

Theoretical Debates on Governance and Actual Challenges

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Abstract

The concept of governance is not new. It is as old as human history, dating back to the beginning of civilization. The concept entered debates and gained popularity in the 1980s and 1990s, and there was tension between many academics and international practitioners who employ 'governance' to suggest a complex set of structures and processes, both public and private, and some popular writers explain it as government or a system of national government. The governance concept has gained impetus in both national and international public policy due to its practical utility for analyzing and solving problems across various contentious issues of public policy at multiple levels, viz., international, national, regional, and subnational. Moreover, the emergence of governance occurred as 'a response to dissatisfaction and failures with the state-dominated models of economic and social development that existed throughout the socialist bloc and much of the Third World in the 1950s, 1960s, and 1970s'. This paper makes a brief overview of the key concepts of governance with multitude of diverse notions of the term; illustrates the shift from governance to good governance and why the concept emerged as a global agenda in public policy; visualizes how governance can be good or bad; evokes global governance as an integrative term that captures many current transformations in the world politics of governance; and finally concludes with some critical perspectives of governance.

Keywords- *Governance, Public Policy, Democratic Accountability, State–Society Relations, Development Administration*

1. Governance: A Conceptual Note

'Governance' as a buzzword or a widespread terminology has drawn the attention of both academics and international practitioners. A body of literature with definitions and interpretations is available to conceptualize 'governance'. The *New Webster's International Dictionary* defines governance as 'act, manner, office, or power of governing; government', 'state of being governed', or 'method of government or regulation' (as quoted by Weiss, 2000). Goran Hyden (1992) argues that 'governance' is basically concerned with the running of governments and other public agencies with 'social purposes.' Social purposes focus on serving the interests of all the people in society.

Analysts of international relations and international civil servants have broader perspectives of governance which go beyond the realm of government and the legal authority of polities.

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The Commission on Global Governance (1995, p.2) defines governance as “the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is the continuing process through which conflicting or diverse interests may be accommodated, and co-operative action may be taken”. James Rosenau (1995, p.14) gives a broader view of governance, incorporating governance both at grassroots and global levels, and opines that it encompasses the activities of governments, but it also includes the many other channels through which 'commands' flow in the form of goals framed, directives issued, and policies pursued. The definitions emphasize that governance is more than the activities that governments do. In short, governance, from a broader perspective, embraces government institutions, non-governmental institutions, mechanisms, processes, and networks for achieving specified content as well as social objectives at national and global levels.

2. Governance and good governance

The concept of governance has been in fashion for the past three decades. Since the early 1980s, 'governance' and 'good governance' have pervaded development discourse and especially research agendas and other activities funded by public and private banks and bilateral donors. Moreover, publications by scholars and eminent commissions have extensively used the term for contemporary global problem-solving (Global Governance, 1995; Dahl et.al, 2024). After the founding of the UN, International authorities have presented divergent views on governance as follows:

Table No. 1

Authority	Definitions of governance and good governance
World Bank	Governance is way power is exercised in the management of a country's economic and social resources. Three distinct aspects of governance are: (i) the form of political regime; (ii) the process by which authority is exercised in the management of a country's economic and social resources for development; and (iii) the capacity of governments to design, formulate, and implement policies and discharge functions
UNDP	Governance is exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.
OECD	Governance is the use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development.

Institute of Governance, Ottawa	Governance consists of institutions, processes and conventions in a society which determine how power is exercised, how important decisions affecting society are made and how various interests are accorded a place in such decisions
Commission on Global Governance	Governance is sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest
UN Secretary-General Kofi Annan	Good governance is ensuring respect for human rights and the rule of law; strengthening democracy; promoting transparency and capacity in public administration
International Institute of Administrative Sciences	Governance is the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, and economic and social development. Governance is a broader notion than government. Governance involves interaction between these formal institutions and those of civil society
Tokyo Institute of Technology	Governance refers to the complex set of values, norms, processes and institutions by which society manages its development and resolves conflict, formally and informally. It involves the state, but also the civil society (economic and social actors, community-based institutions and unstructured groups, the media, etc.) at the local, national, regional and global levels.

Source: (Weiss, 2000, pp. 997-998)

Furthermore, UN-related ideas such as colonization, localization, and human rights have a tremendous impact on governance for the first two decades. The newly independent countries were on the defensive side within the UN and related international forums, and they were largely untouched by the rich scholarly debate about the new political economy, social capital, and public goods (Weiss, 2000, p.997) as they interpreted virtually any serious scrutiny of their economic and social choices as a threat to their newborn and weak states. And they remained unreceptive to the international political economy literature of the 1970s and 1980s that emphasized public choice theory, rent-seeking behavior, directly unproductive profit-seeking activities, and the new institutional economics. Although the twin pillars of the post-war economic system, the World Bank and the IMF, had emphasized and influenced domestic policies for some time, there was a type of East-West divide in accepting the suggestions given by international organizations since powerful donors influenced the governance issues of the developing countries due to weighted voting privilege. After Mikhail Gorbachev's ascension to power in 1985 and the onset of 'new thinking' in Moscow, the Soviet Union was

no longer a geopolitical counterweight to Western demands for economic liberalization and political democratization. Therefore, 'the acceptance for the structural adjustment programs that are associated with getting policy right have been pursued by an autocratic government as well as a democratic one' (Hyden, quoted by Weiss, 2000, p.799). It demonstrates that the terms 'governance' and 'good governance' have mostly been used to create harmony, reduce conflicts, and maintain the World Order through international hegemony. Furthermore, governance seems to be a descriptive term, whereas good governance is a more prescriptive concept.

3. Governance: An international public policy agenda

Weiss (2000) explains that the quality of a country's political and economic governance system became acceptable within international public policy forums for four reasons (pp.799-800). *Firstly*, the glaring illegitimacy of regimes made it illogical for developing countries to maintain that their own domestic behavior was out of bounds. Furthermore, the end of the Cold War encouraged developing countries to turn to governance, which was influenced by both internal and external factors. *Secondly*, the third wave of democratic rule for political reforms, e.g., civilian rule, elections, and multiparty democracy, was a prerequisite to attract Western financing and legitimize the regimes in the Third World as well as Eastern Europe. *The third* is the proliferation of non-state actors, which changed the political landscape in most countries. They exert a growing influence on what was once almost exclusively matters of state policy. In other words, economic and social policy is no longer the exclusive preserve of governments, as human rights advocates, gender activists, media, developmentalists, and groups of indigenous peoples have invaded the territory of states, literally and figuratively. *Fourthly*, the 1990s have witnessed a phenomenal transformation of the widespread view that the 'Charter is a Westphalian document *par excellence*. Westphalian sovereignty is the concept that all nation-states have sovereignty over their territory, with no role for external agents in domestic structures.

This view emphasizes humanitarian intervention as an important component of statehood along with territory, people, and authority.

4. Good or Bad Governance?

The writers who plead for governance distinguish between good and bad governance (Weiss, 2000, p. 801). Good governance can be achieved by avoiding two undesirable characteristics that had existed in the earlier regime. They are a. the unrepresentative character of governments and b. the inefficiency of the non-market system. Good governance is the total of the ways in which individuals and institutions in both public and private spheres manage their affairs. Bad governance involves the personalization of power, lack of human rights, endemic corruption, and unelected and unaccountable governments, which exist in much of the Third World and Eastern Europe. Furthermore, as governance has been treated as a vital component of the international agenda, good governance has become a political and economic conditionality for bilateral and multilateral financing for developing and socialist bloc countries.

5. Critique from the UN system

The first is the need to capture the complex reality of governance, which encompasses all the structures and processes that use available resources for the public good within a country. Although debate continues about its precise components, good governance is more than multiparty elections, a judiciary, and a parliament, which have been emphasized as the primary symbols of Western-style democracy. The list of other attributes, with the necessary resources and culture to accompany them, is formidable: universal protection of human rights; non-discriminatory laws; efficient, impartial and rapid judicial processes; transparent public agencies; accountability for decisions by public officials; devolution of resources and decision making to local levels from the capital; and meaningful participation by citizens in debating public policies and choices. In other words, Western-style democracies' focus may not be applicable to address the cultural settings of other non-Western and developing countries. The content of domestic policies and priorities is crucial (p.802).

The second substantive criticism from the UN system is the need to strike a balance between the public and private sectors. Again, analyses have sought to go beyond democratic symbols and portray the necessary elements of public welfare. The composite view of the UN system amounts to something of a *reprise* of Keynesianism, which points to the ineluctable importance of state decisions for determining supply and demand management. It doesn't have to be counted for the supremacy of the private sector over the public sector.

The third and final substantive criticism from the United Nations is the need to introduce subtlety into the infatuation with democracy and democratization as surrogates for good governance. The argument that individual political rights and democratization go hand in hand with good governance is not wrong. But it has been expanded to reflect economic and social rights as part of a comprehensive 'package'.

Therefore, the initial debate over good governance was concerned less with improving the political leadership of democracy and integrating economic and social goals (e.g., through more active and creative roles for non-state actors) than with reversing decades of state-dominated economic and social development. Now that the state's role has come into question, the emphasis in UN circles has changed as it is essential to go beyond the largely empty Cold War clash between 'first' (political and civil rights) and 'second generation' (economic and social) rights. Now the focus is on integrating economic and social welfare for a better society, and good governance can also entail improvements in governmental institutions, the most appropriate government, and sound development management (Weiss, 2000, p. 805).

6. Humane Governance

Mahbubul Haq viewed that the concept of governance has so far failed to match the radicalism of the notion of human development. Therefore, he proposed humane governance, consisting of good political, economic, and civic governance. Humane governance involves those structures and processes that support the creation of a participatory, responsive, and accountable polity (that is, good political governance) embedded in a competitive, non-discriminatory, yet equitable

economy (that is, good economic governance). This requires the resources contributed by people to serve their basic human needs, which in turn expand the opportunities open to them; people must be given the ability to organize (that is, good civic governance). Bounded together by principles such as 'ownership', 'decency', and 'accountability', the components of humane governance are inextricably linked (Weiss, 2000, p. 805). It can be argued that the use of the term 'humane governance' seems a terminological interplay rather than a new implication, as the concepts are explicitly explained in both governance and good governance.

7. Global governance

The rubric of 'global governance' is like 'post-Cold War', which signifies the end of one period and an accurate shorthand for illustrating the essential dynamics of the new epoch (Weiss, 2000, p.806). The concept emerged to explain the fundamental changes taking place in the international system, and the proliferation of non-state actors, their growing importance and power as a unique feature of contemporary world affairs. Rosenau (1995) argues that global governance involves shifting authority as well as integration and fragmentation. Rosenau further characterizes global governance as 'systems of rule at all levels of human activity—from the family to the international organization—in which the pursuit of goals through the exercise of control has transnational repercussions' (ibid. p. 13). Furthermore, at the international level, 'global governance' can be traced to a growing dissatisfaction among students of international relations with the realist and liberal-institutionalist theories that dominated the study of international organization in the 1970s and 1980s. But these theories failed to explain the role of non-state actors and the implications of technology for global governance (Weiss, 2001, p.796). Global governance is further aggravated by the desire to provide public goods to solve global problems, by integrating societal interactions, changing authority patterns, and the effect of globalization through burgeoning information, communication, market, finance, networking, and business activities (Weiss, 2000). However, due to globalization the effectiveness of the state as a civil association for collective action has declined, and the result may be a crisis of legitimacy (Cerny, 1995). Therefore, proponents and theorists of global governance face enormous difficulties in making forceful policy prescriptions, as the challenge lies in creating a mechanism for purposeful decision and goal-oriented behavior.

8. Unresolved Issues of Governance?

Firstly, the concept of governance is being used as a more prescriptive and normative view of governance and global governance (e.g., supporting the views of international agencies and of the UN system). Secondly, the concept has been "Westoxicated" and does not explain how the idea could be best applied in different cultural settings. The supply side of governance (e.g., interaction among the state, civil society, and the private sector for effective governance) is overemphasized, and it is ignored to explain the international/global power structures as an important force that dictates governance in developing and less developed nations. The next issue is how to tackle the role of established institutions, whether governmental or non-governmental, which can affect the application of the concept of 'governance'. As Hyden

(2011, p.8) argues, 'there is an underestimation of the capacity of existing institutions that causes donors to engage in wholesale reforms of specific sectors'. Finally, governance is not a panacea as it is witnessed that countries with autocratic regimes or one-party domination, such as China and Vietnam, or Singapore, are making landmark economic development, as 'there is no single ideal model of governance for all seasons, relevant to all nations and communities worldwide. Local, regional, and cultural differences demand application of governance models appropriate to the local situation (Farazmand, 2013, p.361).

Conclusion

This paper presents the shift from governance to good governance and global governance, and describes how governance or 'good governance,' encompasses more than government. Governance refers to mechanisms for steering social systems towards realizing the goals by interaction between the state, civil society, and the private sector. Moreover, global governance encompasses a broad, dynamic, complex process of interactive decision-making that is constantly evolving and responding to changing circumstances at a global level. So global governance should perhaps be seen as a heuristic device to capture and describe the confusing and seemingly ever-accelerating transformation of the international system.

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