



Senate Economic
Planning Office

Governance Indicators: *At a Glance*

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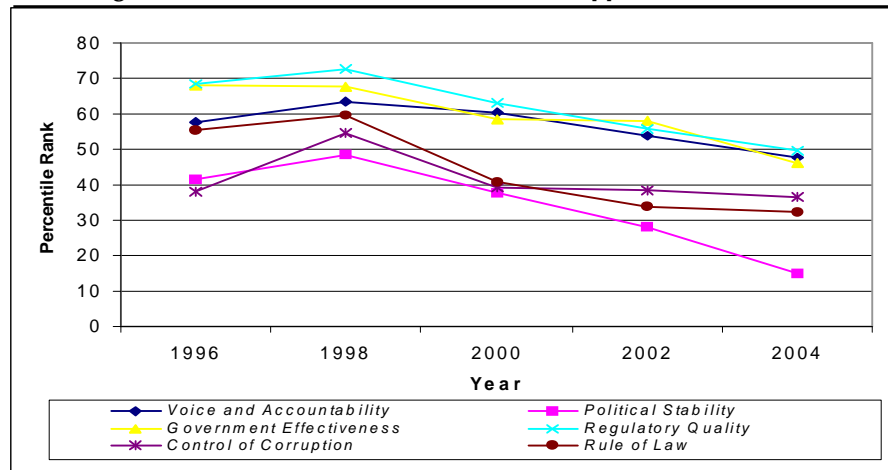
The quality of Philippine governance has worsened from 1996 to 2004.

- The World Bank recently released a study that monitored the quality of governance in 209 countries. It covered six dimensions of governance, namely: **voice and accountability, political stability, government effectiveness, regulatory quality, rule of law** and **control of corruption**.

- The Philippines' percentile rank decreased in all the six dimensions of governance from 1996 to 2004.

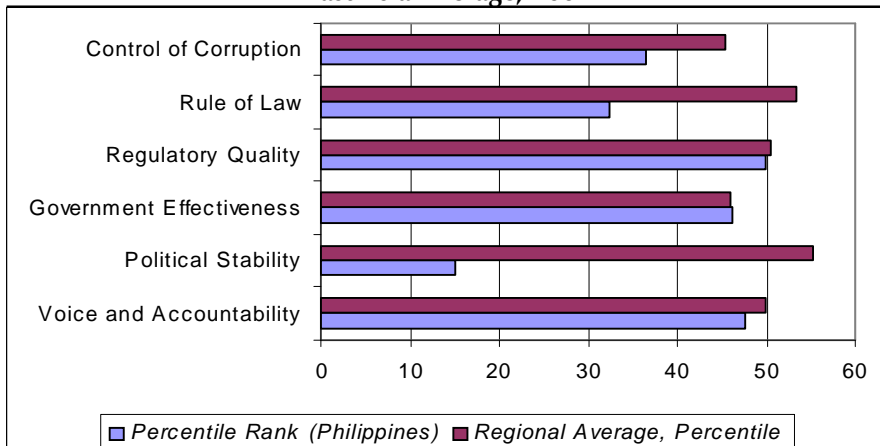
- It is in the rule of law and in political stability that the country had the largest decline in governance score. In 1996, the Philippines was in the upper 55% range of countries in terms of the rule of law. However, in 2004, the country's rank fell to 32.4 percentile rank.
- In 2004 the Philippines, with a percentile score of 15, was considered to be one of the most politically unstable countries along with Zimbabwe, Haiti, Albania and the Ivory Coast. This also marked a significant decrease from the country's score of 41.5 in 1996.

Figure 1. Governance Indicator of the Philippines, 1996-2004



Source: Kaufmann D., A. Kraay, and M. Mastruzzi 2005: *Governance Matters IV: Governance Indicators for 1996-2004*

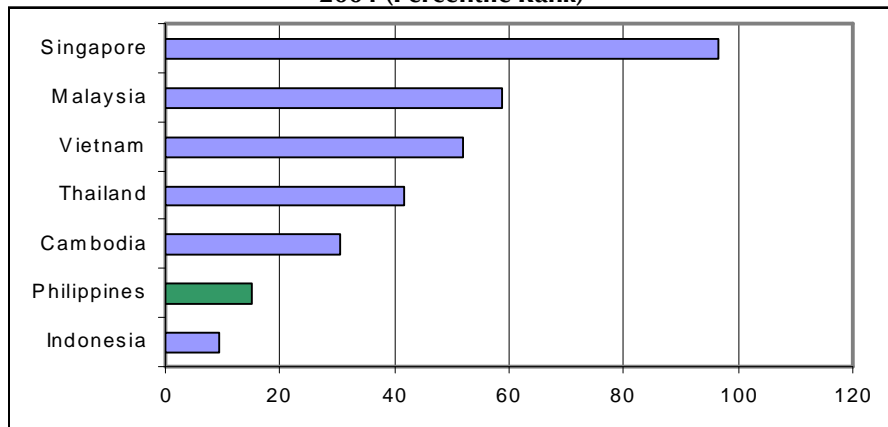
Figure 2. Governance Indicator of the Philippines as compared with the East Asia Average, 2004



Source: Kaufmann D., A. Kraay, and M. Mastruzzi 2005: *Governance Matters IV: Governance Indicators for 1996-2004*

- In 2004, the Philippines fell below the East Asian regional average in all the indicators of governance except in the area of government effectiveness. However, the country's rank in terms of government effectiveness is only a mere .02 score higher than the 46 percentile rank regional average.

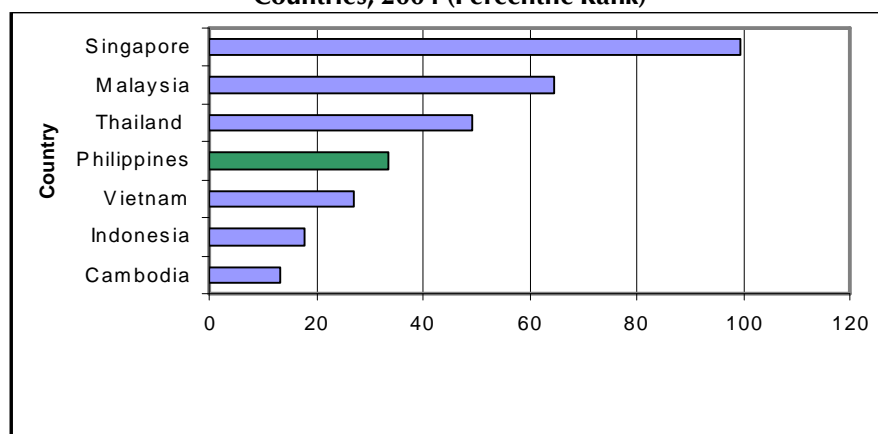
Figure 3. Political Stability Ranking of Selected Southeast Asian Countries, 2004 (Percentile Rank)



Source: Kaufmann D., A. Kraay, and M. Mastruzzi 2005: *Governance Matters IV: Governance Indicators for 1996-2004*

- Most countries in East Asia are within the upper fifty percent range of countries in terms of political stability.
- Among selected countries in Southeast Asia, only Indonesia ranked lower than the Philippines in terms of political stability.
- Singapore is considered to be one of the most politically stable countries.

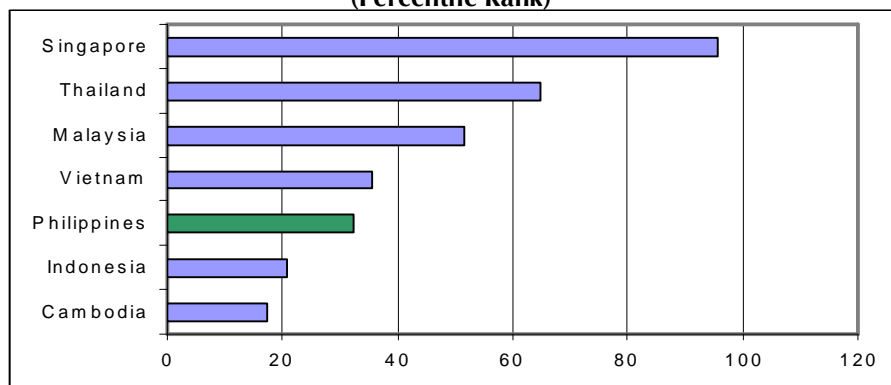
Figure 4. Control of Corruption Ranking of Selected Southeast Asian Countries, 2004 (Percentile Rank)



Source: Kaufmann D., A. Kraay, and M. Mastruzzi 2005: *Governance Matters IV: Governance Indicators for 1996-2004*

- The Philippines is considered to be more able to control corruption than Vietnam, Indonesia and Cambodia.
- Singapore, which is the least corrupt country among those surveyed, is three times higher in rank than the Philippines.

Figure 5. Rule of Law Ranking of Selected Southeast Asian Countries, 2004 (Percentile Rank)



Source: Kaufmann D., A. Kraay, and M. Mastruzzi 2005: *Governance Matters IV: Governance Indicators for 1996-2004*

- Among selected countries in Southeast Asia, the Philippines ranked fifth in the rule of law category. This measures, among others, the country's capacity to enforce contracts, to quell crime and violence and the quality of its police and courts.

The data and tables in this fact sheet were culled from the recently released interactive website of the World Bank study titled "Governance Matters IV: Governance Indicators for 1996-2004", by D. Kaufmann, A. Kraay and M. Mastruzzi. The study covered 209 countries and reflected the results of surveys reported by think-tanks, institutes, non-government organizations and international organizations. The study may be accessed at <http://www.worldbank.org/wbi/governance/pubs/govmatters3.html>.