

Good Government? (Introduction)¹

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It is little more than three years since the Berlin Wall began to crumble. In that time, the political context and content of development aid to the Third World has changed rather dramatically. 'Political conditionality' – the tying of official aid disbursements to the quality of government (or 'governance') that recipients provide – has become the norm. The idea of relating foreign aid to the type or quality of government has a long history. However, it has been applied only sporadically and inconsistently; and, in practice, it was often a matter of supporting one's actual or potential allies in the Cold War context.²

Two related changes have occurred within the past three years:

- All major aid donors have begun to insist that 'good government' is important.
- There has emerged a common core of ideas about what 'good government' might mean, albeit with some important differences between different donors (see below). These ideas concern the ways in which states relate to the people and societies over which they rule, not (centrally or overtly) geopolitical stances or attitudes to Communism.

There is a new orthodoxy which is likely to be with us for the foreseeable future. 'Political conditionality' is beginning to rival 'economic conditionality' in aid allocation – with 'environmental conditionality' also pushing its way to the top table.

Why the new political conditionality?

What happened? Most observers and contributors to this *IDS Bulletin* have little doubt about the immediate and major reason for the emergence of political conditionality: the collapse of the Soviet Bloc and of Communist rule throughout Eastern Europe and the former Soviet Union put an end to the competition between East and West for

influence in the Third World. The uses of aid need no longer be shaped by geopolitical considerations and compromises. Stereotypically, it is no longer necessary or possible to support nasty authoritarian regimes on the grounds that they are the only feasible alternative to local Communists and/or Soviet, Cuban or Chinese influence. In this interpretation, it was ministers in the more economically liberal Western governments, buoyed up by a sense that the liberal-democratic model was sweeping to victory on the world stage, who took the initiative to create the 'good government' agenda in the aid field, and thus to stimulate further internal demands for political liberalisation within developing countries. Timing alone makes this reading of the evidence rather convincing. The conspicuous collapse of the Soviet Bloc and model came in late 1989; the pioneer ministerial speeches heralding the arrival of political conditionality were delivered in mid-1990 (see 'The Emergence of the "Good Government" Agenda: Some Milestones'). It is also consistent with this interpretation that the major bilateral aid donors appear to have been more active in imposing political conditionality – in cutting aid to 'recalcitrant' regimes – than in reorienting the content of their aid programmes to provide positive support to good government.

There is a debate about the relative importance of 'external' and 'internal' factors in stimulating moves toward democracy and 'good government' in different parts of the developing world. The 're-democratisation' of Latin America has been under way for more than a decade, and was already largely complete by 1989. The pattern in East and South-East Asia was similar but more patchy. Taiwan and South Korea had long been gradually evolving more pluralistic and less repressive polities; opposition groups in many countries in the region drew inspiration from the 'Cory phenomenon' in the Philippines in 1986 – the peaceful overthrow of the Marcos dictatorship after a civil revolt. The

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'demonstration effects' of these processes are complex. We know that the collapse of the Soviet Bloc had a major influence in sub-Saharan Africa, and helped to bring about the current wave of actual and promised democratisation. But there is in general plenty of scope to differ about exactly what caused what. In this *IDS Bulletin*, Denis Osborne insists on the depth of disillusion with the 'anciens regimes' in developing countries and the strength of internal demands for good government. By contrast, Carol Lancaster suggests that even one of the pioneer moves in the current democratisation of sub-Saharan Africa, the convening of a 'national conference' in Benin in 1989, was triggered by the World Bank's refusal to come to the economic rescue of a bankrupt government until it could show that it had popular consent for its economic policy.

The world is on a 'democracy wave' and particular Western governments and international organisations at times play important roles in driving the wave onward. General discussions about the relative importance of 'external' and 'internal' factors in stimulating democratisation may not prove very enlightening. The causes are complex, and the 'external-internal' distinction may be difficult to make in practice. To obtain a better sense of the future, it is more fruitful to look at the other reasons given by Carol Lancaster for the emergence of the good government agenda in Washington. She provides two. One is that, for a range of reasons, including the end of its Cold War rationale, foreign aid is losing its domestic political constituency in the USA. Notions of good government, including democracy and civil rights, do however strike a positive chord with parts of the American electorate. The good government agenda thus reflects in part an attempt to recreate a domestic political base for foreign aid. Lancaster's second reason is very different, and indeed reflects the fact that there are, among the aid donors, (at least) two different good government agendas sharing the same umbrella.

The first agenda – which I will label the 'liberal democratic agenda' – is the one discussed above. It has four defining features:

- it largely originates from and has been articulated by leading Western politicians, often those who have little record of concern with development issues;

- it has become entrenched in the formal policies of the main Western bilateral aid donors;³
- the content is broad and sweeping: the assertion that economic growth, competitive (multi-party) democracy, the market economy, respect for human rights, reduced levels of military expenditure and, in some cases, socioeconomic equity, are interrelated and mutually self-sustaining; and
- there is a willingness to impose political conditionality in its starker form: no democracy or civil rights, then no aid.

The second agenda – the 'process of government' agenda – has essentially been constructed by the World Bank. The latest and most formal statement is the Bank's *Governance and Development* (1992). The Bank was in the 'good government' business first; the pioneer document is in its *Sub-Saharan Africa: From Crisis to Sustainable Growth* (November 1989). As Carol Lancaster explains, the Bank's concern with this subject arises in part from an imperative need to explain why the policies of structural adjustment and economic liberalisation which it had long been urging on African governments did not seem to work even when adopted. Something else was wrong. The tentative answer was that the required administrative and governmental framework was not in place. In a wide variety of ways – corruption, secrecy in policymaking, lack of accountability, disregard of the law, lack of benign concern for the private sector, political exploitation of the public sector – African governments were making it very difficult for the correct economic policies to work as they should.

The focus on 'governance' was the World Bank's answer to this dilemma. It avoided making explicit, but never entirely hid, the fact that its prime concern was with sub-Saharan Africa. The Bank's agenda had 'bureaucratic' rather than 'political' origins. Its staff have undertaken a great deal of research on governance issues. The Bank avoids the kind of broad assertions about the correlates of 'good government' made by the bilateral donors (see above). Its overt focus is not on type of regime (e.g. whether democratic, authoritarian, etc.), but on more pragmatic-sounding issues about the process of government – accountability, the nature of the policymaking process, information, the role of law, etc. (See my contribution to this *IDS Bulletin*.)

These two different agendas are not contradictory. Lancaster suggests, for example, that the World Bank's emphasis on information and open policymaking in practice leads it very close to endorsing multi-party democracy and civil liberties. Further, there are signs of merger between the two: terms which the World Bank initially identified as key dimensions of good government – accountability, information, transparency, rule of law – now appear routinely in statements from bilateral donors. The point is that there are different actors with different interests using the same terms. If there is an element of First World conspiracy against the Third World in emergence of the good government agenda, then it is not simple conspiracy.

Do we have a complete explanation?

Suppose we accept the propositions above that (a) the 'liberal democratic' variant of the good government agenda stems essentially from the demise of global Soviet–Western competition; and (b) the 'process of government' agenda represents mainly an attempt by the World Bank to redefine the problems it faces when its own economic doctrine is actually tested on countries in sub-Saharan Africa and found wanting. Have we reached the heart of the issue? Are these the essential mechanisms at work?

Some sceptics suggest that there is a third political motivation: the search for respectable arguments to justify further and further cuts in Third World aid. If countries can be labelled as 'badly governed', then it becomes very difficult to find grounds to oppose such cuts. John-Jean Barya however argues that there are deeper and more material forces and interests at work. He views political conditionality as another ideological device to reinforce the hegemony in Africa of the industrial nations and the aid agencies – and ultimately the interests of global finance capital. The particular way in which he makes this argument raises many questions. Critics will perhaps tend to seize on the apparent contradiction between (a) his assertion that finance capital has serious interests in (sub-Saharan) Africa and (b) the major concern in development policy institutions that Western capital appears to have been progressively withdrawing from the region over recent decades. Even the rather vigorous adoption of policies of structural adjustment and economic liberalisation by countries such as Ghana has failed to reverse this trend.

What are the political interests of finance capital in Africa? More generally, why would support for political conditionality and thus for multi-party democracy, civil liberties, etc. be in the interests of foreign capital, in Africa or elsewhere? Is it because (some categories of) foreign capital find it easier to buy stable political support in liberal democratic regimes through their control of and influence over the mass media and political parties? These are all unfashionable questions, at least in the donor countries. Because notions of 'good government' strike a responsive chord in most quarters, there is a danger that such critical questions about what is going on behind this 'facade' will not be seriously addressed. Marxist scholars tend to be rather good at searching for deeper material interests and forces behind 'facades'. Of the few who remain in business, are there any turning their attention to political conditionality?

Are the aid donors justified?

The most widespread argument against political conditionality and the good government agenda more widely is that they constitute 'violations of sovereignty': interference, by aid donor nations and the multilateral agencies which they control, in the internal affairs of other states. Geoffrey Hawthorn examines this claim and finds that it cannot be defended in terms of political theory or the laws and conventions governing interstate relations. If aid is intended to help improve the welfare of the citizens of recipient nations, the donor has the obligation to ensure that aid goes to those governments most likely to use it so as to attain this goal.⁴ The problems arise not at this level of principle, but in the process of making judgements about which recipient governments can genuinely be said to be practising good government. In Hawthorn's view, there is no justification for defining the concept narrowly such that it is identified with particular constitutional or institutional forms like multi-party competitive democracy. His own definition of good government – that which is best suited in particular circumstances to maximising the benefits of social cooperation – may be more defensible on ethical and theoretical grounds. Is it however practically useful?

Hawthorn directs us towards the policy issues which occupy most of this *IDS Bulletin*. What is good government? Whose definitions of good government can be trusted? Are the donor agencies able and competent to define good government and

to implement policies to encourage it? The emphasis of several of the articles is on what academics sometimes term the contrast between intentions and outcomes – the kinds of processes summarised in the popular English aphorism: 'The road to Hell is paved with good intentions'. For example, few people would dissent in principle from the spirit or much of the substance of the recent words of the British Minister for Overseas Development on the subject:

By good government, I mean the attitude and conduct of those responsible for administration, right down to grass roots level. Even where these are right, the best plan of action and the highest-minded intentions will fail if those who implement them are not equal to the task. So training is vital. Respect for the rights of the individual is indispensable to good government. Mutual trust must be established between those in government and the governed.

This means accountability and transparency in the decision-making process. It means political pluralism with free and fair elections. It means the rule of law and freedom of expression. It means far less spending on military hardware and war-making and much more on primary schools and healthcare. It means fighting the cancers of graft and nepotism.⁵

To translate these principles and attitudes into effective action however proves to be problematic in several major respects.

One major question is whether the vision of good government being promoted is the right one. John Healey, Richard Ketley and Mark Robinson jointly address the question of the link between democracy and economic policy. It is implicit in the 'liberal democratic' variant of the good government agenda that democratically elected governments will make and implement better economic policy decisions. Is this likely to be so in sub-Saharan Africa? The evidence is unclear and ambiguous. One certainly cannot reject the possibility, but should not have high expectations. Many other factors also affect the quality of economic decision-making.

My own contribution is an examination of the World Bank's position paper (*Governance and Development* 1992), which is explicitly focused on those dimensions

of governance impinging most directly on economic performance. Because this position paper is based on considerable experience and research, it generally avoids the simplistic and erroneous assertions sometimes emanating from the foreign ministries of bilateral aid donors. The World Bank is increasingly likely to set the agenda of practical research and experimentation in the field. But it will hopefully modify its own ideas considerably in the process. Some of its key ideas, notably 'accountability', are instinctively appealing but provide very limited practical guidance to dealing with the real world. The Bank's treatment of law reveals a strong Western and, more especially, American bias. The authors of *Governance and Development* seemed surprisingly uninterested in learning about the kind of governance practised in countries which have been economically successful in recent decades, notably those of East Asia. Overall, the Bank's position is a mixture of informed good sense and Western (liberal) ideological bias. It is useful in parts and misleading or inadequate in others. It does not provide a good guide to good government generally.

Mike Faber makes a similar case when looking at the recent guidelines on the treatment of foreign direct investors emanating from the international financial institutions in Washington. Such guidelines are important, for they constitute some of the most precise and direct signals available to Third World governments on what they should be doing to attract foreign investment. Yet the guidelines are formalistic and legalistic, and make no mention of the wide range of governance issues which actually shape the decisions of potential foreign investors. Are the arbiters of what constitutes good government competent to bear the heavy burden that they have chosen to assume?

Mark Robinson asks the same question in relation to the practice of political conditionality. The validity of arguments in its favour depend in large part on the aid donors having the capacity to implement conditionality intelligently and effectively. That in turn implies that they should not frequently find that they have lost control of the situation and cease to exercise any kind of influence. Research on economic conditionality indicates that conditions imposed by the donors may often be evaded by recipient governments.⁶ There is less experience of political conditionality. However Mark Robinson is able to identify some of the factors that influence whether

it is likely to work, and suggests that it is likely to be effective only under relatively restricted conditions. (Carol Lancaster provides some useful parallel comments on the factors which influence the capacity of the World Bank to raise 'governance' issues with its clients.)

Aid for better government?

Although there are reasons to be sceptical and cautious about the good government agenda, relatively few people are likely to oppose or reject it totally. For there is a great deal of bad government around in the world, and the human costs are incalculable, whether they appear to us dramatically in the shape of anarchic chaos and bloodshed in Bosnia and Somalia; more prosaically in the shape of routinised repression and economic mismanagement in Peru, Haiti and Myanmar (Burma); or even more insidiously in the form of decreasing tolerance of open political debate and political dissent by elected governments in some of the industrial nations. If one is to try to make the best of an imperfect world, then there is a case for aid donors to at least supplement political conditionality with aid which is actively targeted on improving governance. Two of the articles focus on how this might be done.

Denis Osborne reviews the range of actions that donors might support, while David Leonard presents the outlines of a specific and highly innovative proposal to strengthen the professional competence of the top civil service in sub-Saharan Africa by establishing *regional* professional cadres to which national civil servants could 'retreat' when under political pressure at home. During these periods of 'retreat' they would broaden their professional experience by working in other countries or in African regional or international organisations. Emerging as it does from Leonard's long experience of researching on public administration in Africa, this proposal constitutes the best example of pragmatic 'lateral thinking' that I have heard on the governance issue.

One of the great attractions of Leonard's scheme is that it could (and should) be run at African regional level by Africans; all that is required of aid donors is modest funding. For this addresses what may be in practice one of the biggest constraints to using aid to promote better governance: the understandable fears of many people in the Third World that 'good government' is a cover for the industrial nations to

exercise more direct political control – a re-colonisation – and advance some interest of their own. Speaking for many people from Africa and other parts of the Third World, John-Jean Barya asserts that:

The new political conditionalities have nothing to do with the desire of Western countries to actually encourage democracy in Africa. For a long time, Western countries supported dictatorship, for instance in Zaire, Liberia, Uganda and Kenya. France distinguished itself in supporting dictators with open military interventions on their behalf against popular opposition.

Barya's first sentence may be incorrect; the world may have changed. Like emissaries of poor countries going to Washington and insisting that they have left recent history behind, and that they now really do *believe* in the free market, the open economy and the price mechanism, the aid donors now perhaps send emissaries to Africa to insist that everything really has changed, that supporting dictators was a mistake for which they are deeply sorry, and that from now on it is democracy and good government that really count. If the Third World remains sceptical and suspicious, one should not be surprised. (And, if those apologies for past support for dictatorship have indeed been tendered, would they not be all the more persuasive and effective if made public?)

The arguments for good government and political conditionality have greater implications for the aid process and for the behaviour of the aid donors themselves than they appear so far to have realised. Denis Osborne raises two of them at the level of design and management of aid: donors should be more *transparent* in their dealings with aid recipients, and aid for good government should, like good government itself, be *pluralist*, i.e. should have 'many small seemingly independent parts'. In the conclusion to his article on the Washington guidelines for attracting foreign direct investment, Mike Faber points out that these guidelines are silent on the ways in which the industrial nations manage both their national economies and the global economy in such a way as to consistently discourage investment in the Third World. The roots of the problems that afflict the South do not lie only in the South. Carol Lancaster points out that the International Monetary Fund (IMF), apparently the most conservative of the

international financial institutions, has very recently been quietly enforcing its own (uncomplicated) good government agenda: cuts in military expenditure. The industrial nations that control the IMF presumably approve of this. How much more effective would the policy be, and how much more credible would First World protestations about good government be, if the governments of the advanced countries would support the IMF by putting real constraints on the international arms trade! The aid donors' demands for good government in the Third World will be all the more credible and effective when they display a commitment which extends well beyond the insistence that the recipients do something about this if they do not want to lose their aid.

Concluding comment: understanding governance

'Good government' has been rushed onto the aid agenda by politicians. Many of the assumptions that underlie it are questionable, and others are plain wrong. We have long known that all the good things identified in the good government agenda – economic growth, electoral democracy, the market economy, respect for human rights, reduced levels of military expenditure and socioeconomic equity – do not typically come in interrelated and mutually self-sustaining packages.⁷ Development policy is made in the same real world that obliges the British government, for example, to sacrifice some very highly cherished goals of economic policy in the attempt to achieve others.

Notes

- 1 I am grateful to my colleague Gordon White for help in launching this *IDS Bulletin* and to Denis Osborne for providing the material on which 'The Emergence of the "Good Government" Agenda: Some Milestones' is based.
- 2 Various donors have at different times used aid as a lever against human rights abuses.
- 3 And also the European Bank of Reconstruction and Development, which was established by these same bilateral donors after the 'collapse' of the Soviet Bloc and the emergence of the good government agenda.
- 4 The case in principle for banks to be concerned with the governance practices of their borrowers (who are generally national governments in the case of the World Bank institutions and the IMF) appears to be even stronger: on simple banking

Now that good government is on the development policy agenda, political scientists are being commissioned and encouraged to work on the practical implications. From a narrow professional viewpoint, the good government agenda is something of a gift from heaven. For the first time in the history of aid, political scientists are believed to have something useful to say about broader, strategic issues.⁸ There will no doubt be something of an adverse reaction once those who make development policy realise that most 'good government' issues have long been familiar to political scientists and theorists,⁹ and that few sudden breakthroughs in knowledge are likely. Even so, political scientists can anticipate more attention in the future than in the past. Those who welcome this attention will be obliged to overcome their professional inclination to stop when they have described and analysed, and be willing to prescribe. The implied responsibilities are very heavy. Many colleagues will not wish to accept them. Those that do may consider looking again at *The Prince*. It is four and a half centuries since Machiavelli wrote this do-it-yourself guide to effective statecraft. No significant attempt has been made to update it, or to advise rulers how to govern well in the interests of their citizens as well as in the interests of themselves and their dynasties. If anyone believes that they could contribute to such a project in relation to contemporary developing countries, I and my colleagues at the Institute of Development Studies (IDS) would be pleased to hear from them.

- principles, lenders could be said to have a clear obligation to ensure that their borrowers are well managed, and thus likely to be in a position to service their loans. More extended conceptions of bankers' roles might indicate a positive duty to help clients improve their management (governance).
- 5 Speech to the Commonwealth Press Union Conference in Edinburgh, 22 June 1992.
- 6 See P. Mosley, J. Harrington and J. Toye (1991) *Aid and Power: The World Bank and Policy-Based Lending*, Routledge (2 vols).
- 7 See, for example, A. Sen, 'Public Action and the Quality of Life in Developing Countries', *Oxford Bulletin of Economics and Statistics* (November 1980).
- 8 As opposed, for example, to advising on counter-insurgency strategy or on issues of public administration.

9 However, as Dunn points out, modern political theory has rarely concerned itself with the question of 'good government' in the very comprehensive sense in which the term is now used in the aid debate; the focus has been on narrower and more concrete issues of 'good organisation' (J. Dunn (1986) 'The Politics of

Representation and Good Government in Post-colonial Africa', in P. Chabal (ed.), *Political Domination in Africa; Reflections on the Limits of Power*, Cambridge: Cambridge University Press: 161, fn 12). The 'good government' debate does at least raise old issues in a new way.