Global Governance needs to be based on, and embedded in, Good Governance

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Franz Nuscheler appointed Dirk Messner as Academic Director of the Institute for Development and Peace at the University Essen-Duisburg in 1995. They co-authored numerous publications with a particular focus on global governance until 2003, when Dirk left the Institute to become Director of the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

Dirk Messner and the author of this text played a key role in introducing the report of the Global Commission on Global Governance (1995) into German debates. While this turned out to be an important contribution to academic and public discourses, their approach missed out on one indispensable factor for effective transnational problem-solving, namely good governance within societies and their political systems. The concept of global governance does not aim at a world government, a misunderstanding often encountered. Instead, it is similar to the vision of a federation of free republics envisaged by Immanuel Kant's "Ewiger Frieden". As global body, the United Nations claim to represent the premier institutional framework for international cooperation, moving from the analysis of structural changes to policy proposals for good governance at multilateral and national levels.

The debates on good governance demonstrate the wide and diverse uses of the concept in theories of international relations, regulation, networks and management reforms for public and private sectors. The European Commission (2001) followed this approach in its important White Paper

1 This summary was written by Thomas Fues.

"European Governance". Here, the concept of good governance extends to the local level including the role of civil society actors and the (supranational) regional level as practised within the European Union.

Since the end of the East-West conflict, governance has evolved as a powerful framework for the explanation of success or failure in international development. There is a clear link between the transformation of the global order and the fact that international development agencies had largely neglected political factors until the late 1980s. This did not only depend on the World Bank's position of political neutrality, which inhibits the institution from criticising known practices of governmental corruption, but also on diplomatic restraint of UN organisations which do not want to antagonise the majority of member states. The East-West conflict also influenced many donor governments in choosing not to move against kleptocratic actors on the recipient side as long as they stayed "friends of the West". This only changed after the terror acts of "9/11" in 2001, when development cooperation assumed a security dimension and "bad governance" was understood as source of violence-ridden domestic political conflict and regional instability.

However, the renewed interest in good governance does not represent the success of the "idealist school" but rather comes as a result of embedding this term in the realist concept of "extended security". The "war on terror" has therefore meant that, again, double standards are in place in human rights policies. The same holds true in the attitude of "the West" towards the suppliers of petroleum, the "lubricant of the global economy".

How the concept of good governance came about

It was the World Bank which took up insights from institutional economics and adopted the governance framework for its development discourse. It is remarkable how quickly the United Nations Development Programme and bilateral donors followed suit and even surpassed the World Bank regarding political reform demands. In 1989, the World Bank offered a new analytical framework explaining the development crisis in Sub-Sahara Africa by attributing failed efforts, including its own projects, to "poor governance", thus shifting responsibility to African governments and exonerating itself from the charge of having caused the crisis.

The beginning of the 21st century saw the inflationary use of the guiding principles of good governance. While the World Bank abstained from articulating an openly political reform agenda for Southern countries with reference to its apolitical mandate, other international organisations and bilateral donors introduced a heavy normative dose into their programmes. This dynamic was spearheaded by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development where donors come together to coordinate their activities. In 1993, the DAC accepted a document entitled "Orientations on Participatory Development and Good Governance" which picked up principle elements defined by the World Bank, namely rule of law, improved public sector management and corruption control. Additionally, the DAC added four highly political requirements: participatory development, respect of human rights, democratisation and reduction of military expenses. Germany's Ministry for Economic Cooperation and Development (BMZ) basically followed DAC guidelines by adding the commitment to a market economy. These principles are used until today in German development policies.

However, the good governance approach does not set any priorities nor does it inform how such changes could be realised on the donor side. Two questions have to be answered when the objective of democratisation is pursued:

a) How can democratisation be supported from the outside when there is broad consensus that this has to come about through internal processes and the support of enlightened elites?
b) Should democratisation be seen as instrumental to economic and social development or rather be regarded as desired outcome beyond functional considerations?

Empirical findings from the World Bank seem to substantiate that it is not democracies but rather more or less autocratic systems with well organised public management that can demonstrate a relatively good degree of development performance. Another counter argument to the pivotal importance of good governance points to the impact of globalisation on developing countries, particularly in Africa. This raises the question if a highly ambitious concept of good governance ignores realities on the ground. Perhaps the World Bank concept, which first aims to stabilise legal and administrative structures, can claim a more realistic outlook. The European Union has put special emphasis on principles of a market economy in its development framework. However, it needs to be questioned if this is a constitutive condition of good governance or rather a hidden effort for the global expansion of capitalism. Moralising in the name of good governance has the taint of neglecting the involvement of donor nations in creating and perpetuating an unjust global system, e.g. regarding discriminatory trade policies which cause much damage in the Global

South. And it does not confront the self-reflexive question to what extent "aid" has contributed to corruption on the recipient side.

At the level of the United Nations, several international agreements at the turn of the millennium underlined the importance of good governance for development, particularly with regard to attracting domestic and international investors. Among these agreements, the Millennium Declaration adopted by the United Nations General Assembly in the year 2000 deserves special attention. It emphasises the crucial importance of human rights, democracy and good governance for the realisation of the Millennium Development Goals which are meant to overcome the most extreme forms of poverty by 2015. However, the contradiction between well-sounding international documents and actual policies has contributed to the legitimacy crisis of development cooperation. The attack of the Trump Administration in the U.S. on the United Nations system undermined international efforts for good governance and effectively blocked further donor coordination within the DAC. Good governance was no longer the mantra of development programmes as "America First" became the battle cry.

Summing up, we can observe the following nuances in the interpretation of the concept of good governance. The World Bank emphasises the management qualities of governments in the efficient and transparent use of scarce resources. The United Nations Development Programme promotes the political dimensions like accountability of governments, free elections, empowerment and administrative decentralisation. The European Union focusses on the rule of law, democratic processes, protection of human rights and anti-corruption efforts.

Critical perspectives

Some voices in the development community see the Bretton Woods Institutions, i.e. World Bank and International Monetary Fund, as instruments of Western hegemony. From this angle, good governance can be understood as a fresh effort to "sell" the old modernisation paradigm with new packaging while reasserting old patterns of dominance. However, this line of argument is hard to sustain since democracy and human rights, which are key elements of good governance, are universally accepted goals. But one can still speculate what motivated the World Bank to opt for the framework of good governance. One possible explanation could be the intention to shift responsibility for development failures to governments in the Global South and to implant political systems from the outside.

However, development partners have become more assertive in demanding that they take the "driver's seat".

Simultaneously, the empirical fact that democratically ruled countries are more successful in economic terms has generated more learning effects than the threat of sanctions or the prospect of a good governance bonus. In addition, opposition parties and civil society groups have used core criteria of good governance like transparency of public policies and accountability of governments for their purposes, often supported by international foundations and external non-governmental organisations. Transnational networking and communication systems have also been helpful for democratisation, as guided by the universal normative framework of good governance.

Still, the overall assessment shows that international organisations and national development agencies imposed policy guidelines which they consider instrumental for overcoming structural problems in partner countries. Thereby they run into the risk of provoking resistance against external conditionalities and ignore their own involvement in causing development failures. For geopolitical and commercial reasons, bilateral and multilateral donors have contributed to clientelistic structures and corruption by cooperating with regimes considered prone to corruption. The "war against terror" and the competition for natural resources have undermined the commitment to good governance and the universality of political and social human rights.

Good governance and fragile statehood

Considering the phenomenon of fragile statehood, the question must be addressed whether development cooperation should reward good performers or rather focus on "low income countries under stress" (World Bank), helping them to overcome structural deficits and avoid sliding back to bad governance constellations. This would imply to first work on structural stabilisation by state building before pursuing good governance goals.

This issue has been of high relevance for the special support programmes directed towards Sub-Sahara Africa by the G8 summits of Gleneagles (2005) and Heiligendamm (2007). How can additional financial resources be utilised productively in a continent often considered as "over-aided" due to limited absorptive capacities? Many countries internationally classified as failed states are part of this region. A "big push" approach in the shape of massive public transfers by donors runs the risk of being jeopardised by unstable legal and administrative systems. It could weaken the accountability of governments towards their own populations, thus undermining democracy. In addition, it could inflate bureaucracies and promote corruption. Another negative impact lies in the danger of thwarting efforts to tax well-to-do groups and mobilise internal resources in a more just way. Finally, excessive external support could undermine the "ownership principle".

Summary

The end of the bipolar world order in 1989/90 liberated international development cooperation from the shackles of the Cold War and quickly led to the adoption of good governance principles by United Nations organisations and Western donors. Despite all ambivalences and inconsistencies, the new normative paradigm represents a universal framework of statehood which builds on effective public administration, human rights, rule of law, economic efficiency, popular participation and social balance.

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