

## Good Enough Governance Revisited

Merilee S. Grindle\*

*The concept of good enough governance provides a platform for questioning the long menu of institutional changes and capacity-building initiatives currently deemed important (or essential) for development. Nevertheless, it falls short of being a tool to explore what, specifically, needs to be done in any real world context. Thus, as argued by the author in 2004, given the limited resources of money, time, knowledge, and human and organisational capacities, practitioners are correct in searching for the best ways to move towards better governance in a particular country context. This article suggests that the feasibility of particular interventions can be assessed by analysing the context for change and the implications of the content of the intervention being considered.*

### 1 Introduction

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. In an article published in 2004, I argued that:

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 (2004: 525-6).<sup>1</sup>

---

\* Edward S. Mason Professor of International Development and Director, David Rockefeller Center for Latin American Studies, Harvard University, 1730 Cambridge Street, Cambridge, MA 02138 (merilee\_grindle@harvard.edu).

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

This earlier article questioned the length of the good governance agenda and its 'essentialist' message.<sup>2</sup> Good enough governance, as a concept, suggests that not all governance deficits need to (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, prioritised, and made relevant to the conditions of individual countries. They need to be assessed in the 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. I suggested that good enough governance directs attention to considerations of the *minimal* conditions of governance necessary to allow political and economic development to occur (ibid: 526).<sup>3</sup>

The concept has provided a platform for questioning the long list of institutional changes and capacity-building initiatives currently deemed important (or essential) for development. Nevertheless, as discussed in the original publication, 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 and general advice on how it can be cut down, and what is actually chosen as a governance intervention is particularly noticeable to those who have to address the conflict-ridden and often illegitimate status of fragile states. Good enough governance as a concept is not sufficient for guiding practice.

The present article addresses the gaps that exist between the general mandate to improve governance for development and the dilemmas facing development professionals designing specific interventions. It seeks to narrow the gap between concept and practice. A review of the recent literature on good governance indicates that, despite general agreement on its importance, there remain a number of unanswered questions about which institutions matter most and which kinds of interventions are most likely to promote development in individual countries and regions. Moreover, while current scholarship makes important contributions to debates on good governance, it fails to respond effectively to the central question practitioners must address: Given limited resources of money, time, knowledge, and human and organisational capacity, what are the best ways to move towards better governance in a particular country context?

The article puts forward a strategy to bridge the gap between what can be learned from research and decisions that must be made in the real world. Analysing the context for change directs attention to existing state capacities, while the content of the proposed intervention determines the ease or difficulty of undertaking such changes. The article includes a framework for assessing both contextual and content-related factors at the same time.

- 
2. The 'essentialist' approach emphasises that the numerous changes implied by the good governance agenda are essential (preconditions) for economic and political development to take place.
  3. I suggested 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' (2004: 525).

## 2 Thinking about good governance: dilemmas and debates

Debates about good governance begin with its definition. Table 1 presents a sample of recent definitions from official and scholarly sources, indicating the concept's complexity. While there are some commonalities across these definitions – for example, governance deals with institutional process and the rules of the game for authoritative decision-making – they differ significantly in terms of specificity and normativity.<sup>4</sup> For some, governance implies particular kinds of institutional processes and outcomes.

In moving from the definition of governance to that of *good* governance, normative views of what 'ought to be' become even more prominent. Yet definitions vary in the degree to which they imply particular policies or policy outcomes – stable macroeconomic policy, reduction of poverty, openness to trade, decentralisation, or efficient revenue collection, for example – or particular institutional forms and processes – democracy, widespread participation in development decision-making, or strong legislatures, for example.<sup>5</sup> 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 the rule of law, transparency or accountability can be operationalised and compared across or within countries at different moments in time in ways that are verifiable.<sup>6</sup> They deal also with cause-and-effect relationships; do particular conditions of good governance lead to development or are they a consequence of it? Researchers working on these 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'.

---

4. Thus, for example, while DFID and the World Bank have chosen relatively neutral definitions, USAID is explicitly normative, likening 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. Hyden et al. (2004) provides a particularly readable version; ultimately measurements and indicators are based on subjective (although often expert) judgments.

**Table 1: Definitions of governance and good governance**

Source	What is governance?	What is good governance?
World Bank (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) (n.d.)	'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. 12)	Characterised 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' (p. 12)
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' (p. 11, note a)	'seven key governance capabilities: to operate political systems which provide opportunities for all people ... to influence government policy and practice; to provide macroeconomic stability ... to promote the growth necessary to reduce poverty; to implement pro-poor policy; to guarantee the equitable and universal provision of effective basic services; ensure personal safety and security ...; to manage national security arrangements accountably ...; to develop honest and accountable government ...' (p. 9)

**Table 1: Cont'd**

Source	What is governance?	What is good governance?
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, decentralisation and democratic local governance, anti-corruption, civil-military relations, and improving policy implementation’ (p. 1)
Hyden et al. (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 organisations 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)

### ***2.1 Large-N cross-national research***

Considerable attention in recent development literature has been applied to 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, confirming the following high-order generalisations:

- Institutional development contributes to growth and growth contributes to institutional development (Chong and Calderón, 2000; Levine, 1997).
- Institutional efficiency reduces poverty (Chong and Calderón, 1997).
- Weberian characteristics of public bureaucracies are strongly associated with growth (Evans and Rauch, 2000).
- Growth and investment are increased in the presence of institutions to protect property rights (Knack and Keefer, 1995).
- Government credibility contributes to investment and growth (Brunetti et al., 1997).
- Aid assists growth in contexts in which there is good economic management (Burnside and Dollar, 1998).
- Unstable political contexts are associated with lower levels of investment (Barro, 1991).
- Corruption is associated with ineffective government and low growth (Friedman et al., 1999; Mauro, 1995; World Bank, 1997).
- Fiscal decentralisation is positively correlated with good governance (Huther and Shah, 1998).

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 (Kaufman and Kraay, 2002). 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 (2000) review of 40 different studies concludes 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' (p. 175).

### ***2.2 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 concerned that large-N studies were

contributing to burdensome lists of ‘things that must be done’ before development could proceed, some social scientists used the experiences of countries with 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 (see especially Rodrik, 2003). China and Vietnam are frequent 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 (see, Quian, 2003). Nevertheless, researchers argue that, while 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 (Rodrik, 2003: ‘Introduction’).

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 (Chang, 2002). 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 (Higley and Gunther, 1992; Herbst, 2000; Collier, 1999).

Focusing more on the problems experienced by many developing countries, other research emphasises the unique experiences of countries or regions, their international contexts, interactions among economic and political elites, regime characteristics, elite-mass relationships, and institutional and organisational structures and performance.<sup>7</sup> This work suggests that the kinds of broad generalisations characterising large-N studies ignore how the destinies of countries are affected by their international, institutional, policy and even leadership histories (see, for example, Hewko, 2002). At the same time, there remains considerable disagreement among researchers about which 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 issues (Braütigam, 2000; Moore, 2001a; Krueger and Bates, 1993).<sup>8</sup>

In addition, there is research that focuses more specifically on the political processes that account for policy and institutional change and seeks to find generalisations 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 – organisational and political – that affected how/whether such changes were

---

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

8. Moore (2001a) contains a good review of the literature on the sources of bad governance.

implemented or sustained (Grindle and Thomas, 1991; Grindle, 2004; Melo et al., forthcoming; Addison, 2003).<sup>9</sup> 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 occurring are very slight.

### *2.3 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 (see, for example, Cawthra and Luckham, 2005). 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 wreak havoc on their citizens and neighbours. Political economists, in particular, have assessed regimes that are not concerned about good governance or poverty reduction, but only about the welfare of their ruling elites.<sup>10</sup> 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 cases.

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 (see, for example, Moran, 2003; Patterson, 2005). 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, Braütigam and others have laid out strong arguments about the ways in which international donor agencies, in particular, undercut the governance capacities of developing countries (Braütigam, 2000; Moore, 2001a; van de Walle, 2005). 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

---

9. See also the work of ODI researchers on policy narratives.

10. A classic in this literature is Bates (1981).



placing more emphasis on ownership and participation by developing-country governments and citizens. Nevertheless, in the way these activities work out in practice, ownership and participation are often only window dressing for the adoption of changes initiated and pressed upon countries by the international agencies.

### 3 From ambiguity to practice

Organisations 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 practical 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, issues of implementation are often as unaddressed as they are in the academic literature. Thus, in translating research into principles for action, international organisation may have contributed to misleading practice.

Yet development practice has also provided a way to circumvent some of the ambiguities in the research findings and the tendency to overgeneralise found in official discourse. In particular, it 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 programmes – often overlooked in academic research and official discourse – focusing on the varying requirements for implementing different kinds of interventions. Nevertheless, more attention needs to be given to the issue of which reforms are practicable and important in particular contexts. Not all good governance interventions can be pursued and accomplished simultaneously. To the extent that this is true, then, how should practitioners proceed?

In the following pages, the *context* of governance interventions and their *content* serve as a platform for suggesting analytical tools to help 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 organisational, behavioural, and time dimensions of particular interventions.<sup>11</sup>

### ***3.1 Assessing the context for interventions: what is there to build on?***

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 on?’, interventions that are appropriate for specific situations can be more easily identified. Two analytical 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, organisation and legitimacy. At a very general level, weak (or collapsed) states are characterised by low (or very low) structural/institutional stability, low (or very low) organisational capacity, and strongly questioned (or non-existent) legitimacy. In contrast, stronger states demonstrate higher levels of structural/institutional stability, organisational 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 interventions to the characteristics of particular countries might begin by assessing the strength and coherence of the state in the particular country.

Mick Moore has proposed a typology of political systems, adapted here in Table 2, which characterises different kinds of states, their institutional, organisational and legitimacy characteristics, and the kinds of policies they are likely to have in place.<sup>12</sup> 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 institutionalised; there is simply more to build on. The issue for practitioners, then, is to assess where a particular country can be located on a continuum of state strength and capacity.

In terms of the ‘what to do’ dilemmas facing development practitioners, collapsed states offer very little to build on; 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 can 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 institutionalised states present formidable challenges, but they do have something in the way of government structures and organisation that might serve as sites for governance interventions. This distinction recognises that countries like Kenya and Indonesia, although rife with corruption and poor performance, and even presenting pockets of

---

11. The frameworks discussed in this section are useful for assessing the context and content of reform initiatives. For work that explores both, see Grindle and Thomas (1991).

12. Moore (2001a); see also Box 1 in DFID (2005b: 8).

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

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 regularised 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 enhance citizen participation 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 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 – certainly not definitive – 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 intended to stimulate debate rather than to propose solutions, and is thus not meant to be definitive or comprehensive, merely indicative of possibilities for assessing priorities. Nevertheless, it 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.<sup>13</sup>

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, useful tools already exist to help pursue such an analysis. For example, the DFID-sponsored Drivers of Change framework 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’ (Levy and Kpundeh, 2004). There are other useful frameworks for assessing the general context and the process of policy

---

13. As an example, an effort to advance the legal empowerment of the poor as a means to reduce poverty, as advanced in ADB (2000), presupposes a functioning legal system. This condition exists in some countries, but not in others.

Table 2: Characteristics of regimes and their capacities

Types of political systems	Characteristics	Institutional stability of the state	Organisational capacity of the state	Degree of state legitimacy	Types of policies in place
<b>Collapsed states</b> (Examples: Iraq, Somalia, Afghanistan)	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 organisations that have any capacity to produce results.	Low to non-existent. Those who wield power are outside the state.	No policies.
<b>Personal rule</b> (Examples: Turkmenistan, Guinea, Libya)	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 emphasise power of elites and personal connections to elites; there is conflict over who controls the state.	Low. Organisations 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.
<b>Minimally institutionalised states</b> (Kenya, Paraguay, Indonesia)	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 organisations 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 organisations to provide a range of basic public and welfare services; coverage is patchy and often based on patronage.
<b>Institutionalised non-competitive states</b> (North Korea, Vietnam, China)	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 centralised and authoritarian practices.	Modest. Many organisations 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.
<b>Institutionalised, competitive states</b> (South Africa, Chile, India)	Rule through stable and legitimate organisations and procedures; open competition for power through programmatic parties.	Rules of the game widely recognised as legitimate and not subject to significant change; conflicts resolved through appeal to the rules.	High. Organisations 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 decisions on the 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 (2001b).

**Table 3: Is there a hierarchy of governance priorities?  
(for illustrative purposes only)**

Governance characteristics	Collapsed states	Personal rule	Minimally institutionalised states	Institutionalised non-competitive states	Institutionalised 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		
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 organised groups, citizen participation				P	P
Government fully accountable for its decisions and their consequences					P

Note: P = priority.

reform, many of which are reviewed and discussed in Nash et al. (2006). There is, for example, a framework for generating an index of civil society’s structure and role in different countries.<sup>14</sup> The World Bank’s Country Policy and Institutional Assessment (CPIA) indicates a range of four different factors that provide insight into the context for change in a specific country, focused primarily on the policies in place at the time of the assessment and a series of basic institutional characteristics. Similarly, USAID has produced a framework that can also be used to consider governance and the context for policy and institutional change. Its Democracy and Governance Assessment provides a set of categories and questions that can help practitioners focus on the ‘political game’ in a particular country. These frameworks differ from each other, but each emphasises the need to map the context within which policy and institutional changes, and resistance to those changes, take place in specific countries.

These frameworks provide a good foundation for strategic analysis by emphasising 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. It also

14. The CSI (Civil Society Index) has been developed by CIVICUS, a broad coalition of civil society groups from a large number of countries.

**Table 4: Strategic analysis of opportunities for change  
(drawing on the Drivers of Change initiative)**

<b>Governance reform example: Strengthening the rule of law in country x</b>	<b>Opportunities for change</b>	<b>Constraints on change</b>
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 are the role, power, and influence of different actors likely to be opposed to or supportive of change?		
What are 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 operationalised?		

Source: DFID (2005a).

**Table 5: The World Bank's CPIA framework**

<b>Criteria for Country Policy and Institutional Assessments</b>	
<i>A. Economic management</i>	<i>B. Structural policies</i>
1. Macroeconomic management	4. Trade
2. Fiscal policy	5. Financial sector
3. Debt policy	6. Business regulatory environment
<i>C. Policies for social inclusion/equity</i>	<i>D. Public-sector management and institutions</i>
7. Gender equality	12. Property rights and rule-based governance
8. Equity of public resource use	13. Quality of budgetary and financial management
9. Building human resources	14. Efficiency of revenue mobilisation
10. Social protection and labour	15. Quality of public administration
11. Policies and institutions for environmental sustainability	16. Transparency, accountability and corruption in the public sector

Source: Nash et al. (2006: 14).

encourages strategic identification of opportunities for effective interventions, how to negotiate and introduce change, and how to consider difficult issues of institutionalisation.

Table 4 draws on the questions posed by the Drivers of Change framework and Table 5 presents categories for analysis that are central to the World Bank's approach to assessing political and institutional contexts. They are suggestive of ways to identify

possible sources of change and constraints on those possibilities in the context of a particular country. In general, such analyses are most useful when they are the basis for exploring the politics surrounding a reform initiative at a general level – to strengthen the rule of law, for example. There is no right or wrong framework or approach to such analyses; practitioners should experiment with these and other frameworks, as well as develop their own, to find ones that are particularly useful to them and that address what they consider to be the most important characteristics of the context within which they work.

### ***3.2 Assessing the content of governance interventions: what are the characteristics of specific interventions?***

For practitioners who work at the level of specific policies, programmes 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 organisations and practices; codified laws that effectively regulate individual, group, and organisational behaviour; 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 organisations 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 behavioural change than others.

Table 6 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, organisational and logistical complexity, and behavioural change are implied in various kinds of activities that typically accompany efforts to improve police practice. As indicated, raising police salaries is considerably less difficult to undertake than, for example, introduction of a performance-based management system. 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.

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 achieve the MDGs is 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

**Table 6: Ease/difficulty of governance interventions**  
**Example: police professionalisation in country X as part of**  
**rule-of-law governance reform**

<b>Intervention</b>	<b>Degree of conflict likely</b>	<b>Time required for institutionalisation</b>	<b>Organisational complexity</b>	<b>Logistical complexity</b>	<b>Budgetary requirements</b>	<b>Amount of behavioural change required</b>
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 behaviour	high	medium	medium	medium/high	Low	high
Introduce performance-based management system	medium	medium	medium	medium	Low	high

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 categorised 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 organisationally 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 behavioural changes and high levels of organisational 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.

### ***3.3 Content and context in the process of reform: is there room for manoeuvre 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 manoeuvre 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 mobilising 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 *process* 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 conditions influence whether they can be implemented and sustained over time.

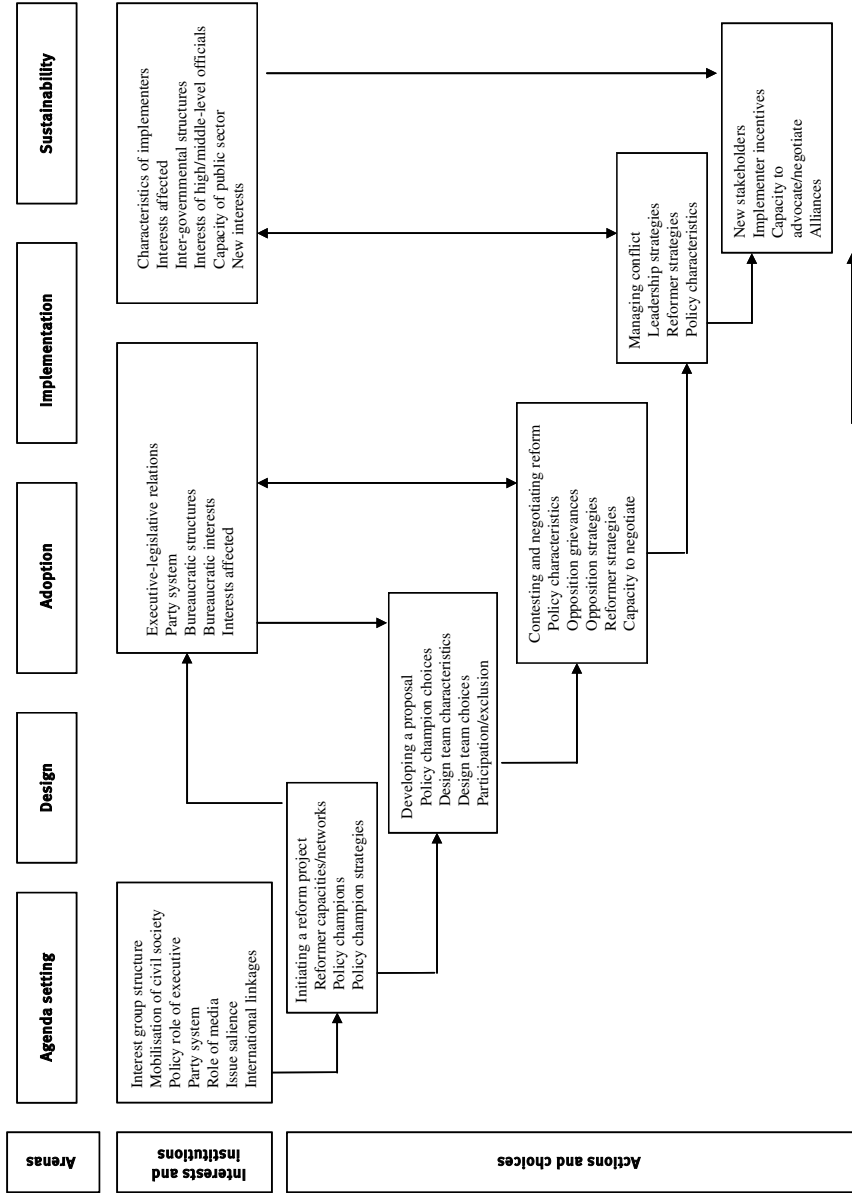
Of course, these phases are not independent of one another; how an issue gets onto a policy agenda may easily affect who is involved in designing it or who needs to agree to its reformist content, for example. Equally, although the figure suggests a linear process of decision-making and implementation, 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 content 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, associations of law enforcement officers and lawyers, local officials, law breakers, and citizen groups in an issue relating to the professionalisation of police services, for example – and the institutions that constrain the activities of those interests and their interaction – the structure of court systems, regulations, the need for legislative approval of new laws and appointments, 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 emphasises, 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.

The 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 organisational, technical and behavioural 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 2-6.

The figure is also meant to suggest that, in the play of content and context, there may be opportunities to find room for manoeuvre to introduce governance reforms. This suggests that issues related to reform leadership are important aspects of whether

**Figure 1: The process of policy and institutional reform**



Source: Adapted from Grindle (2004).

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, or both context and content. 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 the 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, and may be suggestive of strategic actions that can promote change.

#### **4 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 article, 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 frequently find reason to question this relationship and put forward 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, organisational 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 I suggested in the original good enough governance article in 2004. As a consequence, development practitioners – whether these are development advisers, 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 article, getting on with good enough governance can be promoted by using a number of existing analytical frameworks to improve decision-making about which governance interventions should be undertaken in particular country contexts.

These analytical 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, the 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: the more improved governance is needed, the more difficult it is to achieve good enough governance. Although weak and conflict-ridden states demonstrate much greater governance gaps than do more institutionalised 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 little to build on 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 towards 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 recognising that this is not always possible.

*first submitted August 2006*

*final revision accepted May 2007*

## **References**

- Addison, T. (2003) *From Conflict to Recovery in Africa*. Oxford: Oxford University Press.
- Asian Development Bank (ADB) (2000) 'Legal Empowerment: Advancing Good Governance and Poverty Reduction – Overview Report', RETA 5856 in ADB, *Law and Policy Reform at the Asian Development Bank 2001*, [http://www.adb.org/documents/Others/Law\\_ADB/lpr\\_2001.asp?p=lawdevt](http://www.adb.org/documents/Others/Law_ADB/lpr_2001.asp?p=lawdevt)
- Barro, Robert (1991) 'Economic Growth in a Cross Section of Countries', *Quarterly Journal of Economics* 106: 407-33.
- Bates, Robert (1981) *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. Berkeley, CA: University of California Press.
- Braütigam, Deborah (2000) *Aid Dependence and Governance*. Stockholm: Almqvist and Wiksell International.
- Brunetti, A., Kisunko, G. and Weder, B. (1997) *Institutional Obstacles to Doing Business: Region-by-Region Results from a Worldwide Survey of the Private Sector*. Policy Research Working Paper No. 1759. Washington, DC: World Bank.
- Burnside, C. and Dollar, D. (1998) *Aid, the Incentive Regime and Poverty Reduction*. Policy Research Working Paper No. 1937. Washington, DC: World Bank.

- Cawthra, Gavin and Luckham, Robin (eds) (2005) *Governing Insecurity: Democratic Control of Military and Security Establishments in Transitional Democracies*. London: Zed Books.
- Chang, Ha-Joon (2002) *Kicking Away the Ladder? Policies and Institutions for Economic Development in Historical Perspective*. New York: Anthem Press.
- Chong, Alberto and Calderón, Cesar (2000) 'Causality and Feedback Between Institutional Measures and Economic Growth', *Economics and Politics* 12: 69-81.
- Chong, Alberto and Calderón, Cesar (1997) *Institutional Change and Poverty, or Why Is It Worth It to Reform the State?* Washington, DC: World Bank.
- Collier, Ruth Berins (1999) *Paths Toward Democracy: Working Class and Elites in Western Europe and South America*. New York: Cambridge University Press.
- Department for International Development (DFID) (2005a) 'Using Drivers of Change to Improve Aid Effectiveness'. DFID Briefing Note, <http://www.gre-exchange.org/docs/doc83.pdf>
- DFID (2005b) *Why We Need to Work More Effectively in Fragile States*. London: DFID.
- DFID (2001) *Making Government Work for Poor People: Building State Capacity*. Strategy Paper. London: DFID.
- Evans, Peter and Rauch, James (2000) 'Bureaucratic Structures and Growth: A Cross-National Analysis of the Effects of "Weberian" State Structures on Economic Growth', *American Sociological Review* 75 (1): 49-62.
- Friedman, Eric; Johnson, Simon; Kaufmann, Daniel and Zoido-Lobato, Pablo (1999) 'Dodging the Grabbing Hand: The Determinants of Unofficial Activity in 69 Countries', *Journal of Public Economics* 76 (3): 459-93.
- Grindle, Merilee (2004) 'Good Enough Governance: Poverty Reduction and Reform in Developing Countries', *Governance: An International Journal of Policy, Administration and Institutions* 17: 525-48.
- Grindle, Merilee and Thomas, John (1991) *Public Choices and Policy Change: The Political Economy of Reform in Developing Countries*. Baltimore, MD: Johns Hopkins University Press.
- Herbst, Jeffrey (2000) *States and Power in Africa: Comparative Lessons in Authority and Control*. Princeton, NJ: Princeton University Press.
- Hewitt de Alcántara, Cynthia (1998) 'Uses and Abuses of the Concept of Governance', *International Social Science Journal* 50 (155): 105-13.
- Hewko, John (2002) *Foreign Direct Investment: Does the Rule of Law Matter?* Working Paper. Washington, DC: Carnegie Endowment for International Peace.
- Higley, John and Gunther, Richard (eds) (1992) *Elites and Democratic Consolidation in Latin America and Southern Europe*. New York: Cambridge University Press.
- Huther, Jeffrey and Shah, Anwar (1998) *Applying a Simple Measure of Good Governance to the Debate on Fiscal Decentralization*. Policy Research Working Paper No. 1894. Washington, DC: World Bank.
- Hyden, Goran, Court, Julius and Mease, Kenneth (2004) *Making Sense of Governance: Empirical Evidence from Sixteen Developing Countries*. Boulder, CO: Lynne Rienner.
- International Monetary Fund (2005) 'Good Governance: The IMF's Role', <http://www.imf.org/external/pubs/ft/exrp/gvern/govindex.htm>

- Kaufmann, Daniel (2003) *Rethinking Governance: Empirical Lessons Challenge Orthodoxy*. Washington, DC: World Bank.
- Kaufmann, Daniel and Kraay, Aart (2002) *Growth without Governance*. World Bank Policy Research Working Paper No. 2928. Washington, DC: World Bank.
- Knack, S. and Keefer, P. (1995) 'Institutions and Economic Performance: Cross-country Tests Using Alternative Institutional Measures', *Economics and Politics* 7: 207-27.
- Krueger, Anne and Bates, Robert (eds) (1993) *Political and Economic Interactions in Economic Policy Reform*. London: Basil Blackwell.
- Levine, Ross (1997) *Law, Finance and Economic Growth*. Washington, DC: World Bank.
- Levy, Brian and Kpundeh, Sahr (eds) (2004) *Building State Capacity in Africa: New Approaches, Emerging Lessons*. Washington, DC: World Bank.
- Mauro, Paolo (1995) 'Corruption and Growth', *Quarterly Journal of Economics* 110: 681-712.
- Melo, Marcus Andre, Ng'ethe, Njuguna and Manor, James (Forthcoming) *Against the Odds: Politicians, Institutions, and Anti-Poverty Politics*.
- Moore, Mick (2001a) 'Political Underdevelopment: What Causes "Bad Governance?"', *Public Management Review* 3: 385-418.
- Moore, Mick (2001b) 'Understanding Variations in Political Systems in Developing Countries: A Practical Framework'. Unpublished.
- Moran, Dominique (2003) 'Commissioned Desk-Based Research Literature Review on HIV/AIDS and Governance'. Birmingham: Governance and Social Development Resource Centre, University of Birmingham, <http://www.grcdfid.org.uk/grc/docs/DBR1.pdf>
- Nash, Rob, Hudson, Alan and Luttrell, Cecilia (2006) *Mapping Political Context: A Toolkit for Civil Society Organisations*. London: Overseas Development Institute.
- Patterson, Amy S. (ed.) (2005) *The African State and the AIDS Crisis*. Aldershot: Ashgate Publishing.
- Quian, Yingyi (2003) 'How Reform Worked in China', in Rodrik.
- Rodrik, Dani (ed.) (2003) *In Search of Prosperity: Analytic Narratives on Economic Growth*. Princeton, NJ: Princeton University Press.
- UNDP (United Nations Development Programme) (1997) *Governance for Sustainable Human Development*. New York: UNDP.
- USAID (2005) 'Democracy and Governance', [http://www.usaid.gov/our\\_work/democracy\\_and\\_governance/](http://www.usaid.gov/our_work/democracy_and_governance/)
- van de Walle, Nicolas (2005) 'The Donors and the State in Africa: How Much Has Changed?', in Ulf Engel and Gorm Rye Olsen (eds), *The African Exception*. Aldershot: Ashgate Publishing.
- World Bank (2000) *Reforming Public Institutions and Strengthening Governance: A World Bank Strategy*. Washington, DC: World Bank.
- World Bank (1997) *World Development Report*. Washington, DC: World Bank.
- World Bank (n.d.) 'Good Governance and Its Benefits on [sic] Economic Development: An Overview of Current Trends', [http://www.worldbank.org/wbi/governance/pdf/eduardpresentation\\_munich\\_inwent.pdf](http://www.worldbank.org/wbi/governance/pdf/eduardpresentation_munich_inwent.pdf)