Journal of Human Development
Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/cjhd19

Governance for Development: Understanding the Concept/Reality Linkages

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Published online: 01 May 2007.

Journal of Human Development
Vol. 8, No. 1, March 2007

Routledge
Taylor & Francis Group

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Abstract As the search for the understanding of governance in the context of development goes on, this paper offers a way of looking at particulars of the concept, as well as the effects of empirical governance activities in the conceptual evolution of the term. The central argument is that the current governance framework has evolved to incorporate the values of various actors, notwithstanding the dominance of market values. Importantly, new trends in governance suggest a slow but increasing acceptance of the underlying principles of the current framework. The apparent evolution of the concept seems to reflect the process of increased interaction between actors and the sum total of their experiences.

Key words: Governance, Development, Framework, Trends, Evolution

Introduction

Notwithstanding the continuous search for better governance in developing countries, there is to date no consensus about the meaning of governance in both policy and academic circles. This paper offers to explore the relationship between concept and reality by redefining governance in ways that are slightly different from most conventional definitions of the term. This definition does not separate the theoretico-conceptual form of the term from the reality of governing societal entities. Drawing on the work of Jan Kooiman (2003), special emphasis will be placed on interactions as the guiding principles of any governance framework. In other words, governance frameworks emanate from the interactions of actors within governance contexts, while striving at the same time to guide the present and future behaviour and actions of actors. Central to this approach to the understanding of governance are issues of *dynamism, intentionality*, and *diversity*. That is, static governance frameworks will always fall behind rapidly changing structural contexts.

ISSN 1464-9888 print/ISSN 1469-9516 online/07/010023-16 © 2007 United Nations Development Programme
DOI: 10.1080/14649880601101390

Despite building on experience of past forms of interaction, emerging governance frameworks are more of a reflection of the intentions of actors. It also belongs to the realm of the normative, what ought to be. Finally, it takes place within a context of diverse actors, with discrepant goals and aspirations.

The paper will link forms of interactions with their corresponding governance modes. Then it will show how 'good governance' emerged from the accumulated experiences of actors, before finally demonstrating how *diversity* and *dynamism* constrain the intentionality aspect of governance.

Forms of interaction and modes of governance

There are three varieties of interaction in society: interferences, interplays, and interventions. Societal interactions principally take the form of either of these or of a combination of these. Importantly, the aforementioned forms of societal interactions correspond to various modes of governance: self-governance, co-governance, and hierarchical governance.

Interferences take place at the primary level of societal interaction: producing or selling a product, taking care of the sick, maintaining a family, teaching a class (Kooiman, 2003, p. 21). Characteristically, interferences take place within the realm of self-governance. Yet even here, the given governance framework is the result of the sum of experiences of its members. Self-help community organizations are a case in point, as the rules and norms of behaviour tend to emanate from the sum total of interferences at community level.

Interplays guide primary interactions within modes of co-governance. In this context, the basic pattern of interaction between actors is one of mutual influence. Collaboration and cooperation are key in this context, all of which is geared towards achievement of mutually beneficial goals. In the current governance framework, co-governance modes are better illustrated in the form of public–private partnerships. Despite the existence of a number of problems with this specific mode of governance, to which I return below, the fundamental key to success is greater interplay between participating actors. The rules of the game are mostly the resultant of perpetual interplay between actors. The current governance framework in international development — partnership between reforming countries, donors, international non-governmental organizations (INGOS) and non-governmental organizations (NGOs) — can be regarded as belonging to co-governance.

Interventions are the most formal type of interactions between the three types. They are made up of formal rules and procedures devised to exert some type of control over the behaviour of actors. Hierarchical governance is illustrative of this type of interaction. When actors accept these rules and procedures, they are often internalized to the point of being institutionalized and taken for granted. Interestingly, however, interventions presuppose some type of hierarchy between those who govern and the governed. The state, for instance, is supposed in principle to govern over other societal actors. Another case in point is the type of relationship commonly known as conditionality.

Essentially, all three types of interaction and their corresponding governance modes are present in any situation of societal governance. Also importantly, all modes of governance are prone to problems when it comes to governing, especially when the intentions between actors are divergent. If the tripartite division of state, market, and society is adopted, simplistically that is, the current good governance framework can be made more conspicuous in its details and subtleties.

Understanding good governance through interactions

Since 1997, with the return of the state as an important actor in development, the traditional separation between state, market, and society has become even more problematic. The new framework intends some form of collaboration, or the establishment of a co-governance mode between the three. This is, of course, after attempts to curtail the role of the state in development (Leftwich, 2000). Therefore, to remain within the current framework, co-governance will be the mode of governance of interest to this analysis. This is despite frequent incursions into the realms of self-governance and hierarchical governance, and their respective elementary forms of interaction.

Before any further elaboration, it is worth introducing the other parameters — *dynamism, intentionality*, and *diversity* — to help set the ground for the ensuing analysis.

- *Dynamism* is important at this point because societal entities are always in flux. They evolve and change through time, therefore necessitating a constant and consistent restructuring and redefinition of governance frameworks. Communities evolve and change, taking up and/or losing members. New members bring another dimension to the nature of interferences. The rules are renegotiated between old and new members. External entities that are supposed to interact with the community need to understand the changing nature of the community and the new dynamics within for better interplay. Similarly, states are redefined and their scope of influence redrawn as a result of a plethora of factors, which cannot be explored here. Markets are equally prone to internal changes that require new sets of rules and procedures for more effective self-governance.
- *Diversity* here refers to the set of actors within the context of governance. In other words, governance structures within which societal interactions take place also change through time. For instance, in the realm called society there are both modern and traditional organizations, as well as organizations where traditional and modern features co-exist. The market is similarly made up of formal and informal

institutions, as well as the co-habitation between external and domestic actors. As for the state, it is made up of all its domestic branches, plus international partners.

- *Intentionality* refers here to the goals, aspirations, and interests of actors in specific governance contexts (Kooiman, 2003). Where diversity and dynamism meet intentionality, the situation can become even more complex and unpredictable, mainly in terms of the effects produced.

In the current governance framework, the three entities made up of state, market, and society are all fused. Despite the acknowledgement of the importance of the state in development, the role of the latter is supposed to be minimal (Abrahamsen, 2000). The state is supposed to collaborate with both domestic (market and society) and external partners (donors, INGOs, and external market actors). As a result, governing activities for development becomes a delicate balancing act. It involves constant negotiation and renegotiation of underpinning governance values and principles, as well as goals.

Principles of good governance agenda

What orthodox governance policy envisages is almost inconsistent with the goals of governance intended by domestic society (civil), and INGOs. This divergence of aspirations between actors in this governance context undermines clarity of purpose. In order to better understand this situation, it is worth looking at three principles of the current good governance agenda: accountability, participation, and poverty reduction.

Accountability

Unlike what students of political science might understand by accountability, the concept bears a completely different connotation in the current governance framework. Ensuring accountability in politics simply means that mechanisms are put in place in order to make political leaders and decision-makers responsible, and allow the governed to hold the leadership to account for their actions and decisions. Some of the state institutions, such as parliament and the judiciary, play the role of institutions of accountability in presumably effectively functioning systems. In parallel, accountability also refers to mechanisms that ensure that public money is well spent. This involves the deployment of public auditors and the rigorous work of the office of public audit. Importantly, accountability can rarely be said to exist in cases of blatant lack of transparency. Accountability is never guaranteed in polities where the culture of secrecy is well engrained in the system.

In terms of intentionality in the realm of accountability, there seems to be a whole range of divergent intentions among governance actors, mainly due to the diversity of actors in the current governance context. There is mainstream governance policy, with an exclusive focus on the financial side of accountability, specifically on medium-term expenditure frameworks, financial management systems, and redressing fiscal deficits. It follows that the political dimension of accountability is overlooked, or simply muted.

For other actors, however, the political dimension is much more important — because it is the guarantor of any other form of accountability. For domestic NGOs and INGOs, accountability refers to political responsiveness and responsibility. What is at stake here is the establishment of effective mechanisms of accountability, in the strictly political sense of the term.

In this regard, it seems that mainstream or orthodox governance frameworks have an overarching concern about the effectiveness of the aid disbursed, while civil society organizations are more concerned with effective delivery of the most basic services. With the growing power of INGOs in the field of international development policy (Mallaby, 2005), orthodox governance frameworks have started to incorporate aspects of political accountability. Yet, this is done through the deployment of a technical language that defines the problem in terms of 'capacity building'. The elasticity of this concept also allows those restricted by their articles of agreement to get around the political dimension, at least from a purely discursive point of view. Furthermore, much is today made of the importance of horizontal accountability, especially by fostering the demand side of accountability. This means steering away from technocratic and bureaucratic perspectives to development by promoting a more participatory approach to decision-making within developing country settings.

Participation

Dynamism and diversity cannot find a better expression than in the case of participation. First, talks of participation focused on civil society and the concomitant problems of drawing its contours. Critically, it was a question of whether the market can be inserted into the category of civil society or not. With time, the configuration and definitional issues evolved to incorporate not only domestic market actors, but also included international market actors, international civil society organizations, and donor agencies. As a result, what was initially intended to be civil society participation turned into stakeholder participation to allow for more participants in governance. These compositional and definitional mutations draw attention to the fluidity and dynamism of the context within which governing activities take place. Equally, as more participants enter the governance context, the composition of actors becomes even more diverse.

From a strictly intentional perspective, however, a more diverse set of actors means that goals and aspirations are likely to clash. Thus, the politics of participation in policy processes turns into a complex balancing act. Reaching consensus also becomes virtually impossible, as actors pull in different directions. Equally importantly, the process leaves more actors dissatisfied and disillusioned. This is the case of the smallest actors, mainly in terms of influence and bargaining power, that find themselves excluded from the process or simply pushed to the margin.

If in principle the stakeholder framework of participation expands the landscape, in reality it renders deeper and more meaningful participation quite difficult to achieve. Instead of interplays constituting the core mode of interaction between actors, interventions become the rule of the game. In this context, the more powerful actors simply end up governing the game. As a result, what is supposed to be a co-governance mode also turns into a hierarchical mode of governance.

One of the interventions pertains to issues of organizational capacity and the modes of achieving the ultimate goal. The most powerful actors simply succeed in imposing their own mode of operation to others. Hence, modes of operation of the market are increasingly invading other spheres of social–political activity (Fine *et al.*, 2003). In this regard, actors with less ability to organize themselves in the image of the market are virtually excluded from the participation process. What the current governance framework intends is the fusion of the three societal entities with different governance modes, as Table 1 illustrates.

Table 1. Relations between modes of governance and societal entities

	Mode		
	Self-governance	Co-governance	Hierarchical governance
State	Low	Medium	High
Market	High	Low	Medium
Civil Society	High	Medium	Low

Source: Kooiman (2003, p. 227).

What appears from Table 1, however, is that the most dominant actor in the current participation framework, the market, has a low propensity for co-governance. It is therefore no surprise that the mode of achieving the ultimate goal of poverty reduction through partnership is presently problematic, as the market continues to seek supremacy over the other two societal entities: society and the state.

Meanwhile, the pertinent discourse within the United Nations system takes governance beyond mere considerations of accountability, transparency, participation, and poverty reduction. Here issues of democratic governance are as important as the aforementioned pillars and focus on a rights-based approach to development, where economic, political, and social rights of individuals become central to governance. The United Nations Development Programme (UNDP), for instance, sees governance in terms of:

> … the interactions among structures, processes and traditions that determine how power is exercised, how decisions are taken, and how citizens or other stakeholders have their say. It

> comprises the mechanisms, processes and institutions through which people articulate their interests, mediate their differences and exercise their rights and obligations. (UNDP, www.undp.org/governance)

This definition has come to reflect a new and somewhat fragile consensus about governance, as well as the need to pursue a rights-based approach to development currently being adopted by other donors. In this framework, the search for more effective governance focuses on institutions, processes, and structures, both modern and traditional. By doing so, there seems to be a gradual move away from generic approaches, and towards more centred and country-specific analyses. In a sense, this insistence on rights indicates that thinking about governance has evolved since the introduction of the theme in mainstream development, echoing in the same vein this paper's central argument about the need to look at governance as a dynamic concept.

Modes of achieving the ultimate goal

By 1999, the international development community had reached the consensus that poverty reduction should be the ultimate end of development. Various factors converged to propel poverty reduction to the forefront of development. Even though this is not the place to review all the contingencies that led to the rise or revival of poverty alleviation, it is worth pointing out that past interactions, both at the political and economic levels, had driven most actors involved in governing activities to aspire to this end.

The prominence of poverty reduction is the result of a combination of factors, starting with the unintended effects of preceding policy frameworks (structural adjustment). The same experience also showed the limits of a governance framework that put exclusive faith in the ability of the market to produce welfare-enhancing effects. Both domestic civil society organizations and their international counterparts rose to lament the negative social impacts of this framework. The leading international development agencies also experienced a crisis of legitimacy and credibility, as they failed in their respective missions to foster economic and social advancement in the developing world, and of stabilizing the international financial system. Clearly, one set of interactions between various actors led to the production of undesirable effects, which in turn worked to draw the attention of actors as to the centrality of poverty eradication. The conferences that took place in the 1990s (from Rio in 1992 to Copenhagen in 1995) can be placed within this context of revision and incrementalism, which has culminated in the proclamation of the Millennium Development Goals in 2000. Suffice it to note here that underpinning the Millennium Development Goal framework is a more multi-dimensional understanding of poverty, where economic and social opportunities, transparency guarantees, political freedoms, and social securities are central.

Despite this convergence between governance actors in development, there is still disagreement as regards the mode of achieving the stated goal. The diversity of actors and their divergent perspectives, mainly in terms of how to achieve poverty reduction, renders the situation more dynamic than ever. What is dynamic here is the perpetual search for the best way of achieving the goal. Is it through intensified applications of market mechanisms? Is it better achieved through the establishment of *cleaner* and more effective political processes? Is it better achieved through human development?

Answering these questions will help cast light on the three dominant perspectives: economic development, political development, and human development. The first perspective — economic development — dominated and still dominates development outlook, more or less. It places great importance on the role of markets in resource allocation and distribution. In this perspective, economic growth is central to poverty reduction. The best way of reducing poverty is through accelerated and sustainable economic growth. For that matter, markets need to be isolated from political intervention because they are more efficient than any other social entity in producing and distributing wealth. The underlying assumption here is that when more wealth is produced, it automatically trickles down and everyone benefits.

What the proponents of such an approach have tended to overlook is that markets cannot be isolated from the political sphere since they are socio-politically imbedded and are also socio-political constructs. They operate within socio-political contexts, which allow them to thrive and develop. The rules governing the internal operations of the market are devised by market actors (self-governance), but markets ultimately require a level playing field where all actors are treated equally. The social entity that allows market actors to operate in a fair environment is the state through its various enabling interventions. These interventions mainly take the form of regulations, such as competition law, rules governing market entry, corporate taxation, and so on. From a strictly social point of view, it is also important to remember that market operations involve a lot of socialization between actors. Also central to markets is the concept of exchange between market participants. In this sense, markets will vary according to their socio-cultural underpinnings. The socio-cultural underpinnings of US markets, for example, are not quite the same as those of British or East Asian markets. This is why it is important to consider the socio-political underpinnings of markets, especially when it comes to 'building institutions for the market'.

Moreover, exponents of politics in development also regard the state as the central and most important actor in poverty eradication. For them, it is more a question of strengthening the capacity of the state to perform its most basic functions, rather than a matter of empowering and giving the lead to another societal entity. The underlying assumption here is that an effective state can work to improve the operating environment of markets, as well as enable a fairer redistribution mechanism. Also central to this position is the belief that a healthy and well-educated population is key to the performance of markets.

From the human development perspective, economic growth is also best achieved when education and health are attended to. There is no substantial difference between this perspective and the economic growth outlook. The only line of demarcation resides in the fact that the proponents of this approach believe in a reverse causality between economic growth and social development. In some respect, this approach finds a mutually reinforcing relationship between economic growth and poverty reducing factors such health and education. The goal here is not poverty reduction *per se*, but it is more a matter of promoting responsible well-being (Chambers, 2005). Table 2 provides a summary of the three outlooks and variations in terms of what is meant by poverty reduction.

As Table 2 illustrates, the goal seems to be the same when the concept of poverty reduction is used, but differences occur when it comes to the way of achieving that goal. Increasingly, as mentioned above, there seems to be a move towards convergence, in terms of how to conceptualize poverty reduction (multi-dimensionality of poverty). There also seems to be fusion of methodologies and core instruments in the form of what is commonly known as 'third way politics', with its fusion of the traditional perspectives shown in Table 2.

Suffice it to say that this fusion seems to be merely at the discursive level. In practice, economic growth appears to remain the central instrument, while poverty reduction seems to be its residue. In the present state of affairs, there is an incrementalism whereby state capacity-building, responsible re-distribution, and the pursuit of social equality are all grafted to an otherwise fundamental belief in the market. The Least Developed Countries Report (2002) argues along the same lines. It laments the inherence of structural adjustment in the current framework. This argument is also echoed in African NGOs' response to Poverty Reduction Strategy Papers (Sy, 2002). What is interesting, however, is the fact that incremental changes are still taking place. There is scope for improving the framework, especially as the proponents of 'economic

Table 2. Summary of approaches

	Core instruments	Methodology	End
Economic development	Economic growth	Trickle-down	Poverty reduction through growth
Political development	State capacity	Responsible re-distribution	Poverty reduction through establishment of viable and fairer re-distribution mechanisms
Human development	Human capabilities	Simultaneous attention to growth and social development	Responsible well-being, social justice and equality

growth' are increasingly moving closer to the type of thinking about development long pursued in the UN system (Jolly *et al.*, 2005). Thus, Table 2 may be regarded as a traditional division between contending perspectives, but which does not necessarily reflect the current situation.

This incrementalism is mostly a result of increased interaction between governance actors from various perspectives. Mutual learning takes place during governance interactions and leads to the re-drawing of the traditional boundaries that separated the three theoretico-conceptual positions outlined above. In a sense, this redefinition of the conceptual boundaries is a governance instrument in itself, where dynamism calls for constant re-evaluation of the basic concepts that are supposed to guide governance thinking. The question that arises at this point is whether an exclusive focus on the market and economic growth is radically different from the pursuit of social equality in practice.

Economic growth and social justice: what dichotomy?

This is the area where it is difficult to separate concepts from reality, since the linkages between them are stronger than is most commonly assumed. One of the most basic functions of modern economics is the enhancement of welfare of the majority. One of the guiding principles of modern economics, Pareto efficiency, ''declares that only a change that leaves nobody worse off can be declared *welfare-enhancing*'' (UNDP, 2005, p. 53).

This section will draw substantially from the *Human Development Report* 2005 to substantiate the argument that in reality there is no strong theoretical ground for establishing a dichotomous relationship between economic growth and social equality. Both theoretically and practically, economic growth and social equality constitute two mutually reinforcing goals worthy of pursuit (Bourguignon, 2003; Klasen, 2005).

Work on public economics has established a strong relationship between education and economic growth (Becker, 1964, 1993). It has also become very clear that high levels of social inequality tend to impact negatively on economic growth. This is why it is argued that ''denying half the population access to education opportunities is not just a violation of human rights. It is also bad for growth'' (UNDP, 2005, p. 52). The moral philosophy that underpins welfare economics never intended a situation where high economic growth rates exist alongside high levels of inequality. Thus, theoretically, poverty reduction cannot take place in contexts of high inequality.

Crucially, economic growth is not sustainable in situations of high inequality, as marginalized groups tend to rebel against authority and create conflict situations. In turn, violent conflict often leads to economic slow down, loss of assets and income (UNDP, 2005, p. 155).

Moreover, re-emergent interest in state-building in international development circles also emanates from an increasing concern about the links between poverty, poor governance and international security (Fukuyama, 2004). This consideration provides an explanation as to why the notion of state capacity-building has been grafted onto orthodox governance theory. Here again, the intentions of governance actors seem to be divergent. While political analysts genuinely see capacity-building as an important ingredient to development, its exponents among policy-makers look upon it as a means to fighting international 'terrorism' at its roots. Increasingly, the whole project of development is regarded as a legitimate way of resolving some issues of global governance such as illegal migration, illicit trade, and international insecurity. This has been reiterated in the UN Secretary General Report (2005) *In Larger Freedom*, with its emphasis on the intrinsic relationship between development, freedoms and security.

Ironically, one of the central issues of global governance fails to be appropriately addressed; namely, the issue of global socio-economic inequality. More importantly, intra-state inequalities seem to be marginal to the ongoing project of poverty alleviation. Increasing the average *per-capita* income in a poor country may not have the desired effect, if the majority of people fail to enjoy a decent life standard. When economic growth is not responsibly re-distributed, it follows that the majority of those with less bargaining power will be less likely to benefit from it. In other words, an exclusive focus on improving economic growth rates needs to be accompanied by the establishment of effective re-distribution mechanisms. Yet, the latter is not easily achievable when states lack the capacity to devise legitimate re-distribution channels. The reality is that re-distribution is a highly political aspect. It belongs to the strictly political and involves a great deal of competence in national resource management. The notion of resource here encompasses physical, financial, and human resources of the country.

Notwithstanding the importance of politics in the overall governance process, the current framework tries to de-politicize governance. This is as a result of the way politics is perceived by the exponents of good governance. Politics is regarded as the source of corruption in its various forms. One of the forms of corruption that the current framework was first intended to redress is the type of dysfunctional re-distribution mechanisms found in most poor countries. Indeed, patronage politics fosters dysfunctional re-distribution, in the sense that most resources are diverted towards the maintenance of specific clientelist networks. Here again, there seems to be a 'new' consensus in development around placing more emphasis on 'drivers of change', an initiative introduced by the UK Department for International Development, based on the recognition that political-economy country settings are important in reform processes. The 'drivers of change' approach promotes ''country-specific analyses, focusing on the social, political, economic, and institutional factors affecting the dynamics and possibilities for change'' (Department for International Development, 2004). By focusing on socio-political and economic institutions (both formal and informal), issues of power become more conspicuous and analytically separated from politics. The identification of centres of power in a country setting can help us understand the underpinnings of the framework within which politics itself takes place.

Yet, this does mean that politics is more corrupt that the market. Markets are places of socialization where actors are in constant interaction, which in turn can lead to the establishment of what can be termed here 'Zeus clubs' or cronyism. For example, a group of former college or university friends can end up occupying important positions in various corporations. More often than not, this group ends up conducting business in a very informal fashion. Similarly, market failure theorists have shown how information asymmetry can distort internal market processes (Stiglitz, 2002). Information asymmetry often occurs in places where socialization has generated a group of close 'buddies' within the market who tend to share crucial market information, to the detriment of those outside the 'Zeus club'.

It is by understanding both political and economic power structures in a country that insightful political-economy analyses can be produced to guide reform policies through the establishment of more viable institutions capable of mediating difference and guaranteeing the rights and obligations of groups.

Economic growth and social development

Whatever dichotomy is established between economic growth and social development may well be imagined. Recent trends in foreign direct investment (FDI) suggest that there is a closer link between growth and social development than is commonly assumed. If two of the new growth models are accounted for, FDI and human capital, it becomes difficult to regard social development as a residue of economic growth. The cases of India, more recently, but also of Hong Kong and South Korea suggest that building human capital through education and professional training is crucial (Tilak, 2002). In a knowledge economy where innovation is key to success and competitiveness, education and training can foster economic growth. It is because of its high-skilled graduate community, combined with English as medium of communication, that India has carved for itself a niche in the services sector FDI (Final Report of the Digital Opportunity Initiative, 2001).

In the same way, health is crucial to economic growth, as countries with a high prevalence of HIV tend to be those with the highest rates of income poverty. For example, Swaziland and Lesotho have prevalence rates of, respectively, 38.8% and 28.9% among the 15–49 age group. They are also in the lowest tier of poverty, with respectively 40.0% and 49.2% of the population living below the national poverty line (UNDP, 2005, pp. 228–248). Obviously, if the majority of the population that is supposed to be economically active is sick, then productivity will suffer as a result. Yet, it is important to also see the relationship the other way round, since lack of adequate income can also lead to poor health in environments where free access to health is not guaranteed.

The conclusion at this point is that the concept of pro-poor growth is not an oxymoron. The problem here resides in the fact that the most pervasive form of interaction in poverty reduction methodologies is made up of interventions. The dominant mode of governance is hierarchical governance, as market methodologies dominate other approaches. Consequently, attempts by the market to intervene in the social and public spheres produce and reproduce unintended effects. Subsequently, poverty is unintentionally perpetuated through the very governance of poverty reduction processes. In a perfect mode of co-governance, there should be interpenetration of values from all involved entities. Otherwise, hope for greater convergence only rests on the acceptance by one or more of the entities to internalize the values of the dominant entity. Acceptance is important because governance is more effective when the rules of the game are almost generally accepted (Rosenau and Czempiel, 1992).

Emerging trends in governance: the internalization of dominant values

In their current form, governance activities seem to be dominated by the market in the formulation of principles, while the state and society are left with the task of problem-solving and institutional care (Kooiman, 2003). This distribution of tasks also seems to be accepted by a growing number of governance actors, especially states in poor countries.

In other words, governance principles, and their underpinning neo-liberal values, are beginning to be accepted, mainly as a result of greater and sustained interactions between the exponents of the current framework and states in reforming countries. While it appears that reforming states are compelled to apply the adopted framework through conditionality, the reality tells a completely different story. Some states have actually internalized the underlying values of the current framework through years of sustained intervention (Harrison, 2004).

It is worth pointing out here that during a process of sustained interaction between a diversity of actors or entities in a governance context, actors with more resources can end up imposing their values on other less resourceful parties, due to the fact that resources are imperative in effecting governance. Resources are actually part of the instruments deployed in governance processes. They can be hard (physical, financial) or soft (information, knowledge) instruments. In the present governance context, both hard and soft instruments have been deployed to facilitate acceptance.

Sustained interaction between parties in the current governance context has enabled greater information exchange and learning, which has resulted in the acceptance and internalization of a specific set of values. It has also led to opening up new windows of opportunity (Booth, 2003) and new governance spaces (Harrison, 2004). New windows of opportunity have been created in the realm of institutional change mechanisms, as participation frameworks seem to have brought more actors into the governance context. New governance spaces have expanded traditional boundaries of sovereignty, allowing in the same vein a radical reconceptualization of the very concept of sovereignty.

New governance spaces: transcending conflict

If traditional governance spaces have been characterized by the dichotomy between external and domestic actors, the current framework seems to have transcended such divisions. What was previously regarded as a conflictual relationship between diverse actors currently seems to belong to the realm of imaginings. New governance contexts are structurally diverse, made up of both external and domestic actors who seem to work towards the same goal. Increasingly, domestic actors cease to be looked upon as victims of incessant intervention. Instead they are considered as partners who are willing to adhere to the underlying principles of reform. This means that despite the persistence of conditionality, the latter is relegated to the background of governance contexts (Harrison, 2004). In this regard, a new form of governance has come to be characterized by a peculiar form of politics that is called ‘post-conditionality politics’ (*ibid*. p. 71).

Post-conditionality politics has two main features: ‘‘the rise of Ministries of Finance as powerful producers of neo-liberal orthodoxy, and the rise of public service ministries as the executors of administrative reform programmes’’ (Harrison, 2004, p. 87). As mentioned earlier, the instrument deployed at this level is mostly of the hard type (finance), as aid is central to post-conditionality politics. Hard instruments are used in tandem with soft instruments (discourse) to enable the internalization of dominant principles of governance. Thus, it is not surprising to find a proliferation of normative concepts such as participation, ownership, transparency, and accountability in the policy documents of reforming states. Importantly, technical assistance also brings actors into physical contact, with the presence of external technocrats in the everyday governance activities of reforming countries.

Harrison’s identification of a cluster of countries that can be considered as ‘governance states’ contributes a great deal to the understanding of the new spaces within which governance activities take place. He argues that ‘‘governance states constitute a *clustering* of actions and interpellations which render the notion of national sovereignty problematic’’ (Harrison, 2004, p. 5). He points to fact that the newly emerging politics in what he calls ‘governance states’ is characterized by the predominance of issues emanating from greater external intervention. Within such a governance context, the structure of governance activities becomes a space where the distinction between the external and the domestic is both conceptually and practically difficult to establish.

In light of all this, it becomes clear that governance, as a concept, is becoming more consistent with the reality of governance. It also becomes apparent that governance is dynamic and takes place within a context where a diverse set of actors are engaged in perpetual interaction, the effect of which leads to the emergence of new opportunities. Yet, each opportunity comes with its own problems that require a re-consideration and revision of old approaches. The current governance framework is one that breaks away from the realm of the strictly normative. It is increasingly narrowing the gap between the 'ought to be' and the reality.

Conclusion

In the current state of affairs, governance activities in development are dominated by the values of one of the actors in the context. The domination of one set of values, however, is increasingly being accepted by other entities. If not as a result of *force majeure*, then it is the result of the constant interaction between actors in the context. A combination of interplay and intervention, as the dominant forms of interaction, has produced a governance context whereby the underlying principles are in constant mutation.

Increasingly, market values are co-existing alongside values of social development and social justice. The very diversity of actors in the context of governance for development has forced a redefinition of the contours of governance contexts within which governing activities take place. As interactions intensify, most actors start to internalize the most dominant values, which in turn leads to the gradual reduction of conflict.

From a conceptual point of view, it is also clear that the trend is moving toward the establishment of strong links between economic growth and social justice and/or social development. Instead of a causal relationship, the experience drawn from increased interaction shows that there is no dichotomous relationship between economic growth and social development. In fact, it is a mutually reinforcing relationship that makes prioritizing one over the other almost absurd. However, it is also clear that such a situation comes with its own problems, the resolution of which might well lead governance, both conceptually and empirically, to the adoption of new values. As a result, governance becomes the sum total of theoretical conceptualizations springing from the accumulated experience of actors in perpetual interaction.

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