Improving Governance: Lessons Learnt

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Introduction

Governance first became a commonly used concept in the early 1990s when the international donor community adopted it to connote its support of economic, managerial, and political reforms in countries of the global South. Like development, it cuts across sectors and thus is a concept that lends itself to many definitions. Similarly, it is being used for different purposes: for academic analysis, for policy prescriptions, and for civic engagement. The governance field has become crowded with different stakeholders pulling in different directions.[1] Doing justice to the whole field and its different interests and concerns, therefore, is no easy task.

Because the governance field transcends the lines that are conventionally drawn between academics and policy-makers, and thus between theory and practice, this chapter will try to address both constituencies and concerns. It begins by tracing the theoretical origins of governance in the academic disciplines because that is where the concept was born before it was adopted by the donor community, policy-makers, and civic activists. It continues by tracing its evolution and change as it becomes increasingly a practical policy concern initially for donors and governments and later for civil society actors. Twenty years after its launching in the donor community by the World Bank, governance has been a prime object of measurement and monitoring. The third section of the chapter points to some of the more important lessons learnt. It concludes by pointing to the challenges that academics face in studying governance with a view to better understanding how it may be best applied in practice.

[1] According to Dixit (2008), focusing on the economics discipline only, there were only 4 references to governance during the period of 1970–1979, compared to 15455 during 2000–2007. Another source reports that Google in 2009 listed more than 152,000 pages of literature in this field (Ivanyna and Shah 2009). The number has since kept increasing

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The Origins of the Concept

One can argue about the origin of governance. Some would say that although he did not use the term as such, much of Aristotle's writing was about governance. Other political philosophers and theorists, whether in the European tradition or any other civilization, e.g., Confucius or Gandhi, were also addressing issues of governance. In this respect, governance is not a novel concern. What is new in the last few decades is the rise of governance as an explicit and universally recognized term. Its inception must be credited to scholars in the various fields of the political science disciplines: public administration, international relations, and comparative politics. Development economists, whether orthodox or heterodox, have borrowed it from their political science colleagues.

A convergence of factors helps explain why scholars in these various fields of political science adopted governance as a term to analyze their respective subjects. The growth of inter-jurisdictional policy issues encouraged public administration theorists to look for a concept that allowed them to think beyond conventional terms in their field. The concept, therefore, came to be associated with two simultaneous trends in the field: the blurring of the relationship between what is public and private and a similar tendency to blur the relationship between policy and politics, on the one hand, and implementation and administration, on the other.

Governance became gradually associated with the New Public Management School and its prescriptions for reforming public administration by contracting out responsibilities to non-state actors. As Frederickson (2005, p. 293) notes, the problem with governance in public administration is that it lacks a theory and he suggests that scholars should look to international relations where regime theory constitutes the basis for understanding governance. Regimes are deliberately constructed orders at regional or global level aimed at reducing the risk of unilateral action by powerful nations. They establish shared expectations about desired behavior. Governance, then, is the exercise of establishing and sustaining such regimes. An example would be the efforts in the 1990s to institutionalize an international human rights regime drawing on the work prepared for the 1993 International Human Rights Conference in Vienna. Students of comparative politics, finally, began to use governance in the context of the wave of democratization that began in the wake of the fall of Communism. Mette Kjaer (2004), Mark Bevir (2010) are among those who have provided a thorough overview of the history of the concept. What follows here is an abbreviated history of the theoretical origins of governance.

Governance as related to systems of rule is found also in the comparative politics literature but here typically confined to individual countries and associated with regime transition issues spurred by democratization since the early 1990s (Hyden and Bratton 1992). The most significant and influential contribution to the thinking about governance has come from neo-institutionalists, notably Douglass North (1990), drawing theoretical inspiration from the rational choice tradition in the social sciences. By highlighting the human mind behind the design of institutions, the assumption has been that they can be reformed more or less at will.

International development discourse on the subject has been closely tied to forms of liberal democracy on the premise that it is precisely countries with such a regime that are most developed. Although some scholars have attempted to demonstrate that this is not just a positive but actually a causal correlation, the research community continues to argue whether good governance is a cause or effect of development (e.g., Lewis-Beck and Burkhart 1994; Przeworski et al. 2000; Bueno de Mesquita and Downs 2005).

As can be gathered from the overview, however compressed, the intellectual heritage on which governance discourse rests is varied and complex. It is possible, however, to confine it to two main parameters: (1) effectiveness and (2) legitimacy. Influences from public administration in particular come closest to the effectiveness dimension while those from international relations and comparative politics are closer to the one emphasizing legitimacy. The former tends to encourage a managerial and technocratic approach to governance while the latter gives rise to a focus on the political aspects of governance. The former treats governance as an instrument to get things done with greater effect and is manifest, for example, in the donor interest to make aid delivery more effective. The latter encourages thinking about *how* things are done and lead to concerns about respect for the rule of law and how the state interacts with citizens. It is the difference between a results-based and a rights-based approach to development.

The Evolution of the Concept

The scholarly community laid the foundation for what has subsequently evolved into a "governance industry" with donors, governments and civil society actors as key stakeholders. Political data (and especially statistics) lag far behind social and economic comparative data, but as one scholar notes, the 1980s and 1990s was unprecedented in terms of the production of data on politics (Munck 2009). A sampling of some of this production includes the *Polity* data series which began in 1978 and is still widely used; the sixfold classification of regimes by Cheibub which was first published in 1996 and then revised in 2009 and renamed the *Democracy and Dictatorship Data*; the *Vanhanen Polyarchy Dataset*; Przeworski's *Democracy and Development Extended Dataset* (data from 1946 to 2002), and Freedom House's *State of Freedom* (previously known as the *Gastil Index*) with data from 1972 to the present, among others.

During the same period there was a significant growth in the range and scope of public opinion surveys that are based on adult population samples that measure the public's views on the quality of democracy in their own country, as well as assess the performance of their government leaders, institutions, and policies, confidence and trust in government institutions, and satisfaction with democracy, patterns of political behavior and civic engagement, and social and political values. Norris (2008) maps the major cross-national and time-series surveys of public opinion which include the Global Barometers (Europe, Latin America, Asia and Africa), the World Values Survey, the Pew Global Attitudes, and the Gallup World Poll. These surveys are an important addition to the data sources for democracy and governance assessments as they capture the differences that exist between de jure rules on the books and de facto outcomes on the ground.

While the international development community borrowed insights from the mixed intellectual menu created by the scholarly community in devising its work on governance, the emphasis was on creating specific program interventions and assessing progress towards what was defined as "good governance." Although not totally unhinged from theory, members of the donor community wanted definitions that suited their own programmatic orientations and needs.

To allow for a more systematic assessment of the support that the donors were giving to promote governance in the global South, they quickly developed their own tools of measuring and monitoring progress. Some of these had a global coverage, the Worldwide Governance Indicators (WGI) produced by the World Bank being the most well known and used. Other such global instruments include the Corruption Perception Index (CPI) that forms the basis for the Global Corruption Report published by the Berlin-based Transparency International. Some tools are regional in scope such as the Mo Ibrahim Foundation's Indexes of African Governance (IIAG) and the African Governance Report Indicators (AGRI) collected and published by the United Nations' Economic Commission for Africa. The majority of the various types of assessments that have been developed serve individual donor agency interests. These assessments function as the basis for developing country assistance strategies and for policy dialogue with partner governments. Although many donors rely on tools like the WGI and CPI, the proliferation of assessments has become an issue following the recommendations of the OECD-inspired Paris Declaration of 2005 which calls for greater donor harmonization and collaboration in order to reduce the administrative burden for recipient country institutions.

By the end of the 1990s, the donor community had become the most influential stakeholder in the governance field. Agencies had had enough time to fine-tune their instruments and they were not hesitant in using their prescriptive devices as conditions for further aid. Their effort was driven by optimism and an emphasis on quick fixes and results. Not surprisingly, given its high expectations, it eventually came under criticism in the early 2000s for a variety of reasons associated with the way the governance concept was being applied and assessed.

One line of criticism questioned the underlying assumption that things in the global South are broke and need fixing. There is an underestimation of the capacity of existing institutions that causes donors to engage in wholesale reforms of specific sectors. Good governance has been used to justify broad reforms of the civil service, the legal sector, and local government. Another question concerns the extent to which governance is believed to serve as a precondition for development. Members of the international donor community have invested heavily in improving governance in the belief that without such reforms development will not occur. This has often led to the imposition of institutional models that are out of touch with the social and economic realities of recipient countries and at the expense of tapping the potential of political institutions already on the ground in these countries. There has been a tendency to overemphasize the supply side of governance rather than its demand side. What citizens think and how they can improve governance have often been overlooked.

The discourse on governance has been dominated largely by academics and donors but it is important to acknowledge the constructive contributions by civil society. For too long these contributions have lived in the shadow of what the dominant governmental and inter-governmental organizations have said and done. In recent years, a special discourse on governance has emerged centered on human rights and social development issues. Driven by social movements and activist groups around the world it has become increasingly influential in shaping the governance field. This wave has been especially significant in countries of the South like India, Brazil, and Mexico. The various initiatives are gathered under the "social watch" rubric. Examples of influential organizations include CIVICUS in South Africa, Philippines Rural Reconstruction Movement, Centre for Budget and Governance Accountability in India, Centre for Governance at BRAC University, Bangladesh, and the Brazilian Institute of Social Analysis (IBASE). Although this bottom-up discourse is driven by organizations in the global South, many of the leading international development NGOs in the West like Oxfam, and human rights organizations like Amnesty International and Human Rights Watch also participate and help influence this discourse.

Lessons Learnt

The evolution of governance from being foremost an analytical tool to becoming a practical political activity has left a number of lessons in its wake. These lessons generally point to the limitations inherent in a supply-driven and top-down approach to improving governance as has been the case during the donor-dominated second wave. More specifically, I wish to draw attention to the following important lessons: (1) institutional transfers are difficult, (2) countries of the South have their own institutional legacies, (3) context makes a difference, and (4) good governance as aid conditionality has outlived itself.

Institutional Transfers are Difficult

The global governance agenda has operated on the premise that development requires a particular set of institutions. The reason that some countries are more developed than others then can be attributed to the presence of these institutions which include a functioning market, a rational and legal type of bureaucracy, a liberal form of democracy, and more generally adherence to the rule of law. The past 2 years have witnessed a conscious effort on the part of Western donors to transform the social fabric of societies in the global South by funding projects aimed at transferring institutional practices from the developed to developing countries. In short, they have tried to change the way people in countries of the South think about politics and development (Landell-Mills 1992).

Now two decades later, even donors themselves realize that the results have been far from impressive. There is no convincing evidence that these institutional transfers have led to higher levels of economic growth or more sustainable development (Meisel and Ould Aoudia 2008). Although elections have been held on a regular basis in many countries, governments remain corrupt and often autocratic. For example, Blundo and Sardan (2006) offer a detailed account of the continuation of what they call "everyday corruption" in governments in three West African countries.

There are many reasons why this effort to improve governance through institutional transfers has fallen short of expectations. One is the intellectual perspective that has guided the effort. Much of it has been based on the assumption that individuals make their own independent rational choices. Thus, they are capable of designing and implanting new rules more or less at will. In the perspective of economists and many political scientists there has been an oversimplified notion that culture and society can be reshaped by rational actors. This has led to an excessive and optimistic belief in governance as an engine of development and it has produced what Evans (1995) calls an "institutional mono-cropping."

Another reason is the narrow time horizon that guides the donors. Foreign aid, whether for governance or any other purpose, has to be managed within distinct budget cycles and is subject to regular evaluation which means that their continuation is at risk, if not every year, certainly every 2 or 3 years. Governance, on the other hand, is typically a slow-moving variable. It is characterized by path dependency and does not easily lend itself to change through benevolent intervention as the case is with foreign aid-supported activities. It is easy to see that donor-initiated and supported interventions may fall victim of unrealistic expectations and thus are very likely doomed to be assessed as failures.

A third reason is the inclination on the part of donors to provide support for good governance regardless of the strength of demand for it. Faith rather than empirical evidence has typically guided these interventions. Fuelled by such schemes as the WGI which ranks countries according to their quality of governance and global programs such as the millennium development goals (MDGs) with its premise that good governance is a condition for successful poverty reduction, donors have been overly ready to support governance activities even where they stand a little chance of becoming successful. A good illustration of this shortcoming is the way that donors have approached the issue of national ownership of foreign aid, an issue that arose in the wake of the 2005 Paris Declaration which calls on donors to give more control over the use of foreign aid to recipient countries. Instead of aligning their aid according to interest and demand, the donors have treated the national ownership issue in procedural terms, most notably as the right of recipient governments to decide on the use of foreign aid without involvement by other stakeholders (Faust 2010).

Countries Have Their Own Institutional Legacies

The shortcomings associated with the supply-driven and typically top-down manner in which donors have supported governance programs and projects in countries of the South have eventually produced a reaction. Instead of measuring countries in terms of how well they score on a number of indices that are drawn from the model of neo-classical economics and liberal-democratic politics, an alternative approach is now emerging based on the premise that institutions already on the ground in these recipient countries can form the basis for improved governance. Institutional transfers, therefore, are superfluous. The challenge is institutional development from within or, as it has been labeled in the African context, "going with the grain" (Kelsall 2008).

The donors have come to realize the potential value of this approach by learning their lesson the hard way. It began in the early 2000s in response to donor-supported policies failing to "get traction" in domestic politics in recipient countries. British DFID initiated a series of studies aimed at identifying the true "drivers of change" in these countries. Agencies like Swedish SIDA followed with its own studies of the role power plays in determining developmental outcomes (Hyden 2008).

This new orientation has led to a more realistic appreciation of what donors can achieve by supporting activities aimed at improving governance. There is a growing realization that the introduction, for example, of formal democratic institutions does not mean the disappearance of all elements of autocratic and discretionary rule. For example, in Africa the challenge is not first and foremost to erase the legacy of neo-patrimonial rule, but identifying what parts of it are potentially supportive of development and better governance. Informal institutions continue to coexist with formal ones. Rather than condemning them, they are likely to constitute the most suitable foundation on which to build better governance. As Helmke and Levitsky (2006) show with reference to Latin America, informal institutions, when interacting with formal ones, may have both constructive and subversive consequences for democracy. Institutions do not operate on a clean slate; they are typically embedded in social structures and carry their own cultural codes. Progress toward democratic governance, as March and Olsen (1995) argue, is made with the past as a principal vector for learning how to improve.

For a long time, donors have been inclined to treat the consequences of their support of good governance in terms of the "glass being half-empty," i.e., they have expressed disappointment that not more has been accomplished. The alternative "working with the grain" perspective invites the donors to think of the "glass being half-full," e.g., assessing progress based on where these countries come from rather than how well they compare with developed countries. "Good enough governance," as Merilee Grindle has argued for many years, is a more realistic and appropriate measuring rod than the abstract model of liberal democracy or Weberian model of public administration (e.g., Grindle 2007).

Context Makes a Difference

There is no single blueprint or "magic bullet" when it comes to improving governance. This is an obvious proposition that has taken donors quite a long time to fully endorse. Economics and politics evolve in response to different socio-economic and cultural conditions. For example, the governance agenda in Africa reflects the challenges associated with nation-building and state formation in ways that differ from Asia and Latin America. Even within Africa, there are significant differences between "failed" or "fragile" states, on the one hand, and stable and peaceful countries, on the other. An international debate has emerged in the light of the problems of reviving Somalia as a functioning state whether the international community should not acknowledge its break-up and diplomatically recognize parts of it as sovereign entities, notably Somaliland in the northern section of the country. The latter has, independently of other powers, developed its own institutions of governance that function in ways identical to what the international community identifies as "good" governance (Hagmann and Hoehne 2009; Chabal 2009).

Because African societies are "plural," i.e., made up of multiple ethnic groups, institutionalizing civic pluralism is a particularly big challenge as the cases of countries like Ivory Coast and Kenya illustrate. Generally judged as economically successful, they have still fallen victim of ethnic violence fuelled by the contested outcome of democratic elections. The colonial powers were able to keep these societies together by being outsiders applying coercion to achieve their objectives. The nationalist struggle to remove these powers brought the various ethnic groups together. The first nationalist generation took advantage of the legacy of the colonial state to keep control over the masses. With the growing demands for democratic governance in the 1990s the old institutional apparatus began to crack up. Much of the past two decades in Africa, therefore, has been devoted to trying to combine universal democratic values with often parochial, but nonetheless broadly embraced norms associated with particular ethnic groups.

If bringing about better governance in Africa is associated with building new nations and attuning state mechanisms to this objective in a manner that satisfies all citizens, the challenges elsewhere are different. In Latin American countries, the main effort has been to deepen democracy. This effort has followed two different lines. One that is embraced by most countries has been to strengthen the institutions of democratic governance: respect for rule of law and civic engagement. Another has focused on the widespread poverty in the region. Accordingly, it has encouraged institutions of governance that are populist rather than liberal. In these countries—Bolivia, Ecuador, and Venezuela—good governance is not treated as an intrinsic end but rather as a means to tackle mass poverty. Thus, even within Latin America, there are, like in Africa, significant differences between the countries of the region.

The same holds true for Asia, although there seems to be a common thread to be found in the desire to make the regimes more responsive to popular demands. In countries like Indonesia, Nepal, and Thailand this has led to greater democracy even though this regime transition has been affected by its own problems and challenges as has been demonstrated in papers prepared for earlier governance conferences (e.g., Jamil et al. 2007). In countries with a Communist legacy, notably China and Vietnam, governance improvement remains a matter for the rulers. It is a managed affair in which, at least so far, citizens have had little input.

The limitations of an autocratic governance approach have been more than amply demonstrated in the Arab world more recently. Citizens in Tunisia, Egypt, and the other countries where people have risen up against their ruler, indicate a lack of trust and a broad sense of alienation that was allowed to boil over because of the ruler's insensitivity to some basic rules of human decency as expressed in good governance.

Two general observations can be made from this review of how context matters. The first is that governance is not a matter of managing a blueprint but rather one of learning how to respond to different and changing circumstances. The second is that understanding the contextual reality of a particular country is as important as knowledge of how to implement a particular program. Governance, like Deborah Stone writes about policy-making, is "a constant struggle over the criteria for classification, the boundaries of categories, and the definition of ideals that guide the way people behave" (Stone 1997, p. 11).

Good Governance as Aid Conditionality has Outlived Itself

The good governance agenda has been used for the past two decades as a hammer over the heads of the governments of the global South. It has quite explicitly been said that foreign aid will become available only as long as these recipient governments adhere to the principal features of this agenda. As suggested in the first section of this chapter, donors have stressed different aspects of this agenda. The Nordic countries have placed special emphasis on human rights and have been sympathetic to concerns about social justice. The United States has focused on democratic governance as understood in that country, i.e., free and fair elections, respect for civil and political rights, and separation of power. The development banks have made corruption a major target. For instance, the World Bank, together with the OECD, has developed a range of tools aimed at assessing the quality of public finance management in countries of the South[2].

While some of these targeted assessment tools may have policy value, the general assessments of country-wide indicators of governance like WBI and CPI have lost much of their popularity because they have failed to predict governance outcomes in particular countries. In other words, comparing individual countries on a scale of global macro indicators is increasingly viewed as being of little value, if not outright counter-productive, when it comes to promoting improved governance.

[2] One such tool that is widely used in donor circles is the public expenditures and financial accountability (PEFA) framework

There is also increasing criticism of the premise that good governance is a precondition for development. No one doubts that some form of effective governance is necessary for development, but it is no longer taken as much for granted as it was 10 years ago that a democratic form of governance reminiscent of the Western model is a necessity for economic development. Not only are there the cases like China and Vietnam—or Singapore, for that matter—that contradict this thesis but there is also significant variation in the degree to which countries that do well economically are democratic in a liberal sense. As Khan (2007) has argued, this variation manifests itself in terms of whether the framework of good governance is applied primarily to enhancing the market (as conventional neo-classical economists have done in the past couple of decades) or to promoting growth which focuses on strengthening capacities to overcome entrenched market failures in allocating assets, acquiring productivity-enhancing technologies and maintaining political stability in contexts of rapid social transformation. The latter tends to place development ahead of governance by emphasizing that institutional reforms alone are not enough to promote and sustain economic growth.

In this perspective that has received increasing attention, it makes little if any sense to apply the good governance framework as conditionality for aid because it is a consequence rather than a cause of development. The Chinese government has consistently acted on this premise and it seems that the rest of the international development community now faces the challenge of deciding whether they were right or wrong in insisting on good governance as a precondition for development—and a condition for their aid.

Future Challenges

This last section will discuss some of the more significant challenges that face the research community in the light of the lessons learnt. I will address three challenges that deserve the attention of the researchers: (1) Is governance really an independent or dependent variable? (2) How do we get a better understanding of what governance interventions can accomplish? and (3) Do we want to study governance using process or outcome variables?

Independent or Dependent Variable

This is a fundamental issue with direct bearing on what kind of expectations one should have with regard to governance interventions and where they should be made. To date, the majority of economists and political scientists have attributed differences in development performance with reference to governance. The latter has been treated as the default independent variable and as such has served to justify all the money that has been pumped by donors into specific governance interventions. The mainstream consensus on good governance has been that the most important capacities in need of improvement are those that maintain efficient markets, limit state provision of public services, and open the political arena to demands from private and voluntary sector stakeholders. In short, it has been setting the good governance bar at a very high level and has slanted the discourse in favor of an agenda that focuses almost exclusively on large-scale institutional reform.

More recently, studies have shown that most countries have been unable to engage in these mega reforms. Critics like Jeffrey Sachs et al. (2004) as well as Musthaq Khan (2007) have argued that governance reforms in countries plagued by mass poverty are misguided and their role overstated. States that did particularly well in catching up with developed societies—China and Vietnam being two such examples—adopted a different strategy. They enhanced their capacity to achieve and sustain higher levels of economic growth by acquiring new technologies and learning how to apply them. In the case of Africa, performance comparisons between individual countries is not explained by differences in their quality of governance (measured according to the standard criteria of good governance) once differences in their levels of development have been accounted for.

The main conclusion one can draw from this critique is that governance is not always the cause of development but as often its consequence. Certainly, standard good governance recipes have been based on questionable empirical evidence. Investment in development rather than governance, therefore, has emerged as a heterodox answer to those who doubt the value of the mainstream governance agenda. This would amount to a return to where the international donor community was before the 1990s when it was generally considered that economic and material conditions determined the quality of political (or governance) institutions. Whether scholars at that time adhered to a modernization or an underdevelopment theory, their common premise was that all political institutions are embedded in social structures. Thus, there are no individual actors making decisions freed from structural—material or cultural—constraints. A particularly instructive text from those days is Seymour Martin Lipset's analysis of how democracy is closely correlated with the level of economic development (Lipset 1960).

How to Get a Better Understanding

So, are we back to modernization or underdevelopment theory? Not really, but there is reason to heed the advice from those days that social structures—and thus context—matter. The days of social and political engineering in the name of governance are over. Scholars have a responsibility to show policy-makers and practitioners, including civic activists, that governance is an activity that is deeply embedded in cultural idioms and social relations.

This does not mean that improved governance is impossible. Nor does it mean, as Huntington (1996) argued that certain groups of people, notably Muslims in his case, are not open to liberal and democratic influences. There is no basis for hubris here, however, because other scholars were equally inept in predicting what has happened in countries like Bahrain, Egypt, Libya, Tunisia, and Yemen. Events in these countries remind us rather of another Huntington contribution, his book on political order in changing societies (Huntington 1968), where he points to the gap between the newly mobilized, educated, and economically empowered people and what their political system allows them to do in exercising their voice. It is the rising middle class, not the poorest groups in society that reacts to the lack of opportunity for political participation.

The point is that a definite measure of humility is needed when it comes to assessing the conditions for governance improvement. Policy-makers and practitioners tend to either over- or underestimate its role in development. If scholars join their choir there is no one to issue a word of caution.

There has been too much energy spent on identifying "best practices" and too little on research uptake. The governance field has been too much focused on identifying how gaps in good governance can be filled. Instead of relying on independent research, donors have relied on consultants whose terms of reference are preset in ways that limit the extent to which they are able to identify true "drivers of change." Fortunately, the research community, e.g., Chang (2002), Grindle (2004), Khan (2007), Rodrik (2007), Centre for the Future State (2010), has become increasingly aware of the limitations inherent in the approach which assumes that the "road to Denmark" (or Norway for that matter), i.e., good governance, calls for the same institutional requirements that can be found in developed countries. Even within the World Bank, voices have been raised against the approach that the institution has used in promoting governance to date (Levy 2010).

Process or Outcome Variables

Comparative research will no doubt continue but the question is how this may be pursued in the future. The donor community as well as individual scholars has made use of the composite worldwide governance indicators that have been developed by the World Bank and other institutions for the purpose of measuring various aspects of governance quality. More and more questions, however, have been asked in recent years regarding the validity of these indicators (Arndt and Oman 2006; Thomas 2006; Iqbal and Shah 2008; Langbein and Knack 2008). Are the indicators biased and erroneous? Given their influential nature such a hard question is more than warranted.

This critique has covered virtually all aspects of the research. The measures lack a theory and an adequate conceptualization. It falls short of clarity when it comes to measurement. There is a sample bias, typically views of specific interest groups, notably the business community. Complaints also include charges of lack of transparency and time inconsistency (especially true in the case of the aggregate measures included in the WGI). Finally, the composite measures focus on process variables rather than variables that capture how citizens perceive the governance context and outcomes in their own countries (Ivanyna and Shah 2009).

The point is that processes and institutions can lead to divergent governance outcomes just as dissimilar processes could yield similar outcomes (Ivanyna and Shah 2009, p. 3). In the past couple of decades single party dominant political systems like China, Malaysia, and Singapore have shown dramatic improvements in economic growth and poverty reduction, but this is also true for pluralistic political systems like Brazil, Chile, and India. Different institutional setups have produced similar developmental outcomes. Various government systems are capable of being effective in producing public goods. Ivanyna and Shah propose a different framework that captures most aspects of governance outcomes rather than governance processes.

The authors have tested this framework with the help of a special data set that they had to create because existing ones did not serve the purpose of this type of measures. This data set relies primarily on opinion polls, first and foremost questions raised in the World Values Survey, Afro-barometer and Asia-barometer. The empirical testing shows, not surprisingly, that some countries have been overvalued and others undervalued in the composite measures used by the WGI. The most overestimated countries are Moldova, Lithuania, Latvia, Estonia, and Hungary. The most underestimated are Vietnam, China, Iran, Bangladesh, and Saudi Arabia.

This citizen-centric approach is mentioned here not because it is necessarily an obvious alternative but to indicate that there are other ways of measuring governance than those that have guided the field to date. It is meant to stimulate researchers to think about how to extend the boundaries of our investigations in order to make them better with regard to such criteria as validity and relevance.

Conclusions

The governance field has been constantly evolving with a growing number of actors participating and shaping its content and orientation. This chapter has attempted to take stock of the more important features of this evolution. It shows that further research is warranted on many aspects of what are conventional thoughts and practices. Researchers have an important role in highlighting shortcomings as well as identifying alternatives because so much is being decided based either on political faith or on consulting reports that are based on terms of reference set by the commissioning agency. This is not a critique of the individual consultants that perform these studies but rather the systems of appraisal and evaluation that are currently in place because they leave little, if any space for "thinking outside the box." Yet, as the evolution of governance practice shows, it is precisely bold research ideas such as moving from supply- to demand-driven governance support or from institutional to political economy analysis that helps the international community achieve better modes and forms of governance.

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