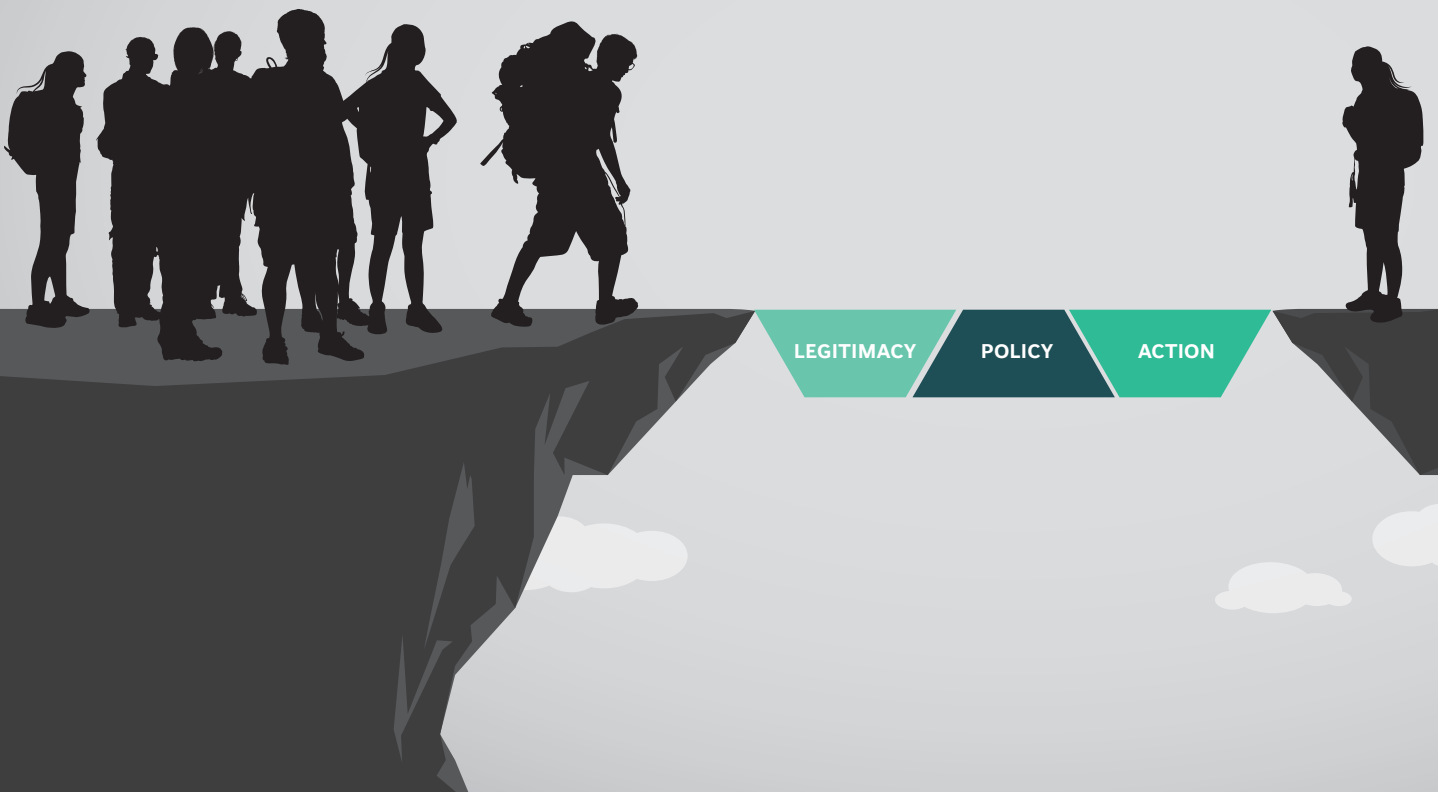




# Centre for Public Impact

A BCG FOUNDATION



# The Public Impact Gap

*Focusing governments on outcomes and potential*

# Introducing the Public Impact Gap

## Executive summary

The Public Impact Gap is the difference between the outcomes a government is achieving and the outcomes it could be achieving. It works by comparing a government's performance on a given outcome (for example, road traffic safety) to a stretching but achievable benchmark based on a group of peers.

A country's Public Impact Gap tells us how far that country lags behind its peers, and also what impact could be achieved if the Gap were to be closed (for example, the number of lives that could be saved). While it is a relatively simple concept, we believe that the Public Impact Gap can be a useful tool in holding governments to account for delivering outcomes in areas of fundamental importance to each of us, including education, health, and safety.

Highlighting where Public Impact Gaps exist is just the beginning of the story. The Centre for Public Impact has also set out the means to diagnose, address and close Public Impact Gaps by publishing the Public Impact Fundamentals – a free tool for governments, developed with leading academics to help leaders achieve better outcomes. This tool can be used in conjunction with the Public Impact Observatory, a free database of more than 200 case studies, accessible via the Centre for Public Impact's website.

## Introduction

### **Too often governments fall short when it comes to the outcomes that matter most to citizens**

Governments are accountable to their citizens for delivering meaningful policy outcomes. But all too often citizens are let down by governments that could do better. When governments fall short, it really matters. Improving outcomes in education, health, the environment and all other areas of government and across the wider public sector means giving people the opportunity to flourish, raise their living standards, and live longer, happier and more secure lives. Achieving good outcomes is also crucial for governments themselves if they are to restore trust in themselves and the political system.

### **Holding governments to account requires a focus on outcomes and their relative performance when compared to peers**

In order to hold governments to account, we need to understand the outcomes that have actually been achieved as well as the outcomes that might have been possible. Neither of these is straightforward.

Conversations about government performance rarely focus on outcomes. Measurement is part of the problem, as outcomes data is not always readily available. Even where data is available, governments often prefer to talk about spending or activities rather than outcomes. In addition, partisanship and the pressure of election cycles tend to pull the debate towards political point-scoring rather than a clear-sighted focus on the results achieved.

Evaluating outcomes requires us to understand what could have been achieved, and for this external benchmarks are helpful. Take, for example, a country where gender equality outcomes are improving year on year, thanks in part to updated parental leave policies. We might look at these improved outcomes and congratulate the government on its performance. But what if parental leave policies in another country had delivered even better equality outcomes? The relative comparison highlights what could have been achieved and is therefore likely a better benchmark than the country's own historical performance.

### The Public Impact Gap provides a systematic way to evaluate a government's performance

To help keep conversations about government performance focused on outcomes and what is possible, we have created the concept of the Public Impact Gap. **The Public Impact Gap is the difference between the outcomes a government *is* achieving, and the outcomes it *could be* achieving.** It is therefore a measure of potential as well as a way of describing how far a government is falling short.

In concrete terms, the Public Impact Gap is a simple piece of analysis that takes a set of outcomes for a group of similarly situated governments (which could be of countries, states or cities) and measures the gap between the performance of each one and a challenging but achievable benchmark. In this way, the Public Impact Gap tells us how far a government is falling behind its peer group standard.

While the Public Impact Gap is a simple concept, we hope that it will help focus discourse on the outcomes that matter to citizens and on what governments can realistically be expected to achieve.

### The Public Impact Gap is calculated in three steps

First, select an outcomes-based indicator for which comparative data is available. Second, select a peer group of governments (of countries, states or cities, etc.) that are similarly situated. Third, measure the gap to the 75th percentile performance for each government in the peer group.

All governments performing below the benchmark level have a Public Impact Gap to close. We express this Gap in terms of the outcomes metric (for

example, the difference in the maternal mortality ratio). We can also express what would be the impact of closing the Public Impact Gap (for example, the number of maternal deaths that could be saved if the Public Impact Gap were closed).

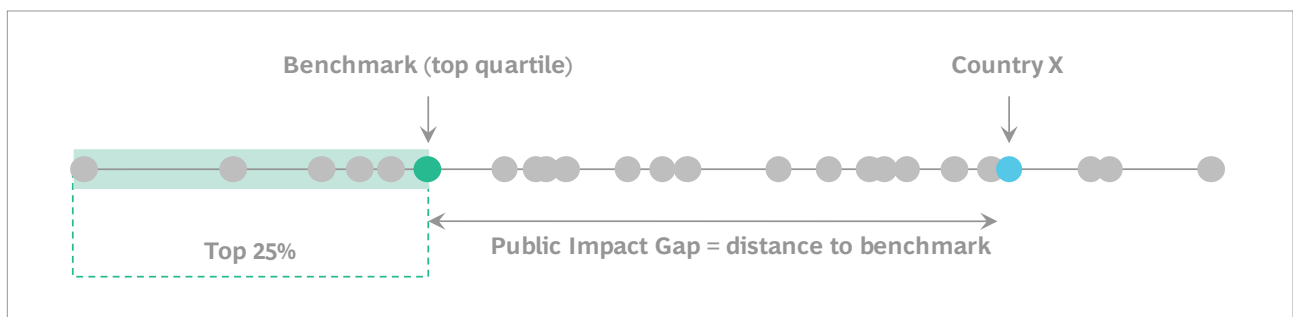
We recognise governments to the left of the benchmark as strong performers who (in relation to the group) do not have a Public Impact Gap to close. That is not to say that outcomes could not be improved further, and indeed we would expect the benchmark to be raised over time, but compared to their peers these governments performed well on this metric.

### Calculating the Public Impact Gap requires judgment which should itself yield valuable insights

The Public Impact Gap is driven by the peer group selected for a given metric. So if, for example, we choose a demanding peer group, a government may have a large Public Impact Gap whilst it would have a smaller gap if lower-performing peers were selected. Often there may be commonly accepted groups of peers (e.g., OECD countries), but in any case an honest discussion of the most relevant peers is valuable for all governments that are serious about understanding their performance.

In an ideal world, all data would be up-to-date, consistent, accurate and error-free. Also, we would ideally be able to define the outcomes metric and the peer group so that all countries in the group were “identically situated” with respect to that metric. For example, when we compare countries in a peer group in relation to a homicide metric, we would like to be able to say that, by applying the same effort, all countries within the group would be able to achieve

Figure 1: A country's Gap is the distance between its performance and the 75th percentile performance



the same outcomes. Of course, the world and the data in it are much messier and more complicated than this. We will never have perfect data and we don't expect to be able to correct it for all influences. Therefore, our level of ambition for the Public Impact Gap may be greater for some data sets than for others. We believe in making this explicit, but we also believe that it is acceptable and it should not stop us from trying to set reasonable benchmarks.

### The Public Impact Fundamentals and the Public Impact Observatory help to answer the important questions of why the Gap exists and how we can close the Gap

The Centre for Public Impact has set out the means to diagnose, address and close the Public Impact Gap by publishing the Public Impact Fundamentals – a free tool for governments, developed with leading academics to help leaders achieve better outcomes. The Fundamentals are underpinned by three areas of focus: Legitimacy, Policy and Action.

This tool can be used in conjunction with the Public Impact Observatory – a free database of more than

200 case studies, accessible via the Centre for Public Impact's website – which evaluates the success of policies across the world in delivering public impact, and which provides real-life examples of closing the Public Impact Gap.

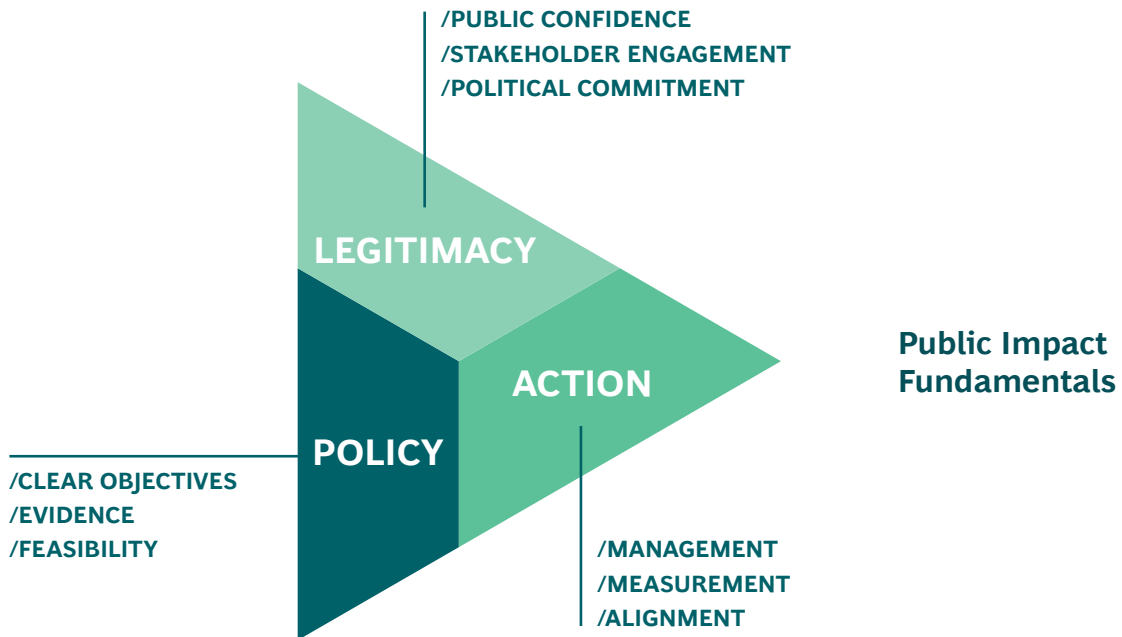
### Three examples help illustrate the Public Impact Gap

To illustrate the Public Impact Gap we have set out three examples on the following pages, covering key outcomes in health, education and safety. As described above, drawing attention to a country's Public Impact Gap is just the beginning of the conversation. A deeper analysis (using the Fundamentals or otherwise) is required to understand where the problems lie and what could be done to close the Gap.

We invite readers to provide feedback on the Public Impact Gap and these examples, and also to continue the discussion about how and where the Public Impact Gap can be usefully applied.

Email us at [info@centreforpublicimpact.org](mailto:info@centreforpublicimpact.org)

Figure 2: Public Impact Fundamentals



# The Public Impact Gap

## Example Analysis

# Below upper secondary education in OECD countries

## As an upper secondary education becomes increasingly important, some young people are being left behind

For young people across the world, graduating from upper secondary education has become increasingly important as the labour market becomes more knowledge-based and workers need to adapt to rapidly changing technologies. Graduating from upper secondary education is associated with several important outcomes, including better health, higher social engagement, a higher employment rate, and higher relative earnings.<sup>1</sup>

*Upper secondary education means the final stage of secondary education, lasting 2-5 years and typically between the ages of 15-18, when students tend to start to specialise in preparation for university or vocational further study.*

Therefore, while it is encouraging that the number of people completing upper secondary education has been rising over a number of decades, there is a concern that that some countries lag far behind the global leaders and risk leaving many of their young people adrift in the global economy. Across OECD and OECD partner countries, on average one in five 25 to 34 year olds have had no upper secondary education.<sup>2</sup>

## Impact of closing the Public Impact Gap in OECD countries – 15 million more young people with upper secondary attainment in five countries alone

We ran the Public Impact Gap analysis on upper secondary education attainment for a peer group of OECD countries and partner countries. Figure 3 shows Korea leading the pack with only 2% of 24 to 35 year olds having no upper secondary education. Taking the 75th percentile peer group performance as a benchmark, Figure 3 shows that the UK has a Public Impact Gap of 6%, and that Italy and Spain have Public Impact Gaps of 16% and 25% respectively. Turkey (39%) and Mexico (46%) have the largest Public Impact Gaps to close.

If these five countries were to close the Public Impact Gap, we would see over 15 million more young people attaining upper secondary education and the improved outcomes associated with it – 0.5m in the UK, 1.2m in Italy, 1.5m in Spain, 5.0m in Turkey and 8.6m in Mexico.

## Korea and Finland: two very different approaches to achieving outcomes in education, both underpinned by respect for the teaching profession and academic accomplishment

Korea and Finland, two countries that lead the world in education outcomes,<sup>3</sup> both perform well on upper secondary attainment, despite their very different approaches to education.

The Korean education system promotes hard work and diligence. It is not uncommon for Korean students to study from 8am to 11pm.<sup>4</sup> Korean children are taught that hard work is expected and that through hard work they can succeed – and conformity is enforced throughout society, including through parents, teachers, and peers.

Finland takes almost the opposite approach to education, promoting individuality and limited classroom hours. Yet Finland also ranks performs well on upper secondary

1 OECD Education at a Glance, 2016

2 OECD Education at a Glance, 2016

3 E.g., OECD's PISA (Programme for International Student Assessment) and Pearson's Global Education Index

4 <http://www.bbc.co.uk/news/education-25187993>

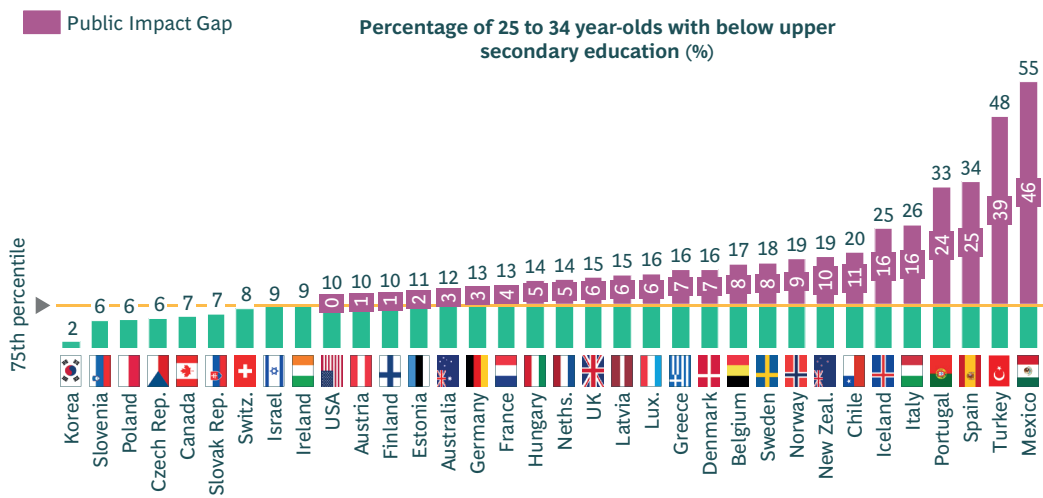
attainment, in addition to other outcomes metrics.<sup>5</sup> As in Korea, pupils in Finland have a deep respect for teachers and academic accomplishment. Teachers enjoy an elevated status and less than 10% of applicants for teaching programmes in the capital are successful.<sup>6</sup> The Finnish system focuses on excellence and improvement, with teachers spending only 600 hours a year teaching (as against 1,100 in the US), spending the remainder of their time on professional development.<sup>7</sup>

**Limitations**

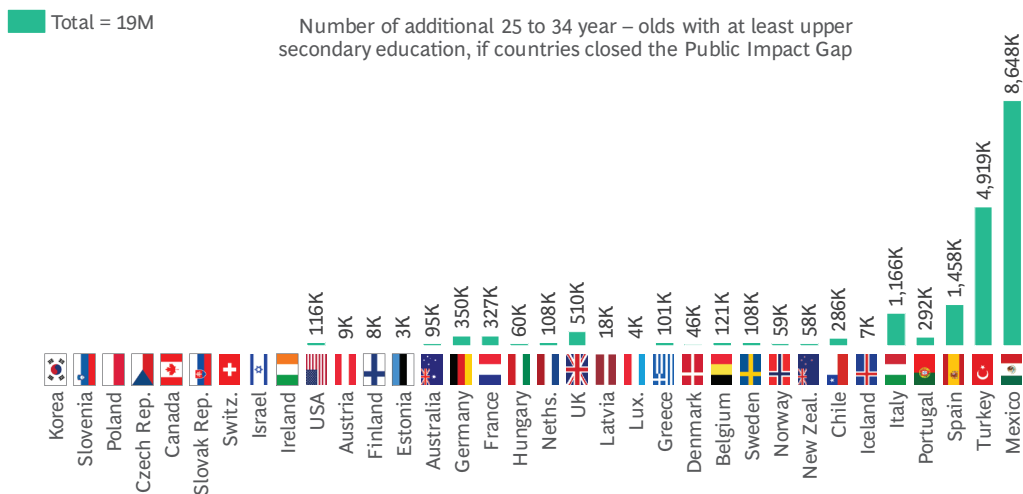
We have not adjusted the data for GDP or the percentage of GDP spent on education (either current or historic), which presumably will be relevant to this outcome. Also, while studies show that the level of attainment correlates to important outcomes, the quality of education is also important. All the more so, given that schools must adapt to deliver relevant education in the rapidly changing jobs markets.

**Figure 3: Mexico has Public Impact Gap in Upper Secondary Education of 46%<sup>8</sup>**

Peer group: OECD (data available)



**Figure 4: If Mexico closed its Public Impact Gap there would be at least 8 million more young people with an upper secondary education<sup>9</sup>**



5 E.g., OECD’s PISA (Programme for International Student Assessment) and Pearson’s Global Education Index  
 6 <https://www.theguardian.com/education/2015/jun/17/highly-trained-respected-and-free-why-finlands-teachers-are-different>  
 7 <http://ideas.ted.com/what-the-best-education-systems-are-doing-right/>  
 8 Data not available for Japan. Source: OECD 2013–2015. Education levels defined for ISCED 2011/1997 depending on country  
 9 Data not available for Japan. Source: OECD 2013–2015. Education levels defined for ISCED 2011/1997 depending on country

# Road traffic mortality in OECD countries

## Context

Road traffic injuries are the eighth leading cause of death globally, and the leading cause of death for young people. Every year more than one million people die on the road, more than 75% of whom are young males. This results not only in a devastating loss of life but also in a cost of billions of dollars.<sup>10</sup>

## Impact of closing the Gap in road traffic mortality – ~22K fewer deaths in the US alone

We ran the Public Impact Gap analysis on road traffic mortality data for a peer group of OECD countries. We wanted to understand which countries are underperforming on road traffic safety and the impact that underperformance has in terms of lives lost.

Within this group, Sweden and the UK lead the way in road traffic safety – the only countries in the group to have fewer than 3 road traffic deaths per 100,000 population. Taking the 75th percentile peer group performance as a benchmark, Figure 5 shows that Belgium, Luxembourg, the US and the UAE all have a significant road traffic mortality gap to close. Over 22K lives per year could be saved in the US alone if they were able to close the gap.

## Vision Zero: in Sweden safety is prioritised over speed and convenience in transportation design

Sweden's good road traffic mortality outcomes are, in part, a result of almost 20 years of following Vision Zero policies.<sup>11</sup> Vision Zero aims to eliminate road traffic mortality by promoting a set of key principles, which include:

- Safety is the primary consideration in traffic system design
- In every situation where a person might fail, the road system should not

Vision Zero is implemented in Sweden through safety measures such as low urban speed limits, pedestrian zones, and barriers that separate cars from bikes and oncoming traffic. According to the Economist, "building 1,500 kilometres of '2+1' roads – where each lane of traffic takes turns to use a middle lane for overtaking – is reckoned to have saved around 145 lives over the first decade of Vision Zero".<sup>12</sup>

While some US states have adopted Vision Zero policies,<sup>13</sup> many states see traffic safety laws as an unnecessary government restriction on freedom. In New Hampshire, for example, there is no legal requirement for adults to wear a seatbelt,<sup>14</sup> and many other states only punish seatbelt violations in cases where a motorist has committed another, separate offence. In four states in the US there is no statewide law against texting while driving.<sup>15</sup>

## Limitations

Road traffic mortality data is not adjusted for hours driven. Adjusted data does exist but it introduces further accuracy and consistency issues. Furthermore, hours driven is also a function of public policy (for example, public transport infrastructure policy) as well as being a function of natural factors, such as a country's landscape. Even when we account for hours driven, we find that US road traffic mortality is still significantly higher than many of its peers. The data from 2013 indicates approximately 6 deaths per billion vehicle-kilometres (US) versus less than 4 deaths per billion vehicle-kilometres (Sweden, the UK, Denmark).<sup>16</sup>

10 Aged 15-29, WHO Global Status Report on Road Safety 2013

11 <http://www.visionzeroinitiative.com/>

12 <http://www.economist.com/blogs/economist-explains/2014/02/economist-explains-16>

13 <http://www.citylab.com/commute/2015/02/as-more-cities-adopt-vision-zero-a-grand-experiment-emerges-on-us-streets/385679/>

14 <http://www.ghsa.org/state-laws/issues/seat%20belts>

15 Arizona, Montana, Texas and Missouri, as of December 2016

16 International Transport Forum, Road Safety Annual Report 2015



Figure 5: USA has Public Impact Gap in Road Traffic Mortality of 7 deaths per 100,000 population

Peer group: Group of OECD countries

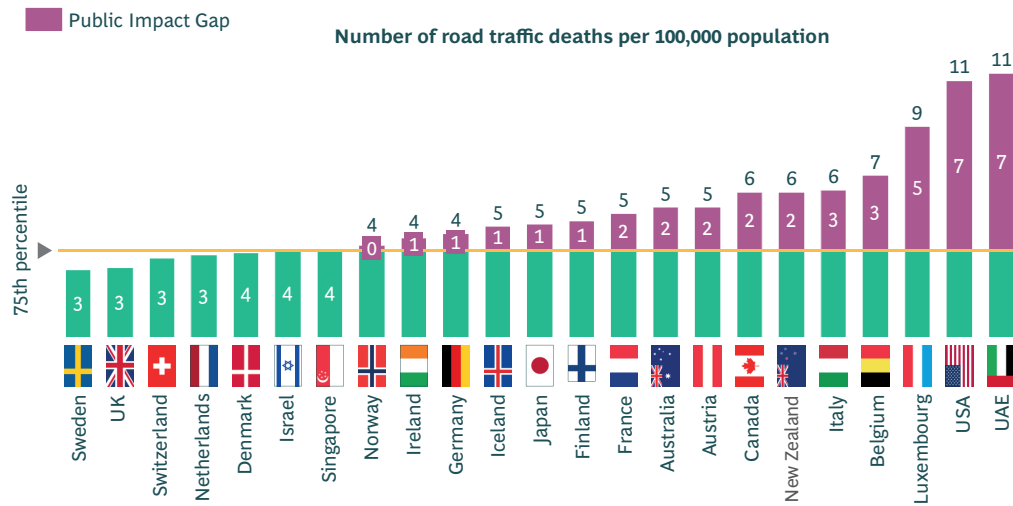
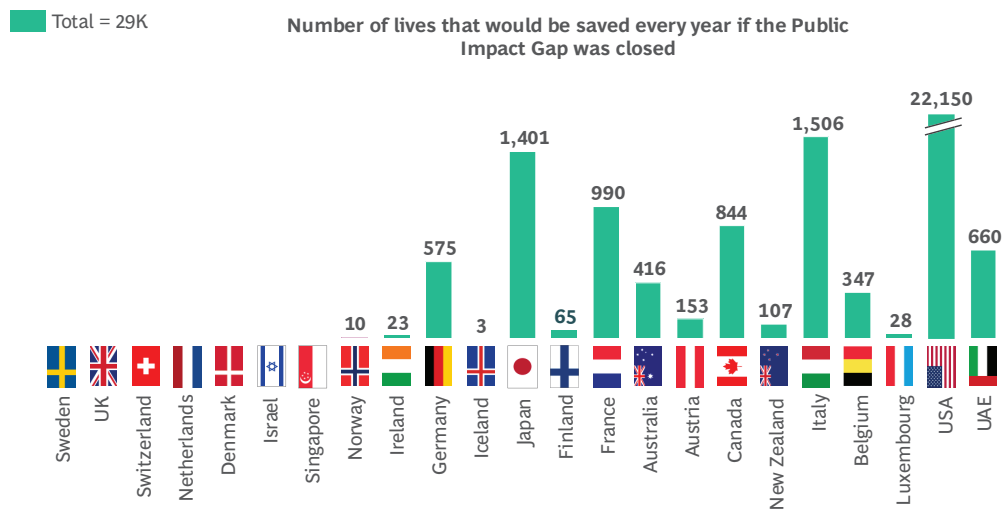


Figure 6: If USA closed the Road Traffic Mortality Gap, ~22K lives would be saved every year



# Maternal mortality ratio improvement in sub-Saharan Africa

## Maternal mortality: a major global problem with proven solutions

Every day more than 800 women die due to complications related to pregnancy or birth.<sup>17</sup> More than 50% of these deaths occur in sub-Saharan Africa.<sup>18</sup> With major causes including haemorrhage, infection, and high blood pressure, the vast majority of these deaths could be prevented by proven healthcare interventions such as antenatal care and skilled care during childbirth.

Such is the scale of the problem and impact of prevention that improving the maternal mortality ratio (“MMR” – maternal deaths per 100,000 live births) has been a key aim of both the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). Significant progress was made on MDG5: the MMR declined by 45% globally and by 49% in sub-Saharan Africa, although this fell well short of the 75% reduction target.<sup>19</sup>

**MDG5.A:** Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

**SDG3.1:** By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births

## Impact of closing the Gap in MMR improvement – ~20K fewer deaths in Nigeria alone

We ran the Public Impact Gap analysis on “improvement in MMR” over the MDG period for a peer group of sub-Saharan African countries, to understand the impact that such an improvement (and in some cases a failure to improve) has had on women’s lives. Given that it is easier to improve MMR when the starting point is low, we selected a peer group of the worst-performing countries at the start of the MDG period – those with an MMR of more than 1,000 (i.e., where more than one woman died for every 100 live births).

Figure 7 shows that while all countries showed an improvement of greater than 30% during the MDG period, only Rwanda and Ethiopia achieved or came close to achieving the MDG5 target of 75% reduction. Taking the 75th percentile peer group performance as a benchmark, Figure 8 shows that Nigeria has a Public Impact Gap of 22%. If Nigeria had closed this gap, there would have been 20K fewer maternal deaths in that country alone in 2015.

## Healthcare reform and focus on the basics – the key to improving MMR in Ethiopia

Despite a large population, low GDP and low healthcare spending, Ethiopia has achieved impressive improvements in maternal mortality by transforming healthcare

17 Maternal death is defined as the death of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, from any cause related to or aggravated by the pregnancy or its management but not from accidental or incidental causes

18 World Health Organization (WHO), Maternal Mortality Fact Sheet, November 2016

19 WHO

20 Excluding countries with < 1m population

21 Excluding countries with < 1m population

Figure 7: Significant but variable improvements in MMR 1990-2015 - improvements in Rwanda and Ethiopia in line with 75% MDG5 target<sup>20</sup>

Peer group: Countries in Sub-Saharan Africa with maternal mortality rate greater than 1,000 per 100,000 in 1990

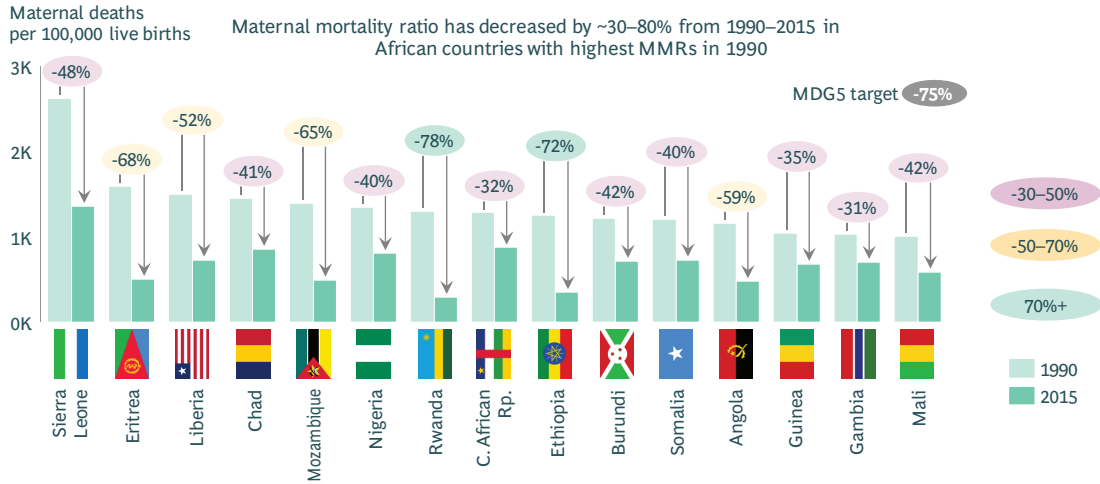


Figure 8: Maternal mortality ratio improvement – Nigeria with Public Impact Gap of 22%, despite relatively high GDP p.c.<sup>21</sup>

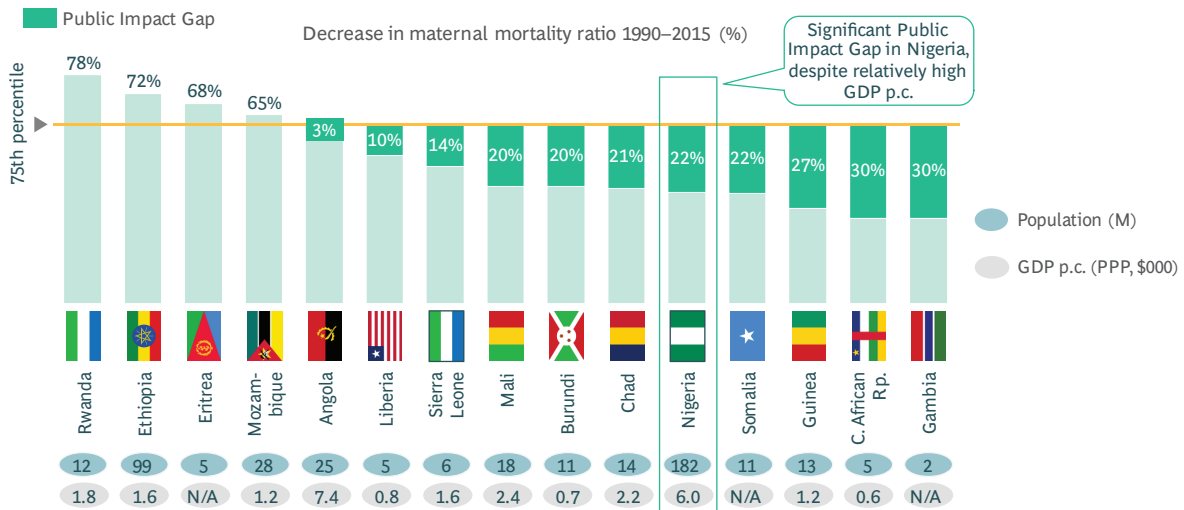
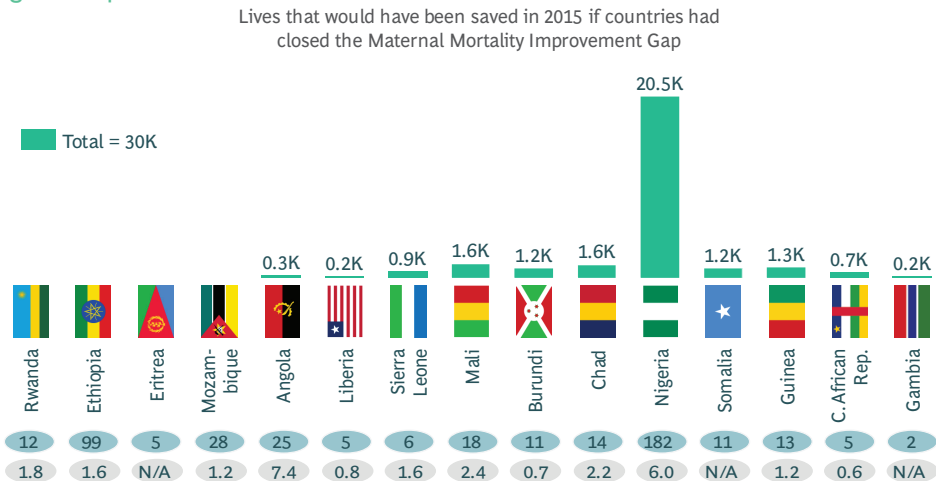


Figure 9: Maternal mortality ratio improvement – Nigeria with Public Impact Gap of 22%, despite relatively high GDP p.c.



bureaucracy and applying a relentless focus on the basics of primary healthcare. Tedros Ghebreyesus (minister of health, 2005-12) reorganised the Ministry of Health bureaucracy by simplifying operating procedures, delegating authority, and speeding up communication.<sup>23</sup> Specific interventions designed to help meet MDG5 included the use of checklists, healthcare provider capacity building, community engagement, and the availability of essential equipment and supplies.<sup>24</sup>

### Limitations

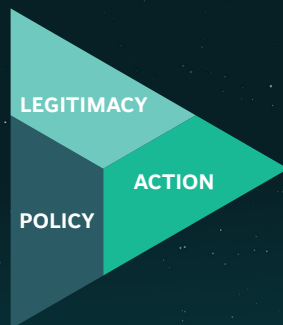
We have not adjusted the data for differences in GDP or the percentage of GDP spent on maternal healthcare. However, note that Ethiopia shows what can be achieved with relatively low GDP per capita. Also, some countries in the peer group are experiencing or have recently experienced conflict, which is correlated to poor healthcare outcomes. Finally, the data does not take account of differences in healthcare infrastructure or the fact that it may be easier, for example, to improve care in an existing hospital than to build a new one.

<sup>23</sup> The State of Healthcare in Africa – 2012 KPMG report

<sup>24</sup> Ethiopia Ministry of Health Website – <http://www.moh.gov.et/maternal-and-child-health>

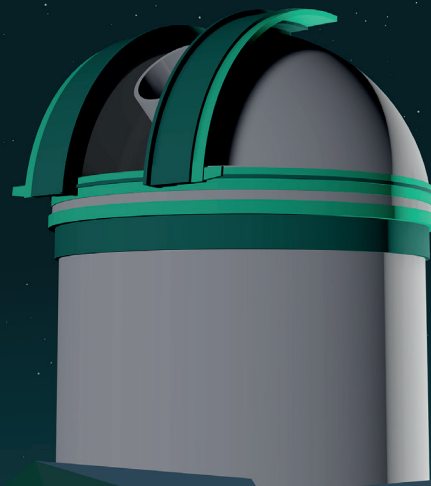
## An introduction to the Public Impact Fundamentals

*Legitimacy, Policy and Action* are fundamental to public impact. The Centre for Public Impact has worked with leading practitioners and academics from around the world to develop a framework that sets out how government can improve the results it achieves for citizens.



## The Public Impact Observatory

From Bangladesh to Brazil, Sweden to South Africa, we invite you to explore this database of more than 200 case studies of how governments seek to achieve public impact.



## Join the conversation

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