



# Good Governance: Between Idealism and Realism

**Support to good governance in fragile states requires a considerable degree of skill and sensitivity to the political context on the part of donors. Pursuing too broad a governance agenda can increase the fragility of the state rather than reduce it.**

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Aid assistance in support of good governance and the associated issues of human rights and democratisation in a situation of political instability and weak state capacity requires both a detailed knowledge of the factors and forces shaping the difficulties in such an environment and a careful analysis of the threats and opportunities that are present. The donors need to frame the objectives they are pursuing with development assistance and the principles they espouse within an analysis of the specific context, not least of the stakeholders present and the interests they represent. What is desirable and feasible for the donors can thus be linked to what is desirable and feasible from the perspective of the fragile state's government and the peoples within its territorial boundaries.

An analysis of the condition of governance and democracy in a fragile state that can guide a donor's provision of development assistance along lines combining core principles and a degree of pragmatism requires certain key assessments:

1. The capacity of the administrative institutions within the state to undertake their functions in key areas of service provision and development programme implementation, giving particular attention to the accountability practised in their organization and financial management.
2. The capacity of the judiciary and the institutions of law and order to exercise their powers equitably across all groups and territories under the sover-

## **POLICY RECOMMENDATIONS**

1. Donors should balance the desirable with the feasible with regard to support to good governance and the associated issues of human rights and democracy in fragile states. While a principled position reflects what is desirable, a more pragmatic approach can meet the complex reality that is a fragile state.
2. Donors should not permit fundamental disagreements with the political nature of a regime to determine aid policy without assessing the relative capacities of different state elements to practice good governance. These include the executive, legislative, and administrative elements of government, the judiciary, and not least the police and armed forces.
3. Donors should be wary of subordinating governance that promotes pro-poor economic growth and service provision to a governance agenda that is driven more by human rights and the needs of democracy. Equitable economic growth can reduce social tensions and conflict in a sustainable manner and prepare the future ground for better human rights and greater democracy.



eignty of the state. This combines the degree of access of the population to physical security and to state provision of justice, and the degree and extent to which the state has a monopoly of physical violence within its territorial boundaries.

## **BANGLADESH: IS A MILITARY NOMINATED GOVERNMENT GOOD FOR GOOD GOVERNANCE?**

Late in 2006, the caretaker government created to carry Bangladesh through the elections planned for January 2007 faced serious political upheavals and was replaced by a military nominated government. According to the Bangladesh constitution, a caretaker government cannot make policy, only implement existing policy. The new 'nominated' government has launched anti-corruption campaigns, imprisoned politicians on corruption charges, including two former prime ministers and present party leaders, banned political activities, imprisoned political activists, and much more. Elections are promised for December 2008, but it remains uncertain as to whether these will take place. The current lack of representative government at the national level has placed further pressure on the democratic condition of the country, with the military and to a lesser extent the bureaucracy strengthening their roles and statuses in the country's political and economic development.

Donor engagement has continued and has not been openly critical of the political situation. This is possibly due to the original declaration of the military and of the nominated government on the need to bring political stability to the country if elections are to take place in a free and fair manner and secondly, due to a recognition that widespread corruption was and still is a serious challenge to good governance in Bangladesh.

The problem for the donors is to determine at what point the democracy agenda should once more assert the need for stronger human rights, political freedoms and a return to the democratic institutions as a basis for governance. Internally, the demand from political parties, sections of civil society, and groups such as intellectuals and students is for elections to be held and for a constitutional government to be formed.

3. The ability of the political regime to pursue accountable, efficient, effective and equitable governance. Here a number of key reform agendas are needed over a longer period of time; these include fiscal and financial decentralization reforms, civil-service reform, land reform, and reforms for the greater inclusiveness for women and minorities. The manner and extent of their implementation will reflect the desirability and the feasibility of pursuing these objectives on the part of those holding power in the incumbent political regime. Desirability reflects their perceived interests in accepting and implementing such a reform agenda; feasibility reflects their capacities to pursue such a reform agenda, given the often quite fundamental changes it requires.
4. International recognition of the state's legitimacy to claim such sovereignty, in particular by neighbouring countries from which particular groups might seek to challenge that legitimacy with or without the sanction of the neighbour state.

The basis for these assessments can be undertaken through a number of mapping exercises that often draw upon existing sources of data from monitoring undertaken by government agencies, multilateral agencies, civil-society organizations, and independent research institutions. From these the status and role of the government, the reform agendas being pursued, the planning and budgetary instruments being utilized in key areas of the economy and in service provision, and the accountability mechanisms that are in place and functioning can all be assessed to a greater or lesser degree.

## **HORSES FOR COURSES: DEMOCRACY HAS MANY ROADS**

Given the diverse histories of state formation in the developing world and the socio-economic conditions that individual states face, donors have long recognized that the relationship between good governance, human rights and democracy on the one hand, and socio-economic development on the other, is not characterized by simple causal relations of a universal nature. Many conditions of 'stateness' are to be found in the long continuum stretching from successful to unsuccessful states. Closer examination will reveal quite different combinations of conditions giving rise to a state's fragility. Therefore, while acknowledging certain generic aspects of the fragile state, donors should guard against a number of potential pitfalls in assessing what needs to be done and what can be done.

## **HUMAN RIGHTS AND SOCIO-ECONOMIC RIGHTS ARE NOT THE SAME**

Respect for human rights is a necessary condition for consolidating democracy in a developing state. Freedom of association, freedom of speech, freedom of

belief, AND freedom from physical violence are examples of basic human rights without which democracy will not be anchored within a political system. These require institutional means to secure, monitor and defend if individuals are to exercise such rights without fear of retribution. Certain economic and social rights are necessary if the individual citizen is to be able to exercise these basic human rights and participate in or be represented on an equal basis in collective decision-making. Political freedom is often conditioned by one's gender, ethnicity or caste status. Similarly a lack of clear land rights can limit the political participation of sharecroppers and other marginal cultivators; and a lack of employment rights can limit the political independence of daily labourers.

### **ALLIANCES OF THE WILLING ARE NEEDED**

While recognizing the tendency of all countries to move towards a democratic condition characterized by these rights, it is also apparent that progress is uneven, that many groups in possession of some degree of economic, political, and social power or status are reluctant to accept such change, and that institutional and structural factors often inhibit the ability of individuals to transform their political condition in the direction of greater democracy. Interventions in support of good governance, human rights and democracy must recognize these problems. DfID's 'drivers of change' and Sida's 'power analyses' are examples of attempts to assess the political condition of a country and the potential agents of change, the points where pressure might be effective, and not least the alliances that might be made to bring about certain changes. Such analyses investigate not least the role of elites, the different interests that elite groups represent and pursue, and the potential basis for their support of reforms and measure for democratisation and poverty reduction. Here it should be noted:

- That emerging middle classes have an interest in democracy, but often fear the political mobilization of the poor;
- That post-colonial bureaucracies have often inherited a status and power from the colonial state that is considerably in excess of that found in the 'developed' democracies;
- That local government in rural areas often faces a significant gap in governance that marginalizes them with respect to national political systems;
- That young people in developing countries are powerful agents for change. Their aspirations and their role with the middle classes, the bureaucracy, the private sector, the armed forces, and among the unemployed is an increasingly critical factor for the future of good governance and democracy;

- That women are an increasingly powerful element in the pressure for good governance and democratisation, as they aspire to a greater role in collective decision-making, notably in institutions of local government, in local organizations managing public goods, and increasingly within the community and the household.

### **NEPAL: WHERE PRAGMATIC ENGAGEMENT WORKED, BUT PRINCIPLES ARE MORE DIFFICULT**

The seizure of power by King Gyanendra in 2005 was symptomatic of the descent of Nepal into a state exhibiting severe fragility with respect to its social and economic capacity to withstand the stresses of economic deprivation, natural disasters, and internal civil conflict. A couple of interesting experiences illustrate both the principled and the pragmatic in donors' approaches to this severe fragility and its impact on governance:

- 1) In the armed conflict between the movement led by the Communist Party of Nepal (Maoist) and the Royal Nepalese Army headed by the King, the donors continued to operate in contested rural areas utilizing Basic Operating Guidelines (BOGs), a set of basic conditions for donors implementing development activities. The CPN(M), the army and the local government (administrative and elected) for the most part accepted these guidelines, permitting many activities to continue in a participatory and accountable way, if not necessarily in exactly the way originally intended.
- 2) The period from the peace agreement to the election of the new constituent assembly saw the rise of organisations mobilising on the basis of 'rights-based demands' for specific groups. These new voices, some represented in the constituent assembly, some not, address major problems in Nepal., but although products of exclusion, they themselves advocate a politics of exclusion on the basis of identity. Donors' advocacy of rights and rights-based approaches to development is a double-edged sword, and the demands for autonomy and separatism, for special representation, for special service provision and much more have lead to strikes, blockades and violence. There are important lessons to be learnt from this.



For donors, it is therefore important to address the following:

- The relationship between citizen and state is one of contractual obligation on both sides. While work towards establishing a clear relationship between the citizen as rights-holder and the representative of the state as duty-bearer is fundamental to pro-poor economic development and to better service delivery, the obligations of the citizen to the state and to other citizens must also be a focus for good governance if democracy is to be strengthened.
- Support for specific rights can promote new forms of exclusion and undermine the greater equity of outcomes that democracy aims for. Therefore rights-based particularism must be part of a wider agenda that promotes democratic-based universalism whereby all citizens participate in collective decision-making within democratic institutions. Just as democratisation requires regulation of the political scope of existing wealth, it also requires regulation of the political scope of newly established rights-based organizations when it threatens the participation of other citizens.
- Donors should recognize that democracy and human rights are not necessarily pre-conditions for pro-poor economic growth, redistributive justice or human development. States that are not democratic and inclusive have pursued pro-poor economic development with a strong focus on equity and inclusiveness in the areas of economic and social rights. What can be noted is that such states experience popular pressure for political freedoms as the economic condition of the people improves. Preparation for and facilitation of such demands can be a better strategy than demanding that political freedom and associated human rights be acceded to from the outset. Such policy reform agendas need to possess a strong ownership from within the country, and donors need to strengthen institutional means that communicate the interest in change.

- In promoting a principled position in aid assistance based upon the condition of human rights and the state of governance in a country, donors should note that aid directed at poverty reduction results in aid assistance having a disproportionate impact on targeted peoples rather than on the state and the non-poor. The symbolism of withdrawing support on a bilateral or multilateral basis from a government due to its bad policies might well have little effect upon the policies while having a disproportionate impact on the targeted peoples, thus worsening their livelihood conditions and weakening their engagement with local government.

In conclusion, it might be better to remain engaged in fragile states rather than to disengage, since disengagement is the ultimate action from which return is not possible in the short term. Strategic restructuring that is tailored to the specific condition of governance and that draws upon the different possibilities within the architecture of aid is usually a better option than principled withdrawal.

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