

European Union Governance - Evaluation Based on Statistical Indicators

Cornel Lazăr, Mirela Lazăr

Faculty of Economic Sciences, Petroleum-Gas University of Ploiești, Bd. București 39, 100680, Ploiești, Romania

e-mail: clazar@upg-ploiesti.ro , lazar_mce@yahoo.ro

Abstract

Governance is a complex phenomenon, with important economic, social and political effects, that reflects the manner of taking and implementing important decisions in society and the methods of cooperation and relations between stakeholders. In this paper we firstly aimed to briefly present the evolution of the concept of governance in correlation with changes occurred in the manifestation of this phenomenon. Knowing the level and dynamics of governance through statistical indicators enables making decisions towards increasing the quality of governance and analysing the relationship between socio-economic performances and the manner of making and implementing decisions in society. This paper aims to highlight the main indicators used in measuring the quality of governance and conduct an analysis of the level and dynamics of this phenomenon in the case of 28 EU countries. The analysis is based on two groups of indicators, WGI (World Governance Indicators) and Eurostat indicators. The statistical data analysed for the period 2008-2015 reflect in both cases (WGI and Eurostat) a tendency of decreasing of the quality of governance in the EU 28 (average level) but also significant differences by country or group of countries.

Keywords: *governance; good governance; governance indicators; European Union.*

JEL Classification: *H11.*

Introduction

Today, there is a growing consensus that governance is a very important element in economic and social sustainable development. Since its inception, the concept of governance has undergone multiple meanings depending on the approach to this phenomenon. The first section of this article reviews some definitions of governance.

The appearance of the concept of governance is due to the increasing of the dynamics and complexity of a global-type society, where there are inter-organizational, supranational and transnational zones of influence. Governance is considered as an alternative to traditional government action, targeting the redistribution of power in the public space by renegotiating authority and decision-making in partnership networks.

In the early years of the introduction of the term governance, some authors argued that contemporary society has been evolving from government to governance, which they

considered to be a government action plus the interaction with nongovernmental partners in the process of governance (Boyer, 1990). Other authors considered governance as operational activity for development of public policies in which the government seeks input from their social partners (Nugent, 1999).

The issue of governance has been one of the concerns of the researchers within the World Bank, who define this phenomenon in various ways:

- "exercise of authority, control, management, power of government." (World Bank, 1992);
- "the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services" (World Bank, 2007);
- "traditions and institutions by which authority in a country is exercised".

The definitions presented above assert that in most cases governance is concerned in how decisions are made and implemented and represents the process whereby public institutions conduct public affairs and manage public resources.

Governance includes complex mechanisms, processes and relationships, as well as institutions through which citizens and various social groups harmonize their interests, exercise their rights and obligations and mediate misunderstandings (Cheema, 2005). In some cases (United Nation, 2007a) it is spoken about three types of governance.

First, it is discussed about public or political governance, which belongs to the authority of the state, government or public sector and refers to the process by which society organizes and manages its affairs.

Secondly, there is the economic governance under private sector's authority that refers to policies, processes and organizational mechanisms that are necessary to produce and distribute goods and services.

Thirdly, there is the social governance that belongs to civil society, including citizens and non-profit organizations and that refers to the system of values and mechanisms necessary to achieve social actions and making decisions in this domain.

The issue of governance is addressed and developed in the White Paper on European Governance (Commission of the European Communities, 2001). In this document there are suggested five key principles for the establishment of more democratic governance: *openness, participation, accountability, effectiveness and coherence*. In this context, governance represents all rules that structure a community and that are observed in language, customs and codes of conduct, norms, laws and institutions.

When analysing the phenomenon of governance we need to distinguish between good and bad governance. Good governance was officially included in the European Sustainable Development Strategy in 2006 (Council of the European Union, 2006).

Starting with the Monitoring Report of the EU Sustainable Development Strategy in 2009, good governance has been playing a central role in supporting sustainable development (EUROSTAT, 2009). But how to distinguish between good governance and bad governance? According to some authors, governance is good when resources are allocated and managed so that it responds to collective issues, or in other words the state works effectively, allowing the provision of public goods to citizens (Rotberg, 2004).

United Nations considered the good governance as an essential component of the Millennium Development Goals (United Nation, 2007) because it establishes the framework of fight against poverty, inequality and many other important goals of humanity. For some authors, good governance focuses on economic development and especially on the quality of citizens' life (Hunter & Shah, 2005) while others consider good governance as „the quality of public administration" (Kurtz & Schrank, 2007).

During the last period, some authors have made a distinction between good governance and public governance (Yusof, 2015). In the context of increased globalization, during recent years we have been talking more about the new public governance, characterized by significant qualitative changes, through more productive public policies (Patapas, Raipa & Smalskys, 2014). The new public governance is considered as an evolution of the public management, under different aspects. In a relatively more recent approach in the specialized literature, it is talked about a new model of governance namely co-governance (Johnson & Osborne, 2003).

Knowing the level and dynamics of governance through indicators, enables and inspires making decisions in addressing problems that affect good governance and ensures the increasing of the quality of governance. Since the emergence of the concept of governance, the first concerns in measuring its level were manifested, concerns that have intensified in recent years. In the following, we present some of the most popular governance indicators, their construction, their use and their usefulness.

Indicators Used in Measuring Good Governance

Quantitative measurement of various aspects of good governance is an absolutely necessary activity because through indicators it is possible to analyse the evolution of this complex phenomenon, but also the comparisons on the level reached in different countries or regions.

Governance indicators play an important political, conceptual and symbolic role in promoting the democratic image of governance and framing the general discourse about governance (Malito & Umbach, 2015).

We should also mention the importance of governance indicators in analysing the relation between socio-economic performances and institutional characteristics (Kerim at al, 2015).

The analysis of the evolution of various aspects of good governance is achieved through a variety of indicators, both individual and aggregate, proposed by international organizations, public or private institutions or by researchers. In the following, we shall present a brief overview of the most commonly used and known indicators of good governance.

The overview referred to the content of the different indicators, their construction and their availability.

A. The European Commission governance indicators

The most important source of information on governance at the level of the European Commission is represented by the Eurostat database, which includes a system of indicators covering the most important social and economic aspects of this phenomenon.

The EUROSTAT governance indicators include six indicators that are consistent with the principles of Sustainable Development Strategy of the European Union (EU SDS).

In detail, the set of indicators of good governance of EUROSTAT are as follows:

1. Policy coherence and effectiveness:
 - New infringement cases;
 - Transposition deficit;
 - Level of citizens' confidence in EU institutions.
2. Openness and participation:
 - Voter turnout in national and EU parliamentary elections;
3. Economic instruments:
 - Shares of environmental and labour taxes in total tax revenues from taxes and social contributions;

- Implicit tax rate on energy.

At the European Commission level there were on-going concerns and debates for improving and diversifying the set of indicators of good governance, the most significant being: the PASSO project -Participatory Assessment of Sustainable Development indicators on Good Governance from the Civil Society perspective, 2009-2010 (Gaggi & Sessa, 2012) and European Public Sector Innovation Scoreboard.

B. The OECD systems of governance indicators

The Organization for Economic Cooperation and Development (OECD) approach the governance from a broader perspective, based on the principle that efficient delivery of services is just one aspect of governments' tasks. The Organization for Economic Cooperation and Development, also use a statistical database that includes more distinct indicators for measuring governance.

The most popular indicators, proposed by OECD are: *Glance indicator system* and the *OECD Better Life Index*.

Every second year, the OECD realize a publication entitled *Government at a Glance* that is based on the analysis of the quantitative and qualitative indicators of governance, concerning the following topics:

1. Trust in government, policy effectiveness and governance agenda;
2. Strategic governance;
3. Public finances and economics;
4. Budgeting practices and procedures;
5. Public sector employment and pay;
6. Women in government;
7. Public procurement;
8. Open and inclusive government;
9. Accessibility and quality of public services.

The *OECD Better Life Index* use optional weights on many fields of life quality. One of these fields refers to "civic engagement and governance quality". This field is covered by factors such as: voter turnout; political engagement; consultation on rulemaking; trust in governmental institutions.

C. The World Bank Indicators

World Bank performs mainly two best-known indicators for measuring governance. It's about of Worldwide Governance Indicators (WGI) and Country Policy and Institutional Assessment (CPIA).

The Worldwide Governance Indicators (WGI) is one of the most popular indicators used to measure governance both globally, but also in EU countries.

The Worldwide Governance Indicators (WGI) is an important project initiated by Daniel Kaufmann and Aart Kraay in 1999 that aims to aggregate the existing sources about governance into new and more reliable composite indicators. The WGI include composite indicators of governance, based on more than 30 data sources, including surveys on firms and households, data provide by non-governmental organizations and public sector organizations etc. (Kaufmann, Kraay & Mastruzzi, 2011).

This data sources are used to create six aggregate indicators corresponding to what the authors consider to be *fundamental governance concepts* (Maurseth, 2008).

According to the two authors mentioned above, the six WGI indicators are (World Bank, 2016) (www.govindicators.org):

1. Voice and accountability (VA)
2. Political stability and absence of violence (PV)
3. Government effectiveness (GE)
4. Regulatory quality (RQ)
5. Rule of law (RL)
6. Control of corruption (CC).

Even if the WGI are not used by the World Bank Group to allocate resources, they are valuable indicators that can offer a synthetic image on key dimensions of governance in EU 28 and the member countries.

Country Policy and Institutional Assessment (CPIA) is a measure of the quality of policies and institutions related to economic growth and poverty reduction. It use twenty equally weighted criteria that are grouped into four clusters: economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. The indicator is used to allocate the resources donated by the International Development Association.

Analysis of the Level and Dynamics of Governance in the EU

A brief analysis of the contents of governance indicators presented above reveals that they take into account various aspects that define this phenomenon, without measuring its economic and social effects.

In order to analyse the quality of governance at EU level we shall use two sets of statistical data, namely Worldwide Governance Indicators (WGI) and EUROSTAT indicators.

a) Governance analysis based on WGI

This study examines the level of governance quality the EU-countries, based on the concept of governance quality distinguishing six different aspects and data from the Worldwide Governance Indicators.

The six measures of governance for the EU 28 countries are presented in Table 1, by country groups based on geographical and political background.

In order to appreciate by a single value the governance of the 28 EU member states, we calculated the average of six indicators that make up WGI.

The data in Table no. 1 and Figure no. 1 show that in 2015 the average level of governance for the EU 28 was 1.03, but it presented significant differences by groups of countries. Thus, the highest level of governance was established on the basis WGI for North-European countries (1.74), followed by the other old Western Economies (1.48), but among them, South-European countries have contrastingly even lower levels of governance quality (0.74). The lowest level of governance in 2015, established based on WGI, was recorded for the Central and East-European countries (0.68).

Table 1 indicates that quality of governance is very high in Finland (1.77), Denmark (1.74) and Sweden (1.72) and also shows that in general, countries with the communist background tend to have much lower levels of governance quality: Bulgaria (0.12), Romania (0.21), Croatia (0.39),

Hungary (0.50). We note that among Southern European countries, a very low level of governance is established in Greece (0.19), country with two indicators that recorded negative values: political stability and absence of violence (-0.23) and control of corruption (-0.13).

We also notice that in two former communist countries, Bulgaria and Romania, there are still problems of controlling the corruption, this indicator recording negative values: Bulgaria (-0.31) and Romania (-0.05).

Table 1. The level of the WGI indicators, in EU 28, by country and country groups, in 2015

	VA	PV	GE	RQ	RL	CC	WGI*
Total EU 28*	1.09	0.69	1.13	1.17	1.14	0.98	1.03
North-European Countries*	1.57	0.97	1.83	1.79	2.05	2.25	1.74
DENMARK	1.57	0.89	1.85	1.73	2.04	2.23	1.72
FINLAND	1.56	1.04	1.82	1.83	2.07	2.28	1.77
SWEDEN	1.60	0.97	1.81	1.81	2.04	2.25	1.75
West European Countries*	1.39	0.82	1.62	1.58	1.73	1.71	1.48
AUSTRIA	1.40	1.19	1.47	1.43	1.85	1.49	1.47
BELGIUM	1.39	0.60	1.44	1.28	1.42	1.58	1.29
FRANCE	1.18	0.27	1.44	1.15	1.41	1.28	1.12
GERMANY	1.43	0.72	1.74	1.67	1.78	1.82	1.53
IRELAND	1.35	0.93	1.54	1.81	1.79	1.64	1.51
LUXEMBOURG	1.52	1.41	1.72	1.67	1.86	2.12	1.72
NETHERLANDS	1.57	0.93	1.84	1.77	1.93	1.89	1.66
UNITED KINGDOM	1.27	0.56	1.74	1.86	1.81	1.87	1.52
South European Countries*	1.00	0.48	0.83	0.85	0.78	0.52	0.74
CYPRUS	1.04	0.54	1.04	1.06	1.01	0.98	0.95
GREECE	0.59	-0.23	0.25	0.40	0.24	-0.13	0.19
ITALY	1.01	0.34	0.45	0.73	0.25	-0.05	0.46
MALTA	1.18	1.04	0.85	1.17	1.15	0.92	1.05
PORTUGAL	1.12	0.87	1.23	0.94	1.14	0.92	1.04
SPAIN	1.02	0.29	1.18	0.79	0.90	0.49	0.78
Central and East European Countries*	0.80	0.64	0.75	0.89	0.64	0.36	0.68
BULGARIA	0.39	0.02	0.22	0.55	-0.12	-0.31	0.12
CROATIA	0.50	0.58	0.51	0.36	0.20	0.20	0.39
CZECH REPUBLIC	1.02	0.96	1.05	1.08	1.12	0.39	0.94
ESTONIA	1.17	0.62	1.09	1.66	1.33	1.25	1.19
HUNGARY	0.52	0.73	0.49	0.77	0.40	0.10	0.50
LATVIA	0.82	0.45	1.10	1.09	0.79	0.40	0.77
LITHUANIA	0.97	0.70	1.20	1.28	0.98	0.56	0.95
POLAND	1.04	0.87	0.80	1.00	0.80	0.58	0.85
ROMANIA	0.43	0.20	-0.04	0.59	0.15	-0.05	0.21
SLOVAK REPUBLIC	0.97	0.96	0.84	0.79	0.48	0.15	0.70
SLOVENIA	0.95	0.92	0.97	0.62	0.95	0.73	0.86

Data sources: Calculated data by authors based on the information retrieved on January 9, 2017, from Worldwide Governance Indicators, available at www.govindicators.org

*medium level

Note: Estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance)

Another conclusion that emerges from Figure No.1 and based on data from Table 1 and Table 2, is that the quality of governance knows no significant changes in relatively short periods of time. Therefore, the average WGI for the EU 28 decreased from 1.07 in 2008 to just 1.03 in 2015.

Table 2. The level of the WGI indicators, in EU 28, by country and country groups, in 2008

	VA	PSAV	GE	RQ	RL	CC	WGI*
Total EU 28 *	1.12	0.77	1.12	1.26	1.13	1.02	1.07
North-European Countries*	1.55	1.20	2.07	1.72	1.92	2.37	1.81
DENMARK	1.60	1.05	2.25	1.88	1.95	2.47	1.87
FINLAND	1.51	1.44	2.04	1.62	1.90	2.41	1.82
SWEDEN	1.55	1.10	1.94	1.64	1.91	2.23	1.73
West European Countries*	1.41	0.92	1.59	1.61	1.67	1.74	1.49
AUSTRIA	1.40	1.34	1.77	1.60	1.93	1.92	1.66
BELGIUM	1.35	0.62	1.39	1.40	1.33	1.32	1.23
FRANCE	1.31	0.53	1.58	1.28	1.48	1.38	1.26
GERMANY	1.35	0.92	1.52	1.49	1.72	1.73	1.46
IRELAND	1.45	1.14	1.50	1.92	1.69	1.76	1.58
LUXEMBOURG	1.53	1.51	1.61	1.67	1.80	2.02	1.69
NETHERLANDS	1.54	0.86	1.69	1.77	1.75	2.16	1.63
UNITED KINGDOM	1.33	0.45	1.65	1.78	1.66	1.66	1.42
South European Countries*	1.10	0.55	0.95	1.13	1.03	0.79	0.92
CYPRUS	1.09	0.64	1.52	1.39	1.19	1.24	1.18
GREECE	0.90	0.28	0.59	0.88	0.84	0.10	0.60
ITALY	1.02	0.53	0.29	0.95	0.42	0.25	0.58
MALTA	1.24	1.27	1.29	1.20	1.60	1.04	1.27
PORTUGAL	1.19	0.96	1.08	1.10	0.99	1.00	1.06
SPAIN	1.18	-0.40	0.92	1.24	1.17	1.11	0.87
Central and East European Countries*	0.81	0.66	0.62	0.95	0.58	0.25	0.65
BULGARIA	0.56	0.35	-0.05	0.69	-0.16	-0.30	0.18
CROATIA	0.43	0.55	0.57	0.51	0.08	-0.04	0.35
CZECH REPUBLIC	1.00	1.01	1.01	1.15	0.89	0.27	0.89
ESTONIA	1.07	0.54	1.16	1.43	1.16	0.87	1.04
HUNGARY	0.96	0.72	0.71	1.19	0.89	0.38	0.81
LATVIA	0.75	0.23	0.56	1.03	0.79	0.13	0.58
LITHUANIA	0.81	0.72	0.62	1.12	0.68	0.04	0.67
POLAND	0.92	0.86	0.48	0.82	0.51	0.35	0.66
ROMANIA	0.51	0.15	-0.32	0.58	-0.01	-0.16	0.13
SLOVAK REPUBLIC	0.91	1.06	0.87	1.12	0.57	0.30	0.81
SLOVENIA	1.01	1.12	1.19	0.83	0.98	0.91	1.01

Data sources: Calculated data by authors based on the information retrieved on January 9, 2017, from www.govindicators.org

*medium level

This reduction of the quality of governance during 2008-2015, at EU level, was determined by the recorded decrease in Central and Eastern European countries, from 0.68 to 0.65, the other groups of countries recording slight increases.

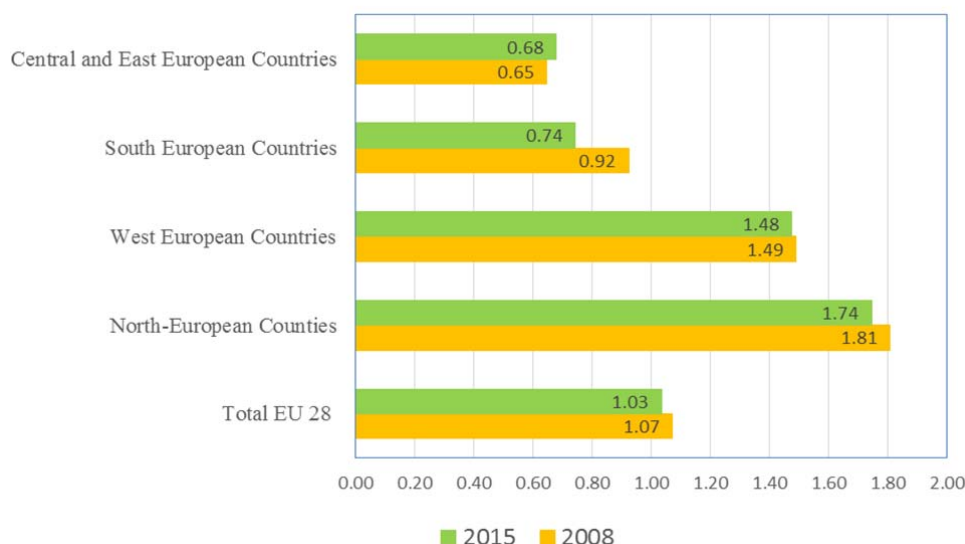


Fig. 1. The evolution of the WGI (medium level) in EU 28, by country groups, in 2015 compare to 2008

Data sources: Calculated data by authors based on the information retrieved on January 9, 2017, from www.govindicators.org

b) Analysis of the evolution of governance based on Eurostat indicators

As previously stated, in the case of EU, a conclusive analysis of governance can be achieved based on the indicators proposed by Eurostat. Data presented in Table 3 highlight a series of aspects concerning the evolution of governance within the EU in 2008-2014 (in case of indicators from 2008-2012).

Regarding the development of the six governance indicators, we make the following remarks:

- *The number of new infringement cases* refers to cases of breaching the Community Law and reflects the important qualitative aspects of Policy coherence and effectiveness. During 2008-2012 we recorded a favourable trend in the number of new infringement cases in the EU-27 that dropped annually from 207 to 58.
- *Transposition deficit* is an indicator that care measures the percentage of EU directives for which measures of implementation in national law have been undertaken. The indicator signals the degree of policy coherence and policy integration among all EU policies. In the case of EU 27, the percentage of transposition deficit had a slight downward trend reaching a minimum level of 0.6% in 2012.
- *Voter turnout in national and EU parliamentary elections* measures the number of those who cast a vote or 'turn out' at an election, including those who cast blank or invalid votes. The indicator, show the degree of citizens' participation in public affairs both at EU and national levels, signalling the involvement of citizens in society.
- Voter turnout in national and EU parliamentary elections in the EU 28 has slightly decreased between 2008 and 2014, from 70.3% to 68.0%. The contemporary erosion of voter turnout may potentially be associated with younger generations not voting in the elections (Eurostat, 2015).

Based on the data available for several countries (Table 4), we observe that in the developed countries there has been a very good turnout: Belgium (89.4%), Sweden (85.8%); whereas in

the former communist countries the turnout was much lower: Bulgaria (51.1%), Slovenia (51.7%), Latvia (58.8%), Hungary (61.8%) etc.

Table 3. The evolution of the Eurostat's indicator of Good Governances, in EU, between 2008 and 2014

Indicator	UM	geo\time	2008	2009	2010	2011	2012	2013	2014
Policy coherence and effectiveness									
New infringement cases	Number	EU (27 countries)	207	142	128	73	58
Transposition deficit	%	EU (27 countries)	1	0.7	0.9	1.2	0.6
Openness and participation									
Voter turnout in national and EU parliamentary elections(e)	%	EU (28 countries)	70.3	70.4	69.6	68.8	68	68	68
Economic instruments									
Implicit tax rate on energy	EUR per tonne of oil equivalent	EU (28 countries)	188.4	201.2	197.7	215.0	217.8	219.9	233.7
Shares of environmental and labour taxes in total tax revenues from taxes and social contributions	%	EU (28 countries)	6.03	6.35	6.37	6.37	6.35	6.33	6.35
Contextual indicator									
Level of citizens' confidence in EU institutions	%	European Union (changing composition)	47	46	44	36	40	35	38

Data sources: Based on the information retrieved on January 11, 2017, from EUROSTAT, 2015, available at <http://ec.europa.eu/eurostat/web/sdi/indicators/good-governance>

- *Implicit tax rate on energy (ITR)* is calculated as the ratio of energy tax revenues (adjusted for inflation) to final energy consumption and represents the effective tax burden on energy. Energy tax revenues are measured in EUR (deflated) and the final energy consumption as tonnes of oil equivalent. ITR recorded significant increases during 2008-2014, mainly following the crisis triggered at the beginning of this period. Thus, at the level of EU 28, ITR increased from 188,44 EUR per tonne of oil equivalent in 2008 to 233,74 in 2014.

Although we cannot speak of a direct connection between ITR and the level of economic development or geographical area, we can still observe (Table 4) that a higher level of this indicator was recorded especially for economically developed countries: Denmark (431.65 EUR per tonne of oil equivalent), Italy (400.63), United Kingdom (271.83), Netherlands (257.71) etc. A lower level of ITR was recorded in 2014 in case of less developed countries: Bulgaria (**104.18**), Lithuania (108.58), Slovakia (107.65), Latvia (111.91) etc.

Table 4. The main Eurostat's indicator of Good Governances, in EU by country, in 2014

geo\time	Implicit tax rate on energy	Voter turnout in national and EU parliamentary elections	Shares of environmental and labour taxes in total tax revenues from taxes and social contributions	Level of citizens' confidence in EU institutions
UM	EUR per TOE	%	%	%
EU (28 countries)	233.74	68.0	6.35	38
Belgium	136.15	89.4	4.53	47
Bulgaria	104.18	51.1	9.84	46
Czech Republic	136.70	:	6.22	37
Denmark	431.65	:	8.18	56
Germany	218.77	:	5.24	36
Estonia	143.64	:	8.28	47
Ireland	250.38	:	8.17	39
Greece	350.58	:	10.24	23
Spain	202.65	:	5.50	26
France	236.28	:	4.47	34
Croatia	161.75	:	10.51	41
Italy	400.63	:	8.28	33
Cyprus	252.80	:	9.01	25
Latvia	111.91	58.8	9.26	45
Lithuania	108.58	:	6.13	58
Luxembourg	200.78	:	5.23	57
Hungary	134.85	61.8	6.79	51
Malta	217.34	:	8.51	55
Netherlands	257.71	:	8.96	54
Austria	175.4	:	5.63	51
Poland	139.37	:	7.82	48
Portugal	177.46	:	6.59	43
Romania	136.40	64.1	8.76	59
Slovenia	236.37	51.7	10.61	40
Slovakia	107.65	:	5.76	47
Finland	147.15	:	6.57	55
Sweden	220.36	85.8	5.18	51
United Kingdom	271.83	:	7.54	25

Data sources: Information retrieved on January 11, 2017, from EUROSTAT, 2015, available at <http://ec.europa.eu/eurostat/web/sdi/indicators/good-governance>

: not available

- *Shares of environmental and labour taxes in total tax revenues from taxes and social contributions*; Except for 2008, when they registered a minimum level of 6.03%, during 2009-2014 these had a linear evolution, fluctuating around 6.35%. This slight increase was mainly caused by the economic crisis which affected many EU countries during this period. Analysing the situation of this indicator on EU member states, we find that in 2014, in most cases, a lower level than the average of EU 28 was registered in the case of some

economically developed countries: Belgium (4.53%), France (4.47%), Germany (5.24%), Austria (5.63%) etc. and a higher level was recorded by countries having a lower development level or that were more significantly affected by the economic crisis: Greece (10.24%), Croatia (10.51%), Bulgaria (9.84%), Latvia (9.26%) etc.

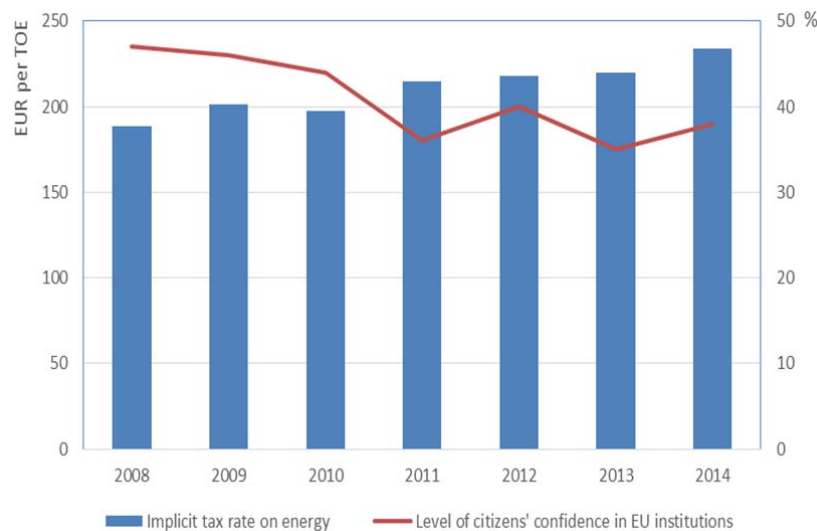


Fig. 2. The evolution of the Eurostat's indicator of Good Governance, in EU, by country and country groups, between 2008 and 2014

Data sources: Based on the information retrieved on January 11, 2017, from EUROSTAT, 2015, available at <http://ec.europa.eu/eurostat/web/sdi/indicators/good-governance>

- o *Level of citizens' confidence in EU institutions* expresses the level of confidence (or trust) that citizens have in the three main EU institutions: Council of the European Union, European Parliament, and European Commission. In this paper we have analysed only the citizens' confidence in the European Commission. Data from table no.3 (and fig. 2) highlight a significant reduction of this indicator, namely from 47% in 2008 to only 38% in 2014. In 2014, the citizens' degree of confidence in the European institutions was presenting important differences on member countries. Over the European average (38%) there were countries like: Romania (59%), Luxembourg (57%), Denmark (56%), Finland (55%), Malta (55%) whilst other countries recorded much lower levels, caused by the effects of the economic crisis, Greece (23%), Spain (26%), Cyprus (25%) or by distancing from the EU, (United Kingdom 25%).

Conclusions

Definitions given to governance have known a very rapid dynamics, trying to capture as accurately possible all the aspects referring to this manner of establishment and implementation of important decisions in society.

Measuring by statistical indicators of the different aspects regarding good governance represents an absolutely necessary activity, because based on the offered information, it is possible to analyse the evolution in time of this complex phenomenon, but also creating similitudes on the levels reached in various countries.

For measuring governance, international organizations, public or private institutions or researchers have proposed and implemented a great number of individual and synthetic indicators that tried to reflect the modifications occurred in defining this phenomenon.

It is concluded that governance indicators are a valuable and useful tool for evaluating countries' performance, but that they should be complemented with other sources of information.

The governance's indicators presented above take into consideration different aspects which define this phenomenon without measuring though its economic and social effects. Based on statistical models, it is possible to establish correlations between the quality of governance and economic and social development, but we consider that a direct relationship between them is difficult to determine, in statistical terms, even if it's obvious that exist.

The study carried out in this paper concerning the level and dynamics of governance for 28 EU member states, based on two categories of statistical indicators, unfortunately highlights in both cases a trend of slight decrease in the quality of governance during 2008-2012.

Also, the statistical data analysed by countries or groups of countries reflect significant differences between them. We notice that a much higher level of the quality of governance is recorded in North-European countries and the lowest level is found in Central and East-European countries and especially in the case of former communist countries.

We notice also that, the low level of citizens' degree of confidence in the European institutions in United Kingdom, conducted finally at the withdrawal from the European Union of this country. Taking into account that United Kingdom is one of the first members of European Union, the Brexit is not a good thing for the EU.

Given the diverse issues that governance addresses, we believe that for achieving a more objective reflection of the phenomenon, it is necessary to use multiple sets of data and statistical indicators, both individual and aggregate.

References

1. Boyer, W.W., 1990. Political Science and the 21st Century: From Government to Governance, *Political Science and Politics*, Vol. 23, No. 1 (Mar.), Published by: American Political Science Association Stable. Available at: <http://www.jstor.org/stable/419778>, [Accessed on February, 16, 2017]
2. Cheema, G.S., 2005. *Building Democratic Institutions: Governance Reform in Developing Countries* New York, Kumarian Press Inc.
3. Commission of the European Communities, 2001. *European Governance. A White Paper*, Brussels.
4. Council of the European Union, *Review of the EU Sustainable Development Strategy (EU SDS) Renewed Strategy*, Document number 10117/06, 2006, pp. 1-29. Available at: <http://register.consilium.europa.eu/pdf/en/06/st10/st10117.en> [Accessed on January, 10, 2017].
5. European Commission, 2013. *European Public Sector Innovation Scoreboard, A pilot exercise*. Available at <http://bookshop.europa.eu/en/european-public-sector-innovation-scoreboard-2013-pbNBAZ13001/> [accessed on January, 15, 2017].
6. Eurostat, 2009. *Statistical books, Sustainable development in the European Union, 2009 monitoring report of the EU sustainable strategy*, (Luxembourg: EUROSTAT). Available at <http://ec.europa.eu/eurostat/en/web/products-statistical-books/-/KS-78-09-865> [Accessed on January, 11, 2017].
7. Eurostat, 2015. *Statistical books, Sustainable development in the European Union, 2015 monitoring report of the EU sustainable strategy*, pp.317 – 315, (Luxembourg: EUROSTAT). Available at <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-GT-15-001> [Accessed on January, 11, 2017].
8. Eurostat, 2015. *Sustainable Development Indicators: Good governance*, available at <http://ec.europa.eu/eurostat/web/sdi/indicators/good-governance> [Accessed on January, 11, 2017].
9. Gaggi, S. and Sessa, C., 2012. Towards an European good governance barometer, *Ökologisches Wirtschaften* 2, pp.39-44.

10. Hunter, J. and Shah, A., 2005. *A simple measure of good governance*, in Public Services Delivery, Shah, A.(Editor), Washington, DC: The World Bank.
11. Johnson, C. and Osborne, S., 2003. Local strategic partnerships, neighborhood renewal, and the limits to co-governance, *Public Money and Management* (July), (London: CIPFA).
12. Kaufmann, D., Kraay, A. and Mastruzzi, M., 2011. The Worldwide Governance Indicators: Methodology and Analytical Issues, *Hague Journal on the Rule of law*, vol.3, issue 2.
13. Kerim,S.A., Rey-Valette,H., Seyte, F. and Boccanfuso, D., 2015. A subjective view of governance indicators. *Document de Recherche, no 10*, LAMETA, Montpellier.
14. Kurtz,M. and Schrank,A., 2007. Growth and Governance: Models, Measures and Mechanisms, *The Journal of Politics*, 69(2).
15. Malito D. and Umbach G., 2015. Governance by Indicators: Opportunities for Democracy? European University Institute, Paper Prepared for the ECPR Joint Sessions of Workshops 2015, *Warsaw Workshop Number 3: Can Democratic Innovations Improve the Quality of Democracy?*
16. Maurseth, B., 2008. *Governance Indicators: A guided Tour*, Department of International Economics, Norwegian Institute of International Affairs, NUI Working Paper.
17. Nugent, N., 1999. *The Government and Politics of the European Union*, Fourth edition, Duke University Press.
18. Patapas, A., Raipa, A. and Smalskys, V., 2014. New Public Governance: The Tracks of Changes, *International Journal of Business and Social Research(IJBSR)*, Volume 4, No.5, May.
19. Rotberg, R.I., 2004. Strengthening Governance: Ranking Countries Would Help, *The Washington Quarterly* 28:1.
20. United Nations, 2007. *The Millennium Development Goals Report 2007*, New York.
21. World Bank, 1992. *Governance and Development*. (Washington DC: World Bank).
22. World Bank, 2007. *Strengthening the World Bank Group Engagement on Governance and Anticorruption?*
23. World Bank, 2016. *Worldwide Governance Indicators WGI 2016*. Available at: www.govindicators.org [Accessed on January, 9, 2017].
24. Yusof, M.S.M., Romle, A.R. and Kamal. K.A.M., 2015. Public Governance Vs Good Governance: Outlining the Concepts, *International Journal of Administration and Governance*, 1(4) Special.