Graduate School of Public Policy
The University of Tokyo Slide 12
revised

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GOVERNANCE AND DEVELOPMENT (INTRODUCTION) (Slide 12 revised)

Course Objectives

1) to give an overview of the context of the evolution of major development theories which have been affecting aid policies of major donor agencies;

2) to look into the ways in which the issue of 'governance' has been dealt with in international development cooperation; and

3) to make a critical review on the perceptions and models of 'good governance' in development cooperation and to investigate a new way of looking at governance.

Course Content

- Issues of 'governance' will be examined from the aspect of both theory and practice in international development cooperation, ranging from programs of public service reform, decentralization, capacity development in specific sectors to the discourse of state-society relations, human security, donor-recipient relations, and aid coordination, etc.

Course Schedule

- Day 1 (October 1): Introduction

- Day 2-3 (October 15&22): Development theories and Issues of governance (Definition of governance, reforming public sector and local governance)

- Day 4 (October 29): Case of local governance reform (Guest Speaker)

- Day 5-8 (November 5,12,19&26): Reforming Sector governance and case studies (incl. Guest Speaker)

- Day 9-11 (December 3,10&17): Democratic governance, state fragility and case studies (incl. Guest Speaker)

- Day 12-14 (January 7,21&28): Aid governance, emerging donors and case studies (incl. Guest Speaker)

Methodology

- In most sessions, after the lecturer's introductory lectures, selected students will do presentations on assigned readings, which will be followed by discussions and sum-ups.

- Case studies will also be used to help students understand the practicalities of development cooperation.

- Guest speakers will be invited to discuss specific cases and topics

Evaluation Policy

- General attitude in sessions including class participation and preparation with required readings prior to the class (20%)

- Presentation on assigned readings (40%) and

- An essay to be submitted by January 28 (40%)

  (Topics to be consulted by December 10)

Introduction to Governance and Development

Definitions of Governance and Good Governance (1)

- World Bank (1997): The Process and institutions through which decisions are made and authority in a country is exercised.

→GG: Inclusiveness and accountability established in three key areas: selection, accountability and replacement of authorities; efficiency of institutions, regulations, resource management; respect for institutions, laws and interactions among players in civil society, business and politics

Source: World Bank (1997) "Good Governance and Its Benefits on Economic Development: An Overview of Current Trends"

Definitions of Governance and Good Governance（2）

- UNDP (1997): The exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulated their rights, meet their obligations and mediate their differences

→GG: Characterized as "participatory, transparent ….accountable ….effective and equitable…promotes the rule of law…ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources"

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Source: UNDP (1997) Governance for Sustainable Human Development

Definitions of Governance and Good Governance（3）

- EC (2003): Governance concerns the state's ability to serve the citizens. It refers to the rules, processes and behavior by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are manage and public regulatory power are exercised is the major issue to be addressed in that context

→GG: Democratic G is crucial for sustainable development, G principles: participation, inclusion, transparency and accountability
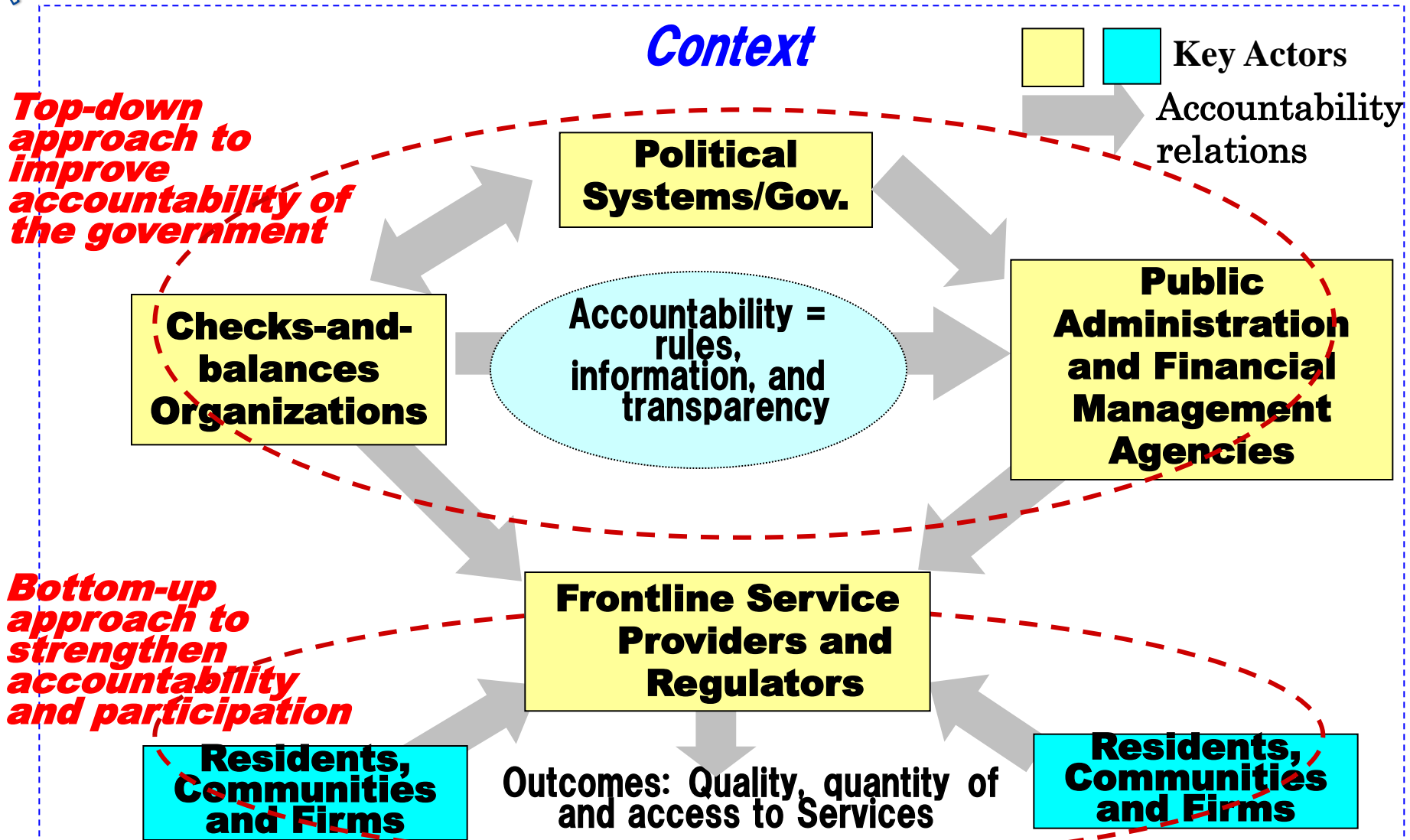
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Increasing attention to Governance in development community

✓ Governance regarded as essential factors for development and poverty reduction

✓ Values commonly stressed: legitimacy, accountability, transparency, efficiency and effectiveness of the public sector; participation in decision making and rule of law.

✓ Getting good governance, however, implies a wide range of institutional reforms and structural change

✓ How could we identify suitable approach to improving governance in country's specific contexts?

NATIONAL GOVERNANCE SYSTEMS
World Bank's framework to analyze and reform

revised

Context

Key Actors

Accountability relations

Top-down approach to improve accountability of the government

Political Systems/Gov.

Checks-and-balances Organizations

Accountability = rules, information, and transparency

Public Administration and Financial Management Agencies

Bottom-up approach to strengthen accountability and participation

Frontline Service Providers and Regulators

Residents, Communities and Firms

Outcomes: Quality, quantity of and access to Services

Residents, Communities and Firms

Source : Adapted from *Figure 1.1* in B. Levy (2007)

Two sets of approaches to reform governance systems – World Bank

Demand side (Participation and Accountability) is stressed, however, mostly "Top-down" in approach

The list of "deficiencies" is comprehensive.

(1) Top-down approach to improve accountability

- ✓ Public financial management and procurement systems
- ✓ Public administrative systems
- ✓ Performance of checks-and-balances institutions

(constraints on the executives; justice and the rule of law; and transparency and voice)

(2) Bottom-up approach to improve accountability

- ✓ Front-line service provision and regulatory agencies

"Good Enough Governance"

✓ Questions the complexity of the "good governance" agenda – list of what should be done is too lengthy.

✓ Points to the needs that governance interventions be prioritized and made relevant to the conditions of individual countries.

✓ Suggests to examine reform options in light of historical evidence, sequence, and timing, and to select them carefully in terms of their contributions to particular ends such as poverty reduction and democracy.

Source: M.Grindle (2004)

Illustrative Governance Priorities（1）

P= priority	Collapsed States	Personal rule	Minimally institution-alized states	Institution-alized non-competitive states	Institution-alized competitive states
Personal safety ensured	P	P			
Basic conflict resolution systems in place and functioning	P	P	P		
Widespread agreement on basic rules of the game for political succession	P	P	P		
Government able to carry out basic administrative tasks		P	P		
Government able to ensure basic services to most of the population			P	P	P

Illustrative Governance Priorities（2）

P= priority	Collapsed States	Personal rule	Minimally institution-alized states	Institution-alized non-competitive states	Institution-alized competitive states
Government able to ensure equality/ fairness in justice and access to services				**P**	**P**
Open government decision making/ implementation processes				**P**	**P**
Government responsive to input from organized groups, citizen participation				**P**	**P**
Government fully accountable for its decisions and their consequences					**P**

Source: Grindle (2005) *Table 3*

What "Good Enough Governance" suggests and What does not

GEG suggests for development practitioners:
- ✓ Improving governance is a long-term and dynamic process that cannot be tackled at once
- ✓ How to prioritize governance issues according to the characteristics and strengths and weaknesses of states
- ✓ How to examine the implication and feasibility of types of governance reform by analyzing sources of support and opposition embedded in the political economy of specific countries

GEG suggests national level analyses and does not imply how to design area-specific or bottom-up approaches to improve local capacity

Questions

- ✓ **Is the notion of governance useful to search for desirable development results?**

- ✓ **What is the desirable "development" and the way to achieve ?**

- ✓ **What are the critical factors affecting the process and the results of development?**

- ✓ **Who are the key actors involved or to be involved?**

- ✓ **What is the role of state, business and society?**

Evolution of Development Agendas of International AID (Rough Sketch)

\<50s and 60s\> <u>Trickle Down Approach</u> through State-led Industrial Development (filling the gaps of saving and foreign currency reserve and developing infrastructure)

\<70s and early 80s\>

✓ <u>Basic Human Needs Approach</u> (social sector and labor intensive development) *social justice and grass-roots participation*

✓ "New International Economic Order" (74)

Evolution of Development Agendas of International AID（Rough Sketch）（2）

<80s >

✓ <u>Structural Adjustment Approach </u>(fiscal retrenchment for macro stabilization and market-centered deregulation)

✓ *Our Common Future* (87) *"Sustainable Development "*

<Early 90s>

✓ <u>*Human Development Report* </u>(UNDP 90-) *based on capability Approach of A. Sen*

✓ <u>*Governance and Development* </u>(World Bank, 92) *Good Governance as precondition for development*

✓ *Orientation Paper for <u>Participatory Development </u>*(OECD/DAC, 93) *participatory development, democracy, human rights, and good governance*

Evolution of Development Agendas of International AID（Rough Sketch）（3）

＜Late 90s＞
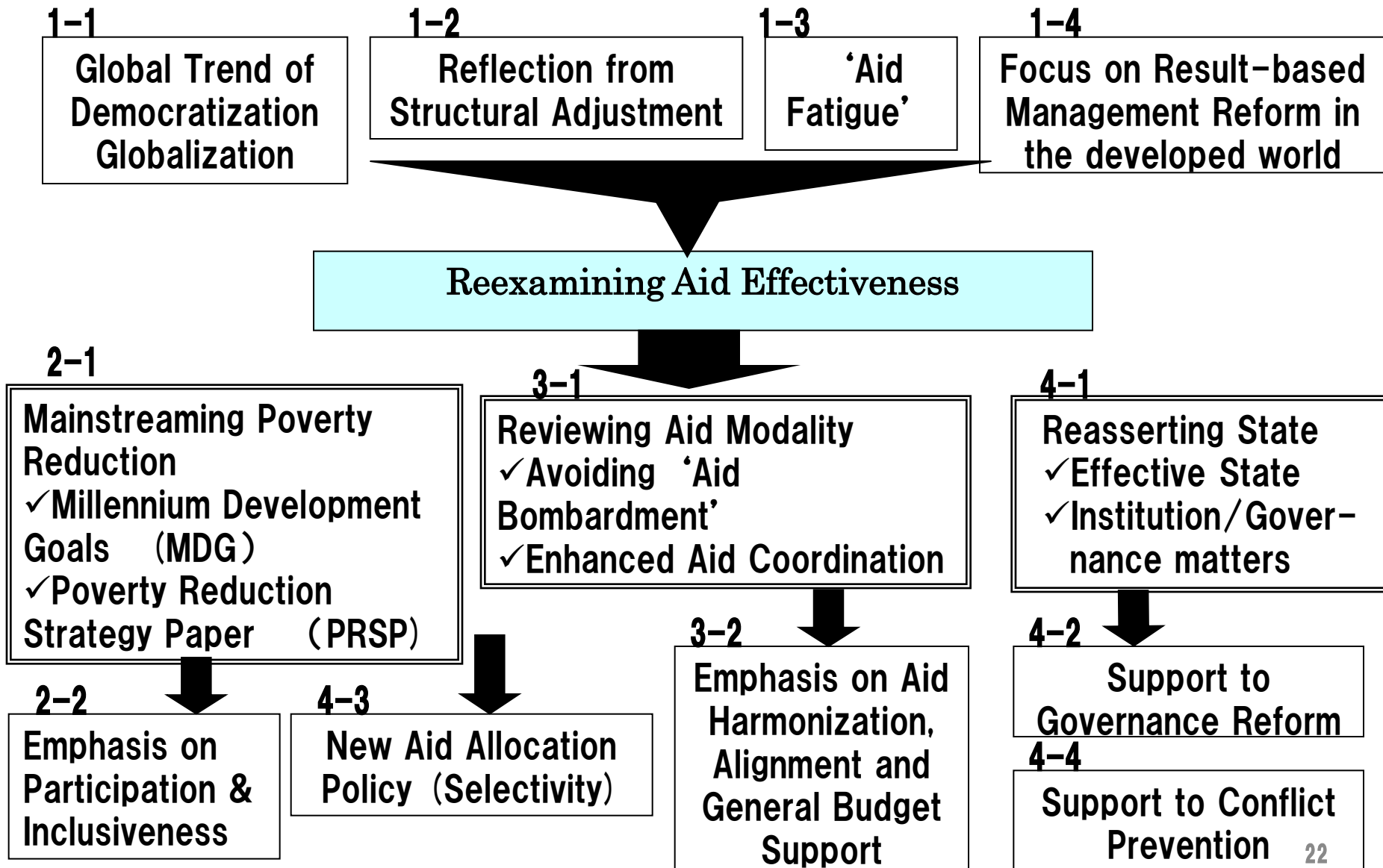
- ✓ *WDR1997: The State in the Changing World (97) and Assessing Aid (98)* *reasserting the role of effective states*

- ✓ *WDR2000: Attacking Poverty (2000)* *multidimensional aspects of poverty (lack of opportunity and voice, and vulnerability)*

- ✓ *Guidelines on Conflict, Peace and Development Co-operation on the Threshold of the 21st Century* (OECD/DAC,97)

＜2000s＞

- ✓ *Millennium Development Goal* (UN)

- ✓ Adoption of *Poverty Reduction Strategy Paper (WB/IMF)*

- ✓ Emphasis on Ownership and Partnership and Aid Coordination

Overview of International Development Aid in the Post-Cold War Era

1-1
Global Trend of Democratization Globalization

1-2
Reflection from Structural Adjustment

1-3
'Aid Fatigue'

1-4
Focus on Result-based Management Reform in the developed world

Reexamining Aid Effectiveness

2-1
Mainstreaming Poverty Reduction
✓Millennium Development Goals （MDG）
✓Poverty Reduction Strategy Paper （PRSP）

3-1
Reviewing Aid Modality
✓Avoiding 'Aid Bombardment'
✓Enhanced Aid Coordination

4-1
Reasserting State
✓Effective State
✓Institution/Governance matters

2-2
Emphasis on Participation & Inclusiveness

4-3
New Aid Allocation Policy （Selectivity）

3-2
Emphasis on Aid Harmonization, Alignment and General Budget Support

4-2
Support to Governance Reform

4-4
Support to Conflict Prevention

Reference

➡ **Chhotray, Vasudha and Gerry Stoker (2009)** *Governance Theory and Practice*, **Palgrave Macmillan, Hampshire, UK**

➡ **Grindle, Merilee S. (2004) "Good Enough Governance: Poverty Reduction and Reform in Developing Countries"** *Governance: An International Journal of Policy, Administration , and Institutions.* **Vol. 17:525-548** http://portals.wi.wur.nl/files/docs/File/MSDGhanaGuyana/Grindlegoodenoughgovernance2004.00256.pdf
_____ **(2007) "Good Enough Governance Revisited**" *Development Policy Review*, 2007, 25 (5): 553-574   http://relooney.fatcow.com/00_New_1805.pdf

Levy, Brian (2007) *Governance Reform: Bridging Monitoring and Action*, **World Bank**

Rapley, John (2007) *Understanding Development: Theory and Practice in the Third World,* **Chapter 1, Third Edition, Lynne Rienner Publishers, USA** https://www.rienner.com/uploads/47e2d55b15183.pdf

World Bank (1992) Governance and Development http://documents.worldbank.org/curated/en/1992/04/440582/governance-development
_____ **(1997)** *World Development Report: The state in a changing world* http://wdronline.worldbank.org/worldbank/a/c.html/world_development_report_1997/abstract/WB.0-1952-1114-6.abstract

Earle, Lucy and Zoë Scott (2010) "Assessing the Evidence of the Impact of Governance on Development Outcomes and Poverty Reduction", Issues Paper, GSDRC Research Service   http://www.gsdrc.org/docs/open/EIRS9.pdf

➡ **Required Readings for Day 2 (October 15)**   ➡ **Recommended (Chapter 1)**