

Risk Monitoring and Assessment Methodologies

This issue of Co-Praxis examines risk monitoring and assessment methodologies that provide decision-makers with data on potential risks to the stability of a country's democracy. These methodologies generally comprise quantitative and qualitative indicators that measure specific factors related to an aspect of democratic governance, such as: democracy, electoral violence, corruption, rule of law, risk of violent conflict, and civil and political rights.

JGG Experience in Democratic Governance Risk Assessment

As a group of international development professionals working in democratic governance, Just Governance Group consultants have studied, designed, applied and evaluated methodologies for monitoring and assessing: states characterized as fragile, electoral risks, violent conflict, justice systems, democratic processes and institutions, and human rights. This experience has triggered questions related to the suitability of indicators and methods for data collection, data analysis and ranking in varied cultures and political contexts, and the relevance of the results for decision-makers.

Common Elements in the Methodologies

Indicators In order to measure risks, indicators are designed based on normative standards or expected outcomes. Indicators often represent international human rights standards or commonly used descriptors of political, security, social and economic stability. Single indicators measure one dimension while aggregate indicators combine numerous single indicators to yield a single value on a broader topic. Aggregate indicators are popular because they can summarize complex information. For example, the World Bank Institute's World Governance Indicators comprise six aggregate indicators. One of these, "Voice and Accountability", includes single indicators that measure various aspects of political process, civil liberties, and the independence of the media.

Data Collection, Analysis and Classification of Risk Data is often collected through desk research from open source statistical information, event monitoring, interviews, focus groups and/or surveys administered to the general public or national experts. These surveys usually pose perception-based questions, especially when fact-based data is hard to obtain. Data is then synthesized, analyzed and/or assigned numerical values. Countries are often ranked for cross-country comparison, or are compared to their own past results to track changes over time.

Identifying Risks, Opportunities International investors and donor and humanitarian agencies use the results to assess risk and guide their investment or aid allocation decisions. Within inter-governmental organizations (IGOs), results guide collective decision-making regarding preventive or early action in risk-prone areas. Civil society and governmental change agents are interested in the results to assess the success of current policies and to identify priorities for reform. Academic researchers analyze the results to explore relationships between variables. Some tools aim to stimulate public debate.

Challenges and Promising Monitoring Practices

Transparency Aggregate indicators have been criticized for their lack of transparency. Although they summarize large amounts of information, it is not always clear how they are constructed. Publicly accessible data portals have been created to enable users to access data and indicators themselves. Guides for users on sets of indicators also help them select and customize indicators. New technologies are being used in early warning systems to facilitate transparent, participatory and rapid dissemination of data.

Methodologies Reviewed

Africa Union, Continental Early Warning System

Carleton University, Country Indicators for Foreign Policy (CIFP): Failed States

Freedom House, Freedom in the World Survey

Economic Community of West African States, Conflict Prevention Framework

Election Commission of India, Vulnerability Mapping Tool

European Union, Situation Room

International IDEA, State of Democracy Assessment

International IDEA, Electoral Risk Management Tool (draft reviewed; unpublished)

Inter-governmental Authority on Development (Horn of Africa), Conflict Early Warning and Response Mechanism

Instituto de Estudios Comparados en Ciencias Penales, Observatorio de Justicia Penal en Guatemala

Political Risk Services Group, International Country Risk Guide

Latinobarómetro

Organization of American States, Political Analysis and Multiple Scenarios System

United Nations Development Programme, Political Analysis and Prospective Scenarios Project

World Bank, Worldwide Governance Indicators

World Justice Project, Rule of Law Index

Actionability Aggregated results may obscure specific areas/institutions that need reform, or oversimplify complex issues. Moreover, their results may not identify clear action points for policymakers within the given country – what some call a lack of “actionability.” Final results are increasingly presented in a disaggregated (single indicators) format. This ensures that the information is clear, user-friendly, and makes it easy to identify reform priorities. Conflict early warning systems also need to link results to opportune and practical prevention options. Use of new information and communication technologies, such as software and social media applications, has contributed to prompt action in some cases.

Perceptions or Reality? The use of perception-based data does not always reflect reality. People’s perceptions of risks and of the state of institutions may be exaggerated or simply inaccurate. However, in both perception-based and fact-based data, there may be selection bias in the choice of indicators, and in interpretations of the data. Both of these processes may be guided by the organization’s values. Data collection and analysis is not necessarily neutral. Survey questions are increasingly designed to ask about respondents’ direct experiences, rather than their perceptions. This ensures that answers are grounded in lived experience. The Rule of Law Index by the World Justice Project, for example, has incorporated experience-based questions into its public and expert surveys.

JGG’s Reflections

Who Monitors: Experts or Stakeholders? Universities, non-governmental organizations (NGOs) and IGOs, think tanks and private organizations conduct this work for external or internal users. Risk monitoring, even when disseminated to external users, is most commonly conducted by an organization’s in-house team of analysts. International IDEA’s democracy assessment and draft electoral risk assessment tools, on the other hand, are flexible methodologies, offered as global public goods, and designed for user-friendly application by local in-country assessment teams comprising individuals from diverse private and public sectors.

Indicator Design and Weighting for Local Contexts Methodologies that permit users to select indicators based on sound international or comparative research and then assign a value based on national or local priorities increases the relevance of the results. Some tools evaluated by JGG also permit users the option of formulating context-specific indicators.

Data Collection Collecting data from a variety of sources using a variety of instruments or techniques permits a more comprehensive understanding of the situation or institution and permits analysts to identify correlations and patterns in the data.

Circulation of Results JGG has observed that dissemination mechanisms (including new technologies) to promptly communicate results in visual formats (maps, graphs and charts) to key decision-makers and also concerned or influential stakeholders in the immediate environment encourages prompt decisions and facilitates buy-in and prompt implementation of the decisions.

Resource Allocation Adequate human and financial resources need to be assigned for the implementation of monitoring and assessment methodologies. Political support is also important

Literature Reviewed

Alihodžić, Sead. “Electoral Violence Early Warning and Infrastructures for Peace” (2012) 7(3) Journal of Peacebuilding and Development 54.

Arndt, Christiane, and Charles Oman. Uses and Abuses of Governance Indicators. OECD Development Centre, 2006.

Buduru, Bogdan and Leslie A. Pal. “The Globalized State: Measuring and Monitoring Governance” (2010) 13 European Journal of Cultural Studies 511.

McDevitt, Andy. Gateway Corruption Assessment Toolbox: Aggregate Indices Topic Guide. Transparency International, 2008.

Nyheim, David. Preventing violence, War and State Collapse: The Future of Conflict Early Warning and Repsonse. OECD/ DAC, 2009.

Wulf, Herbert and Tobias, Debiel. “Conflict Early Warning and Response Mechanisms: Tools for Enhancing the Effectiveness of Regional Organizations?” (2009) 2 (49) Crisis States Working Papers Series, London School of Economics.

to demonstrate an institution’s commitment to informed or evidence-based decision-making.

From Monitoring to Action Risk assessments and early warning systems may identify potential political instability and/or violent conflict but decision makers do not always accept the reports. Governments may interpret results as alarmist or offensive. This may occur when universities, think tanks or NGOs present reports to government or judicial officials but challenges also occur when reports are generated within an institution or IGO. For example, collective decision making mechanisms, the principle of non-intervention in the affairs of a sovereign state, or lack of political will may inhibit prompt action. JGG notes that risk assessment methodologies that include a final stage that links the results to decision making protocols (based on the user organizations’ mandate) encourages strategic and prompt action.

Additional Resources

Kaufmann, Daniel and Aart Kraay. “Governance Indicators: Where are We, Where Should We Be Going?” World Bank Research Observer vol. 23 no. 1, 2008.

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