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A new index of legislative oversight

A New Index Of Legislative Oversight Capacity

Introduction

The purpose of this paper is to present a new index of legislative oversight. The reason why we decided to do so is that previous studies on legislative oversight have either neglected how legislative oversight could be measured or have measured it rather inadequately. Hence the first and the most obvious reason why we want to present a new index of legislative oversight is that we believe that the index that we are about to present represents a significant improvement over what previous studies were able to accomplish.

Our aims, and the nature of this paper, are not exclusively methodological. While we hope that our measure may regarded as a useful methodological contribution, we believe that its true importance is eminently practical or substantial.

As we have noted, individually and jointly, in several of our previous works legislative oversight has represented one of the most interesting, challenging and dynamic areas of inquiry for legislative studies specialists. The importance of this area of inquiry was due to the fact that, in addition to its intellectual and academic merits, this area of inquiry had major practical applications.

For the past 15 years the international community has regarded legislative oversight as an essential component of any successful effort to promote good governance and secure democracy. The reasoning was that accountability is an essential requisite for both good governance and democracy, that accountability can be secured through effective oversight. From this first set of propositions, scholars and practitioners derived the conclusions that by strengthening legislatures, that is by strengthening legislatures oversight capacity, they would secure effective oversight with all its correlates.

While there is no question about the importance of oversight tools and oversight capacity, recent studies (Pelizzo and Stapenhurst, 2012) have showed that the presence of a large number of oversight tools is by itself insufficient to ensure that oversight activities are carried out effectively. Parliaments and parliamentarians may not use the oversight tools that are placed at their disposal or may decide to use them in rather ineffective way. Hence recent studies underlined the importance of developing a better understanding of the conditions that facilitate oversight effectiveness. Stapenhurst (2011), in what has been the most comprehensive study on this subject to date, argued that contextual factors are crucial in understanding whether, how and to what extent oversight activities are performed effectively or not.

Building on this insight, Stapenhurst (2011) went on to propose a legislative oversight index. We call this index the 'Stapenhurst index' for it was conceived, operationalized, and measured by Rick Stapenhurst. We will provide greater detail on the Stapenhurst index at a later stage, for now it suffice to say that this index is constructed by multiplying an index of oversight capacity by an index of contextual factors. Having computed this index, Stapenhurst (2011) conducted some empirical analyses. These analyses showed that the Stapenhurst index is a more sophisticated methodological tool than the previously used measures of oversight capacity, that corruption is in fact affected by oversight for the reasons that the literature had long assumed, and that the relationship between oversight capacity and corruption is mediated by contextual factors—which is precisely why the Stapenhurst index was so successful.

In this paper, building on the work on Stapenhurst (2011) we plan to present a modified version of his index. The modified version of the index retains all the advantages and the characteristics of the Stapenhurst index, but it is simpler to compute and is less likely to open itself to methodological criticisms.

In the course of this paper we proceed in the following way. In the first section, we present our data, data sources, and our sample---that display some variation in terms of democratic quality, democratic legitimacy, geographic location, level of corruption, parliamentary staff, oversight capacity and oversight effectiveness.

In the second section we provided a careful analysis of the Stapenhurst index. In doing so we discuss how the index of oversight capacity was constructed, how the index of contextual factors and how the Stapenhurst index was eventually generated. Building on this discussion, in the third section we discuss why we thought it'd worth modifying the Stapenhurst index, how the Stapenhurst index could in fact be modified, we introduce our modified index and we provide an example of how this new index could be calculated. Since, as we have already noted, the importance of this work is not simply methodological but also empirical, in the fourth section of this paper we perform some statistical analyses to show how well our index works. In doing so, we are able to show that our index is remarkably good predictor of oversight effectiveness and corruption. In this final respect, we are able to show that when we use our index to predict the level of corruption, our predictions are very close to the level of corruption recorded by Transparency international. In the fifth and final section, we draw some conclusions.

Data and Data Sources

Data were collected from a variety of sources. The data concerning confidence in parliament were taken from the most recent World Value Survey. The data on this variable were collected for 51 countries worldwide, namely: Argentina, Australia, Brazil, Bulgaria, Burkina Faso, Canada, Chile, Colombia, Cyprus, Ethiopia, Finland, France, Georgia, Germany, Ghana, Great Britain, Guatemala, India, Indonesia, Iran, Italy, Japan, Jordan, Malaysia, Mali, Mexico, Moldova, Morocco, the Netherlands, New Zealand, Norway, Peru, Poland, Romania, Russia, Rwanda, Serbia, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, Ukraine, Uruguay, the United States of America, Vietnam and Zambia. Respondents in each country were asked to indicate whether they had a great deal of confidence, some confidence, not very much confidence, no confidence at all in their parliament/legislatures. By adding the responses of those who reported to have a great deal of confidence to the responses of those who reported to have some confidence, we computed the level of confidence in parliament in each of the above mentioned 51 countries. The level of confidence in parliament varied from 7 per cent to 98 per cent, with a mean of about 37.2 per cent.

The data concerning the level of democracy were taken from Freedom House, that on a yearly basis provides an assessment of the state of democracy for each and every country in the world, including, obviously, the 51 countries included in our sample. The Gastil index is a seven point scale. Depending on how the score they receive countries are treated as non democracies (score from 5.5 to 7), as formal democracies (from 3.5 to 5) and liberal democracies (score from 1 to 3). According to its latest report Freedom House assessed the level of democracy for 195 countries in 2011: 45 percent of these countries were liberal democracies, 31 per cent of them were formal democracies and 24 per cent of them were non democratic. Since our sample comprises all the countries for which World Value Survey measured the confidence in parliament and since it is not always a meaningful exercise to ask respondents in non democratic settings to express their confidence in their (non democratic) political institutions, the percentage of democratic countries in our sample is higher than it is worldwide. In our sample there are 31 liberal democracies (62.7 per cent), 13 formal democracies (23.5 per cent) and 7 non democratic regimes (13.7 per cent).

The data on corruption are taken from Transparency international that on a yearly basis estimates the Corruption Perception Index, which is one of the best known and most widely used indices of corruption. This index is expressed on a 11-point scale, that ranges from a minimum of 0 that means highly corrupt to a maximum of 10 that means very clean. The analyses conducted with our sample show that, CPI varies from a minimum of 2 to a maximum of 9, with a mean of 4.7.

The data on oversight were taken from two different sources. The data concerning the presence/absence of the Ombudsman, how he/she is appointed and his/her relationship with parliament as well as the data on parliaments' ability to impeach the president, on parliamentarians' ability to ask questions, to the

presence/absence of committees of inquiry, the presence/absence of specialized oversight committees (such as the Public Accounts Committees) and the presence/absence of additional oversight committees were taken from the website of the Inter-Parliamentary Union. The data on the presence/absence, appointment and the Ombdsman's relation with parliament were available for 34 of the 51 countries originally included in our sample—which is precisely tw-thirds of our sample or, in percentage terms, 66.7per cent. The data further reveal that 73.5 per cent of the 34 countries, that responded to this survey question, have an ombudsman, while there is no ombudsman in the remaining 26.5 per cent of the cases.

The data on the oversight role of parliamentary committees, the presence/absence of specialized oversight committees, and parliament's ability to appoint inquiry committees were available for 31 countries (60.7 per cent). All the legislatures that responded to this survey question, reported to have either specialized oversight committees, or committees of inquiry or some other oversight committees. The analysis of the survey data also indicated that 48.4 per cent of the legislatures reported to use at least two types of oversight committees and that 35.5 per cent of the legislatures have all the three types of oversight committees mentioned in the survey questionnaire.

The data concerning the size of the parliamentary staff were taken from Miller, Pelizzo and Stapenhurst (2004). The 49 legislatures for which data were available display some considerable variation in how well or how poorly they are staffed. In fact, the size of the parliamentary staff varies from a minimum of just 1 member of staff to a maximum of 900 staff members, with an average of about 119 staff members.

The data on executive constraints, a measure that is often used a proxy for legislative effectiveness, were taken from the website of Polity IV. The variable on executive constraints varies from a minimum of 1 that indicates that an executive is free from any kind of institutional control, to a maximum of 7 that indicates that the executive branch of government is kept under proper scrutiny and control by the other institutions. Data on this variable were collected for all the 51 cases included in our sample. The analysis of these data reveals that our proxy variable for the effectiveness of oversight varies from a minimum of 2, which means that the government is not controlled very effectively to a maximum of 7 which mean that horizontal oversight is carried out very effectively. The data analysis also reveals that executives in the countries included in our sample are controlled fairly well. In fact, our sample displays an average score of 5.94.

The Stapenhurst index

Stapenhurst (2011) in his comprehensive analysis of causes and consequences of legislative oversight, investigated whether and to what extent differences between parliamentary and presidential systems could be detected both in terms of their oversight capacity and in terms of their level of corruption. The purpose of that study was not simply that of assessing the relationship between forms of governments and level of corruption, but was also that of investigating the relationship between legislative oversight on the one hand and levels of corruption on the other hand.

The study conducted by Stapenhurst (2011), by performing both sophisticated statistical analyses of fairly large samples and in-depth case studies, was carried out on the basis of an assumption that has guided the international community for nearly two decades. This assumption posits that if the activities and the expenditures of a government are effectively overseen by a legislature, the government is held accountable for its actions and expenditures and that this accountability, in its turn, would contribute to curbing and possibly eliminating corruption.

One of the problems, that Stapenhurst (2011) was confronted with, was that the literature had up to that moment paid little attention to a variety of issues. Very little attention had been paid to mapping the distribution of oversight tools in the world, very little attention had been paid to assessing the relationship between these tools and legislatures' oversight capacity, very little attention had been paid to the relationship

between oversight capacity and oversight effectiveness and between oversight effectiveness and good governance.

Building on the work of Maffio (xxxx), using the data collected by IPU in collaboration with WBI Pelizzo and Stapenhurst (2004a) presented the first comprehensive assessment of the distribution of oversight tools in the world. The data presented by Pelizzo and Stapenhurst (2004a) showed that all legislatures have at least one oversight tool at their disposal, that most of them have more than one oversight tool at their disposal, that parliamentary questions and committee hearings were the most common tools of legislative oversight, and that legislatures in parliamentary systems were better equipped to perform their oversight function than legislatures operating in presidential systems.

Building on that initial study, Pelizzo and Stapenhurst (2004b) went on to argue that the number of oversight tools at the disposal of a legislature could be regarded as its oversight potential and that oversight potential varied across forms of government, levels of socio-economic development and levels of democracy. Specifically, legislatures operating in more developed and more democratic countries had a greater oversight potential than legislatures working in less developed and less democratic countries.

These studies represented the first efforts to analyze the relationship between oversight and the functioning of political systems. They provided some insight into areas of inquiry that had previously been neglected and sparked a whole new research agenda that had branched off in several directions.

One of the important developments in this area is represented by the study conducted by Stapenhurst (2011). In that study Stapenhurst argued that a legislature's ablity to oversee the executive branch of the government is a function not only of the oversight potential or capacity, but it is also a function of the context in which he legislature operates.

Hence, Stapenhurst (2011) proposed an index of oversight potential, an index of contextual factors and a combined index. He decide to construct such an index for he found that while oversight tools alone do affect the level of corruption, the context is also important. In creating such an index Stapenhurst (2011) first computed an index of oversight capacity and then multiplied the oversight capacity index by an index devised to capture the importance of contextual factors. After creating what could be regarded as the Stapenhurst index of oversight, Stapenhurst employed this newly constructed metrics to assess whether and to what extent the level of corruption is affected by legislative oversight.

A New Index

The present purpose is to construct a modified version of the index Stapenhurst (2011) had originally devised. We do so because by adopting a sample larger than the sample used by Stapenhurst (2011) in his pioneering work, we are not able to collect all the information one would require to build the Stapenhurst index. Hence, in this section we will construct a modified version of the Stapenhurst index and we will proceed then to use it to perform some empirical analyses. In doing so, we will test both the statistical relationship between the modified Stapenhurst index and various measures of legislative capacity and/effectiveness and we will also run some statistical tests to investigate the relationship between legislative oversight as measured by the modified Stapenhurst index and levels of corruption. The Modified Stapenhurst index is constructed by combining two components: the oversight capacity and the context. We will discuss them in turn.

We measure Oversight capacity on the basis of 5 dimensions, namely the presence/absence of parliamentary questions, the presence/absence of specialized oversight committees, the presence/absence of an ombudsman, parliament's ability to impeach the executive, and the size of the parliamentary staff. The presence/absence of parliamentary questions is a simple dichotomous variable. It takes value one for

legislatures where MPs are allowed to pose written and/or oral questions, and takes value 0 otherwise. The parliament's ability to impeach the executive is also a dichotomous variable, that takes value 1 when a legislature has the power to initiate the impeachment process and takes value 0 otherwise.

The oversight role of the committee is a more articulated dimension and its complexity is reflected by the way in which the variables belonging to this dimension were coded. This committee dimension relates to three distinct issues, namely to whether there are specialized oversight committees in a given legislature or not, to whether inquiry committees can be set up to conduct some investigations on parliaments' behalf and to whether a parliament has additional oversight committee. Each of these three variables is a dichotomous variable, that takes value 1 when each of the above mentioned variables is answered in a positive way and that takes value 0 otherwise. To be clearer: a parliament that has no specialized oversight committee, that does not have the authority to set up committee of inquiry and that does not have other oversight committees receives a score of 0 (zero). A legislature that has a specialized committee, but that does not have either inquiry committees or other oversight committees receives a score of 1. A legislature that has two types of committees but not the third receives a score of 2, while a legislature that has all these oversight committees receives a score of 3.

The role of the ombudsman is also more complex and is operationalized as a four point scale. The ombudsman dimension comprises the following three subdimensions: whether there is an ombudsman (1 = yes, 0 = no), whether the ombudsman is appointed by the legislature (1 = yes, 0 = no) and whether the ombudsman reports to parliament (1 = yes, 0 = no). The combination of these three sudimensions or variables generates a 4-point scale, taking value 0 if each of the variables is turned off, taking value 1 if one and only one variable is turned on, taking value 2 if any two variables are turned on and taking value 3 if all the variables are turned on.

As it was noted elsewhere (Miller et al., 2004) a legislature's ability does not reflect only the instruments that it can employ to perform its oversight function, it also reflects whether it has access to free, reliable, independent information and whether it is adequately staffed. As we noted above, we took the data on parliamentary staff from Miller et al. (2004) and we recoded the data concerning the size of the parliamentary staff into a three-point scale, that takes value 0 when the size of the parliamentary staff is small (0-10), that takes value 1 when the size of the staff is medium (11-50), and that takes value 2 when the size of the staff is large (over 50).

By combining the scores on staff, ombudsman, committees, questions, impeachment, we can create an additive scale that varies from 0 to 10. By dividing the score generated in this way by 10, the oversight capacity score can be expressed in percentage terms. The Index of Oversight capacity score ranges from 0 (no capacity) to 1.0 (maximum capacity). The IOC values for all the countries for which complete information was available and for which it was possible to measure the IOC are presented in Table 1.

Table 1. Index of Oversight Capacity (IOC)

Country	Parliamentary questions	Impeachment	Committees	Ombudsman	Staff	IOC
Brazil	1	1	2	3	2	.90
Bulgaria	1	1	2	3	0	.70
Cyprus	1	1	3	2	0	.70
France	1	1	3	2	1	.80
Germany	1	1	3	0	2	.70
Great Britain	1	0	3	3	2	.90
Indonesia	1	1	2	1	1	.60
Iran	1	0	2	0	2	.50
Japan	1	1	2	0	2	.60
Jordan	1	1	2	1	0	.50
Mali	1	1	2	2	0	.60
Mexico	1	1	1	3	2	.80
Netherlands	1	0	2	3	0	.60
Poland	1	1	2	3	2	.90
Romania	1	1	2	3	1	.80
Russia	1	1	1	2	2	.70
Rwanda	1	1	1	2	0	.50
Slovenia	1	1	3	3	0	.80
South Africa	1	1	3	2	1	.80
Spain	1	0	2	3	2	.80
Sweden	1	0	2	3	1	.70
Switzerland	1	0	3	0	1	.50
Thailand	1	1	3	2	1	.80
Turkey	1	1	2	1	2	.70
Ukraine	1	1	1	3	2	.80
Uruguay	1	1	2	0	2	.60
Zambia	1	1	3	2	1	.80

Stapenhurst (2011), building on a large body of work, noted that a parliament's ability to perform its oversight function is affected not only by how many oversight tools it can employ or by how well it is staffed, but it is also affected by the context. Stapenhurst (2011) then suggested a two-step approach to properly grasp the impact of contextual factors in affecting parliament's ability to perform their oversight tasks. Stapenhurst's first step consisted in constructing an additive index od contextual factors, an index that took into consideration the level of democracy, the legitimacy of the legislature, the level of institutionalization of political parties, the electoral system adopted to elect parliamentarians and the form of government. After having constructed this additive index, Stapenhurst (2011) devised the Stapenhurst index by multiplying the index of legislative capacity discussed above with the index of contextual factors.

Here we propose a modified version of the Stapenhurst index. Our version is modified in two respects. First of all, our index differs from the Stapenhurst index because we use a smaller number of variables or dimensions to construct the index of legislative oversight capacity. Second, our index differs from the Stapenhurst index because our index of contextual factors is constructed by taking into consideration only two variables, namely the level of democracy (2 = liberal democracy, 1 = formal democracy, 0 = non democracy) and the level of confidence in the legislature.

This variable, as we noted above, reflects the percentage of voters that in each of the 51 countries included in our sample reported to have a great deal of confidence or some confidence in parliament. Given the response rate, we transformed the responses into a trichotomous variable. Specifically we divided, responses in three

groups of countries that displayed respectively low confidence in parliament, medium confidence in parliament or high confidence in parliament. Having coded these two variables as we have just explained, we generated the index of contextual factors by adding them together. Speficlly, our confidence in parliament variable takes value 0 when the confidence in parliament rages from 0 to 30 percent, it takes value 1 for countries where between 30.1 and 50 per cent of the voters have confidence in parliament, and it takes value 2 for all the countries where the legislature enjoys the confidence of more than 50 per cent of the population. By combining these two variables, we compute the Index of Contextual Factors. The country scores are reported in Table 2.

Table 2. Index of Contextual Factors

Country	Level of democracy	Confidence in parliament	ICC
Brazil	2	0	.50
Bulgaria	2	0	.50
Cyprus	2	1	.75
France	2	1	.75
Germany	2	0	.50
Great Britain	2	1	.75
Indonesia	2	1	.75
Iran	0	1	.25
Japan	2	0	.50
Jordan	0	2	.50
Mali	0	2	.50
Mexico	1	0	.25
Netherlands	2	0	.50
Poland	2	0	.50
Romania	2	0	.50
Russia	0	0	0.0
Rwanda	0	2	.50
Slovenia	2	0	.50
South Africa	2	2	1.0
Spain	2	1	.75
Sweden	2	2	1.0
Switzerland	2	2	1.0
Thailand	1	1	.50
Turkey	1	2	.75
Ukraine	1	0	.25
Uruguay	2	1	.75
Zambia	1	1	.50

The index of Oversight capacity and the index of contextual factors are independent of one another.

Our new index of legislative oversight is constructed by multiplying the index of oversight capacity with the index of contextual factors. But let's see how the index is constructed by using a simple example. Let's take the case of Great Britain. Great Britain is a liberal democracy, 36 per cent of its citizens have confidence in parliament, it has a CPI of 7, it has an ombudsman, appointed by the legislature and that reports to the legislature, it has a PAC, it can set up inquiry committees and has additional oversight committees, MPs can ask questions and reportedly does not have an impeachment procedure, the size of the parliamentary staff is 224. Given these characteristics, the Ombudsman variable has a score of 3, the committee variable has a score of 3, the question variable has a score of 1, while the impeachment variable has a score of 0 and the staff variable has a score of 2. Hence the index of oversight capacity takes the following value:

IOC = $\frac{3\pm3+1+0+2}{10}$ = .90, The index of contextual factors in Great Britain takes the following value

ICC =$\frac{2\pm1}{4}$ = .75

Therefore the Stapenurst index for legislative oversight (SILO) takes the following value

SILO = .90 * .75 =.675 (which is our analysis is rounded to .68). By performing this computation for all the countries included in our sample and for which complete data were available, we obtain the scores presented in table 3.

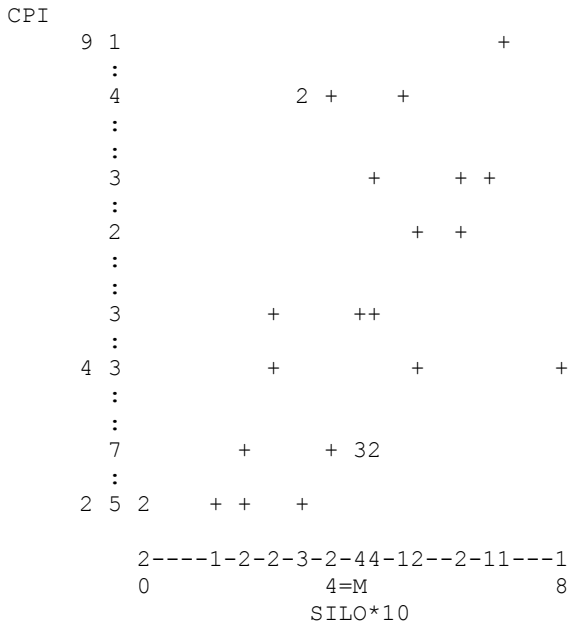
Table 3. Stapenhurst Index of Legislative Oversight (SILO)

Country	IOC	ICC	SILO
Brazil	.90	.50	.45
Bulgaria	.70	.50	.35
Cyprus	.70	.75	.525
France	.80	.75	.60
Germany	.70	.50	.35
Great Britain	.90	.75	.675
Indonesia	.60	.75	.45
Iran	.50	.25	.125
Japan	.60	.50	.30
Jordan	.50	.50	.25
Mali	.60	.50	.30
Mexico	.80	.25	.20
Netherlands	.60	.50	.30
Poland	.90	.50	.45
Romania	.80	.50	.40
Russia	.70	0.0	0
Rwanda	.50	.50	.25
Slovenia	.80	.50	.40
South Africa	.80	1.0	.80
Spain	.80	.75	.60
Sweden	.70	1.0	.70
Switzerland	.50	1.0	.50
Thailand	.80	.50	.40
Turkey	.70	.75	.525
Ukraine	.80	.25	.20
Uruguay	.60	.75	.45
Zambia	.80	.50	.40

Some results

Having computed the modified Stapenhurst index for the countries included in our sample, we can perform a variety of statistical analyses. Since the literature has long argued that legislative oversight contributes to the establishment and the effective functioning of a system of accountability, which in its turn, is essential in curbing corruption, we should find that good governance is higher in countries where the SILO has a higher value and, conversely is lower where the SILO assumes lower values. To test whether this is indeed the case, we scatterplot the Corruption Perception Index devised by transparency International against the SILO. See Figure 1.

Figure 1. Scatterplot SILO and CPI



The scatterplot makes it quite clear that there is a strong and positive relationship between SILO ad CPI. We can see in fact that as the value of the SILO increases, the CPI score also increases. The policy implication of this finding is that legislative oversight plays a crucial role in curing corruption.

Conclusions

The purpose of this paper was to present a new index of legislative oversight, called SILO. This index is measured by taking into account both internal and contextual factors. The internal factors refer to the presence/absence of some tools, as well as their method of appointment and their institutional responsiveness to parliament. The external factors refer instead to the level of democracy and the level of legitimacy that a legislature enjoys in a country. By combining these, we generated an index called SILO, that represents a refinement of the Stapenhurst Index (Stapenhurst, 2011).

In this paper, in addition to explaining how the SILO is measured, and why we believe it is a useful diagnostic tool to assess how a legislature fares in terms of oversight capacity, we also performed some analyses to assess the predictive power of the SILO.

Specifically, we performed some statistical analyses to test a proposition that has long been advanced in the literature namely that stronger oversight deters corruption. By regressing our index against the corruption perception index measured by Transparency international, we find that our index has a strong, positive, and significant impact on the level of corruption (b = 6.04) and that our index explains a fairly large portion of the variance in the level of corruption (R-squared 0 .264). In other words, variation in the oversight capacity alone (as measured by SILO) accounts for more than 25 per cent of the variance in the level of corruption in our sample. What we believe is truly remarkable is the fact that when we use our index to predict the level of corruption in a given country, the predicted values that we are able to generate are remarkably close to the observed values. For instance for Cyprus and Great Britain the difference between the CPI index computed

by Transparency International and what we predict on the basis of SILO is less than 10 per cent, while in the case of Poland the difference between the observed and the predicted value is just 1.5 per cent.

Given the success of our measure, we hope that it will be widely employed by academic circles and practitioners alike.

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