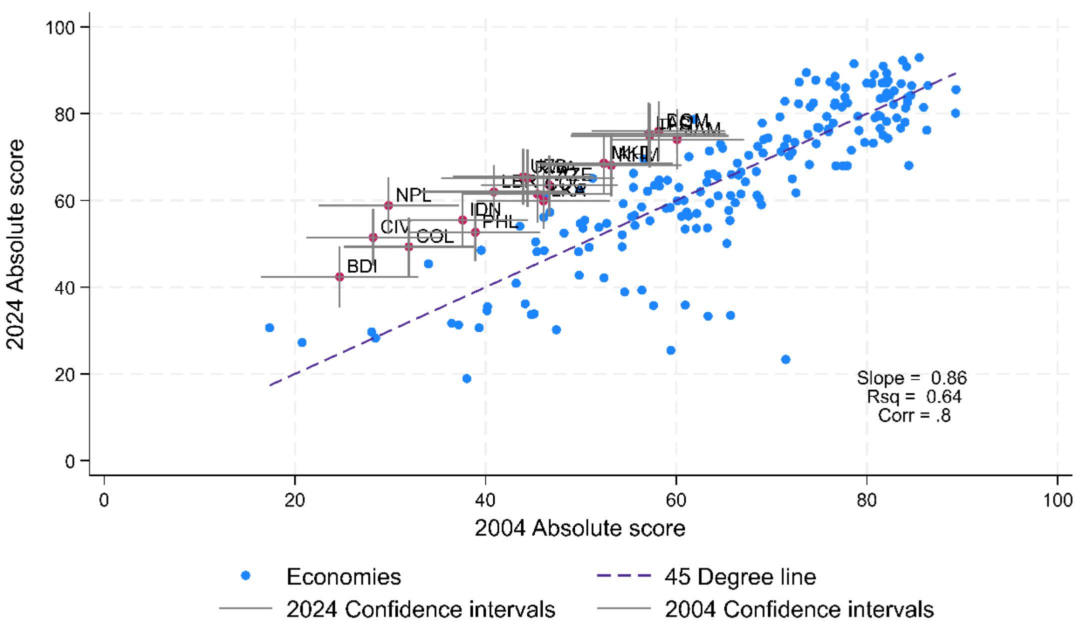
Note: For each dimension, the figure includes all economies with data from at least two sources; however, governance estimates for all economies—including those with a single source—are published on the WGI website. Economies are ordered by their absolute governance score, and those at the 5th, 25th, 50th, 75th, and 95th percentiles are labeled. When confidence intervals take values above 100 or below 0, they are truncated to 100 and 0, respectively.

Figure 4. Absolute Scores and Confidence Intervals in 2004 and 2024

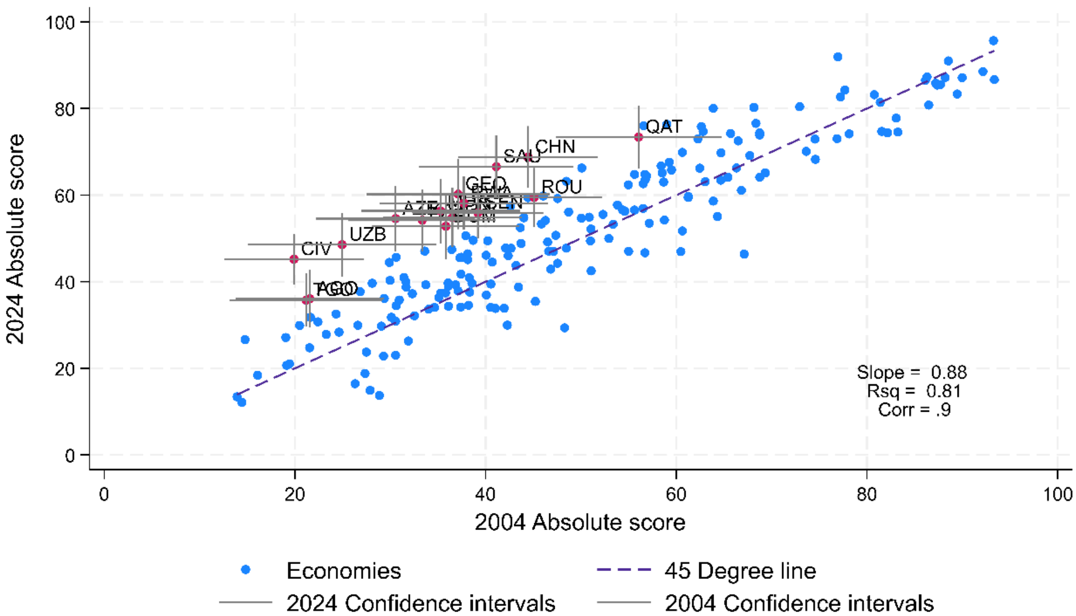
Panel a. Voice and Accountability (VA)



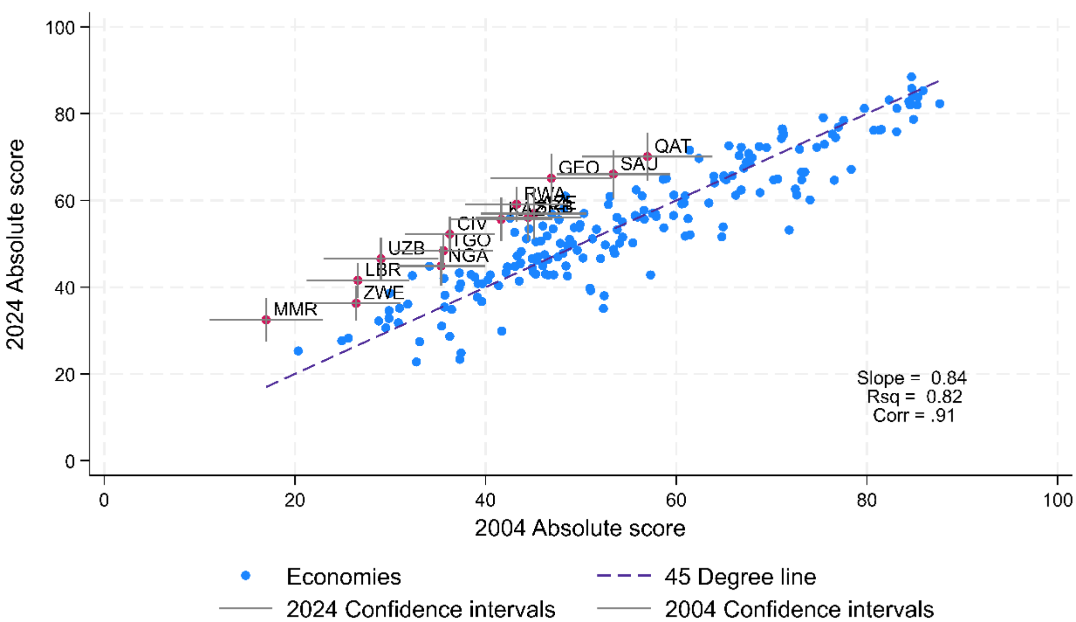
Panel b. Political Stability (PV)



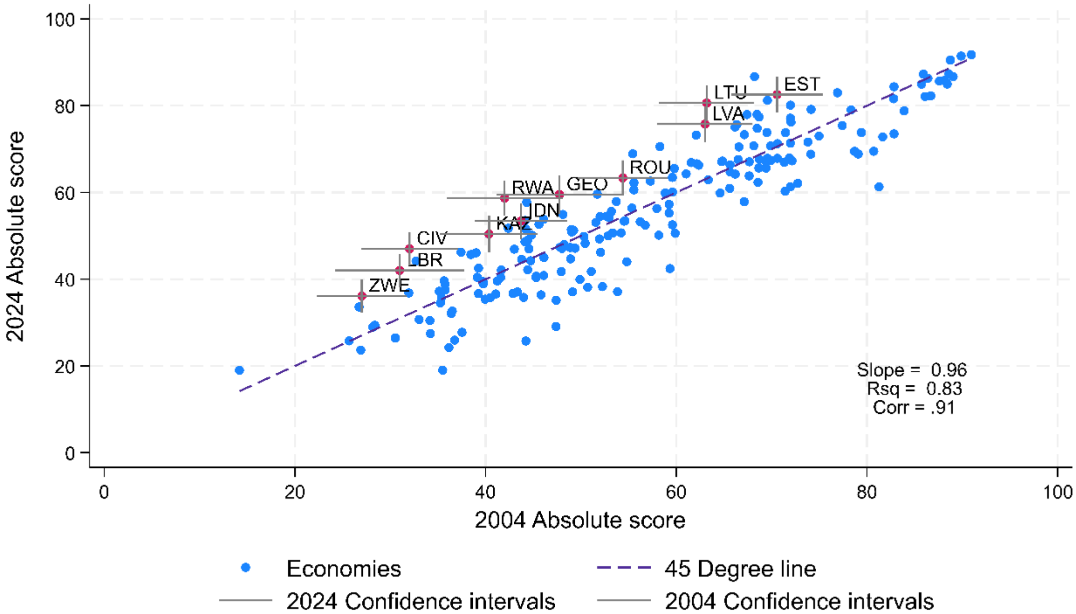
Panel c. Government Effectiveness (GE)



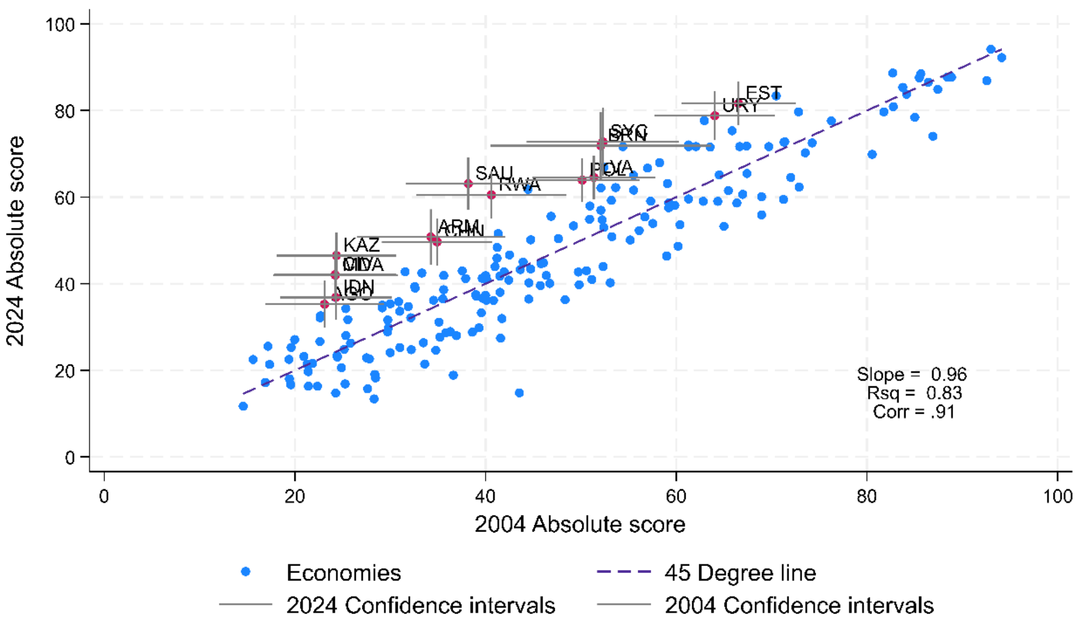
Panel d. Regulatory Quality (RQ)



Panel e. Rule of Law (RL)



Panel f. Control of Corruption (CC)



Note: The figure shows the absolute scores for 2004 and 2024 for each dimension. Economies with a statistically significant improvement in 2024 relative to 2004 are labeled, and their 90% confidence intervals are displayed.

Annex 1. Comparison of Original WGI and Revised WGI Methodology

Building Block	Original WGI (1996–2024)	Revised WGI (2025–)
Data Sources – Screening Protocol	Four criteria: original primary data; captures perceptions; multi-country coverage; updated regularly (annual ideal).	Six criteria: original primary data; captures perceptions; multi-country coverage; regular updates (with allowance for lower-frequency, large-scale household surveys with broad coverage); documented methods; produced by a multilateral organization, a non-governmental organization, or a commercial data provider. Implemented via a formal screening protocol with written guidelines and standardized rubrics. As a result, three sources included in earlier iterations of the WGI are not carried forward into the revised WGI: L'Agence Française de Développement's Institutional Profiles Database, the Political and Economic Risk Consultancy's Corruption in Asia Survey, and the U.S. State Department's Trafficking in Persons Report.
Data Sources – Global South Coverage	~35 sources, nearly all covering Global South; 7 headquartered in developing regions.	Expanded coverage to include additional regional barometers that meet screening criteria, alongside continued use of established global and regional sources. As a result, three data sources not used in earlier iterations of the WGI are incorporated into the revised WGI: the Arab Barometer, the Asian Barometer, and the Eurobarometer. Nearly all 35 sources cover countries in the Global South, and 13 collect data directly from households or firms in those regions. Seven are headquartered in the Global South, and a substantial share of the others either maintain offices in those regions or partnerships with local institutions.
Indicators – Scope	~300 indicators drawn from existing sources.	The indicator selection was reviewed and updated to align more closely with institutional functions, consistent with the WDR 2017 framework. A total of 27 indicators under Voice and Accountability and Political Stability were removed, either because the evidence on their economic and developmental linkages remains limited, because the concepts they capture are too broad or diffuse to reflect specific governance performance, or because they describe

Building Block	Original WGI (1996–2024)	Revised WGI (2025–)
		conditions largely shaped by factors outside the control of a single government.
Indicators – Mapping	Each indicator mapped to a single dimension; composite indicators mapped at aggregate level.	Mapping reviewed for consistency. Dual mappings permitted where conceptually justified; composite indicators disaggregated and components assigned to relevant dimensions.
Aggregation Method – Model	Unobserved Components Model (UCM), with global mean normalized to zero in each period.	UCM retained as core model, with revision to allow estimation of global trends in unobserved governance.
Aggregation Method – Output Scores	Results reported as percentile ranks and standard normal scale (approximately –2.5 to +2.5).	Results reported on standard normal scale (approximately –2.5 to 2.5) and on absolute scales (0–100).

Note: Like the original WGI, the revised WGI is accompanied by a reproducibility package that allows users to review the data, test alternative assumptions, and replicate results, thereby ensuring transparency.

Annex 2. Comparison of 2023 Governance Estimates Under the Original and Revised WGI

To examine the concordance between the original and revised WGI methodology, estimates were compared using the common statistical scale (approximately –2.5 to 2.5) for the most recent year available under both approaches, 2023. The 2025 WGI revision also introduces absolute scores on a 0–100 scale. However, because the original methodology did not produce absolute scores, the governance estimates expressed in statistical units remain the appropriate basis for historical comparison.

There are two main sources of changes in the revised estimates:

(a) Updates to the data source and indicator selection and mapping, including the addition of qualified sources, the removal of disqualified sources, the dropping of disqualified political indicators, and revisions to the mapping of individual indicators under the updated conceptual framework (see Section 2 for details).

(b) Updates to the aggregation methodology, reflecting the modified UCM that allows the global average of governance to vary over time (see Section 3 for details).

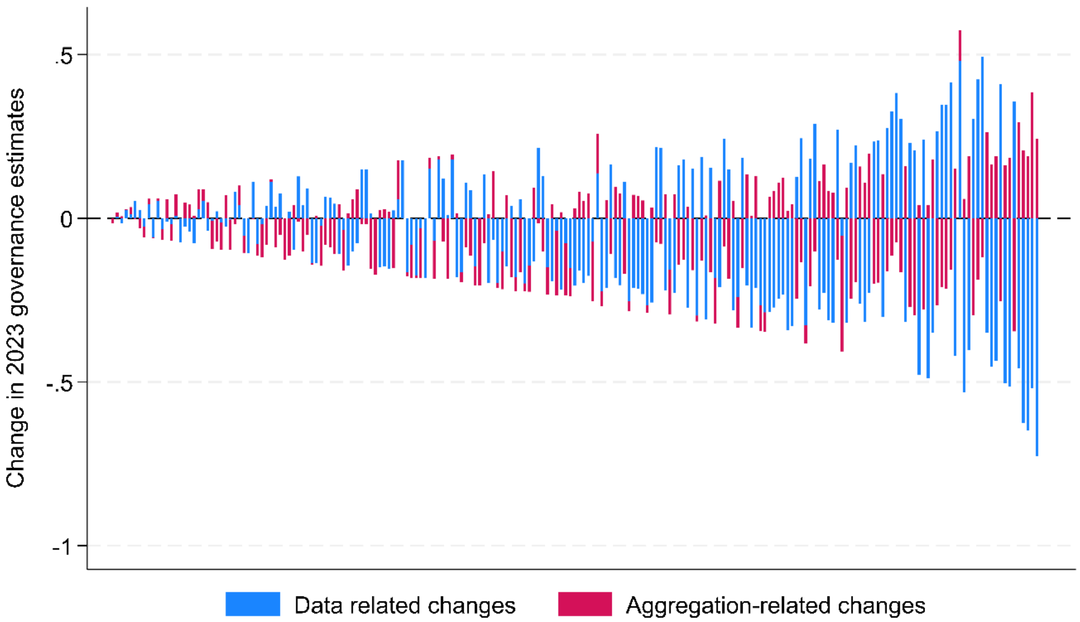
To distinguish the contribution of each factor, we decompose the change in 2023 governance estimates between the original and revised WGI methodology into two components: changes arising from the updated set of sources and indicators, and changes resulting from the revised aggregation methodology. The sum of these components equals the total difference between the two editions. In Figure A2.1, data-related changes are shown in blue, and aggregation-related changes are shown in red.

In most dimensions, the blue bars are longer, indicating that revisions to the data sources and indicator mapping account for a larger share of the overall difference, though the degree varies. In Regulatory Quality (RQ), the red bars are more prominent, indicating that modifications to the UCM methodology have relatively larger effects on the resulting governance estimates.

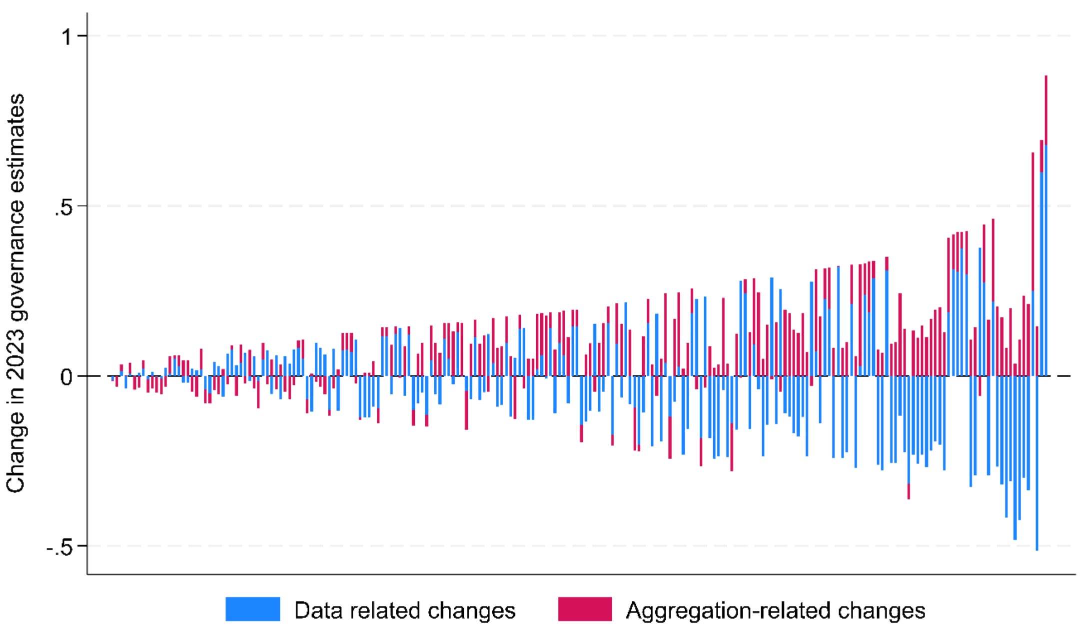
Formal variance decompositions reinforce this conclusion. For five of the six dimensions (VA, PV, GE, RL, and CC), data-related changes account for most of the variation between the original and revised estimates. For RQ, aggregation-related changes contribute a larger share of the difference. These findings underscore the importance of the updated source-qualification process and the careful review of all additions, removals, and remapping of primary indicators under the revised methodology.

Figure A2.1. Sources of Change in the 2023 Governance Estimates

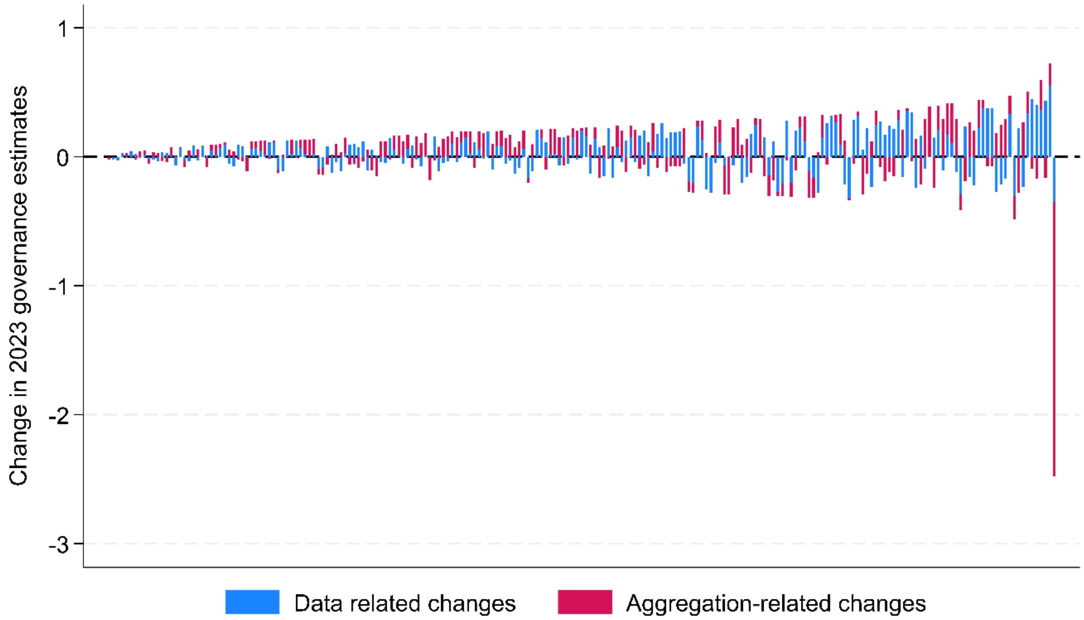
Panel a. Voice and Accountability (VA)



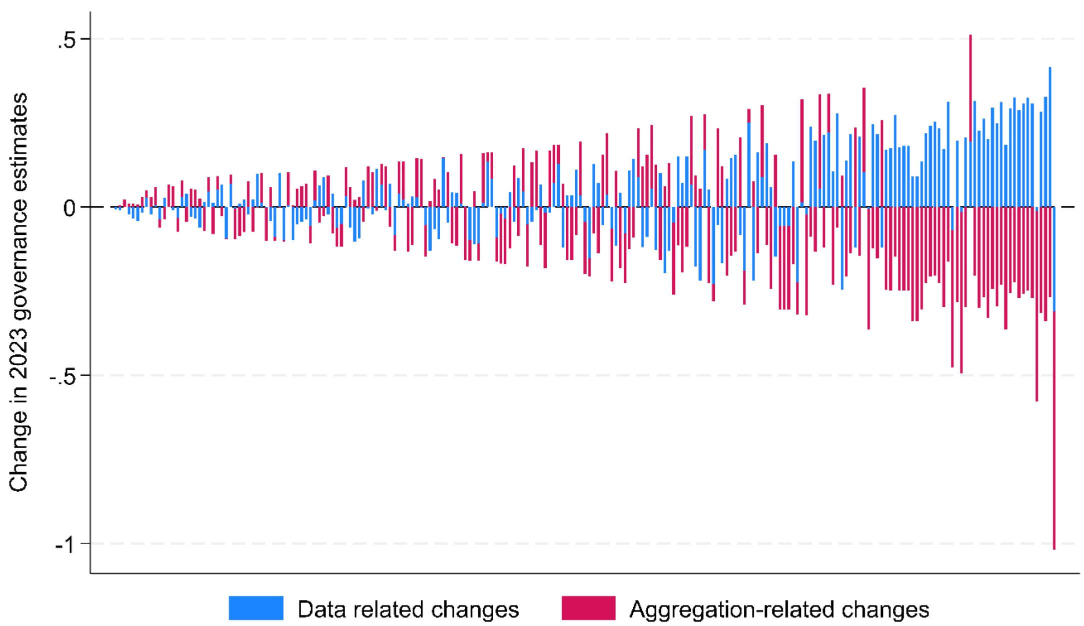
Penel b. Political Stability (PV)



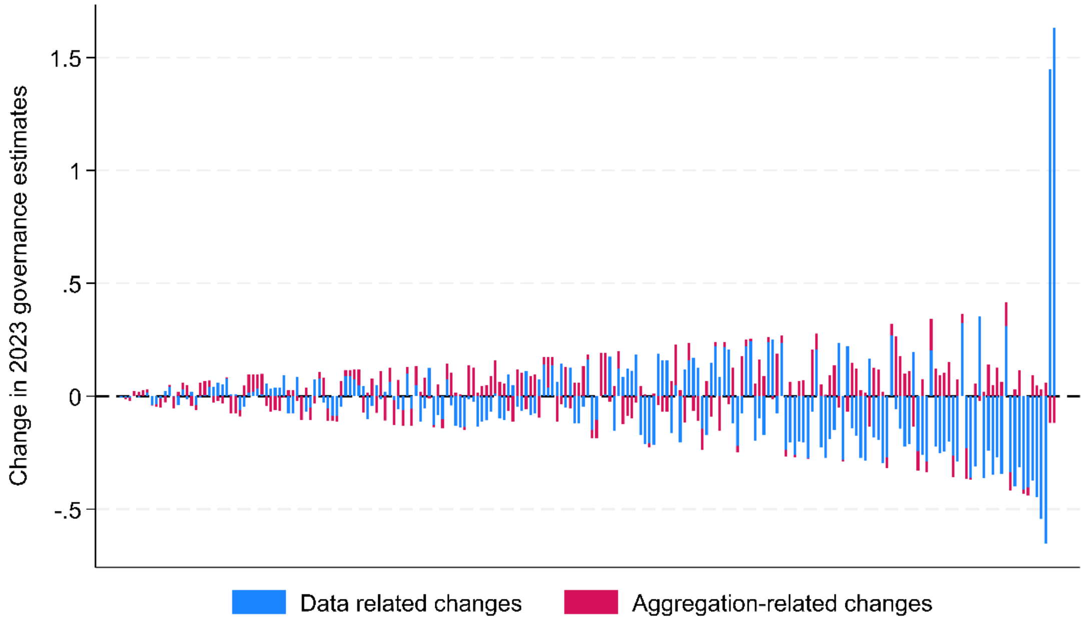
Panel c. Government Effectiveness (GE)



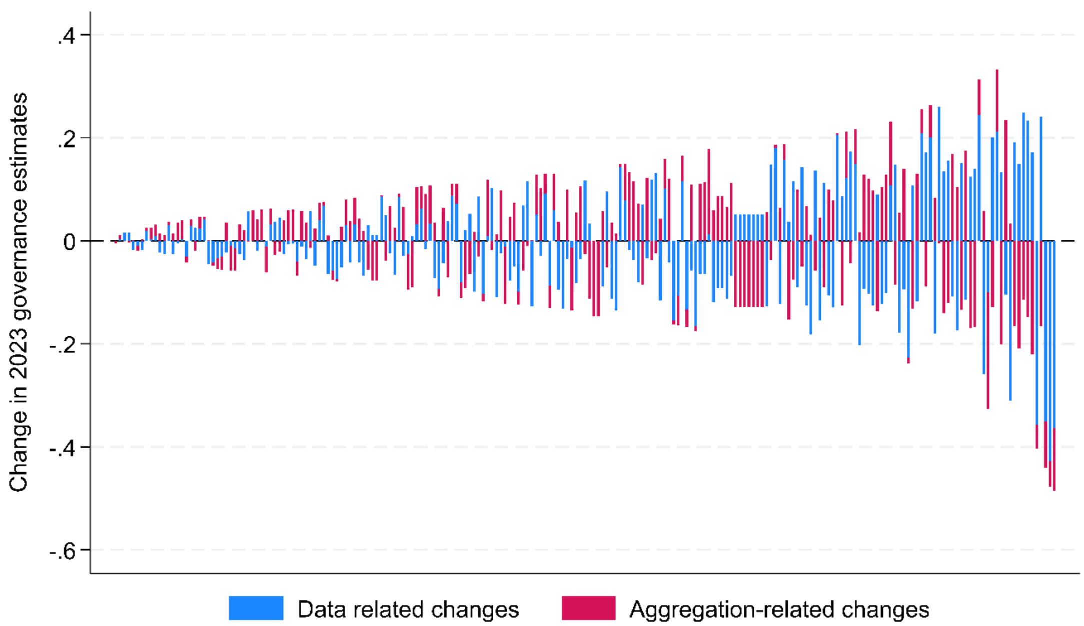
Panel d. Regulatory Quality (RQ)



Panel e. Rule of Law (RL)



Panel f. Control of Corruption (CC)



Annex 3. Description of Data Sources

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
1	ADB	African Development Bank (AfDB)	Country Policy and Institutional Assessment (CPIA)	40 client countries eligible for concessional finance	Every 2 years (annual 2004–2015); in WGI since 2004	Expert Assessment (International Organization)	The AfDB CPIA is a biennial diagnostic assessing 54 African countries on 18 criteria grouped into five clusters: economic management, structural policies, social inclusion, governance, and infrastructure/regional integration. The assessments are provided by AfDB country economists and validation by technical panels; the institution is headquartered in Abidjan, Côte d'Ivoire. For more information on methodology, see here.
2	AFR	Afrobarometer	Afrobarometer Surveys	43 African economies	Every 2–3 years; in WGI since 2002	Household Surveys (NGO)	Afrobarometer conducts face-to-face interviews with nationally representative samples across 30+ African countries. Using multistage stratified probability sampling, interviews are carried out in local languages via tablets. Training, field supervision, and data checks are applied to ensure quality. Afrobarometer is a survey research network headquartered in Ghana. It works with 39 national partners for data collection and dissemination, coordinated regionally by CDD-Ghana, the Institute for Justice and Reconciliation (South Africa), and the Institute for Development Studies at the University of Nairobi. For more information on methodology, see here.
3	ARB	Arab Barometer	Arab Barometer Surveys	16 Middle East and North African economies	Every 2–3 years; in WGI since 2006	Household Surveys (NGO)	Arab Barometer conducts nationally representative surveys of adults in MENA using probability-based, multistage stratified sampling by region and settlement type. Interviews are primarily face-to-face via CAPI, with fieldwork supervision, back-checks, and post-fieldwork validation to ensure data quality. Arab Barometer is a survey network partnered with Princeton University, University of Michigan, the Palestinian Center for Policy and Survey Research, the Center for Strategic Studies at the University of Jordan, One to One for Research and

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
							Polling, and the Middle East Council on Global Affairs. For more information on methodology, see here.
4	ASB	Asian Barometer	Asian Barometer Surveys	16 Asian and Pacific economies	Every 3–5 years; in WGI since 2001	Household Surveys (NGO)	The Asian Barometer conducts nationally representative probability samples, stratified to cover rural and minority populations. Surveys use standardized questionnaires, face-to-face interviews in local languages, and interviewer training. Field supervision, translation checks, and post-survey validation are applied to ensure quality. Asian Barometer is a regional survey network with collaborating academic institutions across East and Southeast Asia, including Australia, Hong Kong SAR (China), India, Indonesia, Japan, Malaysia, Mongolia, the Philippines, the Republic of Korea, Singapore, Taiwan (China), Thailand, Vietnam, and South Asia. For more information on methodology, see here.
5	ASD	Asian Development Bank (ADB)	Country Performance Assessment (CPA)	34 client economies eligible for concessional finance	Every 2 years (annual 2005–2016); in WGI since 2005	Expert Assessment (International Organization)	The ADB's CPA evaluates concessional-eligible countries on 16 indicators grouped into four areas: economic management, structural policies, social inclusion/equity, and public sector management. The scores are assigned by ADB's country economists and validation by technical panels; the institution is headquartered in Manila, Philippines. For more information on methodology, see here.
6	BPS	World Bank Group; European Bank for Reconstruction and Development	Business Environment and Enterprise Performance Survey (BEEPS)	30 transition economies in Eastern Europe and Central Asia	Every 3–4 years; in WGI 2000–2017	Firm Surveys (International Organization)	The BEEPS is a firm-level survey conducted through face-to-face interviews with business managers. It samples private sector firms to capture perceptions of the business environment, including finance, corruption, infrastructure, crime, competition, and firm performance. The survey is part of the World Bank Group's Enterprise Surveys project, implemented by the World Bank Group headquartered in Washington, DC and by the European Bank for Reconstruction and Development

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
							headquartered in London. For more information on methodology, see here.
7	BTI	Bertelsmann Foundation	Bertelsmann Transformation Index	137 economies, global sample	Every 2 years; in WGI since 2002	Expert Assessment (NGO)	The BTI evaluates whether and how developing countries transform their political systems and economic governance. Partnering with 250 experts worldwide (academia, CSOs), country experts assess standardized criteria using a detailed codebook, with each report reviewed by a second expert. Regional and interregional calibration ensures consistency across countries. Bertelsmann Stiftung is an independent foundation, based in Gütersloh, Germany. For more information on methodology, see here.
8	CCR	Freedom House	Countries at the Crossroads	69 economies, rotating sample	Annual; in WGI 2004–2015	Expert Assessment (NGO)	Countries at the Crossroads evaluated government accountability, civil liberties, rule of law, and anticorruption. Expert-authored reports used a standardized 0–7 scoring framework, with centralized review to ensure consistency. All reports and methodological materials are publicly archived. Freedom House is a nonprofit research institute based in Washington, DC. For more information on methodology archive, see here.
9	EBR	European Bank for Reconstruction and Development	Transition Indicators	36 economies in Eastern Europe and Central Asia	Annual; in WGI since 1996–2018	Expert Assessment (International Organization)	EBRD Transition Indicators (established in 1994) measure progress in market-oriented reforms across sectors in client economies. Country economists assign annual scores from 1 (least progress) to 4+ (most progress) using a structured methodology covering areas such as privatization, market liberalization, and enterprise restructuring. The EBRD is an international financial institution headquartered in London. For more information on methodology archive, see here.

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
10	EIU	Economist Intelligence Unit	Operational Risk Service; Democracy Index	Operational Risk Service: 180 economies, global sample; Democracy Index: 167 economies, global sample	Operational Risk Service: Monthly, in WGI since 1996; Democracy Index: Annual, in WGI since 2006	Expert Assessment (Commercial Data Provider)	Economist Intelligence Unit (EIU) measures political, economic, and operational risks (Operational Risk Service) and democratic institutions (Democracy Index). Scores are produced annually by EIU staff in regional offices using structured checklists and centralized review. Operational Risk Service data are commercially available, while the Democracy Index is publicly accessible with full documentation. The EIU is the research and analysis division of the Economist Group, with main offices in London, New York City, Hong Kong SAR (China), and Dubai.
11	EQI	Quality of Government Institute, University of Gothenburg	European Quality of Government Index	28 European economies	Every 3 years; in WGI since 2010	Household Surveys (NGO)	European Quality of Government Index (EQI) is based on large-scale citizen surveys assessing perceptions and experiences of public sector corruption, impartiality, and service quality. Conducted at the NUTS 1 or NUTS 2 regional level, the EQI enables both cross-country and within-country comparisons of governance across Europe. The Quality of Government Institute is an independent research institute affiliated with the University of Gothenburg. For more information on methodology, see here.
12	EUB	European Union	Eurobarometer	40 EU member states and neighboring countries	Twice a year; in WGI since 1999	Household Surveys (International Organization)	Eurobarometer monitors public opinion on EU institutions, policies, and socio-political issues. Conducted biannually, it uses random national samples through face-to-face, telephone, or online interviews. Samples are weighted for demographic and geographic representativeness, with results published by country and for the EU average. Eurobarometer is the flagship public opinion survey of the European Commission, headquartered in Brussels. For more information on methodology, see here.

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
13	FRH	Freedom House	Freedom in the World; Freedom of the Net; Nations in Transit; Freedom of the Press	Freedom in the World: 197 economies, global sample; Freedom of the Net: 72 economies, global sample; Nations in Transit: 29 transition economies across ECA; Freedom of the Press: 197 economies, global sample	Freedom in the World, Nations in Transit: Annual; in WGI since 1996; Freedom of the Net: Annual; in WGI since 2019; Freedom of the Press: Annual; in WGI 1996–2016	Expert Assessment (NGO)	Freedom House Indices include Freedom in the World (political rights and civil liberties), Freedom of the Net (internet freedom), Nations in Transit (democracy in transition countries), and Freedom of the Press (media freedom). Expert assessments draw on standardized checklists with centralized review. Freedom House is a nonprofit research institute based in Washington, DC. Methodologies and scoring criteria are publicly documented. For more information on methodologies, see sources here, here, here, and here.
14	GCB	Transparency International	Global Corruption Barometer	159 economies, rotating samples by region	Every 1–3 years (discontinued 2023); in WGI since 2003–2024	Household Surveys (NGO)	Global Corruption Barometer (GCB) measures citizens' views on the prevalence of corruption across public institutions. It uses nationally representative surveys conducted in regional rollouts. Interviews are typically face-to-face, with telephone or pen-and-paper modes used in some economies. Fieldwork is carried out in-country by market research companies. Transparency International is a nonprofit NGO headquartered in Berlin. For more information on methodology, see here.

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
15	GCS	World Economic Forum	Executive Opinion Survey	154 economies, global sample	Annual; in WGI since 1996	Firm Surveys (NGO)	Executive Opinion Survey is conducted online with senior managers. In-country partners—universities, research organizations, and business associations—develop sampling frames and contact a representative sample of executives. Respondents provide views on the business environment, private- and public-sector capacity, industrial policy, and related topics. All survey data undergo validation to ensure respondent seniority, completeness, and removal of irregularities. The World Economic Forum, which administers the survey, is headquartered in Cologny, Switzerland. For more information on methodology, see here.
16	GII	African Institute for Development Policy	Africa Integrity Indicators (previously, during 2006-2012, Global Integrity Index)	54 African economies, (although previously, it covered countries outside of Africa, and the cumulative coverage is 123 economies)	Annual; in WGI since 2006	Expert Assessment (NGO)	African Integrity Indicators measure governance across African countries in collaboration with the Mo Ibrahim Foundation. Data sources include legal and scholarly reviews and interviews with experts. Indicators are scored by in-country researchers using an evidence-based investigation methodology. All scores undergo blind review by a panel of peer reviewers, drawing on country-specific and thematic expertise. The African Institute for Development Policy is an African-led, nonprofit research policy institute with offices in Lilongwe, Malawi, and Nairobi, Kenya. For more information on methodology, see here.
17	GWP	Gallup	Gallup World Poll	165 economies, global sample	Annual; in WGI since 2006	Household Surveys (Commercial Data Provider)	Gallup World Poll tracks global attitudes and behaviors across a wide range of topics. It conducts nationally representative surveys of individuals aged 15+ using probability-based, multistage sampling. Interviews are administered by telephone in developed countries and face-to-face in developing countries. Gallup is a private, employee-owned analytics company headquartered in

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
							Washington, DC. For more information on methodology, see here.
18	HER	Heritage Foundation	Index of Economic Freedom	185 economies, global sample	Annual; in WGI since 1996	Expert Assessment (NGO)	Index of Economic Freedom measures economic freedom across four dimensions: rule of law, government size, regulatory efficiency, and market openness. WGI draws on two subcomponents of market openness: Investment Freedom and Financial Freedom. Annual scores (0–100) are produced by the Heritage Foundation based on qualitative assessments and are publicly available. The public policy think tank is headquartered in Washington, DC. For more information on methodology, see here.
19	HRM	Human Rights Measurement Initiative	Rights Tracker	51 economies	Annual; in WGI since 2017	Expert Assessment (NGO)	Rights Tracker measures government respect for eight civil and political rights. A questionnaire is administered to a global network of human rights practitioners who directly monitor country conditions. A Bayesian variant of the common factor model is used to convert responses into a comparable metric, placing each country on a common scale. The Human Rights Measurement Initiative is a nonprofit organization headquartered in Wellington, New Zealand. For more information on methodology, see here.
20	HUM	University of North Carolina-Asheville	Political Terror Scale (previously, CIRI Human Rights Data)	198 economies, global sample	Annual; in WGI since 1996 (PTS); 1996–2013 (CIRI)	Expert Assessment (NGO)	The Political Terror Scale (PTS) measures state-sponsored political violence—such as imprisonment, torture, and extrajudicial killings—based on expert coding of countries on a 5-point scale. The CIRI dataset (1996–2013) covered a broader set of human rights indicators but was discontinued after 2014. The PTS index is currently managed by researchers at the University of North Carolina at Asheville, a public liberal arts institution. For more information on methodology, see here and here.

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
21	IFD	International Fund for Agricultural Development	Rural Sector Performance Assessment (RSPA)	71client economies eligible for concessional finance (cumulative coverage is 137 economies)	Triennial (annual 2004–2015); in WGI since 2004	Expert Assessment (International Organization)	RSPA measures rural transformation policies and institutions across six clusters, totaling 19 questions. Each question draws on qualitative and quantitative indicators: quantitative indicators assess the performance of country policies, while qualitative indicators assess the presence of an effective policy framework. Scores range from 1 to 6 and are relative to the scores of other countries in the assessment. The International Fund for Agricultural Development, an international financial institution, is headquartered in Rome. For more information on methodology, see here.
22	IJT	Crisis24	Country Security Assessment Ratings	211 economies, global sample	Annual (with real-time updates); in WGI since 2004	Expert Assessment (Commercial Data Provider)	Crisis24 Security Risk Assessment provides expert evaluations of security risks faced by international travelers and businesses. A global team of 200+ analysts uses open-source intelligence to identify, monitor, and quantify risks and geopolitical developments. Data are commercially available, and WGI uses the December scores. Crisis24 is a travel risk management company headquartered in Quebec, Canada. For more information on methodology, see here.
23	IRP	Ghana Center for Democratic Development	African Electoral Integrity Index	54 African economies	Biennial (annual until 2020); in WGI since 2000	Expert Assessment (NGO)	African Electoral Integrity Index measures two dimensions of electoral integrity: (a) free and fair executive elections and (b) opposition participation in executive elections. Experts score nine indicators using a structured methodology. The nonprofit think tank is based in Accra, Ghana. For more information on methodology, see here.
24	LBO	Latinobarómetro	Latinobarómetro Survey	18 Latin American economies	Every 1–3 years (annual until 2018); in	Household Surveys (NGO)	Latinobarómetro monitors public opinion on institutions, policies, and socio-political issues across Latin America. It conducts nationally representative surveys of adults using probability-based, multistage sampling, with interviews conducted primarily face-to-face. Fieldwork is

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
					WGI since 1996		carried out by local market research companies. The project is governed by a private, nonprofit NGO based in Santiago, Chile, supported by an international advisory council. For more information on methodology, see here.
25	MSI	International Research and Exchanges Board	Vibrant Information Barometer (previously, during 2000-2019, Media Sustainability Index)	82 economies	Biennial (annual until 2019); in WGI since 2000	Expert Assessment (NGO)	Vibrant Information Barometer (VIBE) tracks how information is produced, distributed, consumed, and used. It measures four principles of information vibrancy: quality, channels of information flow, consumption, and the way information shapes behavior. In-country experts from media, NGOs, and academia score 20 indicators and provide supporting evidence. Based on panel discussions, a strength-of-evidence score is assigned to each indicator. Management conducts central review of scores and evidence to ensure cross-country consistency. The nonprofit is headquartered in Washington, DC. For more information on methodology, see here.
26	OBI	International Budget Partnership	Open Budget Survey	125 economies, global sample	Biennial (triennial 2012–2015); in WGI since 2005	Expert Assessment (NGO)	Open Budget Survey measures transparency and accountability in government budgeting. In-country budget experts—across civil society organizations and academia—score 145 questions, typically on a 5-point scale, covering citizen participation, oversight institutions, and budget transparency. Assessments use standardized questionnaires and are supported by evidence such as budget documents, laws, and interviews with officials. A centralized review validates results and cross-checks them against fiscal transparency reports from the IMF, World Bank Group, and OECD. Data and methodology are publicly available, and governments are invited to comment on draft findings. The nonprofit International Budget Partnership is headquartered in Washington, DC, with offices in Dakar,

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
							Cape Town, and Amsterdam. For more information on methodology, see here.
27	PIA	World Bank Group	Country Policy and Institutional Assessment (CPIA)	87 client economies eligible for concessional finance	Annual; in WGI since 2005	Expert Assessment (International Organization)	World Bank Group CPIA evaluates IDA-eligible countries on 16 criteria grouped into four areas: economic management, structural policies, social inclusion/equity, and public sector management. Using structured questionnaires and scoring criteria, scores are assigned by World Bank Group country economists and undergo centralized review. The CPIA measures the quality of policy and institutional frameworks for concessional lending allocation. Data are publicly available only for IDA-eligible and blend countries. The World Bank Group is headquartered in Washington, DC. For more information on methodology, see here.
28	PRS	The PRS Group	International Country Risk Guide	141 economies, global sample	Annual (with monthly updates); in WGI since 1996	Expert Assessment (Commercial Data Provider)	International Country Risk Guide (ICRG) has measured geopolitical and business risks facing firms for over 40 years. Its political risk index consists of 12 components. Data are gathered by a global roster of country and political risk experts and scored monthly by the PRS Group analysts using a structured methodology and centralized review. The full dataset is commercially available. The data analytics firm is headquartered in Liverpool, NY, United States. For more information on methodology, see here.
29	RSF	Reporters Without Borders	World Press Freedom Index	179 economies, global sample	Annual; in WGI since 2002	Expert Assessment (NGO)	World Press Freedom Index measures the level of press freedom and restrictions on journalists and media across countries. Experts—including journalists, academics, and human rights specialists—answer 123 questions across five categories: political, legal, economic, sociocultural, and safety. Each category receives a 0–100 score, contributing equally to the overall index. Methodology and full data are publicly available. The nonprofit is

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
							headquartered in Paris with seven offices worldwide. For more information on methodology, see here.
30	VAB	Center for Global Democracy, Vanderbilt University	Americas Barometer	34 economies in the Americas	Biennial; in WGI since 2004	Household Surveys (NGO)	Americas Barometer monitors public opinion on democracy and governance across the Americas. It conducts nationally representative surveys of voting-age adults using national probability samples. Interviews are conducted face-to-face except in the United States and Canada, where web-based interviewing is used. Surveys are implemented by in-country survey organizations, and the project is governed by a social science institute housed at a university in Nashville, TN, United States, which maintains quality control procedures throughout fieldwork, including real-time monitoring. Record-level data, questionnaires, and documentation are publicly available. For more information on methodology, see here.
31	VDM	Varieties of Democracy Institute	Varieties of Democracy	177 economies, global sample	Annual; in WGI since 1996	Expert Assessment (NGO)	Varieties of Democracy (V-Dem) measures seven principles underlying democracy and includes 367 indicators consisting of both factual and perception-based measures. Experts—mostly academics and in-country nationals—score questionnaires using anchoring vignettes, and approximately 350 lateral coders score multiple countries simultaneously to strengthen cross-country comparability. Bayesian item response theory (IRT) models are used to aggregate individual assessments. The independent research institute is housed at the University of Gothenburg, Sweden. Full methodology, codebook, and data are publicly available. For more information on methodology, see here.

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
32	WBS	World Bank Group	Enterprise Surveys	104 economies (first and second rounds associated with World Bank Group's Business Ready project)	Triennial (rotating cycle); in WGI since 2023	Firm Surveys (International Organization)	Enterprise Surveys are firm-level surveys conducted through face-to-face interviews with business owners and managers. Using stratified random sampling, private sector firms provide perceptions of the business environment, including access to finance, corruption, infrastructure, crime, competition, and firm performance. Surveys are implemented on a three-year rotating cycle across roughly 165 countries. The Enterprise Surveys are part of the World Bank Group's project headquartered in Washington, DC. Full questionnaires, sampling methodology, and record-level data are publicly available. For more information on methodology, see here.
33	WCY	Institute for Management Development	World Competitiveness Yearbook	72 economies	Annual; in WGI since 1996	Firm Surveys (NGO)	IMD World Competitiveness Yearbook (WCY) is based on third-party indicators and an executive survey administered by IMD. The WGI uses only the survey component, conducted online with more than 6,100 business executives. Questions address competitiveness issues related to regulatory and public sector conditions and are scored from 1 (most negative) to 6 (most positive). Average scores for each economy are converted to a 0–10 scale. IMD is headquartered in Lausanne, Switzerland, with campuses in Singapore and Shenzhen, China. For more information on methodology, see here.
34	WJP	World Justice Project	Rule of Law Index	142 economies, global sample	Annual; in WGI since 2011	Expert Assessments; Household Surveys (NGO)	World Justice Project (WJP) Rule of Law Index measures rule of law using a hybrid of expert assessments and household surveys. Nationally representative household surveys—implemented by leading polling firms—capture public perceptions on interactions with government, public safety, and related topics, using face-to-face, telephone, or online interviewing depending on country context. Expert assessments draw on an average of 300+ in-country experts, typically from academia, law firms, or NGOs, who complete detailed questionnaires with

#	WGI Code	Organization	Data Source	Economy Coverage	Frequency	Type	Methodology
							closed-ended questions and hypothetical vignettes to enhance comparability. The two data sources are codified, normalized, and combined into final scores. The nonprofit NGO is headquartered in Washington, DC, with offices in Singapore and Mexico City. For more information on methodology, see here.
35	WMO	S&P Global	Country Risk Scores	210 economies, global sample	Annual (with quarterly updates); in WGI since 2004	Expert Assessment (Commercial Data Provider)	S&P Country Risk Scores evaluate countries on sociopolitical stability, regulatory matters, and other emerging risks. Qualitative definitions and scoring bands guide assessments within each risk category. Economists and country risk analysts score risks based on expert judgment informed by economic models, open-source information, and structured intelligence gathered by in-country personnel. S&P Global is a publicly traded corporation headquartered in New York City, with offices worldwide. For more information on methodology, see here.

Note: Economy coverage refers to the total number of economies ever covered by this source in the revised WGI. *Frequency* refers to how often the source's data were updated while included in the WGI project.

Annex 4. Literature Review on the Economic Relevance of Political Characteristics

Voice and Accountability

A review of the literature identifies seven thematic areas relevant to Voice and Accountability that fall within the conceptual boundaries of the WGI and demonstrate clear linkages to economic and development outcomes.

(1) *Electoral Integrity.* This concept captures whether elections are free, fair, and competitive. Evidence shows that stronger electoral integrity and competition improve development outcomes. Cross-country panel research finds that democratization is associated with large long-run gains in GDP per capita (Acemoglu et al., 2019), and country-level studies show that more competitive elections lead to greater provision of broad public goods such as schools and health clinics (Keefer and Khemani, 2005). Subnational evidence from high-income countries indicates that greater political competition drives more pro-growth policies (Besley et al., 2010), while other cross-country analysis suggests that sustained democracy supports stronger long-term growth (Gerring et al., 2005). Early cross-country studies caution that short-run growth effects may be modest or context-dependent (Barro, 1996; Przeworski et al., 2000), but the weight of evidence suggests that free and fair competition enhances accountability, stability, and long-run development.

(2) *Freedom of Expression and Media*. This concept covers whether citizens, journalists, and academics can express opinions freely without fear, and whether media outlets operate independently from government or partisan control. The literature finds strong links between freedom of media and expression and development outcomes. Cross-country evidence shows that countries with freer media experience lower corruption (Brunetti and Weder, 2003), that civil liberties improve the effectiveness and returns of World Bank Group investment projects (Isham, Kaufmann, and Pritchett, 1997), and that restrictions on press freedom are associated with slower GDP growth (Nguyen et al., 2021). Global evidence also indicates that academic freedom fosters innovation, with higher levels of academic expression linked to more and higher-quality patents (Audretsch et al., 2024). At the same time, country- and region-specific studies illustrate the mechanisms: in South Asia, greater newspaper circulation increased government responsiveness to disasters (Besley and Burgess, 2002); and in Latin America, media capture showed how control of television undermined accountability (McMillan and Zoido, 2004). Context also shapes outcomes: Egorov, Guriev, and Sonin (2009) argue that some resource-poor dictatorships allow limited media freedom to gain feedback, while state ownership of media is broadly associated with weaker governance (Djankov et al., 2003). Overall, evidence suggests that media independence and freedom of expression are mutually reinforcing and together enhance transparency, accountability, innovation, and long-run development.

(3) *Information Access and State Transparency.* This concept covers right-to-information laws, open budgets and data, and the publication of government documents and websites. Cross-country evidence shows that greater fiscal transparency is associated with lower deficits, better credit ratings, and more sustainable fiscal outcomes (Hameed, 2005). At the same time, country-level field experiments provide causal evidence of how transparency works in practice. In East Africa, publishing school grant data reduced leakage and raised funding levels (Reinikka and Svensson, 2005). In Latin America, releasing audit results before elections reduced

corruption and lowered re-election chances of dishonest mayors (Ferraz and Finan, 2011). In Southeast Asia, however, community monitoring alone had little effect, while the prospect of a government audit significantly reduced theft of funds (Olken, 2007). Other randomized studies in South Asia and East Africa similarly find that information alone often fails to improve outcomes unless citizens have the organization, incentives, or enforcement mechanisms to act (Banerjee et al., 2010; Lieberman, Posner, and Tsai, 2014). A broader review confirms that information is a necessary starting point but insufficient without credible accountability "teeth" such as sanctions, mobilization, or empowered institutions (Fox, 2015). Overall, transparency is critical for accountability, and its benefits depend on credible enforcement and citizen capacity to use information effectively.

(4) *Government Accountability and Oversight Bodies.* This concept covers institutional checks such as parliaments, audit institutions, ombudsmen, anti-corruption agencies, and courts. Field experiments provide strong causal evidence of their effectiveness: in Southeast Asia, randomized audits reduced corruption in local road projects more effectively than community monitoring (Olken, 2007). In Latin America, municipal audits lowered future corruption, increased prosecutions, and reduced re-election chances of corrupt mayors (Ferraz and Finan, 2008; Avis, Ferraz, and Finan, 2018). Comparative research also finds that more effective legislative oversight bodies, such as Public Accounts Committees across Commonwealth countries, are associated with better governance scores (Pelizzo, 2011), and judicial accountability in U.S. states has been linked to lower corruption (Alt and Lassen, 2008). Yet effectiveness is context-dependent. In environments of systemic corruption, new watchdog bodies often fail because corruption reflects collective-action problems rather than isolated abuses (Persson, Rothstein, and Teorell, 2013). Similarly, anti-corruption agencies without sufficient autonomy or resources frequently underperform (Mungiu-Pippidi, 2015). Overall, the evidence shows that oversight can reduce corruption, strengthen fiscal discipline, and enhance legitimacy, but only when institutions are independent, credible, and backed by broader governance norms.

(5) *Digital Rights and Internet Freedom.* This concept captures whether citizens can access and use the internet without censorship, surveillance, or arbitrary restrictions. Cross-country analysis shows that broadband expansion is strongly associated with growth: a 10% increase in broadband penetration is linked to a 1.3–1.5% rise in GDP (World Bank, 2009). Causal evidence from Africa further shows that the arrival of high-speed internet raised employment, especially in higher-skill occupations (Hjort and Poulsen, 2019). Internet shutdowns also impose substantial economic losses. West (2016) estimates that 81 shutdowns across 19 countries in a single year cost at least US$2.4 billion in lost GDP. Overall, protecting digital rights and ensuring open online spaces support productivity, innovation, and trust, while repression or surveillance undermine these gains and may destabilize political attitudes without institutional safeguards.

(6) *Institutional and Political Trust*: This concept reflects confidence in political institutions—such as parliaments, governments, and political parties. Cross-country studies show that generalized trust lowers transaction costs, raises investment, and fuels sustained growth (Knack & Keefer, 1997). Causal evidence using inherited cultural variation confirms that trust exerts persistent effects on GDP per capita independent of institutional performance (Algan and Cahuc, 2010). In European regions, greater political trust has been linked to faster economic development (Muringani, Fitjar, and Rodríguez-Pose, 2024). At the same time,

research cautions that trust strengthens development only when institutions are effective and accountable (Mishler and Rose, 2001). Overall, higher institutional trust is associated with stronger development performance, primarily by facilitating coordination and compliance.

(7) *Individual Rights and Equality Before the Law.* This concept covers equal protection and due process regardless of gender, ethnicity, religion, or social status. The economic literature shows large payoffs when rights are inclusive. In North America, declining race and gender discrimination between 1960 and 2010 accounted for an estimated 20–40% of per-capita GDP growth by improving talent allocation (Hsieh et al., 2019). Cross-country evidence shows that gender-equal laws are correlated with higher women's labor force participation and entrepreneurship and lower wage gaps (Hyland, Djankov, and Goldberg, 2020; Islam, Muzi, and Amin, 2019). Similarly, countries that expand legal rights for sexual minority groups tend to experience higher GDP per capita (Badgett, Waaldijk, and van der Meulen Rodgers, 2019). At the institutional level, basic human rights such as equality before the law and protection from repression are positively associated with investment and GDP per capita (Blume and Voigt, 2007). While hybrid regimes have sometimes delivered welfare gains (Blaydes and Kayser, 2011), the balance of evidence underscores that expanding individual rights unlocks human capital and fosters broad-based, sustainable development.

By contrast, the literature review identified two concepts that, while clearly important to governance and development, are either not yet well established in their economic effects or remain too conceptually broad or abstract to be incorporated into the framework.

(1) *Weak Empirical Links: Freedom of Association and Assembly.* While the right to associate and assemble peacefully is fundamental to democratic governance and inclusive development, its economic and developmental impacts have been less systematically examined. The available evidence suggests that the effects are uneven and context-dependent. In cross-country analysis, stronger association rights—particularly the ability to form independent unions and professional organizations—are linked to higher rates of new-firm entry and small-business formation (Patel and Rietveld, 2023). Related research shows that unions and collective bargaining support labor's share of income in developing countries (Freeman, 2010). However, broader panel studies find that associational density alone has little direct effect on growth once institutional quality and education are controlled for, with generalized trust proving a more robust predictor of development outcomes (Knack and Keefer, 1997). Moreover, local context plays a decisive role: in West Africa, weak competition among traditional chiefs allowed local elites to capture civic life, leading to persistently worse development outcomes (Acemoglu, Reed, and Robinson, 2014). Reflecting both the relatively modest size of the empirical literature and internal testing showing that Voice and Accountability scores remain highly correlated with and without indicators of freedom of association and assembly (above 0.99), the revised WGI excludes these indicators—not because civic space is unimportant, but because its economic and developmental linkages are not yet well established and other subdimensions already serve as strong proxies for this aspect of governance.

(2) *Conceptually Vague or Abstract: General Political Culture.* These indicators capture broad and diffuse concepts—such as general satisfaction with democracy or high-level consensus building—that are too abstract for the WGI's focus on perceptions of specific governance practices. These constructs often reflect general political mood or long-term societal dynamics rather than institutional performance. To maintain conceptual precision and ensure that each

variable meaningfully informs the six governance dimensions, the WGI team excluded indicators whose content was overly general or abstract. Internal tests comparing Voice and Accountability scores with and without these conceptually vague indicators found very high correlations (above 0.99), confirming that country estimates remain robust.

Political Stability

A review of the empirical literature identifies three thematic areas relevant to Political Stability that fall within the conceptual boundaries of the WGI and demonstrate consistent linkages to economic and development outcomes.

(1) *Domestic Political Violence.* This concept captures politically motivated coercion and violence within a country, including both state and non-state actions. Cross-country studies show that political instability of this kind reduces investment and growth: higher levels of repression and violence were associated with significantly lower private investment across 71 economies between 1960–85 (Alesina and Perotti, 1996). Country-level evidence also demonstrates large economic costs. In one Western European context, sustained terrorism left regional GDP per capita about 10 percent lower than the national average over two decades (Abadie and Gardeazabal, 2003). In the Middle East, a major uprising in the late 1980s depressed quarterly private investment (Fielding, 2003). Broader global analysis shows that terrorism cut annual output growth by 0.4–0.5 percentage points across 177 countries (Blomberg, Hess, and Orphanides, 2004). Overall, coercive practices and domestic political violence undermine investment, productivity, and long-run development by eroding confidence and diverting resources to security.

(2) *Peaceful Power Transition.* This concept assesses how predictably and peacefully political power is exercised and transferred. Cross-country evidence shows sizable economic effects: in a global panel, a one-standard-deviation increase in political instability reduces annual GDP growth by about 2 percentage points (Aisen and Veiga, 2013). In Sub-Saharan Africa, state breakdown and failures, in the form of open warfare, civil wars, and coups d'état are estimated to reduce annual GDP growth by 2.6 percentage points (Fosu and O'Connell, 2006). Episodes of durable democratization that secure orderly transitions raise GDP per capita by about 20 percent within 25 years across affected countries (Acemoglu et al., 2019). Policy uncertainty linked to unstable governance depresses private investment and growth (Rodrik, 1991)—and occurrence of a coup d'état leads to a downgrade of sovereign credit ratings by approximately half a percentage point compared to similar non-coup countries (Balima, 2020). Overall, predictable and peaceful transfers of power support investment, reduce financing costs, and sustain long-run growth.

(3) *Domestic Armed Conflict.* This concept measures organized, sustained combat involving armed forces within the state, including civil wars, insurgencies, and coups. Cross-country evidence shows large economic costs of such instability: in a panel of 41 countries, civil-war years reduce annual GDP growth by 2.2 percentage points (Collier, 1999). Using data on 190 economies, wars generate large and permanent output losses, with no full recovery even decades later, and the immediate effect on output is approximately six percentage points (Cerra and Saxena, 2008). A synthesis of micro- and macro-studies concludes that internal wars increase poverty rates, reduce wealth, health, quality of institutions, and both physical

and human capital (Blattman and Miguel, 2010). Overall, domestic armed conflict leaves persistent deficits in growth, investment, and state capacity.

By contrast, the literature review also identified concepts that, while related to governance and development, reflect conditions often outside the control of a government and therefore fall outside the scope of the WGI.

(1) *Outside Control of Government: International Conflict.* The economic costs of international conflict are well-documented; for example, Glick and Taylor (2010) find that bilateral trade between warring states declines by about 40 percent on average, with broader repercussions for income and recovery. However, the incidence of such conflicts is influenced by geopolitical dynamics that often extend beyond the control of domestic governance processes. Because they generally reflect external strategic factors—such as regional rivalries, alliance dynamics, or external interventions—and are not straightforwardly attributable to domestic institutional functioning, indicators of international conflict are not included in the revised WGI. In earlier editions, including WGI 2024, a small number of indicators captured interstate wars, cross-border incursions, and external military pressure. These indicators are no longer included in WGI 2025 under the revised framework.

Annex 5. Political Indicators Excluded from the Revised WGI

Following the systematic review presented in Annex 4, twenty-seven political indicators were removed from the revised WGI.

Voice and Accountability

(1) Freedom of Association and Assembly

Fifteen indicators on freedom of association and assembly were excluded—not because they are unimportant for governance, but because their economic effects are weakly evidenced or highly context-specific in the empirical literature.

Table A5.1. Political Indicators on Freedom of Association and Assembly Removed

Code	Question or Variable
BTI	Consensus building – public consultation [government dialogue with NGOs, associations, etc.]
EIU	Freedom of association
FRH	Civil society (NIT)
	Civil liberties – associational and organizational rights (FRW)
GII	In practice, anti corruption/good governance CSOs actively engage in the political and policymaking process.
	In practice, citizens are able to associate freely.
	In practice, citizens are able to organize into trade unions.
	In practice, no anti corruption/good governance CSOs have been shut down by the government for their work on corruption related issues during the study period.
	In practice, no NGO employees were killed, imprisoned, interrogated, threatened or physically harmed in the past year.
	In practice, no NGOs have been shut down or harassed with unwarranted administrative burdens, investigations or sanctions in the past year as retribution for their work.
	In practice, the government does not create barriers to the organization of new anti corruption/good governance CSOs.
	In practice, the government does not create obstacles for existing non-profit organizations (NGOs) or put in place barriers for establishing new ones.
	In practice, workers are not restricted from organizing themselves through trade unions.
HRM	Right to assembly and association
VDM	Freedom of association (v2x_frassoc_thick)

(2) General Political Culture

The review also led to the exclusion of nine indicators capturing broad or conceptually diffuse notions—such as general political culture—that are too abstract for the WGI's focus on perceptions of specific governance practices. These constructs often reflect overall political mood or long-term social attitudes rather than clearly identifiable aspects of governance performance.

Table A5.2. Political Indicators on General Political Culture Removed

Code	Question or Variable
AFR	Satisfaction with democracy
BTI	Consensus building – anti-democratic actors
	Consensus building – cleavage/conflict management
	Consensus building – consensus on goals
	Consensus building – reconciliation
	Political and social integration
	Stability of democratic institutions – commitment to democratic institutions
LBO	Satisfaction with democracy
VAB	Satisfaction with democracy

Political Stability

(1) International Conflict

The revised WGI excludes three indicators capturing international conflict. While relevant to governance and development, these conditions are shaped by structural forces that often extend beyond the influence of a single government.

Table A5.3. Political Indicators on International Conflict Removed

Code	Question or Variable
EIU	International tensions
PRS	External conflict
WMO	Interstate war

Annex 6. Indicators Included in the Revised WGI and Their Mapping to Governance Dimensions

This annex lists the individual indicators drawn from each underlying data source and incorporated into the revised WGI. These indicators represent the specific questions or variables used to estimate the six governance dimension scores for the most recent year available. In some cases, question wording differs in earlier years, and a number of sources have been discontinued. For a complete list of historical indicators, users should refer to the source-specific data files available at www.govindicators.org.

Before aggregation, each question or variable is rescaled to range from 0 to 1, with higher values corresponding to better governance outcomes. When a data source includes multiple questions or variables related to the same dimension, the rescaled values are averaged to produce a single source–dimension input prior to aggregation. This ensures that each source contributes only one signal per dimension and prevents data providers with more questions from being given undue weight. See Section 3 for further details.

1. Voice and Accountability (VA)

Voice and Accountability (VA) captures perceptions of the extent to which citizens can participate in selecting their government including electoral integrity, and of accountability mechanisms for citizens—reflected in the ability to access information, governmental oversight bodies, and a robust traditional/digital media landscape.

Representative Sources

Code	Question or Variable
EIU	Accountability of public officials
	Democracy Index
	Human rights
FRH	Civil Liberties - Freedom of Expression and Belief (FRW)
	Civil Liberties - Personal Autonomy and Individual Rights (FRW)
	Electoral Process (NIT)
	Freedom of the Net (FOTN)
	Independent Media (NIT)
	Political Rights (FRW)
GWP	WP144 Confidence in honesty of elections (%YES)
OBI	International Budget Project Open Budget Index (OBI)
PRS	Democratic accountability
	Military in Politics
RSF	Reporters without Borders
VDM	Clean Elections - Election Management Body (EMB) capacity (v2elembcap)
	Clean Elections - Election Management Body (EMB) autonomy (v2elembaut)
	Clean Elections - Election free and fair (v2elfrfair)
	Clean Elections - Election government intimidation (v2elintim)

Code	Question or Variable
	Clean Elections - Election other electoral violence (v2elpeace)
	Clean Elections - Election other voting irregularities (v2elirreg)
	Clean Elections - Election vote buying (v2elvotbuy)
	Clean Elections - Election voter registry (v2elrgstry)
	Expanded Freedom of Expression (v2x_freexp_altinf)
WJP	Factor 1: Constraints on Government Powers
	Factor 3: Open Government
	Factor 4: Fundamental Rights

Non-representative Sources

Code	Question or Variable
ADB	Transparency, Accountability & Corruption in the Public Sector
AFR	Freeness and fairness of the last national election
	Trust parliament/national assembly
ARB	How much trust you have in the elected council of representatives (the parliament)?
	In your opinion, do the following occur during the elections in your country? Voters are bribed
	In your opinion, do the following occur during the elections in your country? Voters are offered a genuine choice in elections
	In your opinion, do the following occur during the elections in your country? Votes are counted fairly
ASB	Quality of Governance: All citizens from different ethnic communities in your country are treated equally by the government
	Quality of Governance: Between elections, the people have no way of holding the government responsible for its actions
	Quality of Governance: Citizens are able to remove a government they don’t like through elections
	Quality of Governance: How often do government officials withhold important information from the public?
	Quality of Governance: How often do you think our elections offer the voters a real choice between different parties/candidates?
	Quality of Governance: In our country, parties and candidates not in power have opportunities to be elected into government
	Quality of Governance: People are free to speak what they think without fear
	Quality of Governance: To what extent is the legislature capable of keeping government leaders in check?
	Trust in Institutions: Parliament
ASD	Transparency, Accountability & Corruption in the Public Sector
BTI	Political Participation
	Stability of Democratic Institutions – Performance of Democratic Institutions
CCR	Accountability and Public Voice
	Civil Liberties
EQI	Confidence in Parliament
	Elections are Not Free and Fair
EUB	Trust in the National Parliament
GII	In practice, appointments the agency/agencies mandated to organize and monitor national elections support the independence of the agency/agencies.

Code	Question or Variable
	In practice, appointments to the national cabinet take gender into consideration.
	In practice, candidates/political parties have equitable access to state-owned media outlets.
	In practice, citizen requests for public information are effective.
	In practice, citizens can access legislative processes and documents.
	In practice, citizens can access the financial records associated with natural resources exploitation (gas, oil and mining), whether they involve the participation of public or private corporations.
	In practice, citizens can access the financial records of state-owned companies.
	In practice, citizens can access the results and documents associated with procurement contracts (full contract, proposals, execution reports, financial audits, etc.).
	In practice, journalists and editors adhere to strict, professional practices in their reporting.
	In practice, media organizations (print, broadcast, online) disclose the identities of their owners to the public.
	In practice, political parties regularly disclose private donations and the disclosures are easily available to the public.
	In practice, political parties regularly disclose public donations (funds that are sourced from the government) and the disclosures are easily available to the public.
	In practice, the agency/agencies mandated to organize and monitor national elections make/s timely, publicly available reports before and after a national election.
	In practice, the asset disclosure process for members of the civil service is effective.
	In practice, the asset disclosure process for senior officials of the three branches of government (heads of state and government, ministers, members of Parliament, judges, etc.) is effective.
	In practice, the government protects LGBT citizens from discrimination based on sexual orientation.
	In practice, the government protects citizens from discrimination based on religious beliefs.
	In practice, the government protects ethnic minorities from discrimination.
	In practice, there is no prior government restraint (pre-publication censoring) and the government doesn't promote the media's self-censorship.
	In practice, there is no prior government restraint (pre-publication censoring) of citizen-created content online and the government doesn't promote the self-censorship of citizens online (in blogs, social media, etc.).
	In practice, women are significantly represented in the highest branch of the judiciary (Constitutional Court/Supreme Court).
	In practice, women are significantly represented in the legislature.
HRM	Right to Opinion and Expression
	Right to Participate in Government
IRP	Boycotts by Opposition Parties
	Election Day Procedures
	Electoral Violence
	Freedom of Assembly and Speech
	Freedom of Voter Choice
	Losers' Acceptance of Results
	Opposition Parties Allowed
	Pre-election Procedures
	Turnover of Executive Power
LBO	Trust in Parliament
MSI	Principle 2: Multiple Channels: How Information Flows

Code	Question or Variable
PIA	Transparency, Accountability and Corruption in the Public Sector
VAB	Trust in Congress
WCY	Transparency of government policy is satisfactory

2. Political Stability (PV)

Political Stability (PV) captures perceptions of the extent to which political power and governance are secure from destabilization, and of the likelihood that authority will be challenged or altered through violent, coercive, or unconstitutional means.

Representative Sources

Code	Question or Variable
EIU	Armed conflict
	Orderly transfers
	Social unrest
	Violent Demonstrations
GCS	Government ensuring policy stability
HUM	Political Terror Scale
IJT	Civil Unrest
	Terrorism
PRS	Ethnic Tensions
	Government Stability
	Internal Conflict
VDM	Clean Elections - Election other electoral violence (v2elpeace)
WBS	reg7 Political instability as an obstacle
WJP	Factor 5.2: Civil conflict is effectively limited (Order and Security)
WMO	Civil War
	Protests and Riots
	Terrorism

Non-representative Sources

Code	Question or Variable
BTI	Consensus-Building – Anti-Democratic Actors
	Consensus-Building – Cleavage/Conflict Management
GII	In practice, no NGO employees were killed, imprisoned, interrogated, threatened or physically harmed in the past year.
HRM	Right to Freedom from Arbitrary Political Arrest
	Right to Freedom from Disappearance
	Right to Freedom from Extrajudicial Execution
	Right to Freedom from Torture and Ill-Treatment
IRP	Electoral Violence
	Losers' Acceptance of Results
WCY	The risk of political instability is very low

3. Government Effectiveness (GE)

Government Effectiveness (GE) captures perceptions of the quality of public services, the civil service, policy formulation and implementation, and the credibility of a government's decisions.

Representative Sources

Code	Question or Variable
EIU	Quality of bureaucracy
GCS	Efficiency of seaport services
	Efficiency of train services
	Quality of primary education
	Quality of road infrastructure
GWP	WP91 Public transportation (%SAT)
	WP92 Roads and highways (%SAT)
	WP93 Educational system (%SAT)
IJT	Security Services
PRS	Bureaucracy Quality
WBS	in11 Transport as an obstacle
	in12 Electricity as an obstacle
	reg5 Tax administration as an obstacle
WMO	Infrastructure disruption
	State failure

Non-representative Sources

Code	Question or Variable
ADB	Efficiency of Revenue Mobilization
	Quality of Budgetary & Financial Management
	Quality of Public Administration
	Regional Integration
AFR	Handling addressing educational needs
	Handling improving basic health services
ARB	How much trust you have in government (council of ministers)?
	How much trust you have in local government/ municipalities?
	How much trust you have in regional government/ prefecture/ regional councils?
	How satisfied are you with access to internet services in your country?
	How satisfied are you with civil defense in your country?
	How satisfied are you with provision of electricity in your country?
	How satisfied are you with the educational system in your country?
	How satisfied are you with the government's performance overall in your country?
	How satisfied are you with the healthcare system in your country?
	How satisfied are you with the quality of the streets in our country?
	How satisfied are you with trash collection in your country?
	How satisfied are you with water supply in your country?

Code	Question or Variable
ASB	Access to Public Service: Access to the Internet
	Access to Public Service: Healthcare
	Access to Public Service: Public transportation
	Quality of Governance: How capable is the government of enforcing laws and implementing policies?
	Quality of Governance: People have basic necessities like food, clothes, and shelter.
	Trust in Institutions: Civil service
	Trust in Institutions: Local government
	Trust in Institutions: The national government in capital city
ASD	Efficiency of Revenue Mobilization
	Quality of Budgetary and Financial Management
	Quality of Public Administration
BPS	Constraint: Electricity
	Constraint: Transportation
BTI	Resource Efficiency – Efficient Use of Assets
	Resource Efficiency – Policy Coordination
	Stability of Democratic Institutions – Performance of Democratic Institutions
	Steering Capability
EQI	Quality of Education System
	Quality of Health Care System
EUB	Trust in regional or local public authorities
	Trust in the Government
GII	In practice, civil servants are appointed and evaluated according to professional criteria.
	In practice, civil servants' work is not compromised by political interference.
	In practice, the Office of National Statistics (ONS) produces detailed and timely data on employment.
	In practice, the Office of National Statistics (ONS) produces detailed and timely data on poverty.
	In practice, the independence of the Office of National Statistics (ONS) is guaranteed.
	In practice, there are health campaigns to educate citizens on common illnesses and prevention, and alerting them of public health hazards such as epidemics.
	In practice, there is a functioning safety monitoring system for air transport.
	In practice, there is a government policy/strategy to increase the socio-economic integration of youth.
	In practice, there is a government social safety net to assist the elderly.
	In practice, there is a government social safety net to assist those who can't work due to a permanent or temporary illness or health condition.
	In practice, there is a government social safety net to compensate for unemployment.
	In practice, women have equal access to employment opportunities and benefits in the workplace.
IFD	Access to agricultural input and produce markets
	Access to land
	Access to water
	Accountability, transparency and corruption
	Quality and transparency of allocation of resources for rural development
LBO	Trust in Government
PIA	Efficiency of Revenue Mobilization

Code	Question or Variable
	Quality of Budget and Financial Management
	Quality of Public Administration
WCY	Adaptability of government policy to changes in the economy is high
	The distribution infrastructure of goods and services is generally efficient
	Parallel (black-market, unrecorded) economy does not impair economic development
	Tax evasion is not a threat to your economy

4. Regulatory Quality (RQ)

Regulatory Quality (RQ) captures perceptions of the government's ability to design and implement policies and regulations that promote private sector development.

Representative Sources

Code	Question or Variable
EIU	Discriminatory tariffs
	Discriminatory taxes
	Excessive bureaucracy/red-tape
	Excessive protection
	Price controls
	Protection of intellectual property rights
	Unfair competitive practices
GCS	Burden of government regulation
	Ease of Compliance with government regulation
	Efficiency of legal framework in challenging regulations
	Efficiency of legal framework in settling disputes
	Intellectual Property Protection
	Prevalence of non-tariff barriers
	Property Rights
HER	Financial Freedom
	Investment Freedom
PRS	Investment Profile - Payment Delays
	Investment Profile - Repatriation
WBS	reg1 Managers dealing with government regulations
	reg1 Managers time spent dealing with government regulations
	reg5 Tax administration as an obstacle
	tr9 Customs and trade regulations as an obstacle
	wk9 Labor regulations as an obstacle
WJP	Factor 6: Regulatory Enforcement
WMO	Policy instability
	Regulatory Burden
	Tax inconsistency

Non-representative Sources

Code	Question or Variable
ADB	Business Regulatory Environment

Code	Question or Variable
	Efficiency of Revenue Mobilization
	Property Rights & Rule Based Governance
	Regional Integration
	Trade Policy
ASD	Business Regulatory Environment
	Efficiency of Revenue Mobilization
	Trade Policy
BPS	Constraint: Tax administration
	Constraint: Customs
	Constraint: Labor regulation
BTI	Market Organization
EBR	Competition policy
	Price liberalisation
	Trade and foreign exchange system
GII	In practice, companies found guilty of violating procurement regulations are prohibited from participating in future bids.
	In practice, major public procurements involve competitive bidding.
	In practice, women have equal access to employment opportunities and benefits in the workplace.
IFD	Access to and use of rural financial services
	Investment Climate for Rural Businesses
	Legal frameworks for and autonomy of rural people's organizations
	Policies and framework for rural development and rural poverty alleviation
	Trade policy
PIA	Business Regulatory Environment
	Efficiency of Revenue Mobilization
	Trade Policy
WCY	Bureaucracy does not hinder business activity
	Capital markets (foreign and domestic) are easily accessible
	Capital markets: Capital markets (foreign and domestic) are easily accessible
	Competition legislation is efficient in preventing unfair competition
	Foreign investors are free to acquire control in domestic companies
	Intellectual property rights are adequately enforced
	Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities
	Legal and regulatory framework: The legal and regulatory framework encourages the competitiveness of enterprises
	Parallel (black-market, unrecorded) economy does not impair economic development
	Protectionism does not impair the conduct of your business
	Public sector contracts are sufficiently open to foreign bidders
	Real personal taxes do not discourage people from working or seeking advancement
	Subsidies do not distort fair competition and economic development
	Tax evasion is not a threat to your economy
	The legal and regulatory framework encourages the competitiveness of enterprises

5. Rule of Law (RL)

Rule of Law (RL) captures perceptions of the extent to which agents respect and follow the rules of society, including contract enforcement, property rights, the police, courts, and the likelihood of crime and violence.

Representative Sources

Code	Question or Variable
EIU	Accountability of public officials
	Confiscation/expropriation
	Enforceability of contracts
	Fairness of judicial process
	Human rights
	Organised crime
	Protection of intellectual property rights
	Protection of private property
	Speediness of judicial process
	Violent crime
FRH	Civil Liberties - Rule of Law (FRW)
	Judicial Framework and Independence (NIT)
GCS	Business costs of crime and violence
	Intellectual Property Protection
	Judicial Independence
	Organized crime
	Property Rights
GWP	Question 40A. Have you had money property stolen from you or another household member (% YES)
	Question 40D. Have you been assaulted or mugged (% YES)
	WP112 Confidence in local police force (% YES)
	WP138 Confidence in Judicial System (% YES)
PRS	Investment Profile - Contract Viability
	Law and Order
VDM	Liberal Component Index (v2x_liberal)
WMO	Contract enforcement
	Expropriation
	State contract alteration

Non-representative Sources

Code	Question or Variable
ADB	Property Rights and Rule Based Governance
AFR	How often feared crime in home
	Trust Police
	Trust courts of law
ARB	Do robberies happen frequently, sometimes, rarely, or never in your neighborhood?
	Do street violence and fights happen frequently, sometimes, rarely, or never in your neighborhood?
	How much trust you have in courts and legal system?

Code	Question or Variable
	How would you evaluate the current government's performance on providing security and order?
	How would you rate the safety of your neighborhood?
ASB	Access to Public Service: Help from the police when you need it
	Access to Public Service: how safe is living in this city/ town/ village
	Quality of Governance: How capable is the government of enforcing laws and implementing policies?
	Quality of Governance: How often do you think government leaders break the law or abuse their power?
	Quality of Governance: Rich and poor people are treated equally by the government.
	Quality of Governance: When government leaders break the laws, there is nothing the court can do
	Trust in Institutions: The Courts
	Trust in Institutions: The Police
ASD	Property Rights and Rule-Based Governance
BPS	Constraint: Crime
	Constraint: Judiciary
	Fair and honest courts
BTI	Rule of Law
CCR	Rule of Law
EQI	Quality of Police Force
EUB	Trust in justice and the legal system
	Trust in police
GII	In practice, allegations of corruption against senior level politicians and/or civil servants of any level are investigated by an independent body.
	In practice, appointments to the supreme audit institution support the independence of the agency.
	In practice, national-level judges appointments (justices or magistrates) support the independence of the judiciary.
	In practice, national-level judges give reasons for their decisions/judgments.
	In practice, the independence of the judiciary is guaranteed.
	In practice, the independence of the supreme audit institution is guaranteed.
	In practice, the mechanism for citizens to report police misconduct or abuse of force is effective.
	In practice, the supreme audit agency releases frequent reports that are accessible to citizens.
HRM	Right to Freedom from Arbitrary Political Arrest
	Right to Freedom from Disappearance
	Right to Freedom from Extrajudicial Execution
	Right to Freedom from Torture and Ill-Treatment
IFD	Access to land
	Access to water
IJT	Crime
LBO	Trust in Judiciary
	Trust in Police
	Victim of Crime
PIA	Property Rights and Rule-based Governance
VAB	Trust in justice
	Trust in police
	Trust in supreme court
	Victim of crime
WBS	crime8 Crime as an obstacle

Code	Question or Variable
	crime9 Courts as an obstacle
	disp3 Courts independence
	disp4 Arbitration as a reliable alternative
	disp5 Mediation as a reliable alternative
WCY	Intellectual property rights are adequately enforced
	Justice is fairly administered
WJP	Factor 1: Constraints on Government Powers
	Factor 4: Fundamental Rights
	Factor 5.1: Crime is effectively controlled (Order and Security)
	Factor 7: Civil Justice
	Factor 8: Criminal Justice

6. Control of Corruption (CC)

Control of Corruption (CC) captures perceptions of the extent to which public power is used for private gain, including both petty and grand corruption, as well as capture of the state by elites and private interests.

Representative Sources

Code	Question or Variable
EIU	Corruption
	Vested interests/cronyism
GCS	Diversion of Public Funds
	Ethical behaviour of politicians
	Irregular payments in exports and imports
	Irregular payments in judicial decisions
	Irregular payments in public contracts
	Irregular payments in public utilities
	Irregular payments in tax collection
GWP	WP146 Corruption widespread throughout the government (%YES)
PRS	Corruption
VDM	Corruption Index (v2x_corr)
WBS	corr11 Corruption as an obstacle
	corr4 Percent of firms expected to give gifts to public officials to get things done
	graft3 Bribery incidence
WJP	Factor 2: Absence of Corruption
WMO	Corruption

Non-representative Sources

Code	Question or Variable
ADB	Transparency, Accountability & Corruption in the Public Sector
AFR	Corruption: government officials
	Corruption: judges and magistrates
	Corruption: office of the Presidency

Code	Question or Variable
	Corruption: tax officials
ARB	In your opinion, to what extent is the national government working to crackdown on corruption in your country?
	To what extent do you think that there is corruption within the national state agencies and institutions in your country?
ASB	Quality of Governance: Have you or anyone you know personally witnessed an act of corruption or bribe-taking by a politician or government official in the past year?
	Quality of Governance: How effective is the government in cracking down on corruption?
	Quality of Governance: How often do you think government leaders break the law or abuse their power?
	Quality of Governance: How widespread do you think corruption and bribe-taking are in the national government in capital city?
	Quality of Governance: How widespread do you think corruption and bribe-taking are in your local/municipal government?
ASD	Transparency, Accountability & Corruption in the Public Sector
BPS	Bribe Share
	Bribery to get things done
	Constraint: Corruption
	Corruption Frequency
BTI	Resource Efficiency – Anti-Corruption Policy
CCR	Anti-corruption and Transparency
EQI	Been Asked For a Bribe in Past 12 Months (% Yes)
	Corruption Is Prevalent in Education System
	Corruption is Prevalent in Health Care System
	Corruption is Prevalent in Police Force
	Paid a Bribe in Past 12 Months (% Yes)
FRH	Corruption (NIT)
GCB	Have you paid a bribe to any of 6 services (public schools, hospitals, identification document, utilities, police, courts)? (Conditional on having contacted institution)
	Legal system/Judiciary
	Parliament/Legislature
	Public officials
GII	In practice, allegations of corruption against senior level politicians and/or civil servants of any level are investigated by an independent body.
	In practice, appointments to the body/bodies that investigate/s allegations of public sector corruption support/s the independence of the body.
	In practice, companies found guilty of violating procurement regulations are prohibited from participating in future bids.
	In practice, major public procurements involve competitive bidding.
	In practice, the asset disclosure process for members of the civil service is effective.
	In practice, the asset disclosure process for senior officials of the three branches of government (heads of state and government, ministers, members of Parliament, judges, etc.) is effective.
	In practice, the body/bodies that investigate/s allegations of public sector corruption is/are effective.
IFD	Accountability, transparency and corruption
PIA	Transparency, Accountability and Corruption in the Public Sector
VAB	Perception of politicians to be corrupt -- % of respondents agreeing with statements: half of politicians & more than half & all politicians are corrupt
	Thinking of the politicians, how many of them do you believe are involved in corruption?
WCY	Bribery and corruption do not exist

Annex 7. Details on the Modified Unobserved Components Model

This annex provides additional technical detail on the Unobserved Components Model (UCM) used to combine observed governance indicators into country-level estimates and associated standard errors. It first presents the formal derivations that underlie the governance estimates and standard errors discussed in the main text. It then describes in greater depth the approach used to estimate the parameters of the UCM.

The Unobserved Components Model

Let $y(c,t)$ denote the $K \times 1$ vector of observed data for country $c = 1, \dots, C$ in year $t = 1, \dots, T$ drawn from data sources $k = 1, \dots, K$, and let α, β, and σ^2 denote $K \times 1$ parameter vectors with $\alpha(k)$, $\beta(k)$, and $\sigma^2(k)$ as their k^{th} elements.[5] Let B and Σ be diagonal $K \times K$ matrices containing the elements of β and σ^2 on their diagonals.

We assume that unobserved governance and the source-specific errors are normally distributed, i.e., $g(c,t) \sim N(\mu(t), 1)$ and $\varepsilon(c,k,t) \sim N\big(0, \sigma^2(k)\big)$. In addition, we assume that governance and the error terms are uncorrelated contemporaneously and at all leads and lags, i.e., $E[g(c,t)\varepsilon(c,k,s)] = 0 \;\; \forall s,t,k$, and that the error terms are uncorrelated across data sources at all leads and lags, i.e., $E[\varepsilon(c,k,s)\varepsilon(c,k',t)] = 0 \; \forall \; k \neq k', s \neq t$. Together these assumptions imply that the following joint distribution for unobserved governance $g(c,t)$ and the observed vector $y(c,t)$ is:

(7)
$$\begin{pmatrix} g(c,t) \\ y(c,t) \end{pmatrix} \sim N\left(\begin{pmatrix} \mu(t) \\ \alpha + \beta\mu(t) \end{pmatrix}, \begin{pmatrix} 1 & \beta' \\ \beta & B\Sigma B + \beta\beta' \end{pmatrix}\right)$$

The expressions in the main text for the estimate and standard deviation of governance follow directly from standard properties of the multivariate normal distribution. The conditional expectation of governance given the observed data is:

(8)
$$\begin{aligned} E[g(c,t)|y(c,t)] &= \mu(t) + \beta'(B\Sigma B + \beta\beta')^{-1}\big(y(c,t) - \alpha - \beta\mu(t)\big) \\ &= \mu(t) + \beta'\left(B^{-1}\Sigma^{-1}B^{-1} - \frac{1}{1 + \iota'\Sigma^{-1}\iota} B^{-1}\Sigma^{-1}\iota\iota'\Sigma^{-1}B^{-1}\right)\big(y(c,t) - \alpha - \beta\mu(t)\big) \\ &= \mu(t) + \left(1 - \frac{\iota'\Sigma^{-1}\iota}{1 + \iota'\Sigma^{-1}\iota}\right)\iota'\Sigma^{-1}B^{-1}\big(y(c,t) - \alpha - \beta\mu(t)\big) \\ &= \mu(t) + \left(\frac{1}{1 + \iota'\Sigma^{-1}\iota}\right)\iota'\Sigma^{-1}B^{-1}\big(y(c,t) - \alpha - \beta\mu(t)\big) \\ &= \mu(t) + \sum_{k=1}^{K}\left(\frac{\sigma^{-2}(k)}{1 + \sum_{k'=1}^{K}\sigma^{-2}(k')}\right)\left(\frac{y(c,k,t) - \alpha(k) - \beta(k)\mu(t)}{\beta(k)}\right) \end{aligned}$$

The first line of Equation (8) follows directly from the formula for the conditional mean of a multivariate normal distribution. The second line applies the standard inversion rule for matrices of

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[5] To avoid notational clutter, the expressions are written as if all countries appear in all data sources in all years. In practice, the WGI data form an unbalanced panel. Accordingly, the summations in the equations in both the main text and this annex should be understood as summing only over the available observations for each country. For example, $\sum_{k=1}^{K} y(c,k,t)$ should be understood as $\sum_{k \in K(c,t)} y(c,k,t)$, where $K(c,t)$ denotes the set of data sources available for country c in year t.

the form $B\Sigma B + \beta\beta'$. The third line uses the fact that $\beta' B^{-1} = \iota'$, where ι is a $K \times 1$ vector of ones. The fourth line simplifies the resulting expression, and the final line rewrites the matrix form in summation notation, yielding the expression reported in the main text.

The standard deviation of governance is the conditional standard deviation of $g(c,t)$ given the observed data:

(9)
$$
\begin{aligned}
SD[g(c,t)|y(c,t)] &= (1 - \beta'(B\Sigma B + \beta\beta')^{-1}\beta)^{\frac{1}{2}} \\
&= \left(1 - \beta'\left(B^{-1}\Sigma^{-1}B^{-1} - \frac{1}{1 + \iota'\Sigma^{-1}\iota} B^{-1}\Sigma^{-1}\iota\iota'\Sigma^{-1}B^{-1}\right)\beta\right)^{\frac{1}{2}} \\
&= \left(1 - \left(\iota'\Sigma^{-1}\iota - \frac{1}{1 + \iota'\Sigma^{-1}\iota}\iota'\Sigma^{-1}\iota\iota'\Sigma^{-1}\iota\right)\right)^{\frac{1}{2}} \\
&= \left(1 - \left(1 - \frac{\iota'\Sigma^{-1}\iota}{1 + \iota'\Sigma^{-1}\iota}\right)\iota'\Sigma^{-1}\iota\right)^{\frac{1}{2}} \\
&= \left(\frac{1}{1 + \iota'\Sigma^{-1}\iota}\right)^{\frac{1}{2}} \\
&= \left(\frac{1}{1 + \sum_{k=1}^{K}\sigma^{-2}(k)}\right)^{\frac{1}{2}}
\end{aligned}
$$

The first line again follows from standard properties of the multivariate normal distribution. The subsequent equalities apply the same sequence of algebraic steps used in Equation (8). This final expression matches the formula for the conditional standard deviation of governance reported in the main text.

Estimating the Parameters of the Unobserved Components Model

Implementing the expressions above requires estimates of the UCM parameters—$\alpha(k)$, $\beta(k)$, $\sigma^2(k)$ for each source $k = 1, \dots, K$ and $\mu(t)$ for each year $t = 1, \dots T$ —for a total of $3 \cdot K + T$ parameters. These parameters are estimated in two steps.

The first step focuses on a subset of data sources that are globally representative. Restricting attention to these sources ensures that they cover broadly similar sets of countries, making it plausible to assume a common underlying distribution of governance—and, in particular, a common mean $\mu(t)$ —across their overlapping country samples. This assumption is reasonable when the sources have wide and comparable global coverage, but may not hold when sources disproportionately represent countries from particular regions or income groups, in which case the average level of governance could differ systematically from the global mean.

To estimate the parameters using these representative sources, it is convenient to rewrite the model as:

(10)
$$y(c,k,t) = \tilde{\alpha}(k,t) + \beta(k)\big(\tilde{g}(c,t) + \varepsilon(c,k,t)\big)$$

where $\tilde{\alpha}(k,t) \equiv \alpha(k) + \beta(k)\mu(t)$ is the cross-country mean of source k in year t, and $\tilde{g}(c,t) \sim N(0,1)$.

Estimates of $\beta(k)$ and $\sigma(k)$ can be obtained by applying a standard principal-components decomposition to the covariance matrix of the demeaned stacked data $y(c,k,t) - \tilde{\alpha}(k,t)$. Define the $C \times K$ matrix $Y(t)$ such that its c^{th} row and k^{th} column contain the demeaned country–year observation $y(c,k,t) - \tilde{\alpha}(k,t)$. Let $Y = (Y(1)', \dots, Y(T)')'$ denote the $CT \times K$ matrix stacking the data for all periods. Under the assumption that the covariance structure is constant across years and that observations are independent across years, the covariance matrix of the demeaned data in each year—and in the pooled sample—is $E[Y(t)'Y(t)] = E[Y'Y] = B\Sigma B + \beta\beta'$. A standard principal-components decomposition of the demeaned data takes the form $y(c,k,t) - \tilde{\alpha}(k,t) = s(k)\left(\lambda(k)f(c,t) + \sqrt{1-\lambda^2(k)}u(c,k,t)\right)$, where $\lambda = \left(\lambda(1), \dots, \lambda(K)\right)$ is the vector of factor loadings, $s(k)$ is the standard deviation of source k, $f(c,t) \sim N(0,1)$ is the common factor, and $u(c,k,t) \sim N(0,1)$ is a source-specific idiosyncratic error term. This decomposition implies that $E[Y(t)'Y(t)] = E[Y'Y] = S^{\frac{1}{2}}(I - L + \lambda\lambda')S^{\frac{1}{2}}$, where S is a $K \times K$ symmetric matrix with $s^2(k)$ as its k^{th} diagonal element, and L is a diagonal matrix with $\lambda^2(k)$ as its k^{th} diagonal element. Replacing these two objects with their corresponding estimates from the representative data source yields $\hat{S}^{\frac{1}{2}}\left(I - \hat{L} + \hat{\lambda}\hat{\lambda}'\right)\hat{S}^{\frac{1}{2}} = B\Sigma B + \beta\beta'$. Solving these equations produces the closed-form estimators $\hat{\beta}(k) = \hat{\lambda}(k)\hat{s}(k)$ and $\hat{\sigma}(k) = \sqrt{\hat{s}^2(k)/\hat{\beta}^2(k) - 1}$.[6]

[6] Estimating the parameters separately by year can sometimes produce extremely large values of $\hat{\sigma}_t(k)$ in years when a particular data source shows a very low correlation with the others. Because these outlying years disproportionately influence the time-series averages of the parameter estimates, they can lead to much larger values of $\hat{\sigma}(k)$ than those obtained when the parameters are estimated using the pooled country-year data.

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