

Good Enough Governance Revisited

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That good governance matters for development and the capacity to address difficult issues of poverty reduction has become a mantra for development professionals. While many are pleased to see development debates move beyond an earlier approach that promised development when poor countries “get the policies right,” the adoption of the good governance paradigm implies a very wide range of institutional preconditions for economic and political development and for poverty to be significantly reduced.

Getting good governance calls for improvements that touch virtually all aspects of the public sector—from institutions that set the rules of the game for economic and political interaction, to decision-making structures that determine priorities among public problems and allocate resources to respond to them, to organizations that manage administrative systems and deliver goods and services to citizens, to human resources that staff government bureaucracies, to the interface of officials and citizens in political and bureaucratic arenas...Not surprisingly, advocating good governance raises a host of questions about what needs to be done, when it needs to be done, and how it needs to be done.¹

Recently, the idea of “good enough governance” questioned the length of the good governance agenda and its “essentialist” message.² This concept suggested that not all governance deficits need to be (or can be) tackled at once and that institution and capacity building are products of time; governance achievements can also be reversed. Good enough governance means that interventions thought to contribute to the ends of economic and political development need to be questioned, prioritized, and made relevant to the conditions of individual countries. They need to be assessed in light of historical evidence, sequence, and timing, and they should be selected carefully in terms of their contributions to particular ends such as poverty reduction and democracy. Good enough governance directs attention to considerations of the *minimal* conditions of governance necessary to allow political and economic development to occur.³

Thus, the concept of good enough governance has provided a platform for questioning the long menu of institutional changes and public capacity building initiatives that are currently deemed important (or essential) for development. Still, it falls short of being a tool to explore what, specifically, needs to be done in any real world context. The gap between a long agenda,

general advice on how this agenda might be made more parsimonious, and what is actually chosen as a governance intervention is particularly noticeable to those who must address the weak, conflict-ridden, and often illegitimate status of fragile states.

This paper addresses the gaps that exist between the general mandate to improve governance for development and poverty reduction and the dilemmas facing development professionals as they design interventions meant to improve governance in specific contexts. It begins with a review of recent literature about good governance; this review indicates that despite a general agreement on the importance of good governance, there remain a number of unanswered questions about which institutions matter most and which kinds of governance interventions are most likely to promote development in individual countries and regions. Moreover, while current scholarship makes important contributions to debates about good governance, it does not effectively respond to the central question that practitioners must address: Given limited resources of money, time, knowledge, and human and organizational capacities, what are the best ways to move toward better governance in a particular country context?

In the second section of the paper, I suggest a strategy to bridge the gap between what can be learned from research and decisions that must be made in the real world. I indicate that the utility and feasibility of particular governance interventions can be assessed by analyzing the context for change in governance and the implications of the content of the intervention being considered. The context for change directs attention to existing state capacities and asks “what is there to build upon?” The content of proposed interventions draws attention to the ease or difficulty of undertaking such changes and asks, “what is required to move forward with this intervention?” The paper includes a framework for assessing both contextual and content related factors at the same time.

I. Thinking about Good Governance: Dilemmas and Debates

Debates about good governance begin with its definition. Indeed, as the concept has grown in popularity within the development community, the number of ways it has been defined has multiplied. Table 1 presents a sample of recent definitions of governance from official and scholarly sources, and suggests the complexity of the concept. While there are some commonalities across these definitions—governance deals with institutional process and the rules of the game for authoritative decision making, for example—they differ significantly in terms of specificity and normativity.⁴

Table 1

In moving from the definition of governance to the definition of good governance, normative views of what “ought to be” are much more prominent. Yet definitions vary in the degree to which they imply particular policies or policy outcomes—stable macroeconomic policy, reduction in poverty, openness to trade, decentralization, or efficient revenue collection, for example—or particular institutional forms—democracy, widespread participation in

development decision-making, or strong legislatures, for example.⁵ Moreover, given such broad definitions, it is often not clear how governance can be distinguished from development itself.

Beyond concerns about definitions of governance and good governance is a contentious debate about measurement, indicators, and inference. Such debates are important because they are predicated on questions about how characteristics such as rule of law, transparency, or accountability can be operationalized and compared across countries or within countries at different moments in time in ways that are verifiable.⁶ They deal also with concerns about cause and effect relationships—do particular conditions of good governance lead to development or are they a consequence of it? Researchers working on these problematic issues often differ in approach and are at times highly critical of the work of others. Yet they tend to agree that although the measurement of good governance is problematic and inexact, it is worth the effort to attempt such work in order to clarify thinking and to set a basis for cross-national and longitudinal comparisons.

Problems of definition, measurement, and inference are apparent in at least two strands of recent development thinking. The first and perhaps most influential strand uses large cross-country statistical analyses to ask a high order question: What is the relationship between good governance on the one hand, and economic and political development on the other? A second strand uses country case studies and focused comparisons among a limited number of countries to explore what can be learned from their governance and development histories. Methodological choices about how to study the issue of governance and development have considerable impact on findings—“large N” studies tend to find consistent correlations between development and good governance, while “small N” studies tend to demonstrate that development is not fully dependent on “getting governance right.”

Large N Cross-National Research. Considerable attention in recent development literature has been applied to an important question: What is the relationship between good governance and development? Most such analyses rely heavily on cross-national rather than longitudinal data; countries at different levels of development substitute for the history of governance and development conditions experienced by the countries in the sample. In general, regression analyses of cross-country data indicate significant correlations between characteristics of good governance and level of economic development. As examples of this literature, cross-country regression analysis has confirmed the following high order generalizations:

Institutional development contributes to growth and growth contributes to institutional development.⁷

Institutional efficiency reduces poverty.⁸

Weberian characteristics of public bureaucracies are strongly associated with growth.⁹

Growth and investment are increased in the presence of institutions to protect property rights.¹⁰

Government credibility contributes to investment and growth.¹¹

Aid assists growth in contexts in which there is good economic management.¹²

Unstable political contexts are associated with lower levels of investment.¹³

Corruption is associated with ineffective government and low growth.¹⁴

Fiscal decentralization is positively correlated with good governance.¹⁵

In addition, researchers have become interested in using statistical techniques to tease out cause and effect relationships. The work of Daniel Kaufmann and others on the impact of corruption on growth, for example, has been important in arguing that the relationship between governance and development is more than correlational, it is causal—good governance makes development possible.¹⁶ This strand in the research is notable for lively methodological debates about issues of measurement and inference. It is also a literature that is frequently cited to argue for the importance of governance interventions as preconditions for development. Thus, for example, a World Bank review of 40 different studies concluded that there is “overwhelming evidence that good governance is crucial for successful development, as measured by high per capita income. Per capita income is a strong predictor of poverty rates, infant mortality and illiteracy, suggesting that good governance improves the well-being of the poor.”¹⁷

Case Studies. In contrast to large-N studies, some researchers have sought to illuminate the relationship between governance and development through studies of single countries or a small number of countries. For example, at times stimulated by concern that large-N studies were contributing to burdensome lists of “things that must be done” before development could proceed, some social scientists considered the experiences of countries that have impressive records of economic growth and poverty reduction to suggest an important revision: growth can be stimulated by a small number of institutional and policy changes.¹⁸ China and Vietnam are frequently used as examples of countries that have made major gains in economic development and poverty reduction in the presence of many characteristics of bad governance, among which insecure property rights and contracts are particularly apparent.¹⁹ Nevertheless, researchers argue that while economic development may initially be stimulated by small but important changes, over the longer term, institutions of good governance will affect the ability to sustain it.²⁰

Other researchers question the long list of “things that must be done” and the causal chain from good governance to development by exploring the particular histories of developed countries, suggesting that specific conditions of good governance—secure property rights and contracts, for example—are basic characteristics needed for sustained development, while other governance factors—a professional civil service, an independent central bank, accountability of elected officials, for example—emerge over time in conjunction with or in consequence of economic growth and poverty reduction.²¹ Some have drawn attention to the importance of elite bargains or class compromises that lay the basis for conflict resolution between rulers and ruled and thus stimulate both economic development and greater democracy.²²

Focusing more on the problems of governance experienced by many developing countries, other research emphasizes the unique experiences of countries or regions, their international contexts, interactions among economic and political elites, regime characteristics, elite-mass relationships, and institutional and organizational structures and performance.²³ This work suggests that the kinds of broad generalizations characterizing large-N studies ignore how the destinies of countries are affected by their international, institutional, policy, and even leadership histories.²⁴ At the same time, there remains considerable disagreement among researchers about what historical and political economy factors are most important in explaining the emergence of good or bad governance. For example, some researchers link bad governance

to international conditions and the distinct contexts within which states emerged in the North and the South, while others focus more on domestic political economy issues.²⁵

In addition, there is research that focuses more specifically on the political processes that account for policy and institutional change and seeks to find generalizations across countries about how change does or does not occur. Thus, for example, in some research, specific “episodes” of purposive institutional or policy change are explored to assess how issues emerged onto public agendas, how interventions were designed, debated, negotiated, accepted, or rejected, and the factors—organizational and political—that affected how/whether such changes were implemented or sustained.²⁶ In such studies, contextual issues are important in explaining the choices among reform initiatives; leadership and reform teams exert considerable agency; and distributions of power and capacity among institutions determine implementation efforts. An important implication of this work is that strategic action is important for introducing change in particular contexts and without domestic reform leadership, the possibilities for change to happen are very slight.

Problem-Driven Research. A somewhat distinct body of literature takes as a given that governance is important to development and then addresses problems created for governance by particular conditions. There is, for example, a growing literature on governance challenges in fragile states, the impact of HIV/AIDS on governance capacity, and the possible role of aid in weakening governance.

The governance challenges posed by fragile states are particularly difficult ones.²⁷ Brutal, ineffective, and unstable regimes, for example, are certainly in need of better governance; those living under such regimes would assuredly benefit from it; countries in close proximity to those regimes would assuredly feel less threatened by them. Yet, research indicates that well meaning efforts to encourage better governance in such regimes may further entrench their ability to wreck havoc on their citizens and neighbors. Political economists, in particular, have assessed political regimes that are not concerned about good governance or poverty reduction, but only about the welfare of their ruling elites.²⁸ In such cases, humanitarian assistance and interventions at non-state levels to help powerless communities cope and survive, along with international pressures for the control of violence and elite rapacity, may be the most effective and ethical way to deal with such regimes.

Another important issue that has emerged in the problem-driven research about good governance is that of the relationship between governance and the AIDS epidemic.²⁹ Some countries in Sub-Saharan Africa, for example, are losing teachers, civil servants, professionals, and workers faster than they can be replaced; generations are being deprived of stable households and traditional social safety nets. Thus, this major health situation can be increasing the possibilities for governance decline and deficits in some countries. Where the AIDS epidemic is significant, designing governance interventions without taking these conditions into account is not likely to lead to durable solutions.

A third issue of particular difficulty for those concerned about strengthening governance is the challenge of aid dependence. In recent years, Braütigan and others have laid out strong arguments about the ways in which international donor agencies, in particular, undercut the

governance capacities of developing countries.³⁰ To the extent that these analyses capture an important truth, they have significant implications for development assistance. Development assistance agencies have to some degree acknowledged this critique by placing more emphasis on ownership and participation by developing country governments and citizens. Nevertheless, in the way these activities work out in practice, the influence of development assistance agencies often remains overwhelming and ownership and participation are often window dressing for the adoption of changes initiated and pressed upon countries by the international agencies. The questions raised by the drivers of change initiative are particularly appropriate for assessing questions of this nature.

II. From Ambiguity to Practice

Organizations such as the World Bank, UNDP, and DFID play a sensitive role in translating often ambiguous academic research into the practice of good governance, making the case about the relationship between good governance and development, defining reforms that are expected to lead to good governance, and providing examples of successful reforms from specific country practice. Indeed, the official good governance/development discourse—as presented, for example, in publications such as the *World Development Report*, the *Human Development Report*, and DFID’s *Making Government Work for Poor People*—is an important source for disseminating the findings of academic literature about governance and development, often in far more accessible language than the original, and drawing applied lessons from it.

All too often in the translation from research to recommendations for action, however, such publications short-change methodological and empirical ambiguities that continue to challenge researchers. Thus, for example, it has become axiomatic in many official publications that good governance is a singularly important contributor to growth and poverty reduction, even though, as suggested above, there remain doubts about issues of measurement, causality, and sequence. Similarly, such publications often provide illustrations of how particular countries have resolved specific governance challenges or examples of best practice, even while the research described above frequently insists that such experiences cannot be isolated from the contextual factors that made particular achievements possible. In addition, in official discussions of governance interventions, difficult issues of implementation are often left as unaddressed as they are in the academic literature.

Yet development practice has also provided a way to circumvent some of the ambiguities in the research findings and the tendency to overgeneralize found in official development discourse. In particular, this practice increasingly acknowledges the importance of contextual realities as the basis for planning interventions by promoting the convention of “beginning where the country is.” In addition, development practice is increasingly sensitive to the content of governance programs—often overlooked in academic research and official discourse—focusing on the varying requirements for implementing different kinds of interventions.

In the following pages, the context of governance interventions and their content serve as a platform for suggesting analytic tools to help governance practitioners sort out the conditions they confront, the options they have for designing governance interventions, and the challenges

that surround their implementation. These tools acknowledge the importance of beginning where the country is and taking seriously the need to assess priorities and capabilities of different countries; they also require serious efforts to understand the organizational, behavioral, and time dimensions of particular interventions.

Assessing the Context for Governance Interventions: What is There to Build Upon?

Governance interventions are not introduced in a vacuum. They are built on some foundation of existing capacity—even if that capacity is low. By asking the question, “What is there to build upon?” governance interventions that are appropriate for specific situations can be more easily identified. Two analytic frameworks are helpful in this regard—one that focuses on assessing the strengths and weaknesses of states and one that provides insight into the sources of change that might exist in particular environments.

As the notion of fragile states suggests, states differ in terms of their institutions, organizations, and legitimacy. At a very general level, weak (or collapsed) states are characterized by low (or very low) structural/institutional stability, low (or very low) organizational capacity, and strongly questioned (or nonexistent) legitimacy. In contrast, stronger states demonstrate higher levels of structural/institutional stability, organizational capacity, and legitimacy. It is reasonable to assume that such characteristics set the general constraints within which governance interventions can be successfully introduced and carried out. Thus, practitioners concerned about matching governance interventions to the characteristics of particular countries might begin by assessing the strength and coherence of the state in the particular country.

In prior work for DFID, Mick Moore proposed a typology of political systems, adapted here in Table 2, which characterizes different kinds of states, their institutional, organizational, and legitimacy characteristics, and the kinds of policies they are likely to have in place.³¹ This typology can be a useful place for practitioners to begin in terms of considering what is possible within the context of particular countries. As suggested in the table, possibilities for change are considerably stronger in states that are well institutionalized than those that are not; there is simply more to build upon in the former than the latter. The issue for practitioners, then, is to assess where a particular country can be located on a continuum of state strength and capacity.

Table 2

In terms of the “what to do” dilemmas facing development practitioners, collapsed states offer very little to build upon; they may even be countries in which governance interventions are likely to have no effect at all and where humanitarian assistance or strengthening non-governmental forms of governance (such as strengthening NGOs or community groups) are better choices for scarce resources. Similarly, it may often be the case that under conditions of personal rule, governance reforms enhance the capacity of political elites to fleece the state (for example, improved tax collection allowing personal rulers to steal more from the state). In contrast, weakly institutionalized states present formidable challenges, but they do have something in the way of government structures and organizations that might serve as sites for governance interventions. This distinction recognizes that countries like Kenya and Indonesia, although rife with corruption and poor performance, and even presenting pockets of resistance

and violence, are a far cry from the virtual absence of state structures and capacities in countries such as Somalia, Liberia, Sierra Leone, Iraq, Bosnia, and Afghanistan.

This assessment also suggests that the category of “fragile states” currently in use by DFID is not sufficiently sensitive to variations in state strength and coherence that are important for thinking through where to begin in designing governance interventions. It is much more plausible to consider designing effective interventions in countries such as Kenya than in, for example, Somalia with a collapsed state, or Turkmenistan, with its highly personalized state. For purposes of governance assessments, then, the current list of fragile states should be disaggregated along the lines suggested in Table 2.

If states vary considerably in terms of their strengths and capacities, it is reasonable to ask if some governance reforms logically precede others. Thus, for example, it seems reasonable to assume that the basic security of individuals and property may be a foundational condition on which other governance improvements must be built. If this is true, then countries in the midst of high levels of violence and civil war are probably inappropriate sites for interventions meant to build a professional civil service or strengthen the ability of governments to provide basic health and education services (beyond what might be possible as humanitarian intervention). In contrast, states that have developed more stable and regularized systems for managing basic public administration and social services, even if of very low quality, can be better environments for public service reform, improved tax administration, or interventions to improve participation by citizens in public affairs.

An initial attempt to match priorities for governance interventions with characteristics of state strength and capacity is presented in Table 3. The table uses the categories of state strength presented in Table 2 and suggests possible types of governance interventions that might be priorities in those distinct contexts. Explicitly, then, it acknowledges a hierarchy of governance conditions—and thus invites serious debates about whether such distinctions can or should be made. The table is meant to be suggestive of the ways in which development practitioners might begin to sort among possible governance interventions in terms of priorities in distinct types of environments; it is not meant to be definitive or comprehensive. Nevertheless, the table links the need to begin where the country is with hard choices about the most essential aspects of governance that need to be ensured in that context.³²

Table 3

Tables 2 and 3 focus on general characteristics of countries and the priorities for governance interventions that might be most important in those contexts. A further step in assessing the context for governance interventions is to explore possibilities for change in those contexts. Here again, a useful tool already exists to help pursue such an analysis—the drivers of change framework. This work, initiated by DFID, addresses the gaps in knowledge about country-specific history and political economy that often surround decision making about policy and programmatic interventions in particular country contexts. The general idea of the approach is that without contextual knowledge to inform decision-making, choices about what to do in particular situations are likely to be irrelevant, infeasible, or poorly targeted on the roots of

specific problems. Recently, World Bank officials have suggested a similar strategy in order to “align a capacity building strategy with country-specific realities.”³³

The drivers of change initiative framework provides a good foundation for strategic analysis by emphasizing the importance of the local context as the point of departure and of a longer term perspective than is typically the case in planning for development interventions.³⁴ It also encourages strategic identification of opportunities for effective interventions, how to negotiate and introduce change, and how to consider difficult issues of institutionalization.

Table 4 draws on the questions posed by the drivers of change frameworks and encourages an assessment of possible sources of change and constraints on those possibilities in the context of a particular country. As indicated, this analysis presupposes a reform initiative at a general level—to strengthen rule of law, for example—and then encourages a general analysis of what factors are supportive of or opposed to change, what interests or actors (including external actors) are likely to be motivated to support or oppose change, what their role is in the political system, and what the intervention is expected to achieve.

Table 4

Assessing the Content of Governance Interventions: What Are the Characteristics of Specific Interventions? For practitioners, who work at the level of specific policies, programs, and projects, it is important to disaggregate an overall governance objective or output—rule of law, for example—into the kinds of characteristics that contribute to that objective—effective police organizations and practices; codified laws that effectively regulate individual, group, and organizational behavior; judges trained to apply the law fairly; authoritative processes for conflict resolution; and so on. In turn, specific actions are designed to achieve such characteristics—effective police organizations may require raising police salaries, creating a professional police career, establishing community boards to monitor police practice, improving information systems, and so on. Each of these kinds of activities varies in terms of how easy or difficult they are to put into practice. Some types of actions ignite more conflict than others, some require more time than others, some are more administratively complex than others, some require more behavioral change than others.

Table 5 presents an example of one aspect of a typical governance output—improving police practice as a building block of improved rule of law. It then asks a series of questions in terms of how much conflict, time, organizational and logistical complexity, and behavioral change are implied in various kinds of activities that typically accompany efforts to improve police practice. An analysis of this kind can help practitioners anticipate the ease or difficulty with which various components of an initiative are carried out and can provide some insight into the effort that needs to be focused on particular aspects of a reform initiative. It focuses much needed attention on requirements for implementation of different kinds of interventions. Again, the table is meant to be suggestive, not definitive, of potential interventions and their requirements.

Table 5

As a case in point, assessing governance interventions through the lenses of context and content provides some possibilities for thinking about achieving the Millennium Development Goals (MDGs). The MDGs are objectives based largely on policy measures—improving access to education and health facilities for children, for example. Yet the ability to reach the MDGs are clearly affected by conditions of governance in particular countries. States that do not control large parts of their territory, for example, are not likely to be able to make much progress in increasing access to schooling or eradicating extreme poverty. In contrast, states that have more effective and stable institutions of governance can be expected to do better in achieving such difficult goals. Thus, the capacity of various countries to achieve the MDGs is predicated on characteristics of the state, such as those suggested in Table 2.

Moreover, the interventions required to achieve the MDGs can be categorized in terms of factors that contribute to the ease or difficulty of their achievement. Some policies to achieve better health—vaccinations against common childhood diseases, for example—are probably less organizationally complex and technically demanding than others—the provision of potable water, for example. Still others—the provision of on-going health and education services, for example—require major behavioral changes and high levels of organizational capacity to administer and improve over time. To the extent that these expectations are true, it is inevitable that the uneven distribution of governance capacity will become increasingly apparent in the effort to achieve some of the goals—collapsed and weak states, those generally with the farthest to go in achieving the MDGs, are the ones that will encounter the most serious governance roadblocks to achieving them.

Content and Context in the Process of Reform: Is There Room for Maneuver in the Process of Change? The example of the MDGs indicates that development practitioners who wish to promote governance reforms have two arenas in which they might try to expand the room for maneuver to introduce and sustain effective change. On the one hand, they can try to understand the context within which institutional and capacity changes are needed, devise changes that are appropriate to that context, or seek to change that context by mobilizing support or dealing with opposition to change. On the other hand, they can try to understand the content of the changes they propose, assess the requirements of those reforms, and then, if possible, alter their content to be more feasible or appropriate to the context.

In practice, good political economy combines analysis of both context and content and seeks ways of bringing that analysis to bear on the practice of reform. Figure 1 is a schematic that brings the analysis of context and content together to provide greater insight to practitioners about what might be done in particular circumstances to promote change in governance. The figure also indicates that in addition to understanding the context and the content of governance reforms, it is important to understand the process of reform itself. This process is a complex one that unfolds over time and that includes how issues come to be part of public agendas, how they are designed, what factors affect how they are negotiated, agreed to, or rejected, and what influences whether they can be implemented and sustained over time.

Figure 1

Of course, these phases are not independent of one another—how an issue gets on a policy agenda may easily affect who is involved in designing it or who needs to agree to its reformist content, for example. Equally, although the figure suggests a linear process of decision-making and implementation, in fact there are important feedback loops and constraints that operate at each phase to promote, alter, or stymie opportunities for change—a reform can be redefined during negotiation or implementation, for example.

To simplify, each of the phases of the reform process is an arena in which characteristics of the context and of the contents of the initiative come into play. These arenas are shaped by the variety of interests involved in a particular issue—rank and file police officers, lawyers, local officials, law breakers, and citizen groups in an issue relating to the professionalization of police services, for example—and the institutions that constrain the activities of those interests and their interaction—relying on voting as a means to resolve conflict, for example. Over time, reformers may have opportunities to work within these arenas to affect such interests and, in some cases, the institutions, in ways that can promote change; opponents of reform also have such opportunities. Thus, the strategic actions and choices of reformers can, at times, affect the prospects for change. The figure emphasizes, however, that opportunities for change are always constrained in some measure, and in some cases made impossible, by existing institutions, structures of political power, and capacities.

This figure is a general outline of the contextual factors that affect opportunities for improved governance and the ways in which the contents of reform initiatives generate conflict and make demands on the existing organizational, technical, and behavioral conditions of government. It is meant to be applied to specific cases in which governance reforms are contemplated and the specific information needed for each of the boxes is based on the kinds of analyses suggested in Tables 2-5.

The figure is also meant to suggest that in the play of content and context, there may be opportunities to find room to maneuver to introduce governance reforms. This suggests that issues related to reform leadership are important aspects of whether change is possible or not. That is, can those concerned about improving governance—and particularly external agents—identify domestic sources of leadership and strategic action for reform? Literature that focuses on reform episodes strongly suggests that this is a fundamental characteristic of successful efforts at change—even, for example, in rebuilding collapsed states—and that little can be achieved in its absence.

For reform leaders and their supporters, the issue is whether it is possible, through strategic action, to alter either the context within which governance reforms are to be introduced or the content of those reforms. Thus, combining the analysis of context and content is one way to order the difficult choices that need to be made in practice about governance interventions—where to put scarce development resources in order to achieve better governance. Although this kind of analysis does not solve the dilemmas that development practitioners face in terms of the focus of their activities, nor does it ensure success of their efforts, it does indicate some ways of sorting through the difficulties in making choices among options for the investment of time and resources.

III. Conclusions: Expectations about Improving Governance

Development researchers remain far from a consensus on the relationship between development and good governance, and they continue to disagree on issues related to methodology and inference. As indicated in the first part of this paper, researchers who assess these issues across large numbers of countries tend to find evidence of a strong linkage between governance and development—governance is often seen to be essential to and causal of development. In contrast, those who focus on the particular conditions of specific countries often find reason to question this relationship and propose arguments that link the impact of governance to those particular conditions. Others move past the causal and inferential debates to demonstrate that governance challenges are exacerbated by factors such as HIV/AIDS and donor dependence.

Such conclusions about good governance cannot be very reassuring to those who have to develop priorities about what should be done in practice and how scarce resources—of funds, organizational capacity, human skill, knowledge, leadership—should be allocated. There remain major unresolved debates about the relationship between governance and development as well as questions about statistical and historical inference. Moreover, the current good governance agenda is additive rather than analytic. As a consequence, development practitioners—whether these are development advisors, leaders of NGOs, or government officials—continue to confront long lists of “things that must be done” to achieve good governance with little guidance about how to pick and choose among them as priorities.

It is no doubt a step in the right direction to limit the agenda of “things that must be done” by adopting the concept of good enough governance and using it to target fewer, more useful, and more feasible interventions. At the same time, and as suggested in the second part of this paper, getting on with good enough governance can be promoted by using a number of existing analytic frameworks to improve decision making about what governance interventions should be undertaken in particular country contexts. These analytic frameworks focus on assessments of the context in which governance reforms will be introduced and the ways in which their contents affect interests and institutional capacities.

Thus, analysis of the strengths and weaknesses of states, an effort to think of a hierarchy of governance interventions related to state characteristics, the ability to understand sources of support and opposition embedded in the political economy of specific countries, and the effort to understand the implications of the contents of different types of reform initiatives for conflict and implementation systems—these are suggested here as ways that practitioners can increase the capacity to make decisions about what to do in particular countries while larger questions about the relationship between governance and development continue to be debated.

Analyses of this nature suggest a difficult but inescapable conclusion—where most is needed in terms of improved governance, the more difficult good enough governance is to achieve. Although weak and conflict-ridden states demonstrate much greater governance gaps

than do more institutionalized ones, weaker states also provide more difficult environments in which to introduce governance reforms and present less capacity to address the implementation challenges of such changes. As suggested in the case of some collapsed states and ones dominated by personal rule, there may be nothing viable to build upon for improved governance. Thus, particularly for those engaged in efforts to improve governance in fragile states, there are no magic bullets, no easy answers, and no obvious shortcuts toward conditions of governance that can result in faster and more effective development and poverty reduction. The task of research and practice is to find opportunities, short of magic bullets, for moving in a positive direction, yet recognizing that this is not always possible.

Table 1
Definitions of Governance and Good Governance

Source	What Is Governance?	What Is Good Governance?
WB n.d.	“the process and institutions through which decisions are made and authority in a country is exercised” (p. 3).	Inclusiveness and accountability established in three key areas: “selection, accountability and replacement of authorities (voice and accountability; stability and lack of violence); efficiency of institutions, regulations, resource management (regulatory framework; government effectiveness); respect for institutions, laws and interactions among players in civil society, business, and politics (control of corruption; rule of law) (pp,3,7).
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 articulate their interests, exercise their legal rights, meet their obligations and mediate their differences” (p.)	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”
IMF 2005	For IMF purposes, “limited to economic aspects of governance...in two spheres: improving the management of public resources...; supporting the development and maintenance of a transparent and stable economic and regulatory environment conducive to efficient private sector activities...” (p. 4)	“ensuring the rule of law, improving the efficiency and accountability of the public sector, and tackling corruption” (p.1).
DFID 2001	“how the institutions, rules, and systems of the state—the executive, legislature, judiciary and military—operate at central and local level and how the state relates to individual citizens, civil society and the private sector.”	“seven key governance capabilities: To operate political systems which provide opportunities for all people...to influence government policy and practice; Provide macroeconomic stability...to promote the growth necessary to reduce poverty; Implement pro-poor policy;

	(p.11note.a).	Guarantee the equitable and universal provision of effective basic services; Ensure personal safety and security...; Manage national security arrangements accountably...; Develop honest and accountable government...” (p.9)
USAID 2005	“The ability of government to develop an efficient, effective, and accountable public management process that is open to citizen participation and that strengthens rather than weakens a democratic system of government” (p.1)	Democratic governance: “transparency, pluralism, citizen involvement in decision-making, representation, and accountability;” focusing particularly on five areas: “legislative strengthening, decentralization and democratic local governance, anti-corruption, civil-military relations, and improving policy implementation” (p.1).
Hyden, Court, and Mease 2004	“The formation and stewardship of the formal and informal rules that regulate the public realm, the arena in which state as well as economic and societal actors interact to make decisions” (p.16).	Can be measured along five dimensions (“participation, fairness, decency, efficiency, accountability, and transparency”) in each of six arenas (civil society, political society, government, bureaucracy, economic society, judiciary).
Kaufmann 2003	“the exercise of authority through formal and informal traditions and institutions for the common good, thus encompassing: (1) the process of selecting, monitoring, and replacing governments; (2) the capacity to formulate and implement sound policies and deliver public services, and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them” (p.5).	Can be measured along six dimensions (voice and external accountability; political stability and lack of violence, crime, and terrorism; government effectiveness; lack of regulatory burden; rule of law; control of corruption) (p. 5).
Hewitt de Alcántara 1998	“the exercise of authority within a given sphere...efficient management of a broad range of organizations and activities...involves building consensus, or obtaining the consent or acquiescence necessary to carry out a programme, in an arena where many different interests are at play” (p.105)	Processes through which there is incorporation of more creative and less technical understanding of reform, more dialogue about institutional and programmatic change, more concern with the public sphere (state and civil society) and how to strengthen it, more integration of economic policy and institutional reform, more attention to both national and international factors that affect governance (pp. 112-13).

Table 2
Characteristics of Regimes and Their Capacities

Types of political systems	Characteristics	Institutional stability of the state	Organizational capacity of the state	Degree of state legitimacy	Types of policies in place
Collapsed states	There is no effective central government	Extremely low. There are no effective rules of the game that are agreed upon	Extremely low. It is difficult to identify organizations that have any capacity to produce results.	Low to non-existent. Those who wield power are outside the state.	No policies
Personal rule	Rule through personalities and personal connections. If political parties exist, they are based on personalities.	Stability highly dependent on personal control of power. Rules of the game emphasize power of elites and personal connections to elites; there is conflict over who controls the state	Low. Organizations respond to the personal and shifting priorities of powerful elites.	Low. There is often significant contention over who has the right to wield power; power is used for personal wealth creation.	Policies are unstable; a major objective is to enrich those in power; few basic public services are provided
Minimally institutionalized states	An unstable mixture of personal and impersonal rule, with varying degrees of legitimacy. Parties are based partly on personalities	Basic rules of the game are established in law and practice, although they function poorly and intermittently.	Low/Modest. There may be some organizations that are able to carry out responsibilities on a sustained basis.	Low/Modest. Conflict over the right to wield power persists in the absence of consensus about institutions for resolving conflict	There exist organizations to provide a range of basic public and welfare services; coverage is patchy and often based on patronage
Institutionalized non-competitive states	Rule through stable and legitimate organisations and procedures; no open competition for power. Political parties serve the regime or are hindered and controlled by it	Clear rules of the game and generally orderly processes of decision-making and public management are in place; generally centralized and authoritarian practices.	Modest. Many organizations carry out routine activities on a sustained basis.	Modest. Day to day legitimacy to carry on activities, but often in the presence of major questioning of the roots of legitimacy not based on consent	A wide range of basic and welfare services may be provided, but citizens have little influence over the range and type of provision
Institutionalized, competitive states	Rule through stable and legitimate organisations and procedures; open competition for power through programmatic parties	Rules of the game widely recognized as legitimate and not subject to significant change; conflicts resolved through appeal to the rules	High. Organizations challenged to improve performance on a sustained basis.	High. Legitimacy to make decisions and wield power persists even in context in which there is disagreement on the decisions and use of power.	A wide range of basic and welfare services. The range and type of provision are major themes in politics

Source: Adapted from Moore 2001a

Table 3
A Hierarchy of Governance Priorities?
For Illustrative Purposes Only

Governance characteristics	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
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

P = priority

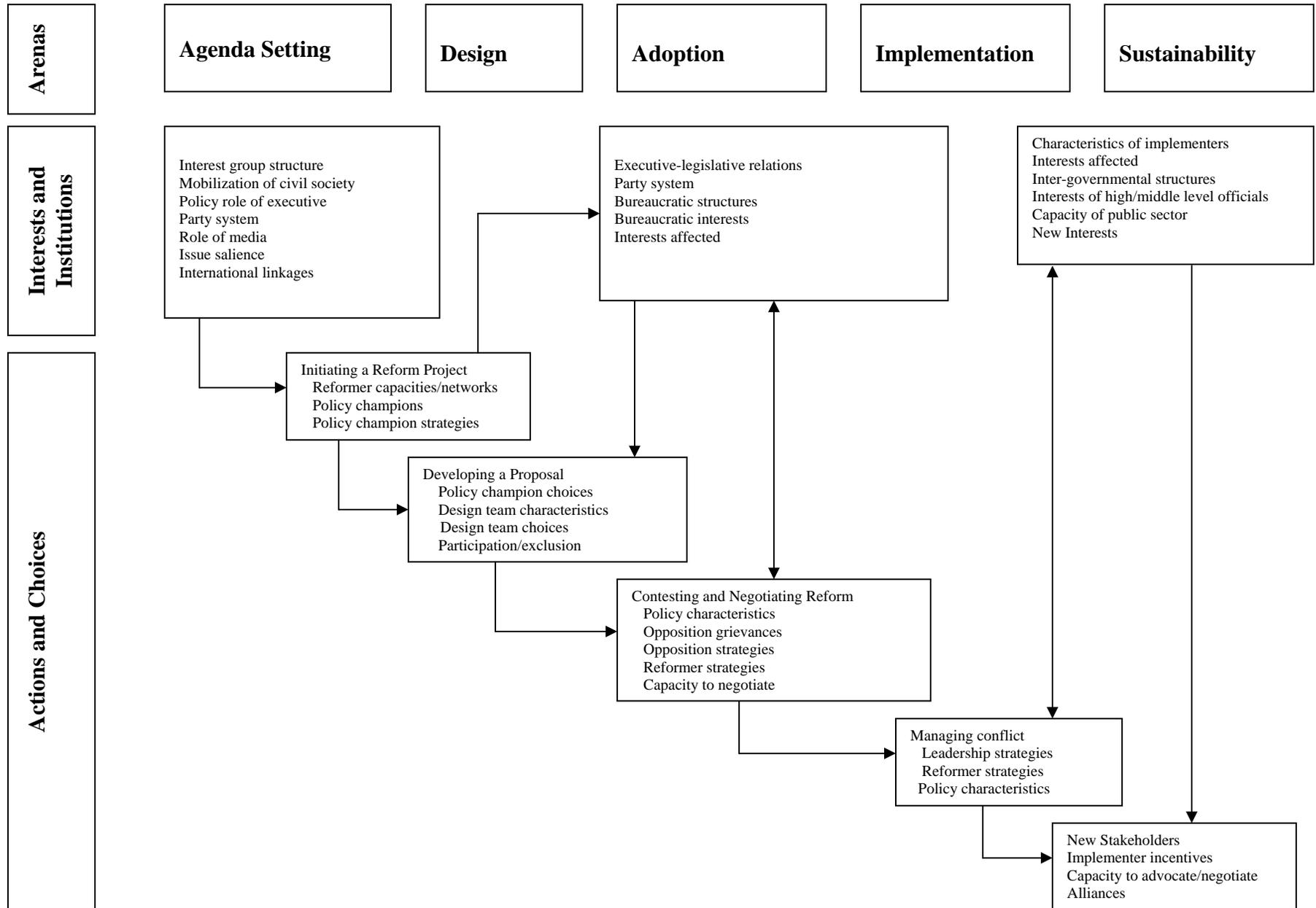
Table 4
Strategic Analysis of Opportunities for Change
(Drawing on the Drivers of Change Initiative)

Governance reform example: Strengthening the rule of law in country x	Opportunities for Change	Constraints on Change
What social, political, economic, and institutional issues are supportive of change?		
What social, political, economic, and institutional issues are likely to constrain change?		
What are the incentives that different actors have to support change?		
What is the role, power, and influence of different actors likely to be opposed to or support of change?		
What is the role, power, and influence of external actors such as donor agencies and other governments in supporting/constraining change?		
What are the expected payoffs for poverty reduction of the intervention?		
How is the intervention to be operationalized?		

Table 5
Ease/Difficulty of Governance Interventions
Example: Police Professionalization in Country X
As Part of Rule of Law Governance Reform

Intervention	Degree of conflict likely	Time required for institutionalization	Organizational complexity	Logistical complexity	Budgetary requirements	Amount of behavioral change required.
Increase salaries of police	low	low	low	low	medium	low
Police training in conflict resolution	medium	medium	low	medium	low	medium/ high
Civil service tests for police	high	medium	medium/high	medium	medium	high
Community boards to monitor police behavior	high	medium	medium	medium/ high	low	high
Introduce performance-based management system	medium	medium	medium	medium	low	high
Etc.						

Figure 1
The Process of Policy and Institutional Reform
 (Adapted from Grindle 2004)



Notes

¹ Grindle 2004a. I first introduced the concept of good enough governance in a paper I prepared for the World Bank in 2002. For an analysis of the development of the good governance concept, see Hewitt de Alcántara 1998.

² That is, that the numerous changes implied by the good governance agenda are essential (preconditions) for economic and political development to take place.

³ Grindle 2004a:526. In this article, I suggest that a good enough governance agenda would be based on “a more nuanced understanding of the evolution of institutions and government capabilities; being explicit about trade-offs and priorities in a world in which all good things cannot be pursued at once; learning about what’s working rather than focusing solely on governance gaps; taking the role of government in poverty alleviation seriously, and grounding action in the contextual realities of each country” (p.525).

⁴ Thus, for example, while DFID and the World Bank have chosen relatively neutral definitions of governance, USAID is explicitly normative, linking governance to democratic processes of decision making.

⁵ DFID, for example, links good governance to particular policy outputs (provision of basic services) policy outcomes (macroeconomic stability), institutional processes (opportunities for people to influence policy) and institutional outputs (personal security).

⁶ The recent book by Hyden, Court, and Mease 2005, for example, provides a particularly readable effort to establish these measures and indicators and to acknowledge the difficulties in making such estimations—ultimately measurements and indicators are based on subjective (although often expert) judgments.

⁷ Chong and Calderon 2000; Levine 1997.

⁸ Chong and Calderon 1997.

⁹ Evans and Rauch 2000.

¹⁰ Knack and Keefer 1995.

¹¹ Brunetti, Kisunko, and Weder 1997.

¹² Burnside and Dollar 1998.

¹³ Barro 1991.

¹⁴ Friedman, Johnson, Kaufman, and Zoido-Lobatón 1999; Mauro 1995; World Bank 1997.

¹⁵ Huther and Shah 1998.

¹⁶ Kaufmann and Kraay 2002

¹⁷ <http://www1.worldbank.org/publicsector/findings.htm>, World Bank, “Findings on Governance, Institutions and Development,” p. 1, “Empirical Studies of Governance and Development: An Annotated Bibliography,” 1999.

¹⁸ See especially Rodrik 2003a.

¹⁹ See, for example, Quian 2003.

²⁰ Rodrik 2003b.

²¹ Chang 2002

²² Higley and Gunther, 1992; Herbst 2000; Collier 1999

²³ These factors are, for example, the focus of the Drivers of Change initiative at DFID. For a listing of documents that have emerged from this work, see the Governance Resource Centre webpage.

²⁴ See, for example, Hewko 2002

²⁵ Brautigam 2000; Moore 2001b; Krueger and Bates. Moore 2001 contains a good review of the literature on the sources of bad governance.

²⁶ Grindle and Thomas 1991; Grindle 2004; Melo, Ng’ethe, and Manor forthcoming; Addison 2003. See also the work of ODI researchers on policy narratives.

²⁷ See, for example, Cawthra and Luckham 2004.

²⁸ A classic in this literature is Bates 1981.

²⁹ See, for example, Moran 2003.

³⁰ Braütigan 2000; Moore 2001b.

³¹ Moore 2001a. See also Box 1 in DFID 2005:8.

³² As an example, an effort to advance the legal empowerment of the poor as a means to reduce poverty, as advanced in RETA n.d., presupposes a functioning legal system. This conditions exists in some countries, but not in others.

³³ Levy and Kpundeh 2004.

³⁴ Drivers of Change, p. 3

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