Journal of Economics and Sustainable Development www.iiste.org
ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)
Vol.5, No.19, 2014

Repositioning Governance Debates in Development: A Pluralistic Consideration

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Abstract
The advocates of governance argue that the heavy workload on the government was responsible for their inability to resolve all the tasks and demands placed upon them by the citizenry (Pierre and Peters, 2000). Nevertheless, Bonfiglioli's (2003) and Morvaridi (2008) argues that unequal power relations (inequality) between the privileged and less powerful actors make the analysis of governance very critical at the local level.

Following from the foregoing analysis, this paper critically investigates the place of governance discourse in development. The paper draws on pluralistic literature to illuminate fundamental strategies for repositioning governance debates in development. In doing so, the paper justifies the case for governance as a strategy for addressing the salient societal problems affecting social, economic and political lives. The paper also engages the literature to unveil the increasing discourse and contest that have shaped the boundaries of governance concept (Huque and Zafarullah, 2006:5). Besides, the paper questions the global institutions concept of governance in order to unravel the technocratic interpretation that has shaped the global institutions' concept of governance.

The paper discovers that governance has a diverse usage and application beyond the practice of government. The paper also reveals that beyond politics and international relations, governance has also gained wider currency in areas including: corporate institutions, economics, management, and steering and relationship management, among others.

The main contribution of this paper to knowledge is that it has engaged with multiple debates in governance taking it beyond the practice of government to broader level of partnerships, networks, relationships and multiple spheres within which governance takes place (Dean, 1999; Agrawal, 2005). This has enhanced our understanding about various interpretations which have shaped governance debates in theory and practice.
Keywords: Governance, Globalization, Inequality, Institutions, Power.
JEL Classification Codes: B25, F02, G30, I32, P16.

1.1. Introduction

Governance gained prominence in Development towards the end of the twentieth century. The wider usage and application of governance stems from the fact that it can be applied to a wide range of issues, relationships and institutions involved in the process of managing public and private affairs. In addition, at the end of the cold war, the usage of the term was revitalized as donor agencies, notably the World Bank and International Monetary Fund (IMF), and Western countries urged the countries of the former Union of Soviet Socialist Republics and the countries of the developing world to undertake political, economic and administrative reforms and to practice good governance (United Nations, 2006).

However, the application of the concept has gained wider currency in different fields of human endeavour including: development studies, politics, public administration, and economics, among others. Many theorists in development believe that governance is an organizing concept that guides policy makers as steering practices shift from the bureaucratic State to what is called the "hollow State" or what Osborne and Gaebler (1993) call "third-party government". On account of this, Frederickson and Smith, considers governance as the lateral and inter-institutional relations in development in the context of the decline of sovereignty, the decreasing importance of jurisdictional borders and a general institutional fragmentation". That is, with more emphasis on governance, "the administrative state is now less bureaucratic, less hierarchical and less reliant on central authority to mandate action while drawing on other non state actors of governance (ibid).

In conceptualizing governance, this paper engages with the literature to discover the rationale for governance and identify various interpretations which have shaped governance debates in theory and practice. The paper reveals the gaps by global institutions concept of governance to address power relations particularly at the local level where different actors shape the use and management of resources. These gaps provided an entry point for a working definition for local governance in order to understand how governance works at the local level. From the working definition of governance, I argue that institutions involved in the governance of natural resources are critical for understanding the factors which shape the agency and accessibility of different actors (particularly the poor).

1.2. Conceptual Discourses in Governance

This section focuses on the rationale and various thoughts which have shaped the debates about governance. The governance debates unravel the ambiguity surrounding the usage and application of the concept in both theory and practice. There are diverse reasons for engaging the literature in search for conceptual discourses on governance. The first reason is to find what the implication changes in the usage of the concept will have on thinking and practice of local governance. Secondly, such research effort provides in-depth and more robust research strategy for expanding the frontiers of knowledge in the field of governance.

1.2.1. Why Governance?

The notion of governance appeared in the late 1980s when questions were raised in both advanced and developing countries about the capability of government in addressing salient societal problems affecting the social, economic and political lives. These developments pose a tremendous challenge to the state's ability to maintain some degree of control over its external environment and to impose its will on the society. This was partly because citizens were becoming unwilling to fulfill their responsibilities by working together with the state requirements and partly because the legitimacy of the state's predominant position is diminishing. Governance has come about as a result of the recognition of the changing nature and role of the state in a local, globalized and interconnected world (Pierre, 2000:2; Cleaver and Franks, 2005). This factor represents the basis against which the growing interest in governance amongst development experts is being considered.

Pierre and Peters (2000) further identify other reasons driving the rationale for governance in modern societies. In the first instance, the writers discovered the heavy workload on the government was responsible for their inability to resolve all the tasks and demands placed upon them by the citizenry. This was the situation during the severe financial crises that engulfed most countries of the world in the 1980s and 1990s. It meant governments could not use financial incentives to ensure compliance among societal actors to the same extent as before. The economic crises forced the states to cut back, more or less extensively on its services; a development which in turn led to a search for new strategies of public service production and delivery otherwise referred to as "New Public Management"[8]. New public management is a global public management reform movement that redefines the relationship between Government and society that originated in Australia, New Zealand and the United Kingdom of Great Britain and Northern Ireland. The concept was spurred by citizen dissatisfaction with government performance, endemic fiscal problems and seemingly successful restructuring in the private arena, calls for public sector reforms (United Nations, 2006).

On another ground, there has been an increasing problem of co-ordination, both in government and also in order to ensure that public and private projects to some degree share the same objectives or at the very least, do not conflict with each other. The third factor which has facilitated upsurge in the interest in governance is the globalization of the economy and the growing importance of transnational economic institutions like World Trade Organization (Pierre and Peter, 2000).

Another justification provided for governance lies in its significance in building relationships or networks between citizens and arrays of institutions[9] which meet citizens' needs as well as shaping interactions between state and institutions within society at different levels. At the national level, the state, private and the civil society interacts in the areas of policy making and service provision. While at the local level, various alliances are formed between community organizations and government institutions to develop local governance systems for addressing daily problems (Olowu, 2002; Cleaver and Franks, 2005). Fiszbein and Lowden (1999) and Giguere (2008) separately considered alliances formed through governance as partnership between actors such as the state, private and civil society through which these actors bring their respective resources (financial, human, technical and intangibles) together to achieve better outcomes. That means, by bringing resources together, the actors with limited resources in one area might benefit from other actors with surplus resources in other areas (ibid).

1.3 Methodological Framework

The paper adopts qualitative methodological framework because of the evolving nature of governance which keep changing from time to time. In order to capture deeper thoughts in governance, the paper engages multiple methods of analytical framework (i.e historical institutional framework [10] and secondary literature in

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[8] New public management enjoins the Government to focus strategically on achieving results rather than primarily conforming to procedures and to adopt market-like competition, innovations and entrepreneurial strategies. In order to be market-like, the concept drives the government to be customer-driven and to rely on market-based mechanisms to deliver public services (Osborne and Gaebler, 1993).

[9] Institution refers to the rules of the game in a society or more formally, the humanly devised constraints that shapes human interaction. In consequence, institutions structure incentives in human exchange, whether political, social or economic. Institutional change shapes the way the societies evolve through time and hence is the key to understanding change (North, 1990:3). While conceiving institutions as the rules of the game, North regards organizations (group of individuals guided by common philosophy to achieve objectives) as players of the game (ibid: 5).

[10] Historical institutionalism provides a more systematic treatment of the salience of institutions. The historical institutionalist approach is indebted to the early institutional economics literature. Seminal work by Coase (1960), Williamson (1981), North (1991), Olson (1993), Ostrom (2005), Greif (2006), Shirley (2008) highlighted the importance of norms, transaction costs,

development. The adoption of historical institutional approach in this paper is justified to unveil the contributions of various international institutions, like the World Bank, among others in strengthening institutional debates about governance. The diverse secondary literature explored in this study reveals various thoughts that have shaped governance debates over time. Therefore, the combined analytical approach generates synergistic research efforts which strengthen governance debates beyond the practice of government into areas involving partnerships, polycentrism, networks, and formation of alliances at the local level, e- governance, among others. However, this paper does not require the use of quantification because the research topic does not lend itself to the investigation of causal relationship between macro-economic variables.

1.4. Conceptualizing Governance: Dilemmas and Debates

Conceptualizing governance is a challenging task as various differing definitions concerning its scope, purpose and objectives have been advanced in the literature. Despite its vast usage, the definitions of governance have generated an increasing discourse and contest regarding its boundaries (Huque and Zafarullah, 2006:5). Most of the usages of the concept either signal situations which pose a big threat to the conventional forms of democratic government or they actively propose to step down democracy, (Hirst, 2000: 13). Earlier contribution by Hindess (1997) advanced that the growth of multiple concepts of governance is a reflection of real changes away from the central government of the nation state as the principal provider of control and regulation within the national territory. Notwithstanding, the contribution was insufficient due to its failure to identify other actors besides government involved in shaping the course for national development. However, the remaining part of the section presents different interpretation of governance and how the gaps identified from each interpretation are filled by different scholars.

In describing governance as an activity, contribution from Hirst (1997) linked the concept with the means by which an activity or ensemble of activities is controlled or directed for purposes of delivering an acceptable range of outcomes according to some established social standard. The contributor acknowledged any gap in governance and lack of co-ordination between levels of governance will undermine the efficiency of the governing bodies involved in the governance process. This contribution is rich in terms of its ability to identify how lack of co-ordination might undermine the governance outcomes. On the other hand, it does not provide adequate explanations of the role of government in the co-ordination and process of governance.

This gap was filled by Pierre (2000:3). Pierre offered dual interpretations of governance: first as the empirical manifestations of state responses to its external environment and second, as a process which described how various decisions of actors[11] are harmonized in a social system which questions the major role of the state in that process. It is imperative to acknowledge the importance Pierre accorded the state as a principal driver of governance process both in terms of external relations and synchronization of the social system (ibid). This definition shows that while the government of a traditional State has to cope with internal challenges and external challenges from the above actors, some of the functions previously at the preserve of government might have to be assumed by the non state actors. Due to the involvement of different actors in the governance process, it can therefore be expressed that Pierre’s definition of governance is society-centric.

However, Pierre (2000) did not consider the likely outcomes which may arise from the state’s leadership process in the governance process. The shortcomings in Pierre’s (2000) definition were filled by Peters (2000) who further classifies the latter meaning of Pierre’s perception of governance into two. The first category is what he calls the old governance where questions are raised about how and with what conceivable outcomes the state steers society and the economy through political brokerage, by defining goals and making priorities. The second theoretical view on governance generally considers the co-ordination and various forms of formal or informal types of public-private interaction, most predominantly on the role of policy networks. In critical terms, Peters (2000) was more elaborate in his perception of governance than Pierre (2000). In the first instance, Peters (2000) focused more on the outcomes which may arise from the governing efforts of the state in the steering process, making the definition of governance more state-centric. These outcomes may either be positive or negative depending on the efficacy of the governance structure in place. Besides, Peters (2000) was quite emphatic of the role networks play in driving the success of governance between different actors.

Despite the strength of the positions above, fewer contributors have contextualized governance from the perspective of the role played by institutional agencies other than the government. The deficiencies emanating from these contributions were covered by Gamble (2000). In the words of Gamble (2000: 110), to govern is to influence, shape, regulate or determine outcomes through many other agencies and institutions that are involved in governing a social order. In furtherance of the foregoing position, Gamble (2000) defines governance as the steering capacities of a political system, that is, the ways in which governing is carried out, without making any assumption as to which institutions or agents do the steering. By implication, Gamble

formal rules, and informal constraints to the development of specific patterns of institutional development.

[11] Actors include the state, political actors and institutions, interest groups, civil society, non-governmental and transnational organizations. The non state actors are actors mentioned above other than the state.

(2000) acknowledges the roles multiple institutions plays in the governance process of a political system. Depending on the level of political development in every system, well crafted institutions are a necessary benchmark for the actualization of favourable governance outcomes (ibid). The summary of Gamble's view on governance is captured by the following submissions:

"For any social order like the economy, governance has to be understood at two levels. First, there are the basic laws, rules, standards and principles which provide the constitutional framework for governing, many of which are not formalized; but implicit governing associated with particular institutions and agencies. Second, the state is seen to be involved in governance, but often in an enabling rather than a directing role, helping to establish and sustain the institutions in society including crucial markets, which make steering possible." (Gamble, 2000:111).

Besides Gamble's (2000) position, other contributions have emerged to strengthen the steering role which governance plays in a social system. The views expressed by Osborne and Gaebler (1991), Stocker (2000) and Hemmati (2002) have provided a major breakthrough to thorny questions usually raised by development experts concerning the governance challenges involved in steering a particularly social system. In the first regard, Osborne and Gaebler (1991) argued that steering in governance is not synonymous to the government's role in crafting its policies alone and subjecting other institutions (like private sector, civil society, *et cetera*) to passive players in the implementation process. Rather, steering arrangement in the governance process requires that government negotiate both policies and implementation with partners in public, private and voluntary sectors. In the process of negotiation, Osborne and Geabler (1991) discover that government needs to learn a different operating code which rests less on its authority to make decisions but rather develops its capacity to create the conditions for positive partnerships through crafting effective rules to realize beneficial governance outcomes.

The findings of Hemmati (2002) provided support to those expressed by Stocker (2000). Both scholars on different accounts consider steering in governance is built around multi stakeholder processes whereby all stakeholders are brought together in a new form of communication, decision-finding and possibly decision making on a particular issue. The study suggests that stakeholders work together to achieve equity and accountability or more generally, involving equitable representation based on democratic principles of transparency and participation and aiming to develop partnerships and strengthened networks among stakeholders. In Hemmati's (2002) view, multi-stakeholder governance approach covers a wide spectrum and structures and levels of engagement. They can comprise dialogues or grow into processes that encompass consensus building, decision making and implementation. It allows for the under-represented in formal governance structures to have their say in policy making, develop shared power with a partnership approach, create trust through honouring participants' contribution as a necessary component of the bigger picture and create mutual benefits (win-win rather than win-lose) solutions. For multi stakeholder processes to work, Hemmati (2002) argued it requires partnership. The terms of partnership involves specific management functions of the actors and guarantees their benefits and costs as well as rights and responsibilities (ibid). For partnership to achieve its objectives, Hemmati (2002:55) clearly articulate that it must be based on trust, equality, reciprocity, mutual accountability, mutual benefit and legitimate interest. All parties involved in the partnership face the challenge of understanding the needs and concerns of others and of cultural and behavioural change in order to create successful partnerships.

Kooiman and Vliet (1993) widened the analytical gaze of governance beyond steering a society to a social change through which the government responds to complex, diverse and dynamic situations. The authors argue that steering becomes challenging where it becomes entangled with the challenges of governing complex and fragmented societies, and the difficulties encountered by the state in attempting to solve complex and seemingly intractable problems through direct forms of intervention. Kooiman and Vliet (1993) argued that no government is capable of determining social development alone without interacting with other institutions or partners to be able to provide solutions to the challenges of steering the complex, dynamic and diverse governance situation. In supporting governance as solver of dynamic and complex problems, Kooiman (2000) focused on a socio-political governance approach based on broad and systematic interactions between the actors of governance and the governed which has eroded the traditional patterns in which the state plays a major role in the governance process. Kooiman (2000) argued further that no single agency, public or private, has all the knowledge and information required to solve complex problems in a dynamic and diverse society and no single actor has the power to control events in a complex and diverse field of actions and interactions. Rather than individual efforts, Kooiman (2000) advocated that the actors of governance should engage in co-regulation, co-steering, co-production, and cooperative management, public/private partnerships and other forms of governing that cross the boundaries between government and society, and between public and private sectors.

Rhodes (2000) highlights the socio-cybernetic approach to governance as limits to governing by a central actor, claiming there is no longer a single sovereign authority. In its place there is a great variety of actors specific to each policy area; interdependence among these social–political administrative actors; shared goals;

blurred boundaries between public, private and voluntary sectors; multiplying and new forms of action, intervention and control. According to Rhodes, governance is the result of interactive social-political forms of governing. The contributor distinguishes between governing or goal-directed interventions and governance which is the result or the total effects of social-political-administrative interventions and interactions (ibid: 58). In contrast to the State or the market socio-political governance is directed at the creation of patterns of interaction in which political and traditional hierarchical governing and self social organization are complimentary. This allocates responsibility and accountability for interventions between public and private actors for interventions so that the government is no longer supreme. The political system is increasingly differentiated and characterized by pluralized actors within the society in the polycentric[12] State. So, the task of government is to enable socio-political interactions; to encourage many and varied arrangements for coping with problems and to distribute services among several actors. Such new patterns of interaction abound in the areas of self and co- regulation, public-private partnerships, co-operative management and joint entrepreneurial ventures (ibid).

In furtherance of the governance debate, it is common in development parlance to use governance in place of government. But the differences and similarities between the concepts was reconciled by Frischtak (1994) and Cleaver and Franks (2005). Cleaver and Franks (2005:3) strongly contended that equating government with governance reduces the scope of the latter because governance is more productively used as a basis for thinking about new and emerging ways in which a society order its affairs, rather than as a way of helping government to function better. More so, the clarifications offered by Frischtak (1994) clearly separate governance from government. The former denotes the overarching structure of political and economic institutions, which are the principles, procedures, relationships and rules by which the total social, political and economic life of a society is governed. Governance represents the structures and relations of institutions. Government on the other hand refers to the formal institutional structure and location of authoritative decision making in the modern state. The clarifications made by the contributors imply government as one of the agents in the governance process in any social system. That means governance comprises the government and other non state actors such as the private sector and the civil society organizations.

Apart from accepting good governance [13] as a necessary component of effective economic modernization, Hirst (2000:14) supported by Newman (2001) also identified other approaches to which governance can be applied. With reference to the field of international institutions and regimes, Hirst (2000) recognized that certain important problems such as the global environmental problems, poverty, *et cetera* cannot be controlled or contained by actions at the level of national states alone. Therefore, the recognition of the extensive role of international agencies and the growth of private sector participation in governance has led to the retreat of the state as the only actor of governance that has the capability to combat environmental problems and poverty (ibid).

In another usage, Hirst (2000) perceived corporate governance as the watchword of those who wish to improve the accountability and transparency of the actions of management, but without fundamentally altering the basic structure of firms in which different shareholders are the principal beneficiaries of the company. While supporting Hirst's (2000) position, Solomon (2007) offered a broader definition of corporate governance and argues that companies are accountable to the whole of the society, future generations and the natural world. She defined corporate governance as the system of checks and balances both internal and external to companies, which ensures that companies discharge their accountability to all stakeholders and act in a socially responsible way in all areas of their business activities, (ibid:14).

Another context in which governance is commonly used is to conceive it as a tool of management. As a management tool, Singh (2003:476) argued that governance may be treated as the equivalent of strategic management. Governance deals with coping and adapting to an uncertain and changing environment. In business, these changes arise first and foremost from changes in the market and in technology. In a political and economic environment, such changes are also caused by the wishes of the empowered groups of people to

[12] Polycentric' connotes many centres of decision making that are formally independent of each other. Whether they actually function independently, or instead constitute an Interdependent system of relations is an empirical question in particular cases. To the extent that they take each other into account in competitive relationships, enter into various contractual and cooperative undertakings or have recourse to central mechanisms to resolve conflicts, the various political jurisdictions in a metropolitan area may function in a coherent manner with consistent and predictable patterns of interacting behavior. To the extent that this is so, they may be said to function as a 'system'. (V. Ostrom, Tiebout, and Warren 1961: 831–32)

[13] Good governance "signifies a participative manner of governing that functions in a responsible, accountable and transparent manner based on the principles of efficiency, legitimacy and consensus for the purpose of promoting the rights of individual citizens and the public interest, thus indicating the exercise of political will for ensuring the material welfare of society and sustainable development with social justice (Munshi, 2004).

change the conditions under which they are ruled. Cleaver and Franks (2005:4) adopted a different approach. They scholars considered management as the collective allocation of resources to achieve specific objectives and link it to governance through the processes of decision making related to those resources. Management requires interaction by the managers with stakeholders in the process of achieving outputs whilst governance describes the interactions between stakeholders to achieve the outcomes. Management systems can be planned and implemented, governance represents a concept which develops through the political relationships and network of different groups in the society.

The governance debate is incomplete without consideration of its local dimension and various forms of networks which actors employ to shape local governance outcomes. Goss (2001) described local governance as the ways agencies interact at the local level. In this case, governance is used to describe emerging new forms of collective decision-making at the local level which lead to the development of different relationships between citizens and public agencies. The role of local governance is not simply to work at the local level, but to negotiate relationships with other levels of governance. That is, the relationship between government and people. The relationships in question is better described in terms of the interactions between actors of governance at the local level and how such actions shape resource management outcomes.

Within the interactions at the local level, actors draw on various forms of network which shape governance outcomes. The findings of Kickert, *et al* (1997), Bardach (1999), Mandell (1994), Agranoff (2003) and Keast, *et al* (2007) referred to networks as linkages which occur in different institutions (organizations), groups and individuals. These networks are usually drawn upon by different institutions, individuals and group to either enhance partnership or facilitate a particular goal. The cooperative networks involve sharing of information and expertise between actors. It involves limited risk as the actors remain independent and only interact with each other when necessary. Coordinative networks take place when institutions feel unsatisfied about the results of services delivery and intensify efforts to integrate existing services among all institutions involved in services delivery. In the coordinative networks, actors move beyond exchanging information and expertise and become more involved in making changes at the margins in the ways they deliver their services. Collaborative networks are only appropriate if there is need for actors to come together to solve complex problems. The actors are inter-dependent in collaborative networks because they need to pool their respective resources together as the efforts of a particular actor will complement that of others. The trio of co-operative, co-ordinative and collaborative networks is significant in understanding how actors' actions are shaped. However, actors' actions are not always rational and as such the action of the more powerful actor in the network chain of governance may sometimes have negative repercussion on the interest of other actors (ibid). However, co-operative, co-ordinative and collaborative network thrives productively in a well developed environment where governance is configured along advanced information technology, which is e-governance[14] through which the state and non-state actors can interact more effectively for deriving better performance.

In order to understand the components that shape e-governance, (Heeks, 2001a) identifies three main domains of e-governance such as e-administration, e-services and e-society. The main purpose of e-administration is to improve the internal working of the public sector through cost effectiveness, managing process performance, creating strategic connections within government bodies and creation of empowerment. E service initiatives focus mainly on enhancing the relationship between the government and its citizens through the development of information flow between them, which notably, involves two way communications and improving the service levels of government toward its citizens. In contrast, e-society focuses on institutional stakeholders such as private sector service providers, other public agencies, not for profit and community based organizations (ibid).In the words of Fatile (2012),the benefits that result from the use of e-governance in the public sector include: reduced government spending and increased interest earning. On the contrary, the e-governance implementation has suffered setback in the developing countries due to lack of infrastructural support, limited human resources, poor organizational skills, lack of respect for e-governance contracts between government and private actors, among others (ibid).

1.5. Global Institutions Concept of Governance.

The global[15] institutions are not left out in the conceptualization of governance. These institutions (the World

[14] E-governance implies the adoption of information technologies (i.e. internet, World Wide Web and mobile computing) by the government and its agencies in order to transform relations with the citizens and private sector (Basu, 2004).

[15] Thomas G. Weiss, director of the Ralph Bunche Institute for International Studies at the Graduate Center of the City University of New York, defines "global governance" as "collective efforts to identify, understand or address worldwide problems that go beyond the capacity of individual States to solve". He asserts that global governance may be defined as "the complex of formal and informal institutions, mechanisms, relationships, and processes between and among States, markets, citizens and organizations, both inter- and non-governmental,

Bank, ADB, USAID, IMF and DFID) share similar view on governance (see Table 1.1 below). From this table, it is evident that all the global institutions perceived governance as the practice of government, with each drawing on the functions of government. However, I will focus only on the review of the World Bank, being the leading global institution in the arena of governance. The notion of governance surfaced in the World Bank's Report of 1989 on Sub-Saharan Africa, which characterized the crisis in the region as "crisis of governance". The main thrust behind the introduction of governance by the Bank resides in the continuing lack of effectiveness of aid, the feeble commitment of reform of recipient governments and the persistence of endemic corruption and mismanagement of resources in the global south (World Bank, 1989, Santiso, 2001).

Despite recognizing the importance of the political dimensions of governance, the World Bank (1991) interpreted the concept restrictively, arguing that the question of democracy in a country or lack of democracy was completely outside its control. The institution argued that in poor countries, the problem of poverty, underdevelopment and resource mismanagement is increasingly attributed to the problem of governance or rather lack of good governance. Within the context of governance classifications, the World Bank decomposed governance into bad or good (World Bank, 1991, 1992). Bad governance is considered to be an obstacle to investment, innovation and a primary cause of delays to progress delivery, which in turn raise the overall cost of development. The Bank (1991, 1992) further identified the main features of bad governance as follows:

"Failure to properly distinguish between what is public and what is private, leading to private expropriation of public resources (corruption)[16]*; inability to establish a predictable framework for law and government behaviour in a manner conducive to development or arbitrariness in the application of laws and rules; excessive rules and regulations, licensing requirements, which impede the functioning of markets and encourage rent-seeking activities; priorities that are inconsistent with development; thereby resulting in misallocation of national and natural resources and exceedingly narrow base for or non transparent decision making (p.9)".*

Against this background, the institution described good governance as an idea for achieving institutional reforms. The concept of good governance puts further requirements on the process of decision making and public policy formulation, extending beyond the capacity of public sector to the rules that create a legitimate, effective and efficient framework for the conduct of public policy. It implies managing public affairs in a transparent[17], accountable[18], participatory and equitable manner. It also involves effective participation in public policy-making, the prevalence of the rule of law and an independent judiciary, institutional checks and balances through horizontal and vertical separation of powers and effective oversight agencies. Moreover, the World Bank noted good governance is an essential component for economic development as it sets the context for the way in which power is employed to manage the market and determines a nation's social and economic resources for growth and development (World Bank, 1991, 1992). In view of the foregoing review, the position of the global governance institutions was that improved governance constitutes a principal instrument for poverty reduction (Hyden, 2007).

However, the perspective of governance expressed by the World Bank and other global institutions is characterized by a number of shortcomings. Critics argued that the World Bank's perception of good governance exhibits political neutrality. That implies that the institution gave the impression that technical and economic questions to which good governance has been tied as a condition for granting financial aid to developing countries can be disentangled from politics (Boas, 2001; Santiso, 2001). On this account, the global governance institutions suffered from the illusion that the emergence of good governance, regarded as a technical solution

through which collective interests on the global plane are articulated, rights and obligations are established, and differences are mediated.

[16] Corruption may be defined as conduct that amounts to: influencing the decision-making process of a public officer or authority, or influence peddling; dishonesty or breach of trust by a public officer in the exercise of his duty; insider dealing/conflicts of interests; [and] influence peddling by the use of fraudulent means such as bribery, blackmail, which includes the use of election fraud. It is a form of behaviour that deviates from ethics, morality, tradition, law and civic virtue (United Nations, 2006).

[17] Transparency ensures all transactions conducted must be disclosed in accordance with the laid down regulations. Transparency and accountability are interrelated and mutually reinforcing concepts. Without *transparency*, that is, unfettered access to timely and reliable information on decisions and performance, it would be difficult to call public sector entities to account. Unless there is *accountability*, that is, mechanisms to report on the usage of public resources and consequences for failing to meet stated performance objectives, transparency would be of little value. The existence of both conditions is a prerequisite to effective, efficient and equitable management in public institutions (United Nations, 2006).

[18] Accountability is one of the prerequisites of democratic or good governance. It entails holding elected or appointed officials charged with a public mandate responsible and answerable for their actions, activities and decisions. It is the role of civil society to hold those in public office accountable. Accountability seeks to know who is liable for what and what kind of conduct is illegal (United Nations, 2006).

can address the question of politics and power.

In the words of Grindle (2001), the World Bank's good governance suffered a major setback on the ground that the financial institution considered politics as a negative input which affects policy decision making process. In view of the argument above, the current governance approaches by the global institutions like the World Bank are under-theorized and also based on partial understanding of the concept, particularly the way local interactions shape and influence governance processes (Cleaver and Franks, 2005; Hyden, 2007).

At the local level, various forms of relationship hold between different actors which bring about inequality[19] in accessibility to local resources. In Bonfiglioli's (2003) position, the power relationships which takes place at the local level might affect certain groups (e.g., local farmers, local fishermen, ethnic minorities, marginal groups) more than others where the affected/ marginalized groups are largely uneducated and live in remote and inaccessible areas.

While building on the work of Morvaridi (2008), I argue that different forms of social and institutional inequalities exist between traditional leaders and villagers, land owners and the serfs, parents and children, men and women, local government and citizens, multinational oil companies and indigenes from oil producing areas, men and women (gender inequality), politicians and electorates, old and young, among others. These inequalities are capable generating the winners and losers.

In my view, these forms of inequalities were not also captured by the global institutions concept of governance in order to appreciate the extent and different dimensions of inequalities that occur at the local level where different actors contest for the control and management of local resources.

Whenever inequality exists, one cannot underestimate the occurrence of poverty (ibid). In the section that follows, I intend to critically review the linkages between poverty and livelihood concepts and to demonstrate how these concepts facilitate the definition of local governance for my study as an alternative to the global institution concept of governance.

1.6. Conclusions

This paper has critically analyzed the place of governance in development. In doing so, the paper engaged with the literature to discover the rationale for governance and identified various interpretations which have shaped governance debates in theory and practice. The paper also investigated the global institutions concept of governance in order to unveil the perception of different international institutions in the conceptualization of the concept. The paper has also developed a working definition for local governance in order to understand how governance works at the local level.

The paper discovers that governance has a diverse usage and application beyond the practice of government. The paper reveals that governance has gained tremendous usage in areas including: corporate institutions, management, steering and relationship management, stakeholders' approach and effective economic modernization. The main contribution of this paper to knowledge is that it has engaged with multiple debates in governance taking it beyond the practice of government to broader level of partnerships, networks, relationships and multiple spheres within which governance takes place (Dean, 1999; Agrawal, 2005). This has enhanced our understanding about various interpretations which have shaped governance debates in theory and practice.

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[19] Morvaridi (2008) conceptualized inequality as the social relations or relationships between those that have and those that have not, between rich and the poor and between different classes and between men and women. The existence of poverty in a society means individuals and groups are drawn into unequal relations with others who are more powerful or have a more privileged position through which they have advantage (ibid).

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Table 1.1 Definitions of Governance by Global Institutions

S/N	Global Institutions	Conceptualizations of Governance
1.	The World Bank	"Governance encompasses the forms of political regime; the process, by which authority is exercised in the management of a country's economic and social resources for the development, and the capacity of governments to design, formulate and implement policies and discharge functions." (World Bank, 2000a)
2.	ADB	"Governance is the manner in which power is exercised in the management of a country's economic and social development." (ADB, 1997)
3.	USAID	"Governance is the ability of the government to develop an efficient, effective and accountable public management process that is open to citizens' participation and which strengthens rather than weakens a democratic system of government." (USAID, 2005:1)
4.	IMF	"Governance involves improving the management of public resources through reforms of public institutions including administrative procedures; and supporting the development and maintenance of a transparent and stable economic and regulatory environment conducive to efficient private sector activities." (IMF, 2005:4)
5.	DFID	"Governance deals with how the institutions, rules and systems of the state (the executive, legislature, judiciary and military) operate at the central and local level and how the state relates to individual citizens, civil society and the private sector." (DFID, 2001:11)
6.	CIG	Governance is the process whereby societies or organizations make important decisions, determine whom they involve and how they render account". (Canada's Institute of Governance 2002)

Source: Compiled by Author.