

Quantitative indicators of the quality of governance in developing countries and emerging economies have greatly proliferated since the mid-1990s. The main users of these indicators are international investors, official development agencies, journalists and academics. The most widely used, and misused, governance indicators are composite perceptions-based indicators.

[This paper](#)

argues that even the most carefully constructed composite indicators have limitations their users seem widely to ignore. Greater transparency is required both in the production and in the use of governance indicators.