Department of Political Science
University of Lucknow

Online Study Material

Philosophically, the 20th century is marked by the decline of classical Marxism and the rise of the *The New Left.* Though inspired by Marxist doctrines, it deviated from many of the basic tenets of traditional Marxism. In its new manifestation, it became a humanist Marxism, challenging both the Western-Liberal and Marxist-Communist systems. It challenged the increasing alienation and dehumanization of common masses taking place in both systems. It sought the recovery of the *original man* together with his freedom and the right of making choices. In addition, the New Left also confronted *Neo-liberalism*, and its off springs in the form of market economy, free-trade, the LPG policies and the notion of good governance. The current paper one, of the earlier publications of this author, seeks to critically examine good governance as obtained under the current neo-liberal age. Unraveling the connections between neo-liberalism and good governance and its impact, the paper addresses an important dimension of the New Left, which is an important part of the PG syllabus of Political Science. It is hoped that students would get benefitted by this article. The sources and references of the paper have been removed for obvious reasons.

‘GOOD GOVERNANCE’ IN THE AGE OF NEO-LIBERALISM: IS IT A ‘DEVELOPMENT MODEL OR A ‘DOMINATION MODEL’ ?

By: *Prof. SANJAY GUPTA

(Abstract)

‘*Governance’ has been a major issue of concern for both philosophers and practioners throughout the human history. Though a popular concept, it gained a renewed momentum with the dawn of the United Nations and came to be understood as a responsible, people-oriented and humane behaviour of governments vis-à-vis the people. However, the changed global political scenario at the end of the Cold War ushered in new factors and circumstances that gave further twist and turn to the notion of governance. As if to differentiate it from conventional usage and ‘bad governance’, the entire paradigm of governance was shifted from traditional to neo-liberal character, from state-monitored development to western aid agencies-controlled development, from increased state activity to increased activities of global corporations, from a welfare state to open-market economy- all this resulting in the shrinking of the state, the dent in their sovereignty and the rendering of governments at the mercy of the international* *financial institutions. Quite logically, this new mantra of good governance has been wholesomely criticized, opposed and largely rejected by the economically backward countries of the world. Instead a new vision of good governance based on a 'Just and Democratic' governance has been propagated. The present paper critically analysis 'good governance' in the context of neo-liberalism, its impact on developing countries and the idea of a Just and Democratic governance' as opposed to the present concept of 'good governance'.*

Keywords: Good governance, Neo-liberalism, MNCs, International Financial, Institutions, World Bank, IMF, UNDP, Market Economy, Aid and Investment, Financial Markets, Globalisation

****

Governance is as old as the human civilization. It has been in all societies, at all times and in various forms, be it monarchy, dictatorship, theocracy or democracy. Several scholars, philosophers, administrators and political thinkers have dwelt at length, in the past, on what constitutes governance, how societies ought to be organized to achieve desirable ends, how to devise a system of governance that was efficient and just and etc. Various scholars and political thinkers from times immemorial have written vastly on what is or what should be governance, or good governance. They have viewed governance differently and have come to different conclusions. For instance, for Plato,

* Department of Political Science, University of Lucknow, Lucknow.

good governance implied the rule of philosopher ruler, to Aristotle, it was the rule of law coupled with the maintenance of the slave system. For the medieval era European political philosophers, St. Augustine and St. Thomas Aquinas, it was the subordination of the state to the ecclesiastical power represented by the church. In the modern times, John Stuart Mill, the 19th century British scholar, in his Essays on Liberty, gave the idea of the supremacy of individual rights and that greatly contributed to ideas and practices of governance for over a century. Side by side was the development of collectivist theories gave a new dimension to sound governance that placed society at the centre and relegated individual liberties to the periphery. Thus, scholars have defined governance according to the needs and wants of a country and what they perceive as common good for the community.

However, in most of these cases, the notion of 'good' was embedded in the term 'governance' itself. For example, Aristotle, as far back as 2500 years, conceptualized good governments as those that performed the task of general welfare, were accountable to people and followed the rule of law. According to him, perverted governments were those that subordinated the general good to the good of the individuals in power. In this sense governance is more than the operations of Government. It is concerned with the functions and operations of civil society, government, the private sector and all other institutions.

Since Aristotle down to many centuries till the second half of 20th century, governance was taken to be a term largely associated with the power and functions of “government”, its forms and the methods it adopted to control people, protect them from foreign attack, protect their life and property, maintain law and order or administration of justice. This view was advocated principally by John Austin who emphasized the coercive power of the state rather than the consent of the governed. Governance was considered as an anti-thesis of anarchy. In the 18th century, Alexander Pope, echoing the same sentiments, said: “For forms of government let fools contest; whatever is best administered is best”. About a century later, Woodrow Wilson too expressed the same views when he said good government was a government that can deliver … ‘can properly and successfully do…with the utmost possible efficiency and at the least possible cost of either money or of energy.

‘Governance’ and ‘Good Governance’ Differentiated

But the notion of ‘good governance’ as contrasted from ‘governance’ started gaining currency in the 20th century, particularly with the establishment of the United Nations in 1948. The UN was established on the principles of transparency, commitment to human welfare and promotion and protection of human rights. It is entrusted with supervising, monitoring and fixing accountability of its member nations in implementing the goals of the United Nations.

As pointed above, although the idea of ‘good’ is inherent in the notion of governance, more emphasis on ‘good governance’ came to be attached due to the genocide and holocaust that was committed during the Second World War by the Nazis and Fascists dictators. The widespread abuses of human rights at the hands of governments and their leaders forced the world community to give a serious thought to governance in order to avoid outbreak of large scale human casualties and destruction of property in future. It was realized that every government that sincerely maintains law and order and manages the affairs of state and society can still not be called good governance for this feature can be found even in dictatorships. A dictatorship that delivers basic needs to the citizens is no doubt better than a dictatorship that does not, but it is not good governance. Likewise, holding of elections regularly cannot necessarily be symbolic of ‘good governance’. Rule of law that is transparent, but unjust, such as, apartheid - is certainly not ’good governance’.

Also was the need felt to ensure a positive development of people and to enhance their social, economic and political stature particularly in the backward regions of the world where poverty, illiteracy, exploitation, dogmatism etc. were rampant. Thus, a new beginning was initiated with the inauguration of the United Nations whose greatest agenda, in one word, was to ensure a just, balanced and efficient global governance.

The traditional definition of governance implying the administration of laws and conduct of human affairs was no more acceptable. Nor is the notion anymore considered sufficient that says governance is the way the state and its various institutions negotiate and mediate with people, markets and civil society, through laws, policies, regulation and finance. Today, the issues of good governance require the involvement of a large number of people, institutions and civil society organisations in decision making, in creating options, and in implementing country's projects and programmes. Political will and commitment play a very fundamental role in implementing good governance at all stages.

Governance, in contemporary times, is termed 'good' when it serves not just any public interest but that of the major poor and marginalized people in society, when it ensures that the citizens, especially the poorest, have the basic needs and have a life with dignity, when the administration is sensitive and responsible to the needs of the people and is effective in coping with emerging challenges in society by framing and implementing appropriate laws and measures. It implies an administration that is sensitive and responsible to the needs of the people and is effective in coping with emerging challenges in society by framing and implementing appropriate laws and measures. It includes strict rules of accountability, norms and is based on a notion of rights having with it corresponding duties.

According to the United Nations Development Programme (UNDP), the notion of good governance implies that corruption is minimised, the protection of minorities and vulnerable sections is assured, the marginalized sections are mainstreamed, and the aspirations of the weaker sections are taken into account by the decision makers. Thus, there is a close relationship between good governance and respect for human rights. Besides, good governance is not only concerned with the needs of the present time and generation but is also futuristic and capable to respond to the future needs of the society. Today, the rules of good governance is not limited to the public sector but also for civil society organisations, private sector, and all others involved in community and national development and protection.

Good governance is successful only when it is capable of measurement, analysis, and review by the public. The situation where external institutions which do not have the mandate of the people, and ruling executive governments set the rules and monopolise the parameters of measurement, undermine the very tenets of good governance. It is necessary for people "to examine and measure the activities of their governments on areas such as accountability; political stability; absence of intimidation and violence; quality regulatory framework; effective and efficient Government; Control of Corruption; and, Rule of Law, etc."

The 1997 UNDP report says that the true test of good governance is that it must lead to the empowerment of people in order to enable them to construct genuine freedom and genuine development for themselves and their countries. In its report, "Governance for Sustainable Human Development", the UNDP thus says that "taken as a whole good governance would mean adopting good policies, developing good institutions and good management which will result in equity, efficiency, and empowerment with governance based on values, trust and transparency. Good governance is a precondition for delivery of services and funds and stresses the relationship between government and

NGOs, civil society and private organisations which are central in tackling issues of poverty and participation” (ibid).

Ultimately, what really distinguishes good governance from governance is how well government and public institutions deliver services to people in a manner essentially free of abuse and corruption, and with due regard for the rule of law. The true test of good governance is the degree to which it lives upto the promise of human rights: civil, cultural, economic, political and social rights. In totality, good governance implies sustainable development and change and the empowerment of people. The key question, thus, is: are the institutions of governance effectively guaranteeing the right to health, adequate housing, sufficient food, quality education, fair justice and personal security? (OHCHR, 2002).

This view was also reflected in the 2005 Human Development Report which described governance as “the exercise of power or authority -- political, economic, administrative or otherwise -- to manage a country’s resources and affairs. 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”.

Daniel Kaufmann of the World Bank, also defines governance as “the process and institutions by which authority in a country is exercised.” It is the process by which governments are selected, held accountable, monitored, and changed; it deals with the capacity of governments to manage resources efficiently, to formulate, implement, and enforce sound policies and regulations; and consider the respect for the institutions that govern economic and social interactions between government and citizens.

The European Commission in its “*White Paper on European Governance”* issued in July 2001, too has dwelt on the concept of governance. Using the term "European governance", it says: “In the context of a political and institutional environment that upholds human rights, democratic principles, and the rule of law, good governance is the transparent and accountable management of human, natural, economic, and financial resources for equitable and sustainable development. It entails clear decision-making procedures at the level of public authorities, transparent and accountable institutions, the primacy of law in managing and distributing resources, and capacity building for elaborating and implementing measures that aim to prevent and combat corruption”.

Not to be left behind, the World Bank- the global financial institution- has also reflected on the notion of good governance and has distinguished it from ‘bad governance’. It declares: "Good governance is epitomized by predictable, open and enlightened policy-making, a bureaucracy imbued with a professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs. Poor governance (on the other hand) is characterized by arbitrary policy making, unaccountable bureaucracies, unenforced or unjust legal systems, the abuse of executive power, a civil society unengaged in public life, and widespread corruption".

Going by the above, it is clear that considerable emphasis has been laid on differentiating the notion of ‘governance’ from ‘good governance’ during the last two decades. In all these definitions, the basic characteristics outlined are those of transparency, accountability and people-oriented development. However, notwithstanding the lofty ideals of good governance expounded by the World Bank and other financial agencies, in actuality, the international financial institutions (IFIs), represented by the World Bank and the IMF, converted the agenda of good governance into a purely business-like activity with a profit motive. The state was expected to act as a facilitator to the global corporations irrespective whether the people benefited from such MNC-led activities or not. This was particularly in relation to the IFIs dealings with the less developed countries of Asia, Africa and Latin America. Resultantly, this rendered the whole gamut of ‘good governance’ controversial and largely unacceptable to most countries of the South.

The End of the Cold War, the Rise of Neo-liberalism and the Introduction of ‘Good Governance’

As pointed above, the notion of good governance underwent substantial changes since the beginning of 1990 to exceed the conventional arena of the nation-state or government. These changes were witnessed due to the changes in the global scenario at the end of the Cold War. The disintegration of the Soviet Union and the crumbling of communism in Eastern Europe saw a new resurgence of the United States of America in the global arena, unchallenged by any other power. The new global order as defined by the United States of America, the sole super power, was aimed at giving primacy to the open-market capitalist economy. The US-led and controlled Multinational and Trans-national Corporations were integral parts of this new market system. The state, particularly the socialist systems, came to be detested and people somehow came to believe that governments were responsible for all evils. The state, as a result, was bypassed in preference to the market whose virtues were exalted.

In order to popularize this new found love for the market system in the post-Cold war period, the notion was employed by the western countries in extending economic and financial aid to the poor and developing countries. Here ‘good governance’ manifested in a set of prescriptions devised by the aid-givers (western financial institutions) to the recipients (the poor and developing countries) on how to spend money as per the wishes of the donors, and not of the recipients. The aid agencies used good governance as a pre-condition to qualify for aid and passed objective judgments on the ways governments behaved. The aid givers justified their stand as necessary to effect reforms in the political and economic sectors of recipient countries.

“Good governance thus became a reference point in donor-recipient discourses by prominent international financial institutions, principally by the International Monetary

Fund (IMF) and the World Bank who started dictating terms of the so-called ‘good governance’ to the less-privileged countries. These International Financial Institutions (IFIs) started using the term as a guiding principle for donor agencies to demand that recipient governments adhere to proper administrative processes in the handling of development assistance and put in place effective policy instruments towards that end.

The World Bank, in particular, took a lead in espousing this new concept when it began to use the term ‘governance’ in 1989. In its 1989 report, From Crisis to Sustainable Growth, the World Bank expressed this notion as follows:

"Efforts to create an enabling environment and to build capacities will be wasted if the political context is not favourable. Ultimately, better governance requires political renewal. This means a concerted attack on corruption from the highest to lowest level. This can be done by setting a good example, by strengthening accountability, by encouraging public debate, and by nurturing a free press. It also means ... fostering grassroots and non-governmental organisations such as farmers’ associations, co-operatives, and women’s groups".

In its 1992 report on Sub-Saharan Africa, the Bank made it clear what it meant by governance (World Bank, 1992). The Bank viewed governance as having three aspects:

a) the form of political regime;
b) the process by which authority is exercised in the management of a country’s economic and social resources; and
c) the capacity of the government to design, formulate and implement policies and discharge functions.

Owing to its Article of Agreement, the Bank considered the first to be beyond its mandate. It, therefore, linked governance to development economics. From here the Bank also began to add the adjective “good” to governance. In its World Bank report of 1992, the then President Lewis T. Preston said:

“Good governance is an essential complement to sound economic policies. Efficient and transparent policy framework are critical to the efficiency of market and governments, and hence to economic development. The World Bank’s increasing attention to the issues of governance is an important part of our efforts to promote equitable and sustainable development.”

The World Bank, apart from other International Financial Institutions (IFIs), has emphasized good governance in the context of low and middle income countries of Asia, Africa and Latin America that depend on aid-giving countries, and where participatory, transparent and accountable government has been a goal much desired but barely achieved. This new concept was employed in reference to states and entities in the South, rather than in Europe or North America where the concept was launched. Moreover, with the adjective "good" added to it, it became unmistakably clear that the concept of good governance could invite judgment about how a particular country, city or agency was being governed. It enabled the raising of evaluative questions about proper procedures, transparency, the quality and process of decision-making, and other such matters.

Since 1990, the neo-liberal perspective has increasingly come to shape the policies and programmes of the World Bank, IMF and several other multinational donor agencies. The Western donors such as the World Bank, International Monetary Fund (IMF), World Trade Organisation (WTO) and the G-8 most often equate good governance to effective management of economic resources.
This is largely apolitical in nature. The neo-liberal economic globalisation theorists often seek to restructure governance systems, processes, and practices in such a way that policies and political processes especially in poor countries has the capacity of being controlled by the dominant powers. According to John Samuel, this techno-managerial concept of good governance focuses on 'decentralisation, transparency and report cards as ways to ensure macro-economic management as proposed by the Bretton Woods mandarins'.

The same view was expressed by the former Tanzanian President, Julius Nyerere, in his address at the Global Coalition for Africa (GCA), 13 October 1998 in Harare, Zimbabwe where he succinctly stated that, to Western Donors good governance is a phrase which meant and means "those countries having multi-party systems of democracy, economies based on the principle of private ownership and of international free trade and a good record of human rights: again as defined by the industrialised market economy countries of the North. Good governance therefore has been reduced to a matter between aid givers and aid seekers."

In simple terms, a scholar opines that neo-liberalism is rooted in two interrelated sets of principles. The first concerns the pursuits of a development strategy based on privatization, liberalization, de-regulation, strengthening markets and market forces, benchmarking the public sector, tax cuts, and globalization. The second concerns the search for new forms of regulations to create a multi-layered market society that complements the globalizing market economy.

The emerging model of neo-liberal polices has four key features:

First, it seeks to promote international competition and innovation through policy changes. The policy emphasis is on innovation and competitiveness, rather than full employment and public planning.

Secondly, social policy is subordinated to economic policy so that labor markets and flow of capital becomes more flexible. The focus is on the cost of production rather than on means of redistribution and social cohesion.

Thirdly, neo-liberalism demands moderation of the prominence of national policy-making and implementation, replacing it with local, regional and supranational levels of government and social partnerships. One of of its major concerns had been the search for creative ’post-national’ solutions (e.g. WTO, etc.) to current economic, political, social and environmental problems.

And, *fourthly*, it calls for increased reliance on partnership, networks, consultation, negotiation and other forms of self-organisation rather than on top-down planning. In a nutshell, a neo-liberal policy is the market-focused backbone of economic globalization (ibid).

Over the years, the ambit of “good governance” has been much more widened than what was originally understood to be associated with “efficiency of the market and the government”. The involvement of a number of international actors and development agencies such as the UNDP, OECD, DFID, CIDA, GTZ, the Netherlands Development Organization (SNV) and ADB as well as NGOs facilitated this expansion. Now, the term “good governance” covers a number of issues such as participatory development, human rights, democratization, the rule of law, effective state institutions, transparency, accountability, corruption control, devolution etc. It is seen that by the end of the 20th century, all the international and bilateral assistance agencies were “talking the talk and some were "walking the walk" of governance, interjecting terms associated with some definitions of good governance into their programs and projects”.

Good Governance and the ‘Washington Consensus’

The school of market-oriented orthodoxy known as the ‘Washington Consensus’ introduced the notion of “good governance” as a revised component of the neoliberal paradigm stressing deeper political interventions to accompany the existing economic ones. According to the Washington Consensus, good governance consists essentially as the political administration of economic policies: the deregulation of exchange, trade and prices systems, and the preferential treatment of individual and corporate investors, while eliminating governmental involvement in credit allocation (Williamson, 1989). In short, all measures necessary to complement and reinforce neo-liberal economic policies while leaving the social model untouched. The chief presumption being that attracting investment and “aid” is critical to long term development, and that good governance is the link between the two. For this, new recipes are called for improved management techniques and securing the collaboration of all the various social actors (civil society and business). In this way, markets could flourish as all “stakeholders” pitched-in to create the “atmosphere” conducive to private foreign and national investment. Notions of good governance measure effectiveness in terms of market-friendly reforms and private-sector development, yet the same thinking can take countries in the opposite direction. Are markets therefore subservient to democratic institutions or, as the 2002 World Bank’s World Development Report’s title suggests, is it all about Building Institutions for Markets?

Among the various international financial institutions (IFIs) promoting the neoliberal notion of good governance, the World Bank considers ‘good governance’ as forging a capital-friendly agenda by way of building a supportive positive relationship between the state, the market, and civil society in loan-receiving countries. The ‘minimalist state’ is to give way to an ‘effective state’ in order to achieve the unchanging primary goal. An effective state, for the World Bank, is one that manages and regulates the market in a non-confrontational and supportive way with refurbished institutions. As for poverty and other social problems, these will be alleviated as a result of the new relationships, legal reforms and anti-corruption measures attractive to big capital.

According to the World Bank, the governance of "client countries" should "go beyond the dysfunctioning of the public sector (the ’symptom’) to help these countries adopt the reforms" designed to improve public resource allocation mechanisms, "the institutional development of state, the processes of formulation, choice and implementation of policies, and the relations between citizens and their government".

More specifically, good governance for the Bank takes the form of securing the establishment of a “well-functioning” market economy with stable property rights, enforceable contracts, high levels of transparency, and low levels of corruption. The creation of effective institutions is seen as a counterweight to arbitrary or “populist” state action, in which the international financial institutions (IFIs) would feel supported within the country by way of an expanded democratization and participation agenda—principally in addressing the role of corruption. Addressing corruption however does not take place as part of a democratization agenda but rather as a function of insuring the macroeconomic “stability” (financial sector strengthening, privatization, etc).

The IMF, while not differing much from that of the World Bank’s line of good governance, considers good governance consists essentially of "deregulating the exchange, trade and price systems", of "limiting ad hoc decision making and preferential treatment of individuals and organizations" and of "eliminating direct credit allocation" by the state (Partnership for Sustainable Global Growth, 1996).
It seeks to promote good governance covering "all aspects of the conduct of public affairs" within the framework of its loans and "oversight" operations. Applicable in countries benefiting from its technical aid, and closely associated with its anti-corruption fight, the IMF code of good governance aims to make economic policy decisions more transparent, to make available a maximum of information regarding public finances, to standardize audit procedures and, more recently, to "combat the financing of terrorism” (ibid).

According to one study, "the World Bank’s understanding of good governance continues to reflect a concern over the effectiveness of the state rather than the equity of the economic system and the legitimacy of the power structure" (Santiso, 2002). To this another analysis adds, "Much of the content of the good governance agenda is concerned with a very narrow set of issues and interests: state accountability for business, less so for citizens strengthening of property rights, but not land redistribution or attention to criminal justice. It is not surprising, then, that many critics ask, where are the poor?’ in the Bank’s governance agenda" (Bretton Woods Project, 2001). In the same vein, political scientist Stephen Gill argues, "in the new constitutional frameworks of disciplinary neoliberalism the goal of public policy is increasingly premised on the goal of increasing the security of property (owners) and minimizing the uncertainty of investors partly through placing populations and governments under constant surveillance".

Impact of Neo-liberalism on Governance

The actual working of the International Financial Institutions (IFIs) and the implementation of their policies in the countries of the South smacks of a return to colonial management practices (The New York Times, 2004). The IMF's insistence on good governance, which has become one of the conditions of aid to countries in the South and of relief from their foreign debt, reveals the progressively greater politicization of its interventions and the drift of its missions into areas beyond those encompassed in its mandate. This is particularly true as "good governance" has spelled more conditions being placed on countries of the South in order to access or restructure loans. As one study admits, "conditionality, or the attaching of conditions to loans, has played a key role in the implementation of the good governance agenda. The objective of governance conditionality is to exert pressure on borrowing countries to improve their policies and thus enhance the effectiveness of aid. During the course of the 1980s the number of good governance conditions attached to World Bank loans rose dramatically, from an average of 21 conditions per loan in 1980, to 55 by 1990, falling gradually to 33 average conditions per loan by 2000. This ineffectiveness derives in part from the vagueness of the concept of good governance itself, and from the fact that there is a real confusion at the heart of the governance agenda about whether governance is a precondition for successful development or development's objective (Collingwood, 2007). Scholars assert that 'Good Governance' which is imposed upon the majority of the countries of the South (structural adjustment plans, deregulations, privatizations, free movement of capital, etc.) since the beginning of the 1980s, has brought in its wake, in every domain and on every continent, the proof of its failure. Alejandro Bendan, thus while criticizing neoliberalism says that "neo-liberalism, which considers good governance as a part of its wider project, is not a development model, but a domination model. Its social disasters, its human dramas are too well known to need to be cited. Its new ideological anti-state dogma, good governance, can thus only be seen as an inversion of good government. In any event, the aim is not the development of democratic participation of individuals in decision-making processes, nor the respect of their right to development, but state-sponsored market deregulation, in other words reregulation by the brute forces of capital on a world-wide scale".

The affluent nations of the west and the Multi National Corporations (MNCs) that draw the blue prints of good governance for the countries of the South carefully avoid raising questions about the nature and realm of development, the politics of the dominant economic growth paradigm, and the forces that control such development in their own self-interest. The same corporate-generated neoliberal development model is responsible for the enormous concentration of wealth and assets in the hands of a few transnational entities while causing massive social and environmental dislocations. While the adoption or impositions of the models are overtly political acts, there is a refusal to recognize their outcomes in political terms. There is, therefore, an attempt to depoliticize development and governance, reframing these as largely technical problems with technical solutions, denying the structural and political roots of conflicts. Separating the notion of governance from democracy and sovereignty is not simply inaccurate, it is dangerous.

The developing countries thus reel under the western pressure of neo-liberal economic policies that are imposed from outside. The globalized financial markets dispossess these states of their sovereignty and capture their countries' ownership structure of capital. The affluent western countries alongwith their corporations manage the state apparatus of the South directly from the center of the world system. They neutralize their state power by stripping them of all prerogatives and reducing to a minimum their margins of maneuver. At the same time, good governance recipes strongly discourage direct intervention by governments to regulate to mitigate and prevent negative social impacts. Thus there is a basic contradiction between poverty eradication on the one hand, and the narrow application of good governance development strategies on the other. Those contradictions must be acknowledged and unpacked in order to arrive at a genuine discussion about possible alternatives.

Confirming this trend, a report by UNESCAP says that it has been seen that the governance promoted by the multilateral agencies is fundamentally at odds with other policies they also claim to support. Good governance as interpreted by the IFIs work under assumption that rapid economic growth will effectively address their respective aspirations. The report points out to the limitations of the "growth response" indicating that the emphasis on quick growth has come at the expense of equity and equality, and therefore at the expense of democratic governance.

This paradigm, thus, fails to address the unequal and unjust macroeconomic framework that serves the interests of rich countries (western countries) and the dominant factions within a country. It therefore inherently perpetuates inequality and poverty. The neo-liberal economic globalisation proponents do not emphasize the notion of freedom and rights. This 'good governance' paradigm fails to ensure accountability and transparency of governments to its people but to global institutions like the World Bank, IMF, and G-8. By virtue of this concept, some unscrupulous governments are therefore wrongly perceived to have good governance according to the parameters of the Bretton Woods institutions, though its citizens were and are denied freedom, accountability, transparency and participation. The Bretton Woods' institutions either ignore or fail to recognise that in practice, governance is a position of unequal and often unjust power relations, where power is reinforced through different shapes of marginalisation and oppression.

The question that comes to the fore is whether this body enforces with equal single-mindedness, regarding its own modus operandi, the standards it imposes upon the South. If the IMF is to be believed, the answer would be affirmative: guidelines are in place to assure ethical behaviour and to prevent the corruption of its personnel, a professional ethics counselor is on the scene, and so on... Nonetheless, numerous facts converge to suggest that the IMF is today a model of bad governance). In essence, a faulty notion of “good governance” is taking us away from the goals because it entails placing the state and society at the service of the market, under the presumption that economic growth alone will deliver development.

In the light of above discussions, scholars such as CK Prahlad opine that there is a need to shift or broaden the governance discussion to include the nature and operating condition of multilateral institutions and corporate capital. Few things could be as dangerous as believing that the profit-oriented nature of private capital, and the corporations to which it belongs, can meet the growing demands of the poor for better services at affordable prices. Unfortunately the trend among development “experts” in the North (with their many official followers in the South) is that a profit-driven strategy can indeed “empower” the poor and even lower the higher prices they are forced to pay.

Alternative Vision: Just and Democratic Governance

It is clear from the foregoing account that the concept of good governance in the context of neoliberalism, represented by the growing capitalism, market economy and the shrinking of the state, has not been likened by several developing countries of Asia, Africa and Latin America who have openly and vehemently criticized this model of development. They have viewed it with great suspicion and have raised voice against its imposition on them. They have demanded the restructuring of the global polity in a way that seeks to place the individual at the centre of all socio-economic policies and development programmes. The developing and under-developed nations have asserted their right over their national and political sovereignty, over their peoples and natural resources; the right to follow socio-economic policies of their choice keeping in view the tradition and culture of the people, the right to be free from foreign domination, colonialism, imperialism and apartheid etc. Romy Herrera, a critic, thus asserts: “Today more than ever it is obvious that economic neo-liberalism must be abandoned, that the debt problem must be solved, that the dominant role of financial speculation must be ended and that the activities of the transnationals, which are so much the cause of the current system of unequal exchanges, must be checked”.

Realising the need to do away with the market-oriented concept of good governance, scholars have deliberated over the indispensable conditions needed for ushering in a democratic world, where the individual, and not profit, is placed at the centre of all development activities. Herrera points out the following must be taken into consideration in any discussion on ‘people-oriented good governance’:

i. modification of the rules of market access and of financial and monetary systems, which implies a total rethinking and remaking of the IMF, the World Bank and the WTO;

ii. the creation of a system of taxation and income redistribution on a world-wide scale, both more ambitious and more coherent than a "Tobin tax"; iii. an end of the regulation of the world system by war, with demilitarization of the planet and peace keeping;

iv. the reinforcement and democratization of the UN, conciliating the rights of individuals and peoples, political and social rights, universalism and cultural diversity;

v. collective management of natural resources, to be used in the service of all peoples, and respect for the environment (ibid).

Critics opine that there is a pressing need to articulate and promote an alternative vision, perspective and practice of governance. "Unless there is a clear vision and ideal about a just world, and practical strategies to move towards it, the content and character of governance will remain an arena of power manipulations, policy rhetoric and empty promises"(Samuel, 2007). It is said that the ongoing movements for greater empowerment of women and depressed classes, environmental protection, democratic decentralization, citizens' participation and establishing a culture of human rights and securing dignity and freedom to one and all across the world bears testimony to the fact that a parallel and constant struggle for establishing a just and democratic governance is already in process. Such an approach not only challenges 'good governance' with its neo-liberal and economic globalisation framework, but also proposes a different ethical and political framework as well as practical strategies to challenge and change unequal and unjust power relationships. Such an alternative vision of just and democratic governance based on justice, freedom, solidarity and human dignity was inspired by the struggles and works of Mahatma Gandhi, B R Ambedkar, Rabindranath Tagore, Martin Luther King, Nelson Mandela and a host of other public spirited men and women.

Conclusion

In the present time, several NGOs, INGOs, trade unions, World Social Forum etc. have launched widespread movements on issues such as the exploitative international financial institutions, trade reforms, debt, aid accountability, landmines, climate change, environmental protection, small arms, food rights, HIV/AIDS, women's rights and corporate accountability etc. As a result of their crusade, these issues have been brought to the centre stage of global policy discourse. The increasing global solidarity among these organizations and movements have, alteast to some extent, compelled the retreat of the 'Washington consensus' and have forced the international aid agencies to take a relook at their policies and programmes. The aid givers, whether institutions or countries, have been amply made to realize that their 'good governance' model will always be under close scrutiny and, if anti-people and anti-development, resisted vehemently. However, the struggle to secure a just and democratic governance is a long drawn one and the price for this is the ever vigilance and monitoring on the part of the peoples, governments, nations and their movements. If this can be done, definitely a 'domination model of good governance' can be translated into a 'development model of good governance'. As Martin Luther King said: *"We have not made a single gain in civil rights without determined legal and nonviolent pressure … Freedom is never voluntarily given by the oppressor; it must be demanded by the oppressed*."

****

<u>REFERENCES</u> ----- Omitted

(SANJAY GUPTA)

****