

# Gender-sensitive and Pro-poor Indicators of Good Governance

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Because of their different gender roles and the impact of gender stereotypes, women and men are also likely to have different perspectives and different experiences in many areas of governance. The core elements of the concept of governance recognize that different groups within society often have competing interests and different needs. The broad components of governance – transparency in government, access to information and the accountability of both public and private sectors to the public through mechanisms such as a free press and freedom of expression, efficiency and effectiveness in public administration, popular participation through democratic institutions and the rule of laws based on universally recognized principles of human rights – are important to all. However, they tend to mean different things to specific individuals and social groups. For example, conservatives and liberals and the rich and the poor are likely to have quite different views about the effectiveness and efficiency of public administration in relation to public sector revenue and expenditure policies.

Indicators of governance therefore need to capture and reflect the potentially different impact of the mechanisms and processes of governance on various groups of people within society. UNDP defines governance as the mechanisms and processes required for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations.<sup>1</sup> In particular, in terms of current development goals, which prioritize the eradication of poverty and progress toward gender equality, governance indicators should reflect the different experiences of governance mechanisms and processes by women and men in general, and poor women and men in particular, and any systematic differences in the extent to which they benefit from the impacts of governance.

Not all gender-sensitive indicators will be pro-poor, but all pro-poor indicators should be gender-sensitive. A gender-sensitive governance indicator must capture the different experiences and/or interests of women and men, but some may focus on differences between non-poor women and men, for example, participation in parliament, and thus may not be pro-poor in orientation. However, any indicator focusing specifically on the situation and needs of the poor must also be gender-sensitive because a majority of the poor are women, and also because women play particularly strategic roles in the eradication of poverty in poor households. Although there are no direct data on the sex-composition of the poor in most countries<sup>2</sup>, indirect evidence indicates that more than half of the poor are female. Children comprise another significant group among the poor. Due to women's traditional gender roles as primary care-givers in the family, they also tend to play important roles in family decisions and behaviour related to children's education and health. Interventions in the education and

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<sup>1</sup> UNDP Strategy Note on Governance for Human Development 2004.

<sup>2</sup> Because poverty is measured at the household level, usually through household-based income or expenditure surveys.

health sectors are key to the long-term eradication of poverty. In many countries, occupations in the health and education sectors are also highly “feminized”, women comprising a majority of workers. Thus, women play strategic roles on both the demand and supply sides in relation to key areas of poverty-eradication strategies. Women’s economic contributions to household income are also often especially critical to the welfare of poor families and families in crisis. Thus, effective poverty eradication measures must take into account women’s specific perspectives and needs, and pro-poor governance indicators need to be gender-sensitive.

This paper comprises four sections. Section I of this paper explores the extent to which existing indicators of governance are gender-sensitive and pro-poor. Section II considers how governance indicators could be made more gender-sensitive and pro-poor. Section III proposes some additional indicators that might better capture the gender and poverty dimensions of governance, some already available in existing datasets and others that need to be developed.

Existing governance indicators are available and used primarily at the international level, where country and regional comparisons have proved to be powerful tools for advocacy and significant incentives for governments to improve their performance. At this level, governance indicators are also being used by some international donors to assist them in determining the allocation of development assistance.<sup>3</sup> However, governance indicators that are comparable among countries tend to be both limited in number and rather general in nature. Most are neither gender-sensitive nor pro-poor.

It is only at the national and sub-national levels that it is possible to focus on specific mechanisms and attributes of governance and to develop new indicators that can reflect or capture the different experiences of, and impacts on, women and men in general and poor women and poor men in particular. Tables 2 and 3.1 and 3.2

## **I. The problem: existing indicators are neither gender-sensitive nor pro-poor**

Governance is essentially the system of processes, mechanisms and institutions through which societies organize interactions among citizens and between citizens and their rulers and make choices among their often competing interests and to meet their different needs. The core governance indicator clusters identified in the UNDP project under which this paper has been prepared cover parliamentary development; electoral systems and processes, justice and human rights; e-governance

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<sup>3</sup> Robert I Rotberg, “Strengthening Governance: Ranking Countries Would Help,” Washington Quarterly, Winter 2004-05: 73

and access to information; decentralization, local governance and urban/rural development; and public administration reform and anti-corruption.<sup>4</sup> UNDP has defined governance as:

“[the] system of values, policies and institutions by which society manages economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe.<sup>5</sup>”

The UNDP-European Commission publication **Governance Indicators: A Users' Guide**<sup>6</sup> and the earlier UNDP **Sources of Democratic Governance Indicators**<sup>7</sup> provide a comprehensive review of existing data sources on the various aspects of governance, as well as a technical overview of specific indicators of governance, their potential uses and limitations.

However, opinions vary on the most critical constituent processes of governance, and differences in definitions of, and priorities within, governance also affect the selection of indicators. Comparison of the use of the term “governance” by UN agencies (OHCHR,<sup>8</sup> UNESCAP<sup>9</sup> and UNDP<sup>10</sup>), the World Bank,<sup>11</sup> the IMF,<sup>12</sup> the Asian Development Bank,<sup>13</sup> USAID,<sup>14</sup> DFID<sup>15</sup> and the European Commission<sup>16</sup>

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<sup>4</sup> These areas are called UNDP Governance Service Lines <http://www.undp.org/governance/>

<sup>5</sup> UNDP Strategy Note on Governance for Human Development, 2004

<sup>6</sup> UNDP (2004) <http://www.undp.org/oslocentre/docs04/Indicator%20Sources.pdf>

<sup>7</sup> UNDP (2004?) <http://www.undp.org/oslocentre/docs04/Indicator%20Sources.pdf>

<sup>8</sup> <http://www.unhchr.ch/development/governance-01.html>

<sup>9</sup> <http://www.unescap.org/huset/gg/governance.htm>

<sup>10</sup> Patrick Keuleers, Governance in the Least Developed Countries in Asia and Pacific An assessment of the current situation, Bangkok SURF, March 2004 and UNDP Strategy Note on Governance for Human Development, 2004

<sup>11</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICSECTORANDGOVERNANCE/0,,contentMDK:20206128~pagePK:210058~piPK:210062~theSitePK:286305,00.html>

<sup>12</sup> The IMF and Good Governance. A Factsheet. April 2003  
<http://www.imf.org/external/np/exr/facts/gov.htm>

<sup>13</sup> <http://www.adb.org/Governance/default.asp> (As updated December 2004)

<sup>14</sup> [http://www.usaid.gov/our\\_work/democracy\\_and\\_governance/](http://www.usaid.gov/our_work/democracy_and_governance/) and USAID, Office of Democracy and Governance, User's Guide, October 15, 2004

(EC) reveals a range of ideas about the components of governance. These differences reflect, among other things, the different interests and mandates of the agencies. The UN, USAID, DFID and the EC emphasize the social and political aspects of governance, highlighting the processes of participation and responsiveness (to the needs of the people), democracy and human rights concerns. The banks and financial institutions focus more on economic governance, prioritizing transparency, accountability and (public sector) efficiency and effectiveness.<sup>17</sup> Although transparency and accountability are common concerns for all, corruption, public sector management and the rule of law tend to feature more strongly in the governance programmes of the financial institutions.

The UNDP Governance Indicators Users' Guide 2004 presents an overview of currently available governance indicators and data sources. Table 1 shows a rough analysis of the dimensions of governance covered by the sources catalogued in the Guide. More than half of the sources provided at least some political indicators, ten provided some social indicators, ten provided some economic indicators, most related explicitly to the interests of the private sector and several focused primarily on corruption, four provided some judicial indicators and six, including four specialist sources, provided media indicators.

Only five sources provide indicators related to gender. The UNDP Gender Empowerment Measure is a composite gender-sensitive index based on women's relative share of seats in parliament, a measure of women's relative economic participation and a relative income measure. However, it was available for only 78 countries in 2004<sup>18</sup>. Discrimination on the basis of sex is included in the ILO composite GAPS index, which incorporates measures of adherence to, and implementation in practice of, the eight core conventions on workers rights as recorded within the ILO system. However, the complexity of the GAPS index limits its general usefulness, and the index does not capture sex differentials in respect of adherence to workers' rights. The three remaining gender-related sources are IDEA International, which provides a database on electoral quotas for women, the Danish Institute for Human Rights, which provides a measure of government employment of women at all levels, and the IPU Women in National Parliaments Statistical Archive, which provides data on the share of

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<sup>15</sup> DFID, Making Government Work for Poor People: building state capacity, Strategies for achieving the international development targets, September 2001

<sup>16</sup> European Commission Communication on Governance & Development OCT 2003, COM (03) 615

<sup>17</sup> The World Bank is barred by its mandate from working in the political arena.

<sup>18</sup> The Gender Development Index (GDI) is not included because it "focuses more on women's capabilities" (p.45). However, income, education and life expectancy (particularly income and life expectancy), which form the basis of the GDI are outcomes. Thus, the GDI is an indicator of the extent to which governance is achieving gender equality outcomes.

women in national parliaments and, more recently, sex-disaggregated information on Heads of State and Secretaries General in the Parline database.<sup>19</sup>

**Table 1 Dimensions of Governance Covered by UNDP Governance Indicators Users' Guide**

Dimension	Description	Number of sources providing indicators
Political	Political rights, development commitment, EU issues, democracy, voice and accountability, government effectiveness, political terror, state failure, parliament	19/34
Social	Gender discrimination/ women's participation, workers rights, human rights, security, role of civil society, NGOs, socio-cultural	10/34
Economic – Business	corruption, business and finance, economic growth, competitiveness, regulatory quality	10/34
Judicial	Justice, rule of law	4/34
Media	freedom of the media, journalists killed, media staff killed or imprisoned	6/34

None of the sources provide indicators that are clearly pro-poor. However, Commitment to Social, Economic and Cultural Rights Index of the Danish Centre for Human Rights include some important indicators of policy direction that would be regarded as generally pro-poor: the proportion of government expenditure spent on health and education as a percentage of GDP, and gross national income in combination with progress in health and education indicators on HDI. The ILO GAPS index, in focusing on workers rights, is directly relevant to workers, but most of the poor in developing countries are not in waged employment and thus not generally covered by the various ILO Conventions. How do we get gender-sensitive and pro-poor indicators of governance?

Governance indicators are an essential tool for the achievement of good governance: they enable citizens and stakeholders to monitor the extent to which governance is efficient and effective in achieving its objectives; they facilitate transparency and holding institutions and decision-makers to

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<sup>19</sup> <http://www.ipu.org/parline-e/parlineadvanced.asp>

account for their decisions and use of resources; and they are also basic tools for advocacy to promote better governance

### **What kinds of indicators are needed?**

An indicator is a summary statistic that indicates differences between groups and/or change over time in comparison to a norm or standard.<sup>20</sup> Indicators may be quantitative or qualitative, and will relate to some specific aspect of the phenomenon of interest.

Governance indicators need to cover the key stages involved in the management of society. Governance is defined primarily in terms of process. However, in order to provide effective tools for policy formulation, and programme monitoring and evaluation, as well as lobbying and advocacy, governance indicators need to distinguish between inputs, processes / outputs, and outcomes / impacts. In the hierarchy of results, inputs are those things that contribute to the achievement of an end but do not, of themselves, achieve it. For example, staff and operating budgets for gender mainstreaming would be inputs toward the achievement of gender equality outcomes – necessary, but not sufficient. Output or process indicators capture the procedures or mechanisms, such as gender analysis, engendering statistics, or gender-sensitive budgeting, that result in progress toward the desired end. Outcomes and impact indicators measure the extent to which the end is actually achieved.

The Canadian publication *Economic Gender Equality Indicators (1997)* provides some interesting examples of economic gender-sensitive impact indicators: the ratio of total income earned by women to total income earned by men compared over time<sup>21</sup>; the ratio of total workload (in paid and unpaid work) for women to total workload for men compared over time; and ratio of university degrees earned by women to degrees earned by men (in fields of study grouped according to gender dominance compared over time. In Canada, these indicators reveal the effectiveness of governance processes such as equal opportunity or affirmative action guidelines in education and employment, equal pay for work of equal value policies, and policies encouraging more equal sharing of childcare and unpaid work. Such outcome indicators provide important inputs to further policy development, as well as tools for advocacy and lobbying by women's groups and others.

To determine the kinds of governance indicators that are required, the needs, situation and capabilities of users must be taken into consideration. This is especially important because the effective use of indicators by those who are being governed is, in itself, an integral element of critical processes of

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<sup>20</sup> See Tony Beck, **Using Gender-Sensitive Indicators. A Reference Manual for Governments and Other Stakeholders**, Commonwealth Secretariat, 1999: 7

<sup>21</sup> Although note the gender bias implicit in this measure identified on page 10 of this paper.

governance, including participation and accountability. To date, governance indicators have primarily been used at the international level by agencies of first world governments, including development assistance organizations, or by international bodies. The cross-country tabulations provided for most of the indicators in the UNDP Governance Indicators Users' Guide indicate that their primary users are not the governed within, but people and organizations from outside the countries concerned. If the development of governance indicators is to contribute directly to such strategic processes of governance as participation and accountability, the primary user group should be citizens of the countries to which the indicators refer. Those users should represent the entire spectrum of the governed, including women and the poor.

The role of users of governance indicators is vital because governance, or at least good governance, is essentially demand driven: other things being equal, the governed will get the quality of governance that they demand. Governance will be democratic, responsive to the needs and interests of the governed, honest, transparent and accountable if, and only if, citizens from all significant social groups demand that it be so. Such demands will be made effective, among other means, but the effective use of indicators in monitoring, evaluation, advocacy and lobbying. Governance, indicators therefore need to incorporate a strong role for the governed in their design and use.

This will require changes in both the nature of governance indicators, and in the capabilities of users. The objectives of good governance can only be achieved if governance indicators are gender-sensitive and pro-poor, as well as user-friendly and designed to meet the needs and match the capabilities of a diverse range of users among the governed. Equally importantly, the capacity of such users, including women and the poor, must be developed to enable them to make more effective use of such indicators.

### **Defining gender-sensitive indicators**

A gender-sensitive indicator is one that indicates gender-related differences within society and/or gender-related changes over time. In order to develop an indicator, we must first determine the difference or change that is of interest and the norm or standard to be used in the comparison. In developing gender-sensitive indicators, the relevant gender-related differences or changes will normally relate to and reflect the experiences of both women and men.<sup>22</sup>

Care is also needed in the choice of the norm or standard. As noted by Statistics Canada, women's experiences or situation have often been inappropriately measured against male standards, and new standards that are equally relevant to both sexes need to be developed. For example, an earnings or

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<sup>22</sup> See Statistics Canada and Status of Women, Canada, Economic Gender Equality Indicators, Federal-Provincial/Territorial Ministers Responsible for the Status of Women, 1997: 8

wages gap (the ratio of women's earnings / wages to men's) based on earnings or wages for full-time employees is an inadequate measure of gender equality because it only provides information about women who have a paid work pattern similar to that of men. It is based on a larger percentage of men than women (more men than women are full-time paid workers); it excludes part-time, casual and seasonal workers, the majority of whom are women; and it ignores the effect of unpaid childcare and household work, most of which is carried out by women and which has a major impact on their pattern of paid work.<sup>23</sup>

### **Based on gender-sensitive data**

Ideally, gender-sensitive indicators would be based on gender-sensitive or “engendered” data where differences between women and men have been taken into account at all stages of the data definition, collection, tabulation, dissemination and analysis processes.<sup>24</sup> Gender-sensitivity of data relates to the extent to which such differences have been incorporated into data processes at every level, from data definition and collection to data presentation and analysis and indicator definition and construction. The UNDP project document for the Governance Indicators Project relates the general lack of gender-sensitivity in indicators to the lack of sex-disaggregated data. While this is an issue, the problem is more fundamental.

Women and men are situated differently in society. In particular, women face different constraints that often translate into fewer entitlements and less choice in determining their capabilities. Opportunities, especially in the economy and decision-making, are also typically fewer for women, who also face weaker incentives in the form of lower returns from translating their entitlements into capabilities. As a result, as well as due to their different gender and reproductive roles, women also have quite different needs and often different priorities from men.

In order to be gender-sensitive, governance indicators and the data on which they are based need to take into consideration such gender differences between women and men at every stage, from the definition of variables, classification of variables, design of survey questions, recruitment and training of interviewers and supervisors, through to tabulations and methods of dissemination and analysis.

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<sup>23</sup> Statistics Canada and Status of Women, Canada, 1997:8

<sup>24</sup> See UNIFEM Asia-Pacific and Arab States Engendering Economic Governance Website at <http://www.unifem-ecogov-apas.org/ecogov-apas/EEGKnowledgeBase/EngenderingNSS/margin2mstream-synopsis.htm> and Tony Beck, **Using Gender-Sensitive Indicators. A Reference Manual for Governments and Other Stakeholders**, Commonwealth Secretariat, 1999: Chapter 2

With a few notable exceptions, most conventional data collection processes remain largely gender-blind.<sup>25</sup>

The limited information available on collection for those governance indicators based on primary data collection suggests that they are similarly gender-blind. The opinion and perception surveys that provide the basis for many of the governance indicators do not indicate the composition of the survey populations, suggesting there was no specific effort to include women (or other social groups, such as the poor) or to consider the design of questions and variables in terms of gender differences, gender issues or their relevance to the poor. Where samples are relatively large and provided that factors such as the time of day, location, sex of interviewer etc did not introduce an unintended gender bias, women were probably reasonably represented. In such cases, the lack of sex-disaggregation in design and thus in data presentation and analysis precludes consideration of the potential for systematic differences in responses between women and men. In the case of indicators based on surveys of a small number of experts such as political commentators or businesspersons, the potential for gender bias is clearly much greater.

Surveys on perceptions of corruption provide an example of the problem. Those such as the Corruption Perceptions Index and the Bribe Payers Index that are based largely on expert experience or opinion and relate specific to corruption in international business transactions are of limited relevance to most women and the poor, who are largely unrepresented among international business people affected by such corruption or those whose opinion or experience has been surveyed. The kinds of corruption that most affects women and the poor tend to be petty forms related to the issuing of identity cards, school registration, additional (illegal) education and health charges, licence fees (or penalties) for micro-enterprise or street trading, credit and similar minor administrative processes. Although the amounts involved may be relatively small, the relative cost to the poor and women with limited cash incomes may be quite large. However, the available data on corruption either overlooks this element of the problem or, as seems to be the case with the Afrobarometer and Global Barometer, fails to identify and differentiate it and the experience of the poor and women most likely to be affected by it.

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<sup>25</sup> See UNIFEM, “Margins to Mainstream From Gender Statistics to Engendering Statistical Systems” at <http://www.unifem-ecogov-apas.org/ecogov-apas/EEGKnowledgeBase/EngenderingNSS/margin2mstream-synopsis.htm>. Two notable exceptions to the gender blindness of conventional data collection exercises are the 2000 round of the Census in India and Nepal. Both included comprehensive efforts to incorporate gender considerations into every stage, from the identification and definition of variables and classification systems, through gender training of all staff from senior management to interviewers and field supervisors, up to development of tabulations and presentation and dissemination of data.

### **Lack of disaggregation in existing governance indicators**

The lack of disaggregation in the data used for indicators is a major barrier to the creation of gender-sensitive and pro-poor indicators<sup>26</sup>. Given the very different characteristics, sex roles, gender roles and experiences of women and men in society and the economy, disaggregation by sex is a basic requirement of almost any competent statistical presentation or analysis. Most national statistical offices now present basic socio-economic and demographic data disaggregated by sex, although users still frequently fail to disaggregate the data in their analysis or construction of indicators. Other sources of data, however, are often not disaggregated by sex. For example, much administrative data relating to individuals, including personnel data, service statistics in general, health service statistics in particular, are not routinely disaggregated by sex even although the sex of the staff member, user or patient is usually collected on the original record. Sex disaggregation should be a primary classification for all presentation and analysis of individual-level data.

### **Developing pro-poor indicators**

In order to develop indicators that reflect the different situation and experience of poor people, data and indicators need to be disaggregated in terms of other socio-economic variables that reflect or define poverty or vulnerability. Poverty reduction is a principle objective of development policy and good governance. Pro-poor indicators will provide valuable input to policy formulation and programme management, monitoring and evaluation, as well as facilitating the participation of the poor in the processes of governance.

The variables selected for disaggregation in terms of their relevance for the poor and for poverty analysis will depend on the data set and the indicator. In most data sets, no single variable unambiguously distinguishes the poor and non-poor in the way that sex distinguishes women and men. Even in income and expenditure surveys, identification of the poor is not a trivial exercise. As a result, proxy variables may have to be used. These might be variables that capture the location where most of the poor live (rural areas, particular urban neighbourhoods, the poorer provinces), the sector, industry or occupation where most of the poor work (the informal sector, agriculture, unskilled labour) or some other characteristic of the poor (low levels of education, illiteracy, malnutrition, female-headed households in some – but not all – contexts).

As in the case of gender-sensitive indicators, developing pro-poor indicators also requires ensuring that the experience of and/or impact on the poor is captured by the index. This may require more than

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<sup>26</sup> UNDP Project Document, Governance Indicators Project, Bureau of Development Policy, Democratic Governance Group, Oslo Governance Centre, 20 August 2004.

simple disaggregation of the data. The experience of the poor may require that specific issues be covered by the indicator, such as noted above in the case of an index of corruption. Service delivery surveys or user surveys, which are increasingly used to monitor the effectiveness of public services, need to be especially alert to the potentially different experiences of the poor (as well as women), and design samples, variables, classification systems and questions accordingly.

## II. What data can we get? Suggested gender-sensitive and pro-poor indicators

### Suggested gender-sensitive indicators of governance

The goal articulated by women at the Beijing Fourth World Conference of Women and in a number of international fora since 1995 is gender equality of outcomes, not just equality of opportunity. As the Committee on the Elimination of All Forms of Discrimination Against Women (CEDAW) have frequently emphasized, the focus in implementation of the Convention on the Elimination of All Forms of Discrimination Against Women, the core international human rights convention on gender equality, is on the gap between de facto and de jure equality.

While the role of the structures and processes of governance in achieving this objective is obvious, at least to women, a gender perspective in the mainstream governance literature is still largely confined to consideration of the need for more women in politics, or possibly more women in public decision-making, including in government. Three of the five gender-related indicators in the UNDP Governance Indicators User's Guide are based only on data related to women in politics or decision-making. One of the two composite indicators, the UNDP Gender Empowerment Measure, includes data on women in parliament together with economic data on income and work, while the ILO GAP Index focuses only on national ratification and adherence to the discrimination convention.

There is little recognition in the mainstream governance literature or the current indicator set of the need for transformation of the institutions of power that would be involved in gender-sensitive governance by "getting institutions right for women" rather than merely "getting institutions right for development".<sup>27</sup> Institutions are not, as often assumed, gender neutral because they have adapted to men's patterns of work (full-time, 9 to 5), men's values and men's attitudes and behaviours, and meet men's needs better than women's because it is men who have predominated in both public and private sector institutions and decision making – and still do in most countries. Movement toward

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<sup>27</sup> Sally Baden, "Gender, Governance and the Feminization of Poverty", Chapter 4 in UNDP, **Women's Political Participation and Good Governance. 21<sup>st</sup> Century Challenges**, 2000: 27-40. Since women comprise slightly more than half the population and considerably more than half of the poor in most countries, "getting institutions right for women" would seem to be a pre-requisite for "getting institutions right for development".

institutional change is captured in some of the process indicators suggested in this paper, such as whether mechanisms such as gender-sensitive budgeting, gender analysis or gender mainstreaming have been implemented. Indicators such as increases in the participation of women in decision-making in parliament, the civil service or the justice system represent, on the one hand, outcomes that result from institutional (and social) changes. On the other, once the proportion reaches the critical 30 per cent level, the presence of women also acts as a mechanism that contributes to institutional transformation.

This paper organizes its suggestions for additional gender-sensitive indicators in Table 2 around the UNDP governance framework adopted by the Governance Indicators Project. Since women comprise slightly more than half the population and considerably more than half of the poor in most countries, “getting institutions right for women” – gender-sensitive governance – would seem to be a prerequisite for “getting institutions right for development” – good governance. Thus, separate gender indicators (such as the GEM or GDI) are inadequate: governance indicators across all practice areas need to be gender sensitive.

Table 2 also distinguishes between output/process indicators that capture the processes that lead toward the achievement of gender equality, and outcome/impact indicators, which measure or reflect the extent to which the objective of gender equality has been achieved. It does not consider input indicators, which tend to be basic measures of staffing, budgets, infrastructure and other resources. While inputs are certainly a vital (and typically inadequate) ingredient of gender-sensitive governance, they are generally captured in processes such as gender-sensitive (and performance-based) budgeting, gender analysis and gender mainstreaming together with routine sex-disaggregation of individual-level data and do not need to be separately identified here. The outcome / impact indicators shown in the table for each of the UNDP Governance Service Lines are those that are most directly related to the process indicators for the respective Practice Area. The GEM and the GDI appear at the end of the Table as generalized higher-level outcome indicators relevant to all Practice Areas.

Given the lack of gender-sensitivity in the majority of existing data sources, it should not surprise that the raw data for some of the suggested indicators has not yet been compiled in a convenient or easily accessible form. For example, although websites such as the UNIFEM-IDRC Canada-Commonwealth Secretariat Gender Responsive Budget Initiative and the International Budget Project include information about gender budget and participatory budget initiatives in many countries and local government areas, they do not provide an actual database. In other cases, data have been collected and presented in usable form, but on an ad hoc basis. The value of the data on women in local government gathered for the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) **Asia-Pacific Summit of Women Mayors and Councillors**, held at Phitsanulok,

Thailand, 19 to 22 June 2001 based on reports on the “State of Women in Local Government” in 13 countries is limited because there is no process in place to update it on a regular basis. As a result, comparisons over time are difficult if not impossible.

Although in many cases it is difficult to identify an institution that could or should be responsible for the collection and compilation of the required data, potential sources have been indicated in the Table. Often, the indicators are initially likely to be useful only at the national and sub-national levels, where data collection and processing arrangements can be more flexible. It is only when a core of countries begin to construct and use new indicators that the demand and the potential for cross-country comparisons can emerge.

The Millennium Development Goals are one important potential source of new indicators. Although not focused specifically on governance, Indicator 14 for Goal 3 Target 4 in the current list of indicators is the Proportion of seats held by women in national parliaments. It functions essentially as process indicator in terms of the gender equality goal of the MDGs, but in Table 2 is identified as an outcome indicator in the UNDP governance Practice Area of Parliamentary Development. The other current indicators for Goal 3 focus on sex differentials in education at the primary and secondary levels, literacy, and wage employment in the non-agricultural sector. In terms of the governance framework, all could be regarded as supplementary indicators of outcomes, together with the Gender and Development Index and the Gender Empowerment Index.

It is worth exploring the potential for the development of new indicators for the MDGs to also contribute new indicators for governance. The MDGs are – and will be for the immediate future – the main focus of development attention, and significant technical and financial resources are being directed to the collection of data for monitoring the MDGs,. Although the international indicators for monitoring progress in achieving the MDGs are effectively set for the immediate future, new indicators are being proposed and developed by the MDG Task Forces and at the country level as MDG country reports are being localized.

The Final Report of Millennium Project Task Force on Education and Gender Equality<sup>28</sup> proposed a total of twelve indicators (actually a total of 19 individual indicators), and appear to have discarded one (Ratio of literate females to literate males aged 15-24) in the current set. Two of the proposed indicators, 11a Percentage of seats held by women in national parliament and 11b Percentage of seats held by women in local government bodies appear in Table 2 as governance output indicators for Practice Areas 1 Parliamentary Development (Indicator 11a) and 4. Decentralization, local

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<sup>28</sup>Millennium Project Task Force on Education and Gender Equality, **Taking Action: Achieving Gender Equality and Empowering Women**, 2005.

government & urban/rural development (Indicator 11b). Two other indicators proposed by the Task Force could also be considered as process indicators of governance, under Practice Area 5 Public Administration. These are Indicator 6 Land ownership by female, male, jointly held and Indicator 7 Housing title by female, male, jointly held. Implementation of policies of equal rights to land and housing contributes very significantly toward achievement of gender equality. Administration of such policies and provision of the required data are also major tests of the capacity and commitment of key governance institutions.

The existing MDG indicators and the new indicators proposed by the Task Force on Education and Gender Equality have been incorporated into Table 2 under the relevant UNDP Governance Service Lines.

Table 2 Suggested Gender-Sensitive Indicators of Governance

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
1. Parliamentary Development	1.1 Gender-sensitive budgeting	Ministries of Finance, women's NGOs or research groups. UNIFEM/IDRC/Commonwealth Secretariat website <a href="http://www.gender-budgets.org">http://www.gender-budgets.org</a>	Seeks to increase effective inputs for gender equality. International data could also be provided by International Budget Project - <a href="http://www.internationalbudget.org">http://www.internationalbudget.org</a>	1.1.1 Proportion of seats held by women in national parliaments	International Parliamentary Union (IPU) <a href="http://www.ipu.org">http://www.ipu.org</a> / DevInfo <a href="http://www.devinfo.org/">http://www.devinfo.org/</a>	Governance Indicators User's Guide p. 78  Indicator Number 14 in MDG Indicators (Goal 3 Target 4)  Indicator 11a Millennium Project Task Force on Education and Gender Equality (MDG 3) Final Report 2005
	1.2 Women's caucus in parliament	IDEA International or IPU?	Increases women's voices in parliament.	1.2.1 Percentage of women members in national executive / cabinet	International Parliamentary Union (IPU) (?)	Could be collected directly from parliaments as for data on women members.
	1.3 Number of parliamentarians (by sex) participating in gender-sensitivity training for parliamentarians	Women in politics NGOs or training providers, International Parliamentary Union (IPU)?	Probably most useful at national level	1.3.1 Number of women's & gender issues discussed in parliament	Women's NGOs or media groups	Probably most useful at national level. Useful for advocacy and lobbying by women's groups.

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
2. Electoral Systems & Processes, Justice and Human Rights	2.1 Electoral quotas for women	IDEA International Electoral Database	Governance Indicators User's Guide p. 36	2.1.1 Ratio of women to men candidates standing for political office	National election commissions	IDEA Latin America supports research and debate on the role of women in political parties in the Andean Region. See <a href="http://www.idea.int/americas/gender.cfm">http://www.idea.int/americas/gender.cfm</a>
	2.2 Number of potential women candidates trained to represent women's issues	Women's NGO groups or training providers	UNIFEM-UNTAET provided such training in East Timor			
	2.3 Ratio of women to men office holders in political parties by party	National election commissions?	A useful indicator for advocacy & lobbying			
	2.4 Women targeted with special programmes in civic & voter education	EPIC Electoral Database <a href="http://epicproject.org/ace/compepic/en/V E06">http://epicproject.org/ace/compepic/en/V E06</a>	EPIC shows 14 countries (20 per cent) had special programmes for women.	2.4 1Ratio of women to men voters in elections	National election commissions/ IDEA International Voter Turnout database	IDEA International currently has sex-disaggregated data for 9 countries, including India
	2.5 Commitment to gender discrimination index	Danish Institute for Human Rights	UNDP Governance Indicators User's Guide: 55	2.5.1 Ratio of women to men accessing civil courts and legal aid	Legal or CEDAW NGO at national level.	Could also be sourced from gender focal point in Department of Justice?
	2.6 Systematic rape & VAW as an individual physical integrity rights indicator	Modified CIRI Human Rights Database	Current list is gender-blind, needs to be updated			
	2.7 Number of justice & human rights staff undertaking gender-sensitivity training	Legal or CEDAW NGO, Department of Justice.	National level for comparison's over time & in relation to outcome indicators			
	2.8 Number of cases of VAW prosecuted in the courts.					

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
3. E-governance & access to information	3.1 Ratio of women to men employed in IT occupations	Labour Force Surveys	International level - cross-country data from ILO	3.1.1 Ratio of women to men utilizing e-governance services  3.1.2. Women's level of satisfaction with e-governance services	Service delivery or user surveys	Data unlikely to be available for cross-country comparison.
	3.2 Ratio of women to men employed in provision of e-governance services	Civil service personnel data by sex				
	3.3 Numbers of women trained or courses for women on use of e-governance services	Women's information NGOs or course providers				
	3.4 Ratio of women to men employed in the various divisions of the media	Media organizations or women in media groups	National level comparisons over time, among user categories in relation to outcome indicator			
	3.5 Numbers of media staff (by media type and sex) participating (or courses) in gender-sensitivity training for media	Media organizations or women in media groups				

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
4. Decentralization, local government & urban/rural development	4.1 Affirmative action quotas for women in local government	IDEA International electoral quotas for women database	A rights perspective asserts the equal right of women to be elected, irrespective of whether “women’s issues are uniquely or better covered by female representation” [UNDP Governance Indicators User’s Guide: 37]	4.1.1 Ratio of women to men mayors 4.1.2. Ratio of women to men councillors	United Cities and Local Governments <a href="http://www.cities-localgovernments.org/uclg/">http://www.cities-localgovernments.org/uclg/</a>	UCLG database currently covers 60 countries and 15446 municipalities
				4.1.3 Percentage of seats held by women in local government bodies	DevInfo MDG Database?	Proposed by Millennium Project Task Force MDG 3 (Indicator 11b) Final Report 2005
	4.2 Gender-sensitive budgeting at local level	National sources Ministry of Finance, women’s NGOs or research groups	Again, UNIFEM-IDRC-Commonwealth gender budgeting group or International Budget Project potential data source for cross-country data	4.2.1 Ratio of women to men representatives in sub-national & local governments	National level sources	Primarily of use at national level
	4.3 Gender analysis / gender mainstreaming in local government	Gender focal points in local government	Useful at national level for intra-country comparisons for lobbying and advocacy			

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
5. Public administration & anti-corruption	5.1 Affirmative action programmes for women in the civil service	National women's machinery / civil service commission	Such information would often be needed for CEDAW reporting, which is required of acceding countries every four years.	5.1.1 Ratio of women to men employed in the civil service by department and level	Civil service commission & national women's machinery	
	5.2 Anti-discrimination legislation / equal opportunity policies in civil service	National women's machinery / civil service commission		5.1.2 Level of satisfaction with public services (especially employment, health, education & social welfare) among women by socio-economic status	Service delivery or user surveys	Likely to be most useful at national level. An alternative indicator might be sex-disaggregated data on the use of complaints mechanisms for public services.
	5.3 Number of cases brought under anti-discrimination or EEO policies	National women's machinery, gender focal point in department of justice		5.1.3 Questions on corruption most relevant to women (eg. illegal charges for free education/health services) incorporated into existing population-based surveys of corruption	Afrobarometer/ Globalbarometer?	Questions could first be tested in national surveys.
	5.4 Land ownership by female, male, jointly held	DevInfo MDG Database?	Proposed by Millennium Project Task Force MDG 3 (Indicator 6)			
	5.5 Housing title by female, male, jointly held		Proposed by Millennium Project Task Force MDG 3 (Indicator 7)			

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
All Practice Areas				6.1 Gender Development Index	UNDP Human Development Report	Measures gender equality achieved through, among others, good governance.
				6.2 Gender Empowerment Measure	UNDP Human Development Report	A more direct indicator of governance - Governance Indicators User's Guide: 44.

### **Suggested pro-poor indicators of governance**

The links between governance and poverty are not yet well understood. The governance and poverty reduction agendas have increasingly converged as a result of a rethinking of the nature of well-being and human development that recognizes the multi-faceted nature of poverty and deprivation, and as a result of a broadening of the concept of governance to include political accountability and population participation. However, there remains a need to link inputs and intermediate governance outputs to longer-term poverty impacts.<sup>29</sup>

For example, while there seems to be some agreement on the existence of a relationship between participation of the poor in decision-making, governance and poverty outcomes, the direction and nature of the relationship/s are unclear. On the one hand, it is widely assumed that improved governance will lead to greater participation of the poor and thus to improvements in their well-being and reductions in poverty.<sup>30</sup> However, the precise mechanisms through which participation of the poor might change institutional rules and practice leading to different decisions about resource use that would reduce poverty generally remain unclear.<sup>31</sup> The literature on participatory approaches to development is generally rather sceptical of the nature and impact of participation, tending to see such mechanisms as Participatory Poverty Assessments (PPAs) as tokens with little real impact on poverty strategies or policies<sup>32</sup>. On the other hand, one of the principal arguments for promoting increased participation in development by the poor is that this would improve governance and the effectiveness of poverty reduction strategies, policies and programmes. The 2005 report of the Global Governance Initiative observes that:

“Where the poor have opportunities to exercise their political and civil rights, governments are more attuned to their needs and demands.”

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<sup>29</sup> World Bank, **Reforming Public Institutions and Strengthening Governance: A World Bank Strategy. Implementation Update**, April 2002: 10 (Box 1).

<sup>30</sup> Sally Baden, “Gender, Governance and the Feminization of Poverty”, Chapter 4 in UNDP, **Women’s Political Participation and Good Governance. 21<sup>st</sup> Century Challenges**, 2000: 29.

<sup>31</sup> Baden, 2000: 30. For a critical analysis of the concept of participation, see Caterina Ruggeri Laderchi, “Participatory methods in the analysis of poverty: a critical review,” QEH Working Paper Series Number 62.

<sup>32</sup> See also Rosemary McGee with Joshua Levene and Alexandra Hughes, “Assessing participation in poverty reduction strategies: a synthesis of experience in sub-Saharan Africa,” Institute of Development Studies (IDS), Research Report 52, 2002 and Rosemary McGee with Andy Norton, “Participation in poverty reduction strategy papers: a desk-based synthesis of experience with participatory approaches to policy design, implementation and monitoring,” IDS Working Paper 109, 2000.

Taking India as an example, it noted that India's "election surprise has the potential to lend voice to the rural poor" and that the new government "seems compelled to generate rural growth and provide jobs and services for the poor"<sup>33</sup>

Table 3.1 identifies potential pro-poor governance indicators relating to the meso-level institutional processes relevant to each of the UNDP Practice Areas. Regardless of the current direction of the relationship/s among participation, governance and poverty outcomes, indicators of participation by the poor in decision-making belong in any set of pro-poor governance indicators. The participation of the poor in decision making is an important governance process in its own right because good governance, like human rights, is demand driven: governance will be pro-poor if (and only if) the poor (and those who represent their interests) demand that it be so. Virtually all of the process indicators in Table 3 for each of the Practice Areas measure in some way the participation of the poor in governance or the existence of mechanisms, such as participatory budgeting, that would facilitate that participation.

Table 3.2 identifies potential outcome indicators related to pro-poor macro-economic policies. If the participation of the poor (and/or their representatives) in governance is to ultimately contribute to poverty reduction, the primary mechanism is likely to be the formulation and effective implementation of more pro-poor policies. Although the term "pro-poor policy" has been widely used and declared as a primary objective of development, there has been limited understanding of what kind of economic policies might be described as pro-poor. The poverty literature is increasingly focused on the importance of macro-level policy changes as the principal pre-requisite for pro-poor growth and thus for poverty eradication. These policy changes may be regarded as outcome indicators for the various governance processes covered in each of the Practice Areas. If the processes of parliamentary development, electoral systems and processes, justice and human rights, e-governance and access to information, decentralization, local government and urban/rural development and public administration and anti-corruption measures are pro-poor, the primary outcome for the poor will be the formulation and effective implementation of pro-poor macro economic policies. Thus, the final section of Table 3 presents outcome indicators of the extent to which macro economic policies are pro-poor.

Recent contributions from UNDP that are helping to clarify the concept of pro-poor policy provide the basis for the policy outcome indicators in Table 3.2. Although widely used, the precise nature of the

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<sup>33</sup> World Economic Forum, Global Governance Initiative 2005: 36  
[http://www.weforum.org/pdf/ggi2005\\_low.pdf](http://www.weforum.org/pdf/ggi2005_low.pdf)

terms “pro-poor growth” and therefore of pro-poor policies “remains vague and general”.<sup>34</sup> In November 2004, it could still be said that:

“in most countries, the policy framework is not yet aligned with the fundamental objective of reducing human poverty. Poverty reduction continues to be seen as an automatic by-product of economic growth and macroeconomic stability. Governments and their partners find it difficult to translate the concept of ‘pro-poor growth’ into practice.”<sup>35</sup>

Two important UNDP initiatives are contributing to an emerging consensus on the nature of pro-poor macroeconomic policies. In 2002, the Asia-Pacific Regional Programme on the Macroeconomics of Poverty Reduction developed a research programme around the task of identifying pro-poor macroeconomic policies. Nine country case studies were undertaken to provide an evidence-based platform for the programme, and the findings were summarized by Terry McKinley in August 2003<sup>36</sup>. In 2004, UNDP established the International Poverty Centre (IPC) to “provide developing countries with policy advice and technical assistance to understand the nature and requirements for pro-poor growth as well as the policies that best promote it”<sup>37</sup>. The indicators in Table 3.2 are drawn largely from the McKinley paper supplemented by materials from the IPC.

Existing poverty indicators tend to focus on outcome and impact measures of poverty itself because of the lack of process-related data disaggregated by socio-economic variables that identify the poor. Various indicators of poverty, such as the proportion of the population whose income is less than \$US 1 per day (in purchasing power parity) or falls below some national poverty line and the Human Poverty Index, are in widespread use. Although all are subject to data and definitional problems<sup>38</sup>, like the HDI, they can be used across all Practice Areas in conjunction with the more specific pro-poor governance indicators suggested in Table 3.1 as impact indicators for poverty reduction. However, as they are well known and already incorporated in the MDG monitoring process, only the Human Poverty Index is separately identified in Table 3.2.

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<sup>34</sup> Jan Vandermoortele, “The MDGs and Pro-Poor Policies: related but not synonymous”, Working Paper number 3, International Poverty Centre, United Nations Development Programme, November 2004: 9.

<sup>35</sup> Jan Vandermoortele, 2004: 1.

<sup>36</sup> Terry McKinley, “The Macroeconomics of Poverty Reduction: Initial findings of the UNDP Asia-Pacific Regional Programme,” Discussion Paper, UNDP Bureau for Development Policy, New York, August 2003.

<sup>37</sup> <http://www.undp.org/povertycentre/propoor.htm>

<sup>38</sup> See Caterina Ruggeri Ladershi, Ruhi Saith and Frances Stewart, “Does it matter that we don’t agree on a definition of poverty? A comparison of four approaches,” Queen Elizabeth House Working Paper Series Number 107, May 2003.

Table 3.1 Suggested Pro-Poor Governance Indicators by OGC Practice Area

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
1. Parliamentary Development	1.1 Participatory budgeting processes at the national level.	Ministries of Finance, NGOs or research groups/ International Budget Project for cross-country data.	Seeks to increase effective inputs for poverty eradication programmes	1.1 Public expenditure on health as a share of GDP	WB-WDI	
	1.2 Existence of mechanism to ensure representation of poor & vulnerable groups in parliament	International Parliamentary Union (IPU) <a href="http://www.ipu.org">http://www.ipu.org</a>		1.2 Public expenditure on education as a share of GDP		
	1.3 Participatory Poverty Assessments (PPAs) conducted as part of formulation process for Poverty Reduction Strategies	World Bank / Asian Development Bank (Asia-Pacific)	Input from the poor. PPAs conducted in more than 50 countries to 2000.	1.3 Public expenditure on transport as a share of GDP		
2. Electoral Systems & Processes, Justice and Human Rights	2.1 Vulnerable groups targeted with special programmes in civic & voter education	EPIC Electoral Database <a href="http://epicproject.org/">http://epicproject.org/</a>	EPIC shows 10 countries had special programmes for indigenous people & ethnic minorities, 25 for disabled people & 14 for illiterate people			
	2.2 Commitment to Social, Economic & Cultural Rights Index	Danish Institute for Human Rights	UNDP Governance Indicators User's Guide: 55			

OGC Governance Practice Area	Output / Process			Outcome / Impact		
	Indicator	Source	Notes	Indicator	Source	Notes
3. E-governance & access to information	3.1 Numbers of poor people trained or courses for poor people on use of e-governance services	Information NGOs or course providers		Percentage of users of low socio-economic status of e-governance services & their level of satisfaction	Service delivery or user surveys	
4. Decentralization, local government & urban/rural development	4.1 Participatory budgeting at local level / number of groups representing the poor involved	National: Ministry of Finance, women's NGOs or research groups	International Budget Project potential data source for cross-country data	Availability & cost of basic services (water, sanitation, electricity, locally-funded health & education services) to the poor.	Local government bodies, participatory budgeting groups	
5. Public administration & anti-corruption	5.1 Affirmative action programmes for vulnerable groups in the civil service	Civil service commission	Some countries have special provision for recruitment of minorities, indigenous and/or disabled people in the civil service.	Level of satisfaction with public services (especially employment, health, education and social welfare) by socio-economic status	Service delivery or user surveys	Likely to be most useful at national level
				Questions on areas of corruption most relevant to the poor (eg. illegal charges for free education/health services) incorporated into existing population-based surveys of corruption	Afrobarometer/ Globalbarometer?	Questions might first be incorporated into national surveys

**Table 3.2 Suggested Pro-Poor Governance Outcome Indicators for All Practice Areas**

<b>Outcome / Impact</b>		
<b>Indicator</b>	<b>Source</b>	<b>Notes</b>
1. Human Poverty Index	UNDP Human Development Report (HDR)	Measures deprivation in dimensions of HDI —a long and healthy life, knowledge and a decent standard of living.
<b>2. Pro-poor policy indicators:</b>		<b>Rationale:</b>
2.1 Gross capital formation as percentage of GDP	• World Bank World Development Indicators (WB-WDI)	• To broaden pattern of growth to reach the poor; to increase productivity of poor
2.2 Total revenue as percentage of GDP	• WG-WDI	• Mobilize domestic resources for pro-poor policies
2.3 Agricultural value added per worker	• WG-WDI	• Increase rural productivity to benefit the poor
2.4 Average annual growth of agriculture	• WG-WDI	• Increase rural output to benefit the poor
2.5 Microfinance / rural / agricultural credit as share of total domestic credit	• Ministry of Finance	• Access to credit / financial services to raise productivity of the poor
2.6 Share of employed in agriculture / manufacturing	• ILO	• Employment intensive growth

### III. Using gender-sensitive and pro-poor indicators at national level

Most use has been made of existing governance indicators at the international level. They have been most widely used for lobbying and advocacy to promote governance reforms, and for monitoring the realization of government commitments to specific aspects of “good” governance, such as the implementation of democratic reforms or the implementation of anti-corruption measures. The main users have been agencies of first world governments, particularly those engaged in international assistance, multi-national business interests in the private sector, and various international agencies, including the United Nations.

Private sector businesses and investors engaged in or contemplating business in developing countries are among the targeted users of several of the indicators of corruption and bribe-paying. However, the same indicators are also used by developed country governments to lobby and advocate with developing country governments for the implementation of effective anti-corruption measures, in some cases with apparent success. For example, since publication in 2000 of a list of non-cooperating countries on money laundering by the inter-governmental body Financial Action Task Force on Money Laundering, several countries have taken the necessary actions to be removed from the list. The nature of the target group largely excludes both women and the poor from among users of these indicators. However, if foreign investment could be regarded as pro-poor or pro-women<sup>39</sup>, they could be included among the beneficiaries of such investment and thus regarded as indirect users of the relevant indicators that facilitate or discourage such investment.

Women are not among the major users of existing governance indicators, primarily because the indicators are gender blind and not relevant to women’s needs. Exceptions are the indicator on women’s participation in parliament maintained by the International Parliamentary Union, and the IDEA International database on electoral quotas for women. Both have been widely and actively used by women parliamentarians and women’s political groups to support lobbying and advocacy to increase women’s participation in national parliaments, often through the use of electoral quotas.

Although existing governance indicators have been most widely used at the international level, it is at the national and sub-national levels that governance indicators are most important and have the

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<sup>39</sup> Both women in general and poor women in many cases, have gained paid employment as a result of direct foreign investment in low income countries. However, the quality and stability of the employment remain questionable in the eyes of many women’s groups.

greatest potential. Governance indicators are most important at these levels because their effective use is actually part of the process of good governance. The use of governance indicators by the governed facilitates their participation in the processes of governance.

Governance indicators facilitate direct participation of excluded groups in decision making. For example, indicators of the low level of women's political participation in parliament or the electoral system, or their economic participation in paid employment in the civil service, can be effective tools for women's groups to become engaged in political debate around the need for mechanisms such as quotas, affirmative action or gender analysis. Indicators showing the exclusion of the poor from public services, e-governance or other mechanisms of governance can similarly become the focal point for NGO and civil society activity directed toward their inclusion.

Governance indicators are also a vital tool for transparency and accountability. A certain minimum level of information in the hands of the governed is necessary in order for them to hold governments accountable. Sex-disaggregated data has been a very important means for women's groups to begin to hold governments to account for the effective implementation of commitments made under CEDAW, the Beijing Platform for Action or national political platforms. Although indicators are generally a rather limited and crude way of presenting information, together with disaggregated data they can provide a starting place for initiatives such as gender budget analysis and citizen's budgets.

The national and sub-national levels offer the greatest potential for the initial development of new indicators and for the tailoring of indicators to the specifics of governance mechanisms and situations. The need for comparability and thus standardization necessarily limits the usefulness of governance indicators at the international level. Systems of governance and governance practice vary widely among countries according to their historical experience, culture, and level of development. Such differences must be bridged at the international level by often crude assumptions about measurement and definitions that tend to conceal more than they reveal. Carefully used, governance indicators can still have value in lobbying and advocacy, as well as to some extent in monitoring. However, the greater homogeneity of systems and practices at the national and sub-national levels facilitates the development of more precise and therefore more useful indicators with a broader range of applications.

In order to ensure that the potential of governance indicators is fully realized and that they contribute fully to the improvement of governance, users and particularly the diversity of potential users must become a primary focus of interest. Promoting the capacities of users, including women and the poor and other excluded, vulnerable or minority groups, is as important as developing better indicators. In reality, it is an essential input to the process of improving governance.

#### **IV. Summary and conclusion**

Section I of the paper identifies the problem that this paper addresses, which is that existing governance indicators are neither gender-sensitive nor pro-poor. They are based on data definition, collection and processing procedures that, with few exceptions, fail to take into account the potential impact on the data of differences in the situation and experiences of women and men in general or of poor women and men in particular. Most are based on data that are not disaggregated by sex to reveal these gender differences and are not disaggregated by socio-economic status to identify the disadvantaged situation of the poor. In many cases, the construction of the indicators is based on experiences and situations that are not relevant to the majority of women or to the poor.

To create gender-sensitive and pro-poor indicators, section II of the paper argues that ideally the underlying data must first be “engendered” by incorporating the effect of differences between women’s and men’s lives into all data definition, collection and processing procedures. Second, all individual-level data obtained (including that collected through gender-blind methodologies) must be disaggregated by sex in order to highlight the different experiences and situations of women and men, and by relevant socio-economic variables in order to reveal the specific experiences and situations of poor women and men. Finally, construction of the indicators themselves needs to incorporate the relevant experiences and perspectives of women (gender issues) and the poor (pro-poor concerns).

As gender is a cross-cutting issue, section III of the paper proposes a set of gender-sensitive governance indicators in Table 2 for each of the five UNDP Governance Service Lines, as well as two general impact gender indicators that are relevant to all Practice Areas. The table includes both process (output) indicators and outcome indicators that are relatively specific to the governance processes covered under each Service Line. Similarly, Table 3.1 proposes a set of pro-poor governance indicators for each of the five Governance lines, noting that in each case the process indicators relate in some way to the participation of the poor in decision-making, while the outcome indicators relate to changes in public sector expenditure patterns and the provision of public goods. The poverty literature now emphasizes the critical role of macroeconomic policies in providing the resources and supportive environment required for the implementation of effective poverty reduction strategies. Thus, Table 3.2 proposes the Human Poverty Index as a general impact indicator for pro-poor governance, and a set of six outcome indicators of pro-poor policies that are based on a growing consensus on the nature of pro-poor policies that is emerging from recent research by, among others, UNDP on pro-poor macro-economic policies.

Section IV focuses on the uses of gender-sensitive and pro-poor governance indicators, particularly at the national and sub-national levels. Although the primary use of existing governance indicators has been at the international level, section IV stresses the role of indicators as instruments that support the

core processes of governance within countries. Governance indicators enable the governed, including women and the poor, to monitor the efficiency and effectiveness of governance in achieving its objectives and commitments made to them. They facilitate people's participation in decision-making through, among others, lobbying and advocacy to promote better, more gender-sensitive and more pro-poor governance. Indicators are instruments that facilitate transparency and enable the people to hold institutions and decision-makers accountable for their decisions and use of resources. Thus, the situation and needs of users and the potential uses of governance indicators should be integrated into the development of the indicators. Building the capacity of users and adapting indicators to the needs of specific groups of users, particularly women and the poor, should be given equal priority with the more technical aspects of indicator development.

Although governance systems are important, in the final analysis good governance is brought about by the articulated and informed demands of the governed, who get the quality of governance that they demand. Governance will be gender-sensitive and pro-poor because women and poor women and men and their representatives in civil society participate in gender-sensitive and pro-poor processes of governance, monitor and evaluate the actions of decision-makers and hold them accountable for the achievement of gender-sensitive and pro-poor outcomes. Gender-sensitive and pro-poor governance indicators are essential inputs to these processes of good governance.