ARTICLE

Development, Good Governance, and Local Democracy

Klaus Frey
Catholic University of Paraná (PUCPR),
Postgraduate Programme in Urban Management (PPGTU), Brazil

This article analyses the concept of "good governance" as promoted by the international development community, above all by the World Bank, within the predominant neoliberal development approach, emphasising the implications for local governance and management in developing countries. Highlighting the extent to which it is embedded in the neoliberal development approach, the good governance concept is analysed with regard to its peculiar understanding of participation and democracy. The article discusses the subordination of the World Bank's consensus-oriented approach of good governance to economic imperatives, fading out the centrality of its political dimension. In the context of unequal societies, such an apolitical governance concept only contributes to the strengthening of existing power relations. In its conclusions, the article stresses the need to rethink the good governance approach to development and local politics according to Chantal Mouffe's agonistic view of democracy, which considers political protest, social mobilization and politicization as essential conditions for social transformation and democratic vitality.

Keywords: Good governance; Development; World Bank; Urban governance; Local democracy.

Introduction

At least since the end of World War II and the consolidation of a wide-ranging net of international relations, based on the gradual formation and extension of the UN-system of global governance, but also due to the international mass media system, the World has become progressively interdependent. This is not only true in a material sense, concerning the interchange of material resources, products and money, but also regarding the flow of ideas, concepts and perceptions that are shaped, or at least influenced, all over the world, by a kind of global or transnational public sphere (Fraser 2007; Castells 2008).

Such immaterial flows are grasped, assimilated and incorporated into the national discourse, by each country and society, trickling down to the regional and local level, in accordance with the particular societal and political context, influencing local administrative and political patterns and practices.[1]

These mutual and complex global-local discursive relational ties are neither of an exclusively voluntary nor of a democratic kind, but are expressions of hierarchies and a given distribution of political power, inclusively determined by an unequal distribution of capacities to dispose of material flows.

This state of imbalance has become very evident in international development policy, where due to the strong dependency of national governments on international financial support, the adoption of structural adjustment strategies, prescribed by International Monetary Fund (IMF) and the World Bank within the overall framework of the *Washington Consensus*, has become a *condition sine qua non* for underdeveloped countries to guarantee at least short-term governability, paving the way for the new neoliberal global world order and shaping decisively the current context of development (Stiglitz 2004; Chomsky 2006). As Stiglitz puts it, developing countries have been forced to adopt a very particular view of governance, of the division of roles and functions of market and state institutions, as well as radical economic recipes which are not even shared and adopted by the industrialized countries themselves (Stiglitz 2004, 289, 295).[2]

In the context of the hegemonic discourse of neoliberalism, the overall tendency of unilateral imposition that characterized development agencies' policies right from the start (Easterly 2007), found its expression in the discussion about the role of the state and, as a consequence, in the field of public sector reform. Accompanying a general shift in the industrialized world (Rhodes 2007, 1244), governance has become a key focus in the development debate of the 1990s, not only concerning the necessity of restructuring global governance arrangements in order to overcome the predominance of "donor states" and of financial interests over the poor states of the South (Theobald 1999, 102; Stiglitz 2004, 36), but also with regard to the restructuring of the state and of state-society relations within these southern countries, as a basic condition for development (World Bank 2000; Borges 2003; Führmann 2003; Dolzer 2004; Goldsmith 2007).

Taking into account the overwhelming influence of the principal international aid institutions, first and foremost the IMF and the World Bank, on national governments' room for manoeuvre in the field of public sector reform, I try to show in this paper the transformation of the World Bank's thinking on the state, the role of the public sector, and specifically the importance of local government for development. Lastly, I have a look at today's dominant good governance conception and its consequences for urban governance prospects in the developing world. The primary emphasis given to the World Bank is justified

because of its central position as development agency and, at the same time, scientifically supported think-tank on development issues. In spite of there existing variations within the development community, the main international development agencies share an overall consensus "that 'good' (i.e., transparent, accountable, inclusive) governance should be established and expanded everywhere to boost the tempo of development" (Goldsmith 2007, 166).

Historical Overview of Development Thinking Concerning Public Management and Urban Governance (with a Special Focus on the World Bank)

The development community, and more specifically the World Bank as the most important international development agency, has experienced in recent decades a very significant transformation in both development discourse and – perhaps to a lesser extent (Toye and Toye 2005) – practice. At least three phases of development policies and corresponding state-society concepts can be distinguished (Dolzer 2004; Mestrum 2006; Cheema and Rondinelli 2007).

In the first phase of post-war development policy, until the 1970s, development was basically equated with economic growth. In general, since the "hour of birth" of development policy (Hein 2007) on the occasion of the inaugural address of US President Harry S. Truman on 20 January, 1949, when Truman laid out some basic principles that strongly influenced the coming six decades of international development aid, the notion of an underdeveloped world prevailed. That underdeveloped world had to be boosted to the economic level of the western developed countries by, basically, importing technology and knowledge, as well as capital from the advanced developed countries (Bhuiyan 2004; Moraes 2006; Frey 2008). Salvation and the model to follow would come from the developed West. "The White Man's Burden" [the title of Easterly's recent book] emerged from the West's self-pleasing fantasy that 'we' were the chosen ones to save the Rest (Easterly 2007, 23).

In Resolution 290 (XI) of the UN Economic and Social Council these principles have been translated into an ethnocentric policy paper where a "lack of interest in material things" within poor nations and the unwillingness of people "to make the effort to produce wealth" have been identified as the main impediments for these countries to join the desirable development standard of western developed countries (United Nations 1951). In order to change this "relative preference for leisure" (United Nations 1951) it is necessary to change society itself: "their habits of life and thinking, their political and legal institutions, the stratification of their social classes, the design of their civilization" (Moraes 2006); this as a precondition to transform "the old racist coinage" of the "uncivilized" into the so-called

"underdeveloped" world, the "savage peoples" into the "Third World", although maintaining "a paternalistic and coercive strain" (Easterly 2007, 24). Or as Truman put it, people in poor countries have first of all to be convinced that something better is possible: "I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life" (Truman 1949). In addition, this position was backed up by concerns with the possibility of poverty ending up in "the adoption of politically dangerous and inconvenient attitudes, i.e., the adoption of communist and crypto-communist regimes" (Moraes 2006, 38).

The post-war period was, therefore, marked by fundamental faith in the blessings of industrialization, economic development and technological progress as crucial conditions for bringing the countries of the south onto the development path taken previously by the north: "poor countries looked at rich countries as the model to follow" (Mestrum 2006, 63). In order that such a virtuous development process, towards the desired model of the developed nations, could be initiated, according to this early UN proposal, two fundamental conditions have to be given and actively brought about: firstly, a strong development state able to impose burdensome adjustments on the people in the underdeveloped countries, an ineluctable "destructive agenda" or "cultural massacre" (Moraes 2006, 71); and secondly, the transfer of necessary resources from the north to the south.

The catch-up modernization advocated should be attained by strong state institutions as central agents of social and economic development (Hein 2007; Smith 2007), whereas the different international development agencies, such as the World Bank and the IMF, should give the necessary support by providing technical assistance and financial resources to these state agencies, above all in favour of public enterprises (Rist 2001, 146).

A lack of investment capital was identified as one of the main shortcomings of development policy. This, however, according to the mainstream thinking at that time should and could be overcome by capital import from abroad. Poverty reduction was seen as following naturally from economic growth. In line with the — to date predominant — *trickle-down theory*, the gains in economic growth made possible by these massive foreign investments would initially benefit the overall national economies. Secondly, these benefits are expected to "trickle down" automatically to the poorest in society. As a consequence of this conception, financial resources at the time were primarily directed at individual projects and purposes, above all at huge infrastructural projects. As a result, the World Bank, for instance, became known for "funding economically questionable megaprojects with devastating social and environmental costs" (Fox and Brown 1998, 1), very often lacking maintenance funding and therefore turning out unsustainable in the long term (Easterly 2007, 189). Hence, in the post-World War II period, state-society structures and the powers of government and public authority were highly centralized in both developed

and developing countries (Cheema and Rondinelli 2007, 3). In the 1950s and 1960s, however, the urban problem – urban development and management – was not yet on the development agenda. Since poverty was seen as basically a rural phenomenon and problem, investment was mainly directed at rural areas (Ponte 2002).

Significant changes came about in the 1970s and 1980s. With World Bank president Robert McNamara (1968-1981), an attempt was made to introduce a new development strategy aiming at the improvement of income and the basic necessities of the poor: poverty arrived for the first time at the top of the World Bank agenda. The concept was based on the expectations that investment in the poor and in their economic opportunities would produce economic growth beneficial for the whole economy (Führmann 2003, 7). Rist, for instance, criticizes this approach as a mere continuation of the traditional, narrow economistic development thinking: "even if 'it is mainly due to morally oriented considerations that development aid is justified', the ultimate objective consists of enhancing the productivity of the poorest in order to include them in the economic system" (Rist 2001, 266).

Nevertheless, with this poverty-oriented approach, the urban question gained significant ground in the development debate. Poverty began being addressed as a menace for general social well-being and the social order, as well as a productive potential to be explored in favour of economic growth and development. Thus, for the World Bank, "poverty constituted a twofold problem: economically it meant a reduction in the productivity of the workforce that was affected by it, while from a strictly political point of view it was a threat to the order of urban society" (Ponte 2002, 207). With the growing consciousness regarding the importance of cities and local governments in the fight against poverty, a first strong argument concerning decentralization was set out. This influenced the general process of decentralization that took place from the 1970s onwards.

With the economic crisis caused by the rise in international oil prices, the deterioration of the terms of trade for raw material and the demise of the Bretton Woods system, payment deficits, high inflation rates and economic stagnation became increasingly critical in developing countries (Führmann 2003, 7; Mestrum 2006, 63). Thus, poverty reduction was eclipsed as the main objective of the World Bank agenda in favour of a stronger emphasis on macroeconomic concerns and corresponding expectations with regard to the supposed trickle-down effect of economic growth.

In a study edited by John Williamson, whose primary aim was to propose effective reforms for Latin American nations, a ten-point plan[3] was put forward. Later, it became known as the "Washington Consensus", as the principles contained in it were supported by the World Bank, the IMF and the U.S. Treasury, all located in Washington. "Indeed, the emergence of the so-called 'Washington Consensus' gave rise to the widespread adoption of structural adjustment policies rooted in aid-conditionality under the aegis of the IMF

and the World Bank" (Mackintosh et al. 2007, 2). Above all in the first implementation phase of the Washington Consensus, economic growth and the withdrawal of the state from the economic sphere became the central concerns of development policies and were seen as preconditions for tackling poverty effectively: "The claim was that a smaller state would be good for growth, and growth would be good for poverty reduction" (Toye and Toye 2005, 7).

On the other hand, the shift from the state to market-led strategies in development policy, "focused on strengthening the private sector, privatizing or liquidating state enterprises, downsizing large central government bureaucracies" (Cheema and Rondinelli 2007, 3-4), made it at the same time necessary to rethink the role and functions of the shrinking state and therefore the new conditions of governance and decentralization as well. "The International Monetary Fund, the World Bank, and other international development organizations prescribed decentralization as part of the structural adjustment needed to restore markets, create or strengthen democracy, and promote good governance" (Cheema and Rondinelli 2007, 4).

It is quite interesting to recognize that, starting from the concern about macroeconomic reform, the strengthening of democracy and participation was incorporated into the overall World Bank discourse basically as a concept able to give support for economic transformation. Democracy and decentralization shall contribute to establishing an enabling environment favourable to economic growth and development. This renewed discourse allowed the World Bank, and the development community in general, to bring in line pro-growth concepts of structural adjustment for a liberalized and interconnected world economic system with the growing popular expectations in many parts of the developing world concerning more local autonomy, decentralization and political emancipation. So the World Bank assumed a leadership role in the overall valuation of participation by development agencies as a means to ensure stakeholder involvement and shared control in development initiatives. "This recognition and support for greater involvement of local people's perspectives, knowledge, priorities and skills presented an alternative to donor-driven and outsider-led development and was rapidly and widely adopted by individuals and organizations" (Cooke and Kothari 2001a, 5). According to the critical view of Cornwall and Brock, "fine-sounding buzzwords", such as participation and empowerment, have become part of a "seductive mix of buzzwords" constituting the new hegemonic development discourse, the new "feel-good rhetoric" that shapes today's practice of international development agencies (Cornwall and Brock 2005, 1). The World Bank began to distance itself from the traditional centralization concept in view of the negative experiences of corruption and rent-seeking practiced by national and local elites. Henceforth, the "capturing" of state or public resources in favour of private interests was interpreted as the primary hurdle on the

road to growth and development. Given the overall background of structural adjustment and a shrinking state, the strengthening of local governments and local communities, the expansion of their self-help capacity, decentralization and local control now became a necessity in the general development agenda (Cheema and Rondinelli 2007, 3-4).

The instrumentality and economic rationale of this decentralization approach become evident regarding the urban development agenda, where "particular importance was attached to improving the productivity of the poor, in order to combat poverty and encourage the growth of investment" (Ponte 2002, 207). The abandonment of more large-scale and standardized forms of service delivery was accompanied by project-based approaches and smaller pilot interventions, to the detriment of the former practice of formulating comprehensive urban plans and programmes (Werna 1995, 354).

From the 1990s onwards, a process concerned with the questioning of former strategies of the minimal state was initiated, recognizing the increasing loss in steering capacity by state agencies in the context of globalization. This renewed interest of the World Bank in the supporting role of state agencies for development, received a variety of comments and judgments. In comparison with the previous decade, it could be argued that the World Bank had begun, under the growing pressure of social and grassroots movements, to recognize its own failures in the past, committed itself to the notion of "sustainable development", adopted more rigorous environmental and social policies and advocated a more central role for citizens and local stakeholders in development processes by means of participation and good governance. From this point of view, it could be considered a new development approach that brought in line politico-economical reform with measures of poverty reduction, sustaining a kind of post-Washington Consensus (Führmann 2003).

For others, the new emphasis on poverty and good governance did not aim at the removal of the basic principles of the Washington Consensus. "On the contrary, poverty reduction policies seem to be the consensus topic that allows for continuation of neo-liberal reforms" (Mestrum 2006, 63). From this point of view, combating poverty and good governance do not really go beyond mere complementary or compensatory measures considered indispensable to enforce the neo-liberal agenda. In line with this view, the new managerial approach to public administration, the focus on local capacity building and institutional strengthening of local governance, the concepts of partnership, social capital and social networks, all of which gained ground in the current good governance debate, could be interpreted as mere enforcement measures for the pro-growth agenda on behalf of the dominant global economic forces.

It is important to clarify that the World Bank and most of the other development agencies do not seriously take into account the more essential critics of development and present-day capitalism. As an example, one might mention, amongst many, Immanuel

Wallerstein, for whom historical capitalism is "a system in which the created institutions allowed that capitalist values acquired priority to such an extent that the world-economy took the way of all-embracing mercantilization yielding ceaseless capital accumulation as an end in itself" (Wallerstein 2007, 90), or of the same tenor, Serge Latouche, who calls into question the sustainability of our "growth society", a society, according to him, dominated by a "growth economy", in which "growth for growth becomes the main if not the only aim in life" (Latouche 2003). For Latouche, even the idea of sustainable development contradicts the notion of sustainability itself. "This means prolonging the agony of the patient as long as possible by entertaining the virus" (Latouche 1994, 93).

Even if there can be identified within development institutions like the World Bank a growing awareness on the part of at least certain sectors and representatives demonstrating concern with the ecological, social and even economic limits of current development models, these issues are still treated as merely negative side-effects of a presumably virtuous growth-oriented capitalism. Therefore, proposals like Latouche's "de-growth" approach appear as totally out of the question.

In order to provide a better notion of the World Bank's concept of good governance and to understand its relevance to urban politics and management, its main features and the contested discussion surrounding it are presented below.

Good Governance – A New World Bank Approach to Development?

Governance as an analytical concept aiming at the understanding of changing internal relationships between different state agencies, as well as of changing relational patterns between public administration, government and civil society was initially developed to describe and analyse a transformation that affected public affairs in the current context of an increasingly interdependent world in local, national and, above all, international relations (Kooiman 2000; Kjær 2004; Benz et al. 2007). By the addition of the adjective "good" to the notion of governance, the approach has become strongly normative. Based on scientific insights from Political Science, Institutional Economy and Development Management, the World Bank concept of good governance has led to the equalization of governance with "government", reducing governance "to a commitment to efficient and accountable government" (Stoker 1998, 18; Sindzingre 2004).

This state-centred conception of governance is based on the assumptions that corruption and rent-seeking strategies by self-serving elites are hindering common-good-oriented economic and societal development. In addition, effective and strong state agencies are considered functional and necessary to create a positive and reliable economic environment and to provide adequate distributional conditions of wealth and benefits

(Theobald 1999, 95). Without a doubt, this renewed interest in the state represents a recurrence to the post-war period with its expectations concerning the state as primordial agent of development, even though the former focus on development is replaced now by a focus on management. The crucial role of the state as management agency becomes evident in the World Bank's own conception of governance as defined in 1992 as "the manner in which power is exercised in the management of a country's economic and social resources for development" (World Bank 1992, 1).

In order to understand the current World Bank concept of good governance, it is of fundamental importance to take into account the historical development of the ideas, demonstrating how and in which context these have been generated and promoted. The lack of precision and clarity and the ambiguity in the use of the term 'good governance' has to do with continuities in World Bank thinking, as well as with constraints that are proper to the Bank as an extraterritorial institution whose board of governors is composed in proportion to the contributions made by each country, which in the end determines the structure of influence in the Bank's decision-making process (World Bank 1992; Theobald 1999; Ponte 2002; Kjær 2004; Sindzingre 2004). Another restrictive aspect has to do with the so-called Articles of Agreement that determine the World Bank's guiding rules and bind the institution to the principle of political neutrality (Theobald 1999, 98-102; Sindzingre 2004; Nanda 2006, 272). On the other hand, as the overall concept of good governance has been formulated by several multilateral institutions including the United Nations Centre for Housing, Building and Planning (UNCHBP), United Nations Educational, Scientific and Cultural Organization (UNESCO), Food and Agriculture Organization (FAO) and World Heath Organization (WHO), counting, however, on the World Bank as the leading institution, it indeed reflects a political inter-institutional compromise (Ponte 2002).

The practice and necessity of political balancing of different, sometimes antagonistic interests and conceptions has strongly influenced the advancement of poverty concerns in the development agenda and, simultaneously, the emergence of the good governance concept. In a 1989 Bank report on Sub-Saharan Africa, the absence of good governance was identified as responsible for the lack of progress in development in spite of a significant transfer of development aid to the benefit of these countries.[4] The report highlighted de-motivating effects on ordinary people of the top-down approach to implementation in African countries that basically consisted of "copying, but not adapting, Western models" (World Bank 1989, 3).[5]

The main focus of this report was on the governments' capacities to formulate and, above all, to implement financial and economic policy, putting in place an "enabling environment that fosters private investment" (World Bank 1989, 15), although one already finds several hints concerning the necessity of participation and of "investing in people"

(World Bank 1989, 6) or "developing people" (World Bank 1989,189). The long-term strategy proposed aims "to release the energies of ordinary people by enabling them to take charge of their lives" (World Bank 1989, 4). The expectations expressed regarding people's empowerment stress neither its political dimension in the sense of creating counter-power able to confront the dominant local elites, nor the establishment, from a more functional perspective, of accountability measures in order to guarantee feedback to the citizens (Easterly 2007). Rather, they stress assisting people and local communities to become more autonomous and independent from state assistance. From this point of view, empowerment is in line with — or is the necessary complement to — the neoliberal strategy of a shrinking state. The final goal is the creation of favourable conditions for the free interplay of market forces. For the role of the state this means "not just less government but better government — government that concentrates its efforts less on direct interventions and more on enabling others to be productive" (World Bank 1989, 5).

Even in an Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) document from 1995 (DAC 1995), titled 'Participatory Development and Good Governance', the concept of good governance was still discussed "in terms of 'efficient management' capable of running the public sector well, bringing corruption under control and ensuring reductions in military expenditure" (Hoebink 2006, 133), revealing a technocratic perception of participation. Both combating poverty and good governance entered the development agenda as strategies able and necessary to sustain neoliberal reforms of structural adjustment, though not with the objective of bringing about political and social emancipation.

This dual strategy of a neoliberal agenda accompanied by simultaneous strategies of poverty reduction could be seen, as Sindzingre (2004) and Kjær (2004) point out, as an attempt to balance the different interests and accountabilities with which the World Bank as a multinational development and finance agency has to deal with. On the one hand, in order to guarantee further capital injections from the US Treasury, the Bank has to attend the US Government's expectations concerning deregulation, open markets and the liberalization of capital markets; on the other, in order to ensure legitimacy and a favourable ambience of acceptance and cooperation, it has to take into account what Kjær calls the "global interests", that is, the interests and expectations of the global community of states and the emerging global civil society. These actors used to defend a more careful protection of some industries, some state regulation and even some regulation of the financial and capital markets, but also the consideration of social and environmental issues.

The contradictions and conflicts, basically about growth orientation and administrative efficiency on the one hand and poverty reduction and democratic strengthening on the other, very often lead to the opposition of different groups of countries and even different

views within the World Bank staff itself, as Kjær (2004, 178-182) and Sindzingre (2004, 171-172) illustrate with several examples. Hence, the fact that combating poverty has in the last few decades gained a prime role in the World Bank's development approach — and taking into account that "the US does not have a strong interest in poverty reduction *per se* in its development policies" — could in fact be understood as a sign of the World Bank's independence from the US government: "by putting poverty at the forefront, the Bank cannot be criticized for reflecting slavishly the economic views of the US government, and it can even claim to be independent of its influence" (Sindzingre 2004, 170). Kjær, however, is much more sceptical about the real changes in the World Bank's way of acting. "There is a tendency, then, for Bank rhetoric to be more ideological and 'global', while Bank practice tends to be more in line with neo-liberal ideas" (Kjær 2004, 183).

However, what is very important to state is that in spite of the alleged political neutrality of the World Bank, its development discourse and concepts are highly contested and disputed[6] (World Bank 2000). It definitely lies in the nature of the issues at stake that "the Bank does affect domestic political matters, whether it desires to or not" (Kjær 2004, 179). This contradiction appears very strongly in the concept of good governance: regardless of the neutral definition of governance, it aims at influencing political and administrative decision-making processes, the functioning of governmental action and the process of policy-making, thus affecting existing power relations within nation states.

Good governance, according to the World Bank (1992), compounds four basic areas of action: efficient public sector management, accountability of state and administrative action, transparency and active information delivery and, at least, a trustworthy legal framework. Whereas the World Bank always tried to present these principles as mere technical mechanisms aimed at the improvement of the conditions for economic development, it is clear that the implementation of such measures has strong implications for the political power structure, as there are groups, even at the top of most governmental hierarchies, who used to benefit from corruption, the lack of accountability and transparency, or clientelistic structures. According to Nanda (2006, 276), it is exactly the history and culture of each country that the World Bank does not take suitably into account, starting from the assumption "that those responsible for change in the recipient state act with *rational choice*" (Nanda 2006, 275). It is exactly these specific political and cultural conditions of each country and their implications for the political process that generate resistance and hamper the successful implementation of good governance reforms.

The political dimension of good governance also becomes apparent if one looks at the different kinds of use made of the concept in development policy (Hoebink 2006): first, as a criterion for initiating aid relations, for breaking-off aid relations or for changing the content of aid relations; second, as an objective for strengthening state organizations, democratic

practices or the involvement of 'civil society' organizations; and third, as an instrument to promote economic development and to eradicate poverty. This means, on the one hand, that good governance has become an additional criterion of conditionality for development aid — in addition to the traditional financial-economic conditionality —, and, on the other, that it has become a development goal and field of action of development aid itself.

The broadening of the concept occurred only in the following years, with the strengthening and integration of human rights and democracy requirements within the overall concept, as in the previously mentioned DAC document (DAC 1995), giving to it a more political connotation (Theobald 1999, 96-97).

In the same context, the strengthening of democracy and participation entered the good governance discourse and agenda above all due to the UN Millennium declaration, where the essential relevance of good governance for development and poverty eradication is highlighted. It reads: "Success in meeting these objectives [development and poverty eradication] depends, *inter alia*, on good governance within each country" (UN 2000, 4). In order to guarantee freedom as one of the main values mentioned by the Millennium declaration, governance has to become democratic and participatory: "Men and women have the right to live their lives and raise their children in dignity, free from hunger and from the fear of violence, oppression for injustice. Democratic and participatory governance based on the will of the people best assures these rights" (UN 2000, 2). A 2005 UN General Assembly resolution that attempted to assess first outcomes of the Millennium Declaration stressed still more emphatically the decisive role of good governance for sustainable development: "We acknowledge that good governance and the rule of law at the national and international levels are essential for sustained economic growth, sustainable development and the eradication of poverty and hunger" (UN 2005, 2).

Whereas for Nanda (2006, 270) the lack of consensus on the criteria for measuring good governance is responsible for the ambiguity and imprecision of the term and the difficulty in its application in development policy, the main problem, according to Hoebink (2006, 155), is rather how to deal with the different objectives, how to take into account the different relationships between them and, lastly, what should be the concrete implications for the application of these criteria in the implementation of development policy.

Therefore, Hoebink might be right with his recommendation that "extreme care is needed with regard to using the concept good governance as a criterion for entering, changing or breaking off aid relationships" (Hoebink 2006, 156), as there is no clear empirical evidence concerning the relationship between good governance and economic development or the effective use of development assistance (Nanda 2006; Goldsmith 2007).[7] Considering in addition "the unresolvable contradiction between conditions and sovereignty" (Easterly 2007, 146), political conditionality of development aid is certainly

a delicate, poorly enforceable criterion, and one that is prone to political and ideological arbitrariness.

Due to these difficulties, the main question might not be how to cope with good governance requirements as conditions for development aid, but how to consider these different dimensions of good governance as a field of action of development aid. Several questions arise: how could and should development assistance give support to these different dimensions of good governance? On which of these dimensions should emphasis be placed first and foremost? Are these goals at odds with each other? If so, how can they be made compatible?

The next two sections are concerned with the World Bank's apparently ambivalent strategy regarding good governance: firstly, its market-orientation and the extent to which this is embedded in the overall neoliberal worldview as guiding principle; and, secondly, its recent support for participation, social capital formation and the strengthening of democracy.

Good Governance within the Neoliberal Concept of Development and Public Management Reforms

According to the World Bank and, in its wake, the mainstream of development thinking, the primordial importance of good governance derives from its contribution to support effective market transaction. As a consequence, it will favour growth and poverty reduction. Hence, in the view of the World Bank, good governance is central to the goal of poverty reduction "through its powerful effects on overall economic growth" (World Bank 2002, 99).

Even though the Bank admits "that development [does not] automatically bring good governance", it justifies the focus on economic development with the argument that "poverty, illiteracy, and weak institutions make the task of good development management much more complicated and problematic" (World Bank 1992, 10).

In this context it is very important to note that World Bank thinking — in line with its institutional mission — is determined, first and foremost, by an economic rationale, regarding good governance as "an essential complement to sound economic policies" (World Bank 1992, 1). It is supposed to "establish the rules that make markets work efficiently and […] correct market failure" (World Bank 1992, 1). In the end, even though recent World Development Reports showed a broader comprehension of what development should be (see below), the degree of subordination to economic and financial imperatives is striking, defining as objectives of good governance "the formation of the rules and institutions which provide a predictable and transparent framework for the conduct of public and private

business and to promoting accountability for economic and financial performance" (World Bank 1992, 3). In the 2002 World Development Report titled "Building Institutions for Markets", the market-fixed vision of good governance becomes particularly evident, as good governance is basically identified with the ability of political institutions to support markets. "The ability of the state to provide these institutions is therefore an important determinant of how well individuals behave in markets and how well markets function" (World Bank 2002, 99). But even in the 2004 World Development Report with a specific chapter on the role of "citizens and politicians", the justification in favour of participation is its contribution to accountability and as a consequence to governmental performance in service delivery (World Bank 2003, 78). This corroborates the critics who point out the technocratic view of participation inherent to most development agencies' thinking. "To the aid agencies, participation is an apolitical technical process of consulting the poor" (Easterly 2007, 144).

The World Bank seems to reassume the faith in the 'healing strength' of institutions that in the past characterized development policy, mainly in the 1960s and 1970s, when institutional strengthening was strongly defended by international development agencies in order to enhance governability and efficiency of development administration in the Third World (Goldsmith 1992). However, at that time the state was principally conceived as a scientifically run interventionist state able to induce development and sustain nation-building. The concept of development administration stood for modernization, scientific management, central government planning and the provision of social welfare (Dwivedei and Nef 2004, 156-157). Expectations concerning the responsibilities of public administration changed fundamentally in the World Bank's good governance concept. Political institutions are now conceived of as basically providing a favourable environment for the free development of markets. They are supposed to influence policy choices, prevent the state and its public officials from being corrupt or acting in favour of particular interests, influence the incentives of the state to raise revenues and, ultimately, to "support markets" (World Bank 2002, 101).

Whereas in the 1960s and 1970s strategies of institutional development used to support so-called bureaucratic authoritarianism, i.e., repressive "national security regimes" (Dwivedei and Nef 2004, 157), "based on a coalition of the public bureaucracy and the propertied sectors […] against the peasantry and an emerging urban proletariat" (O'Donnell 1979, 89), today these cleavages of conflict seem to vanish in the course of an ongoing attempt to demonstrate the compatibility of market-friendly institutions with services for the general interest.

In former times, institutionalization aimed at the strengthening of the state's capacity as an active agent of development, thus leading to "the inflation and compartmentalization

of administration" (Slater 1989, 504). Nowadays, institutions are designed and developed basically to constrain the bureaucratic apparatus and public officials, who in the past presumably used their "power arbitrarily in the interest of the privileged few" (World Bank 2002, 99), acting now presumably for the benefit of the free play of market forces. These forces, exempt from state patronage and intervention and driven by Adam Smith's "invisible hand", are now expected to interact in an environment of free competition in favour of economic growth and, as a consequence, to reduce poverty. The same privileged few, now restrained and purified by "the types of institutions that limit the ability of the state to provide policies that favour special interests over the general interests" (World Bank 2002, 101), will now cease to pursue their self-interests and begin "to support markets — by increasing access to information, enhancing competition, and enforcing contracts" (World Bank 2002, 99).

What both approaches have in common is a very limited, one might say naïve, view of the political dimension of the institutionalization of power that such institutional redesign evokes. Whereas in the 1960s and 1970s the strengthened state apparatus was used by the state elite not only for modernization and boosting the economy, as was hoped for, but also for repression and militarization (Dwivedei and Nef 2004, 157), it is extremely difficult to imagine why and how these public officials or the politicians in parliament and government should suddenly begin to conceive and implement institutions able to restrain their own self-interests or the interests of their own electorate. For, as the Bank points out, good governance demands measures that are directed against the expectations of the majority of the people: "Good governance requires the power to carry out policies and to develop institutions that may be unpopular among some – or even a majority – of the population" (World Bank 2002, 99).

This sentence is not only striking in terms of the justification it provides for the rigorous measures of the structural adjustment strategies espoused and their expected severe social implications, but it is particularly revealing as it asserts, firstly, that good governance is required as a prerequisite in order to create favourable conditions – policies and institutions – for good governance and, secondly, that it tends to be incompatible with basic democratic principles, as for instance the principle of majority rule. The World Bank ignores the existing hierarchical power relations that prevail in most of these countries when the issue is about strategies designed to achieve conditions of good governance. When "the appropriation of the machinery of government by the elite to serve their own interests is at the root of this crisis of governance" (World Bank 1989, 192), the World Bank fails to address the question of who will be the agents of this transformation in countries characterized by conditions presumably of "bad or weak governance" and how these will come into office. Although the Bank recognizes in its Report on Sub-Saharan Africa the need for political renewal as a

condition for better governance and demands "a concerted attack on corruption from the highest to the lowest level" (World Bank 1989, 6), the Bank fails to present an adequate strategy as to how and by whom this concerted attack should be carried through. Due to the strength of prevailing formal and informal rules and institutions, Easterley, for instance, questions western top-down dreams concerning comprehensive institutional reforms in favour of markets: "So the West cannot design a comprehensive reform for a poor country that creates benevolent laws and good institutions to make markets work" (Easterly 2007, 100).

If the privileged few, arbitrarily using their extensive power on behalf of their own self-interests, as the Bank itself states (World Bank 2002, 99), are used to pursuing their self-interest under given conditions of bad governance, and if the adjustment strategies suggested by the Bank apparently have to be directed *against* the people's will, it is not reasonable to imagine support neither from within the politico-administrative system nor from society or the electorate.

Hence, the World Bank disregards the existing power structures and underestimates the necessity to think about strategies and ways to overcome these impeding power conditions. This fact becomes particularly doubtful in view of the World Bank's expectations of a limited but powerful state where precisely these public officials that formerly used to act in favour of their self-interests should now be endowed with "the power to tax individuals and companies to raise public revenues", "the power to enforce regulations against monopolistic abuses, the power to see the state's policies implemented" and with "the ability to try, judge, and punish those who do not respect those [property] rights" (World Bank 2002, 99).

At this moment I will not resume the question discussed above concerning the doubtfulness of the absolute devotion to market solutions of the Bank's development proposals, in reality ignoring the specific economic context and conditions for the implementation of neoliberal reforms in the different countries of the South (see above). The focus is rather on the political conditions and strategies for governance reforms. Whereas the World Bank starts from the assumption that there already exists – or should be created – a political consensus around the idea of the liberal market model of development, where the role of the state is basically limited to some market supporting regulations, the Bank ignores the political implications of the proposal itself and the necessary political conditions for the implementation of whatever kinds of institutional reforms being pursued in a context where the prescribed good governance conditions are not (or not yet) given.

The expectations concerning the possibility of consensus-building by supportive institutions which are at the basis of the World Bank's development and good governance approach might be condemned to failure in the context of highly heterogeneous societies

characterized by extensive plurality of interests and clear lines of conflict. The approach presupposes what it is supposed to provide. "Thus moving from words to action requires a favorable institutional context. It must emerge from, and at the same time support, political consensus" (World Bank 1989, 193). A view that ignores the strength of hegemonic power structures becomes evident. This is unlikely to be overcome by dialogue alone, as proposed by the Bank. The different affirmations that "fortunately disagreements in practice are few", that there is a "broad consensus on objectives", seen as "the starting point for working together", and finally the warning that "there is no place for fundamentalism" (World Bank 1989, 185), all seem much more expressions of wishful thinking or of an alignment between the interests of the development community and the national elites in developing states than the result of a realistic assessment of local power conditions.

In order to achieve this necessary global consensus in developing countries, the World Bank increasingly began to stress the need for democratic participation and the deepening of democracy as essential parts of good governance. The next section tries to present and discuss critically this kind of participative approach and how it fits into the overall good governance concept.

Good Governance, Politics and Democratic Participation

The starting point for my reflection upon participation and democracy is how the World Bank and the mainstream of the development community conceive of the relationship between the state/the public administration, the market/private enterprises and civil society/ the citizenry, in order to gain a better understanding of their concept of democracy and politics and its appropriateness for local development processes.

Whereas the World Bank in the 1997 World Development Report still defended the notion that "in the technical and often sensitive area of economic management, for example, some insulation of decision-making from the pressure of political lobbies is desirable" (World Bank 1997, 116-117), the Bank increasingly began to recognize the crucial role of political lobbies, including popular pressure, in at least – let's say – "less sensitive areas" such as public health, education and the environment, as it ensures accountability and more inclusiveness in "processes by which broad policy direction and standards are set" (World Bank 1997, 117). In these areas there are strong expectations with respect to decentralization, as it allows the dissemination of the supposedly healthy principle of competition "between jurisdictions to provide improved public goods" (World Bank 2002, 100), contributing to more dynamic societies. "The expansion of political authority enables states to create a competitive arena for the distribution of state resources and access to education, employment, land, and credit" (World Bank 1997, 113).

It is noteworthy that, consequently, the World Bank does not consider economic policies a broad policy issue but, rather, a technical task that should be delegated to the professional governmental staff and, as a matter of fact, excluded from democratic control.[8] In this formulation, it becomes quite clear that democracy is not envisaged as an intrinsic good, but rather as an instrumental concept in order to ensure effective implementation of the neoliberal pro-growth agenda.[9] In this section, I present a critical view of the World Bank's good governance concept, related firstly to the concept of participation, and secondly to democracy.

Participation

The World Bank's strategic advice in terms of participation can be regarded as being based on the ideas and mechanisms of *exit* and *voice*, finding support through measures of decentralization (Theobald 1999, 107-113). The concepts of exit and voice, originally formulated by Hirschman (1970), are based, respectively, on economic and political reasoning.

With regard to the local level, exit-strategies, in the traditional sense, i.e., leaving the organization (Hirschman 1970, 4), or in our case, leaving the municipality or city and moving to other cities with better performance indicators, is an option very restrictively available to citizens or private firms; or when this happens, migration tends to be a consequence of a broader array of causes and motivations, many of them beyond the influence of local governments. However, the *exit* strategy has been firmly defended as a governmental adjustment policy to improve public service provision.

Deregulation, contracting-out of services, public-private-partnership and the promotion of competition are seen by the World Bank (1992, 24), and generally by the New Public Management movement (Osborne and Gaebler 1992; Pierre 1999; Stoker 2005), as part of administrative modernization policies and as alternative and effective forms of service delivery in order to attend people's needs and demands that cannot be attended adequately by the public sector. Creating conditions of economic competition is supposed to enhance people's "participation" by means of exit strategies, or in other words, to empower customers (Pierre 1999, 378).

The exit option for delivering public goods is very often defended by orthodox economists like Milton Friedman,[10] for whom the best way parents can manifest their views about bad performing schools is "withdrawing their children from one school and sending them to another". In his eyes, the exit strategy is the most direct way of expressing one's unfavourable views of an organization or service. In contrast, expressing one's view by voice through "cumbrous political channels" is therefore only an additional dubious possibility in the case of market failure.

The problem with this proposal is firstly that it is at odds with the organizational and professional culture of public administration, creating uncertainty and making the planning of education spending questionable (Pierre 1999, 379). Secondly, privatized services or additional market options very often represent an alternative only for people on higher incomes and therefore the market will not necessarily deliver adequate services to all citizens and for every of public service. Therefore, the increasing privatization of formerly public services has in many developing countries led to a dual system of services, with the public system usually in a state of accelerating decay. This is why within the political realm "exit has often been branded as *criminal*, for it has been labelled desertion, defection, and treason" (Hirschman 1970, 17).

Despite the preference given to exit responses, *voice*, as the expression of "dissatisfaction directly to management or to some other authority" (Hirschman 1970, 4), has become an additional relevant tool within good governance oriented management. In its 1992 governance booklet, the World Bank highlights the dissemination of information as a measure able to facilitate civic involvement, some institutional mechanisms such as "ombudsmen" or "hotlines", as well as consultation processes and public hearings (World Bank 1992, 24-25). In the 2004 World Development Report, the importance of participation is highlighted in a specific chapter on "Citizens and Politicians", where voice is defined as "the relationship of accountability between citizens and politicians, the range of measures through which citizens express their preferences and influence politicians" (World Bank 2003, 79).

Thus, participation is seen first and foremost as a means for citizens to express, in an economic perspective, their preferences basically as "clients" of a service-delivering public administration and, in a political perspective, to "influence" politicians. Participation in this spirit is not understood as directly taking part in political decisions but as a form of consultation and informational feedback aimed at binding political decision-makers more effectively to people's will, augmenting public accountability and, as a consequence, administrative responsiveness.

The World Bank refers to its own approach as relying "heavily on financial tools to ensure efficiency" and advocates "a more comprehensive strategy, with greater attention to mechanisms, such as hearings or surveys, which allow local preferences to be ascertained" (World Bank 1992). Indeed, there is still not any hint concerning the necessity of a proactive role of citizens and civil society organizations in development and decision-making processes as part of good governance practice, whereas the Bank expresses worries about possible costs that participation could bring: "the costs and benefits of various ways of providing voice need to be evaluated case by case" (World Bank 1992, 24).

The main objective of the World Bank is, thus, the increase in governmental and administrative efficiency and critical for good governance are mechanisms that enable

citizens and civil society to react to state action and state failures. The Bank's concern with participation is therefore not the creation of institutions allowing for active involvement, for citizens and civil society to influence strongly the political agenda or play an effectively part in decision-making processes; rather, the concept is committed to the provision of conditions of transparency and accountability in the realm of the state. This, as a consequence, is supposed to facilitate non-governmental organizations (NGOs), citizens or private enterprises to accompany the everyday business of public agencies, to keep an eye on their work, to give suggestions and to alert the public when problems might occur.

The limited World Bank view, equating good governance with "sound development management" (World Bank 1992, 1), does not take into account that managing only comes into play when the political objectives are already defined (Theobald 1999, 280-281). Yet, governance is first and foremost about politics, about the confrontation of different, sometimes antagonistic, interests and views; it is about building alliances to arrive at common proposals and solutions; lastly, it is about mediation and negotiating what requires both internal restructuring within the public sector, in order to allow for inter-sectoral integration and conflict-resolution, and restructuring of external relations in the sense of expanding cooperative and contentious forms of interaction, establishing new arrangements capable of integrating all stakeholders into decision-making and conflict-solving processes and, to a certain extent, in the implementation of collectively defined ends. As Nanda (2006, 274) puts it, the World Bank "did not explicitly question how legitimate the government and its power structures are, what the decision-making process is, how public policy is formulated and implemented, or how equitable the economic system is".

Taking into consideration Arnstein's Ladder of Citizen Participation (Arnstein 1969), that is, from a perspective of political power, one could say that the World Bank is not concerned with the transfer of power to citizens, as in the case of citizen control, delegated power or partnership, which are Arnstein's categories for characterizing power-transferring modes of participation. The Bank's concept of participation corresponds, rather, to a kind of tokenism, in the sense of placation, consultation and informing, avoiding a real realignment of power relations. Arnstein has already called attention to the use of "innocuous euphemisms like 'self-help' or 'citizen involvement'" (Arnstein 1969, 216), all terms highly valued in the current development discourse, that deliberately ignore the ultimate essence of participation, that is, the redistribution of power in favour of the powerless. Arnstein's contribution is fundamental, as she underlines the exigency of distinguishing between different gradations of participation of those currently powerless, according to what extent "targeted institutions [are made] responsive to their views, aspirations, and needs" (Arnstein 1969, 217). So, starting from the conception of a "fundamental division" existing between the powerless and the powerful, she proposes

her ladder of participation as an analytical tool to assess concepts and concrete experiences of participation.

If one looks at the World Bank's view of participation, one can see that the main concern is with the improvement of the conditions of information and the extension of consultation processes in order to create conditions of accountability. Though this may allow citizens to hear and be heard, the bottom line is that "they lack the power to ensure that their views will be *heeded* by the powerful" (Arnstein 1969, 217).

In developing countries characterized by inequality and patrimonialist political structures, the introduction of new forms of participation, as Maricato (2007) points out for the case of Brazil, very often lead to practices of cooptation or the annulment of others in conflicts where the dominated classes are involved. Hence, a crucial question is to what extent new participation channels will in fact benefit the poor or powerless, as Arnstein's empowering and political participation concept demands. The tendency to neglect the power-political dimension and to interpret the shortcomings of participatory development as a mere "matter of how the practitioner operates or the specificities of the techniques and tools employed" (Cooke and Kothari 2001a, 4) — a very common perception within development agencies — used to be the starting point of the critiques of the participation approach in development policy, as for instance expressed in the book *Participation: the new tyranny*, edited by Cooke and Kothari (2001b). The focus on empowerment and individual involvement, taking the local and the community as primordial spaces of participation, as well as the fixation on consensus-building, are expected to favour de-politicization, to reinforce existing privileges and exclusive group identities. The over-emphasis on abstract formulas and techniques might determine the outcomes of participation processes, as the dynamics of such processes are shaped by these rules, leading to the intimidation of potential participants, and the exclusion of opinions and interests of minorities (Bühler 2002, 2-3). Even if the overall discourse in development policy is increasingly interspersed with buzzwords like empowerment and participation (Cornwall and Brock 2005), the apolitical and technical perception of participation as mere consultation of the poor hinders, according to Easterly (2007,144-145), power-political transformation. Or, as Cooke and Kothari put it, it might be even exactly this "discourse [of participative development] itself, and not just the practice, [that] embodies the potential for an unjustified exercise of power" (Cooke and Kothari 2001a, 4). The alleged "inherent contradiction between planning […] and democratic politics", as well as the "high modernist convictions" (Easterly 2007, 145) of the dominant technocratic planners, which generally ignore local cultural and socio-political particularities, potentially give rise to "participation as tyranny". Thus, "acts and processes of participation", according to Cooke and Kothari's warning, "can both conceal and reinforce oppressions and injustices in their various manifestations" (2001a,

13). Therefore, participation indeed could not be seen as a panacea for people-responsive development without taking into account the power-political dilemma of such processes in the overall democratic context.

Democracy

The Bank's reluctance with respect to the delegation of power and the idea of citizen control has very much to do with a participation concept guided by the principle of economic efficiency and — in line with Joseph Schumpeter's and Anthony Downs's competitive or economic theory of democracy — with a very sceptical view of people's political competence and motivations concerning political participation in decision-making processes: "To expect poor people to carry the primary burden of exerting influence would be unfair — and unrealistic" (World Bank 2003, 79).

Here it is again quite remarkable that based on this sceptical estimation concerning political competence and willingness of the poor, what is in fact proposed and justified is to restrict democratic participation to, basically, information and consultation. The Bank envisages the possibility of routine interaction between poor people and the state exclusively "at the delivery point of services" (World Bank 2003, 78), excluding participation in decision-making processes that involve local power. The voice approach only promises success in the case of services designed for all citizens in the city, "as the voice of all citizens (or even that of the non-poor alone) can put pressure on politicians to improve services for all citizens, including the poor" (World Bank 2003, 79). In contrast, the World Bank shows itself much more sceptical in the case of voice mechanisms for the poor, as "elites can be indifferent about the plight of poor people" (World Bank 2003, 79). So taking the prevailing elitist system as a matter of fact and within the framework of the economic understanding of democracy, the Bank comes to the conclusion that "in failed or captured states voice can become meaningless" (World Bank 2003, 80). Here again, the reason is not the unequal power distribution — the power structure is assumed as given — but that "politicians have neither the incentives nor the capacity to listen" (World Bank 2003, 80).

Hence, what has to be changed according to the World Bank (World Bank 2003, 81) is the overall service delivery environment, in order to alter political incentives to improve outcomes, and reduce possibilities of clientelism-based government failures. Institutionalization should influence political incentives for service delivery, but not the existing unbalanced power structure. Even when the Bank stresses the concept of "empowerment" it has not in mind "political empowerment", understood by Friedmann (1998, 33) as "to make its [society's] multiple voices heard and respected through active participation". In fact, according to the idea of the "empowerment of consumers" (Pierre

1999, 378), what counts in the end is the result in terms of service improvement: "When poor citizens are empowered, whether on their own or in alliance with others, their demand for accountability can make politicians respond in ways that compensate for weaknesses elsewhere in the service delivery chain" (World Bank 2003, 78).

The World Bank's notion of participation is hence embedded in the overall political concept of competitive or economic democracy that also shapes its ideas on good governance. Political institutions should primarily contribute to extend "*competition* in the political process [as] this competition holds politicians accountable for their actions" (World Bank 2002, 100). Thus, the focus is *not* on the importance of dialogue, mutual understanding, or even the necessity of politicization of decision-making processes, as advocated by the republican or deliberative theory of democracy (Habermas 1998). In order to demonstrate the importance of competition within the political realm, the Bank does not even shrink away from reverting to a study that "suggests that an increase in the competitiveness of elections seems to have a bigger effect on primary school enrolment than increases in education spending" (World Bank 2003, 81).[11] On the other hand, the World Bank complains about the influence of ideological identities and social polarization upon voting behaviour: "Social polarization can lead to voting based on social, ethnic, or religious identity rather than policy or service delivery performance. This too limits political incentives to pursue public policies in the general public interest" (World Bank 2003, 82-83).

This view of political competition reveals an "apolitical" and contradictory conception of democracy. Whereas in the Schumpeterian theory of economic and competitive democracy — in analogy with market practices in the economic sphere — conflict, propaganda and political marketing are explicitly recognized and appreciated as part of "the free competition between the aspirants for leadership for the votes of the electorate" (Schumpeter 1950, 452), the World Bank tries to reconcile the competitive model of democracy, maintaining in principle Schumpeter's elitist view concerning people's incompetence and disqualification for deeper democratic practice, with the currently dominant rationalism that characterizes liberal political discourse, or, in other words, with "the belief in the possibility of a universal rational consensus" (Mouffe 2007, 9). The expectation is that the poor, or their intermediaries, will be able and willing, in the context of conditions of accountability and based on better information, to take *rational* decisions in decision-making processes for their own benefit and/or the benefit of society, whereas the notion of benefit is reduced to the criterion of good performance in service delivery.

One main contradiction of this concept lies in the fact that, on the one hand, the Bank considers it unrealistic that the poor could play a more important role in the political decision-making process, intending to restrict routine participation of the poor to "the delivery point of services". On the other, it is expected that these poor people should

undertake rational assessments of administrative performance in order to back up their electoral decisions about by whom they should be governed. Whereas Schumpeter (1950, 416) asserted that the "human nature in politics" manifests itself in the fact that man becomes "primitive" again and his thinking "associative and affect-based", and Downs (1957) recognizes the importance of ideologies as facilitating the decision-making process for voters in the context of limited information, the World Bank believes in the possibility that ideology, politicization and emotionalization could and should be repelled by improved conditions of accountability in electoral processes, turning government performance into the only yardstick for voting behaviour.

My critique regarding this perception is not related to the necessity of creating better conditions of accountability and transparency. The problem is, first, how to attain such conditions under the given political distribution of power and influence where the privileged elites take advantage of the status quo. If accountability, as the Bank assumes, really ensured political conditions in favour of the poor, it is very unlikely that those in power would be willing or become the driving forces to change the current situation in this sense, unless they feared losing their privileged position if no such changes occurred. If one agrees with this kind of reasoning, it becomes clear that no substantial changes will occur until enough political pressure from below is deployed, or eventually, at least to a certain extent, by means of foreign agencies. It is indispensable that new political alliances emerge and social and political mobilization takes place so that either the elite in power feels impelled to extend access to the political arena or introduces measures of accountability with the intent of maintaining the overall control of the political process. However, such initiatives would barely go beyond measures of placation. A second option would be that emerging political protest and mobilization lead to a situation in which opposition political forces come into power, sustained by grassroots sectors and committed to democratization and the enhancement of people's power in politics.

Thus, this perspective is apparently at odds with the World Bank's conception of good governance, first of all, because the Bank is strongly concerned with keeping under control the slightest form of emerging politicization and social mobilization. As a result, it contributes to sustain the existing political order. Second, it fears that these new political forces, sustained by grassroots sectors, could question the overall economic principles that sustain the Washington Consensus and, beyond this, the neoliberal hegemonic and — presumably — consensual world order. For Easterly, as a result, "the IMF and the World Bank don't show a ton of respect for democracy, when it starts to take hold" (Easterly 2007, 145).

My understanding is that the World Bank, and in its wake a good portion of the development community, looking only at the general political conditions, is failing to

recognize the central relevance of politics for political change, and even for effective institutional change. First of all, this disregards that politicization and mobilization are a precondition for effective political change, that political contest, the collision of different opinions, views and interests is essential for the strengthening of democratic practice, and not the unilateral imposition of a bogus consensus. It is identities, values and emotions that sustain democracy and ensure citizens' involvement (as they used to sustain authoritarian rule in the past) and not a presumably – yet unrealistic – pure evaluation of governance performance indicators.

Secondly, it fails to realize that enhanced political reasoning and reflexive elective behaviour demands more opportunities of participation and possibilities for people learning to express their views and demands and, by the same token, learning to understand and respect the views and demands of others. The Bank fails to acknowledge that democracy and participation are not only about governance performance, but rather about conflicts of interests and the distribution of power. This is why any strategy of development has to take into account this power-political dimension not only with respect to cause analysis, but also when reasoning about possible political and democratic strategies able to create favourable conditions for development, social justice and sustainability.

Final Considerations

Given that the World Bank's good governance concept is subordinated to the free market philosophy and envisages national governments as principal addressees, its relevance for the practice of urban governance seems at a first glance to be limited, although the discourse of the development community and of national governments on good governance definitely has an important effect on the administrative and political practice of local governments, as it shapes the overall "governance culture" of the country (González and Healey 2005). Indeed, accountability, transparency, new public management, private-public partnerships, contracting out or full privatization of public services, deregulation, social capital, empowerment – all related ideas and concepts to the overall good governance approach – found their way into national and local debates on governance and public reform, involving also local authorities, research and academic institutions and even influenced increasingly citizens' normal course of life as political agents, users of local services or providers of public services.

The above analysis of the World Bank's view of good governance arrives at the conclusion that its main focus, limited to economic and administrative efficiency, considering it basically a complementary tool to sustain structural adjustment strategies, as well as its instrumental conception of restricted participation and weak democracy, makes the proposal ultimately

a concept of administrative and governmental strengthening to the detriment of a possible democratic renewal capable of challenging existing power relations. Hence, the consequence is the strengthening rather than the overcoming of existing power-political conditions.

It is by all accounts remarkable that the current global discourse on good governance, democracy and poverty reduction, which definitely represents an advance if compared with the early Structural Adjustment Programs (SAPs) with their exclusive emphasis on efficiency and economic growth (Nanda 2006, 272; Easterly 2007, 144), has provoked in the last decade a break-up of the apparent consensus on the exclusively growth-oriented neoliberal approach. This progress in the development discourse has to be seen as a consequence of the failures of traditional structural adjustment strategies resulting in increases in inequalities in most parts of the world. This controversy has even arrived at traditional international organizations like the World Bank itself. In the 2006 World Development Report on Equity and Development one reads that "promoting equity through public action requires changes in the existing configurations of power and influence" (World Bank 2005, 70). In contrast to most previous publications, the Bank addresses in this report the fundamental question of power and democracy, considering a power shift in favour of the traditionally marginalized groups as a precondition for more equity-enhancing reforms. This corroborates Kjær's (2004) remark concerning the different influences to which the World Bank as a multilateral development institution is exposed and the different views that exist within the World Bank staff.

Hence, what the Bank still ignores and does not address is how it could come to profound institutional changes able to affect national or local power structures effectively. The World Bank and the mainstream of the development community seem convinced of the possibility of significant changes that could be implemented by consensual institutional rearrangements introduced from above.

An example of this contradictory vision can also be found in United Nations Development Programme (UNDP) Senior Advisor Naresh Singh's (2007) conception of decentralization and legal empowerment. On the one hand, he presents a very clear perception of the poverty enforcing effects of existing power relations: "Unintended outcomes arise from skewed power relations between the poor and local elites that allow the latter to capture control over local provision of goods and services" (Singh 2007, 231). But on the other, in order to overcome this power dilemma, he arrives at a remarkable solution: "To achieve this change in power relations, power must be re-conceptualized as a positive-sum game based on mechanisms that help the poor empower themselves and at the same time create benefits for 'the establishment'" (Singh 2007, 231-232).

Here one has a very emblematic and common feature of mainstream thinking and aspirations of the good governance movement: the unrestrained guarantee and continuance

of the privileges of the establishment as the starting point and precondition for any reform favouring the poor, as "someone does not have to lose in order for someone else to gain" (Singh 2007, 232); and, in addition, the implementation of enabling strategies to support "a process of *self*-empowerment" (Singh 2007, 231).

The paper by Singh is very illustrative, as its basic assumptions represent the World Bank position with its concepts on empowerment, participation and social capital, which at in end aims at strengthening self-help capacities in a context of a shrinking state and transferring responsibilities to the poor themselves, i.e., what Cooke and Kothari (2001a, 2) denominated as "handing over the stick" rhetoric: "organizations for the poor need to be led by the poor themselves" (Singh 2007, 233).[12] Or, according to the World Bank: "The ultimate goal is to empower individuals and communities to take charge of their own development" (World Bank 1989, 188-189).

I am not concerned with contesting the possible contribution of "self-empowered" communities for the improvement of livelihoods. However, the proposed shift "in development assistance from the focus on needs to a focus on assets" (Singh 2007, 235), implies risks that in view of this enthusiasm regarding the self-help potential of the poor, make the rich and powerful feel discharged from their social responsibilities and the focus of development aid falls increasingly on helping the already better-off, whilst forgetting about the poorest and less-empowered, that is, those with more needs than assets.

The good governance approach and its equivalents in the development debate, according to my understanding, fails to acknowledge the political nature of local conflicts and the interests and power relations involved which have to be contemplated in thinking about strategies for change. The attempt to apply mere consensus-oriented conceptions of democracy and development and to dissolve existing antagonisms, above all in the context of unequal societies, comes necessarily together with social and political exclusion but definitely does not contribute to a reconciled society. Chantal Mouffe in her recent essay "On the Political" calls our attention to notions fashionable nowadays such as good governance "which are invariably components of an apolitical vision that refuses to recognize the antagonistic dimension constitutive for the 'political'" (Mouffe 2007, 8).

The negation of the genuine political by the consensus-oriented approach, "instead of creating conditions for a reconciled society, entails the emergence of antagonisms that could be avoided by offering a legitimate form of expression to these conflicts" (Mouffe 2007, 10). In the context of fragmented and unequal societies, consensus-based politics tend to bring about exclusion and frustration. The resulting disenchantment with politics hinders civic mobilization and engagement in favour of collective ends. Therefore, Mouffe suggests a kind of agonistic politics where collective identities are valued and recognized as essential elements of politics. In the context of the developing world, seeking to eliminate

enmity in the political process results essentially in excluding the socially and politically marginalized from politics.

Hence, democratic urban governance has to seek, according to my perception, institutional arrangements, of a formal as well as an informal nature, which on less conflictive issues allow for negotiation-based compromises, but which in the case of incompatible conflicts allow for decisions according to previously accepted procedural rules, and without masking existing enmities and controversial disputes. Within an agonistic model of democracy, as proposed by Mouffe, the political process is constituted by the open emotional confrontation of groups with specific identities, ideas and interests, and this determines the possibility of "conflictuous consensuses" (Mouffe 2007, 69).

For local governance this means that there is an ongoing political struggle for power between different societal perspectives — in Mouffe's conception, between different power hegemonies — and that it is the maintenance of consciousness concerning this essential political dimension of conflict that keeps democracy vital and combative. This, in fact, means that based on such an agonistic conception of democracy, strong opposition forces able and willing to challenge the existing hegemonic project are crucial for the survival of democracy.

Therefore, the good governance approach applied in a context of weak civil society and of weak or repressed opposition movements without any counter-hegemonic project in sight will necessarily favour the strengthening and perpetuation of the prevailing hegemony, even if due to external political pressure some limited improvements in the social situation could eventually be attained.

Whereas the liberal perspective of the World Bank starts off from the assumption of a neutral state, within Mouffe's agonistic view the state is an object of political dispute for hegemony: "We believe that the radicalization of democracy requires the alteration of the existing power structures and the creation of a new hegemony" (Mouffe 2007, 71). This is why good governance-oriented development assistance that aims at profound social and economic changes which take those in power as their principal interlocutors or "partners" are doomed to fail, as are approaches that attempt simply to bypass the existing power structure, imagining that significant changes can be attained by trying to empower communities and families thus enabling them to take care of their own.

My understanding is that the question of development assistance is not whether to opt either for "a self-empowering model of development cooperation in which the poor seek to take power over their own destinies [or] a model of cooperation essentially between donor and recipient governments" (Singh 2007, 235). Rather, it is a matter of thinking about how to influence polity and political conditions in a way that does not undermine the agonistic perspective.

With respect to the Articles of Agreement, the World Bank and the international community have to become aware that development assistance is an inherently political undertaking. The assumed principle of political neutrality implies, in essence, contributing to the hardening of existing power relations, i.e., strengthening those in power. Within the development community there is a rethink under way regarding the recognition of NGOs, civil society and citizens as fundamental development agents. However, the focus is still invariably on their constructive and instrumental role in the implementation of development projects, whereas the Bank assumes a very reserved and reluctant position when the issue is political protest and social mobilization. From my point of view, much more attention has to be paid within the good governance approach to the question of how the political role of these movements could be invigorated. In order that this might happen, a fundamental shift has to occur concerning the appreciation of the political dimension of development and good governance; above all, there has to be recognition of the limitations of mere consensual approaches. Fundamental change can only happen as a result of emotional and politicized movements able to challenge the existing power structure.

Submitted in April, 2008.
Accepted in December, 2008.

The author thanks CAPES (Brazilian Federal Agency for the Support and Evaluation of Graduate Education) for the financial support provided for a one-year post-doc at the Institute of Urban and Regional Planning (Technological University of Berlin) in 2007. He also thanks Prof. Dr. Adrian Atkinson from TU Berlin and the anonymous for their comments to the original manuscript.

Notes

1 This is indicated to highlight that in this article we are not so much concerned with the discussion regarding the legitimacy and effectiveness or not of these emerging global public spheres and their relation and capacity to influence transnational public powers. (On this, see the special section on Transnational Public Sphere, in Theory, Culture & Society, v. 24, n. 7, specifically the article by Nancy Fraser.) However, we start from Castells's notion of the public sphere as a space of communication of ideas and projects that emerge from society and, supported by global communication networks, increasingly influence decision makers and public opinion on different societal levels. Such tendencies have been observed for the European Union, in this case strengthened by the consolidation of a strong institutional structure at European level (Koopmans 2004), but also within less formal institutional settings as in the case of highly relevant issues of public diplomacy, such as war, peace and international security (Dryzek 2006) or the global environment (Torgerson 1999). Therefore, we start from the assumption that also in the field

of international development, particularly with regard to structural adjustment programs and "good governance", the emergence of a transnational or global public sphere has turned out to be crucial for the dissemination of these concepts within the development community and the countries of the developing world.

2 This practice of demanding from developing countries more far-reaching political reforms than those being implemented in developed countries has been very common, as for instance in a 1951 UN document concerning "Measures for the economic development of economically underdeveloped areas"; see Moraes (2006). In view of the also very ambitious Good Governance Agenda and limited resources and particular difficulties in developing countries, Grindle for example advocates a "good enough governance" approach as a more realistic concept for developing countries (Grindle 2004).

3 The ten measures proposed were the following: budgetary discipline; reorganization of public expenses; tax reforms; financial liberalization; export-led growth and competitive rates of exchange; trade liberalization; attraction of foreign direct investments; privatization of state-owned enterprises; deregulation of economic sectors and labour markets; protection of property rights.

4 Concerning the failures of conventional aid policy to end poverty, see also Easterly, who claims that "sixty years of countless reform schemes to aid agencies and dozens of different plans, and $2.3 trillion later, the aid industry is still failing to reach the beautiful goal" (Easterly 2007, 11).

5 It is noteworthy that in spite of the recognition that simply copying models from developed countries cannot work out very well, these continue being considered the models to follow, even if some adaptation to local conditions is recommended. However, no specific southern models are admitted.

6 An example is the 2000 World Development Report "Attacking Poverty" (World Bank 2000), which was revised following a US Treasury intervention. Forced to give the report a more neoliberal direction, the person in charge of the report-team resigned. As a result, new chapters on growth and poverty and the importance of markets were included, whereas the need for the pre-establishment of social safety-nets and for controlling capital and financial flows, as well as the role of empowerment measures, were emaciated in the final version of the report (Kjær 2004, 179-180).

7 In his comparative study on good governance reforms in the USA, Argentina, Mauritius and Jamaica, Goldsmith comes to the conclusion that such reforms do not necessarily lead to more development and that in general "good governance reforms are more effect than cause of sped-up development, although over time they seem to become a more important factor in sustaining development" (Goldsmith 2007, 181).

8 Concerning the fundamental necessity of democratic accountability and feedback mechanisms in economic development policy, even from an instrumental perspective, see Easterly (2007).

9 Within the World Bank there has always been dissent on whether the rationale of economic efficiency should be submitted or not to democratic principles; see Sindzingre (2004, 169).

10 Friedman, Milton. The role of government in education. In *Economics and the Public Interest*, edited by Robert A. Solo. New Brunswick, NJ: Rutgers University Press (1955, 129); quoted in Hirschman (1970, 16).

11 Even if there might be a more favourable correlation between the competitiveness of elections and primary school enrolment, there is certainly no causal relation between these data or facts. If at all, such differences could be explained only by considering a multitude of aspects, i.e., the different measures and policies implemented by each government. Among these measures, education spending is certainly one of the relevant factors to be considered. Taking into account that the wealthiest nations are western liberal democracies, it is evident that in these countries primary school enrolment is higher than in poor countries where authoritarian regimes are much more common.

12 The same pattern of argument can be found in the northern position concerning the general North-South conflict, as demonstrated by the following quotation from the OECD Development Assistance Committee: "The developing countries themselves are ultimately responsible for their own development" (DAC 1995, 7).

Bibliographical References

Arnstein, S. R. 1969. A ladder of citizen participation. *Journal of the American Institute of Planners* 35 (4): 216-224.

Benz, A., S. Lütz, U. Schimank, and G. Simonis, eds. 2007. *Handbuch Governance. Theoretische Grundlagen und Empirische Anwendungsfelder*. Wiesbaden: VS Verlag für Sozialwissenschaften.

Bhuiyan, A. H. A. 2004. Treatises of development: the context of developmentalism in Bangladesh. *Alternatives: Global, Local, Political*, 29 (2) March-May 2004.

http://findarticles.com/p/articles/mi_hb3225/is_2_29/ai_n29105220 (accessed January 6, 2009).

Borges, A. 2003. Governança e política educacional: a agenda recente do Banco Mundial. *Revista Brasileira de Ciências Sociais* 18 (52): 125-138.

Bühler, U. 2002. Participation 'with justice and dignity': Beyond 'the new tyranny'. *Peace, conflict and development*. An interdisciplinary journal 1 (1): 1-16.

http://www.peacestudiesjournal.org.uk/docs/Participation.PDF (accessed January 16, 2009).

Castells, M. 2008. The new public sphere: global civil society, communication networks, and global governance. *The ANNALS of the American Academy of Political and Social Science* 616 (1): 78-93.

Cheema, G. S., and D. A. Rondinelli. 2007. From government decentralization to decentralized governance. In *Decentralizing governance. Emerging concepts and practices*, ed. G. Shabbir Cheema and Dennis A. Rondinelli, 1-20. Washington DC: Brooking Institution Press.

Chomsky, N. 2006. *Profit over people*. Munich: Piper.

Cooke, B. and U. Kothari. 2001a. The case for participation as tyranny. In *Participation: The new tyranny?*, ed. Bill Cooke and Uma Kothari, 1-15. London and New York: Zed Books.

_____, eds. 2001b. *Participation: The new tyranny?* London and New York: Zed Books.

Cornwall, A. and K. Brock. 2005. Beyond buzzwords: "poverty reduction", "participation" and "empowerment" in development policy. Overarching Concerns, UNRISD Programme Paper 10:1-23.

DAC. 1995. Participatory development and good governance. Paris: Development Assistance Committee, OECD.

Dolzer, R. 2004. Good Governance. Neues transnationales Leitbild der Staatlichkeit? Zeitschrift für ausländisches öffentliches Recht und Völkerrecht – ZaöRV 64:535-546.

Downs, A. 1957. An economic theory of democracy. New York: Harper & Row.

Dryzek, J. S. 2006. Transnational democracy in an insecure world. International Political Science Review 27 (2): 101-119.

Dwivedei, O. P. and J. Nef. 2004. From development administration to new public management in postcolonial settings: Internal problems, external prescriptions. In Handbook of Development Policy Studies, ed. Gedeon M. Mudacumura and M. Shamsul Haque, 153-175. New York and Basel: Marcel Dekker, Inc.

Easterly, W. 2007. The white man's burden: Why the west's effort to aid the rest have done so much ill and so little good. New York: Penguin Books.

Fox, J. A. and L. D. Brown. 1998. Introduction. In The struggle for accountability: The World Bank, NGOs, and grassroots movements, ed. Jonathan A. Fox and L. David Brown, 1-47. Cambridge, MA and London: The MIT Press.

Fraser, N. 2007. Transnationalizing the public sphere: On the legitimacy and efficacy of public opinion in a post-Westphalian world. Special Section: Transnational Public Sphere. Theory Culture Society, 24 (4): 7-30.

Frey, K. 2008. "Good governance" e o combate à pobreza como estratégias de desenvolvimento sustentável dos países do hemisfério sul? Paper presented at the 32nd annual meeting of Anpocs (National Association for Post-graduation and Research in the Social Sciences), October, 30, in Caxambu, Minas Gerais, Brazil.

http://200.152.208.135/anpocs/trab/adm/impressao_gt.php?id_grupo=16&publico=S&PHPSESSID=b575374786dddb1d8590f4945c9b0e60 (accessed November 10, 2008).

Friedmann, J. 1998. The new political economy of planning: The rise of civil society. In Cities for citizens. Planning and the rise of civil society in a global age, ed. Mike Douglass and John Friedmann, 19-35. Chichester and New York: John Wiley & Sons.

Führmann, B. 2003. Abkehr vom Washington Consensus? Die wirtschaftspolitische Strategie der Weltbank zur Armutsbekämpfung. Duisburg: Institut für Entwicklung und Frieden (INEF), 1-59.

Goldsmith, A. 1992. Institutions and planned socioeconomic change: Four approaches. Public Administration Review 52 (6): 582-587.

_____. 2007. Is governance reform a catalyst for development? Governance: An International Journal of Policy, Administration, and Institutions 20 (2): 165-186.

González, S. and P. Healey. 2005. A sociological institutionalist approach to the study of innovation

in governance capacity. Urban Studies 42 (11): 2055-2069.

Grindle, M. S. 2004. Good enough governance: Poverty reduction and reform in developing countries. *Governance. An International Jou*rnal of Policy, Administration and Institutions 17:525-548.

Habermas, J. 1998. Faktizität und Geltung. Beiträge zur Diskurstheorie des Rechts und des demokratischen Rechtsstaats. Frankfurt and Main: Suhrkamp.

Hein, W. 2007. Entwicklung. In Handbuch Governance. Theoretische Grundlagen und Empirische Anwendungsfelder, ed. Arthur Benz, Susanne Lütz, Uwe Schimank and Georg Simonis. Wiesbaden: VS Verlag für Sozialwissenschaften.

Hirschman, A. O. 1970. Exit, voice, and loyalty. Responses to decline in firms, organizations, and states. Cambridge, MA and London: Harvard University Press.

Hoebink, P. 2006. European donors and 'good governance': condition or goal? The European Journal of Development Research 18 (1): 131-161.

Kjær, A. M. 2004. Governance. Cambridge: Polity Press.

Kooiman, J. 2000. Governance. A social-political perspective. In Debating governance: Authority, steering and democracy, ed. Jan Pierre, 71-98. New York: University Press.

Koopmans, R. 2004. Cross-national, cross-issue, cross-time. Project: The transformation of political mobilisation and communication in European public spheres, Project Report WP2: Political claims analysis. Social Science Research Center, Berlin.

http://europub.wz-berlin.de/Data/reports/WP2/D2-4%20WP2%20Integrated%20Report.pdf (accessed April 17, 2007).

Latouche, S. 1994. Développement durable: un concept alibi. Main invisible et mainmise sur la nature. Revue Tiers Monde 35 (137): 77-94.

_____. 2003. As vantagens do decrescimento. Le Monde Diplomatique Brasil, November, 2003.

http://diplo.uol.com.br/2003-11,a797 (accessed December 10, 2008).

Mackintosh, M., J. Chataway, and M. Wuyts. 2007. Promoting innovation, productivity and industrial growth and reducing poverty: Bridging the policy gap. The European Journal of Development Research 19 (1): 1-12.

Maricato, E. 2007. Nunca fomos tão participativas. Observatório das Metrópoles, 1-3. http://web.observatoriodasmetropoles.net (accessed December 5, 2008).

Mestrum, F. 2006. Global poverty reduction: A new social paradigm? Development 49 (2): 62-66.

Moraes, R. C. C. de. 2006. Estado, desenvolvimento e globalização. São Paulo: Editora da UNESP.

Mouffe, C. 2007. Über das Politische: wider die kosmopolitische Illusion. Frankfurt am Main: Suhrkamp.

Nanda, V. P. 2006. The "good governance" concept revisited. The ANNALS of the American Academy of Political and Social Science 603 (1): 269-283.

O'Donnell, G. 1979. Modernization and bureaucratic-authoritarianism: Studies in South American politics. 2nd ed. Berkley: Institute of International Studies, University of Berkley.

Osborne, D. and T. Gaebler. 1992. Reinventing government: How the entrepreneurial spirit is *transforming the public sector*. Reading, MA: Addison-Wesley.

Pierre, J. 1999. Models of urban governance: The institutional dimension of urban politics. *Urban Affairs Review* 34 (3): 372-396.

Ponte, G. D. 2002. The changing urban discourse of the multilateral aid institutions. Special issue: Urban Partnerships. *International Social Science Journal* 172 (June): 205-216.

Rhodes, R. A. W. 2007. Understanding governance: Ten years on. *Organization Studies* 28 (8): 1243-1264.

Rist, G. 2001. *Le développement. Histoire d'une croyance occidentale*. Paris: Presses de Sciences Po.

Schumpeter, J. A. 1950. *Kapitalismus, Sozialismus und Demokratie*. Bern: Francke.

Sindzingre, A. 2004. The evolution of the concept of poverty in multilateral financial institutions. The case of the World Bank. In *Global institutions and development. Framing the world?*, ed. Morten Bøås and Diamond Mcneill, 164-177. London and New York: Routledge.

Singh, N. 2007. Decentralization and legal empowerment. In *Decentralizing governance. Emerging concepts and practices*, ed. G. Shabbir Cheema and Dennis A. Rondinelli, 229-241. Washington DC: Brooking Institution Press.

Slater, D. 1989. Territorial power and the peripheral state: The issue of decentralization. *Development and Change* 20 (3): 501-531.

Smith, B. C. 2007. *Good governance and development*. Houndsmills/New York: Palgrave MacMillan.

Stiglitz, J. 2004. *Die Schatten der Globalisierung*. Munich: Goldmann.

Stoker, G. 1998. Governance as theory: Five propositions. *International Social Science Journal* - UNESCO 50 (155): 17-28.

_____. 2005. Public value management. A new narrative for networked governance? *American Review of Public Administration* 36 (1): 41-57.

Theobald, C. 1999. Zur Ökonomik des Staates. Good governance und die Perzeption der Weltbank. Vol. 43 of *Verwaltungsorganisation, Staatsaufgaben und Öffentlicher Dienst*. Baden-Baden: Nomos.

Torgerson, D. 1999. *The promise of green politics: Environmentalism and the public sphere*. Durham and London: Duke University Press.

Toye, J., and R. Toye. 2005. The World Bank as a knowledge agency. Overarching concerns. Programme Paper 11:15.

http://www.unrisd.org/unrisd/website/document.nsf/(httpPublications)/FAEF21FBEF6AF0C6C12570CB0030C5CC?OpenDocument. (accessed December 10, 2008).

Truman, H. S. 1949. The Avalon project. Documents in Law, History and Diplomacy. In *Inaugural*

Address of Harry S. Truman. Thursday, January 20, [1949] 2008. New Haven: Lilian Goldman Law Library.

http://avalon.law.yale.edu/20th_century/truman.asp (accessed August 5, 2008).

United Nations. 1951. Measures for the economic development of underdeveloped countries report by a group of experts appointed by the Secretary General of the United Nations Department of Economic Affairs. New York: United Nations May 1951.

_____. 2000. United Nations Millennium Declaration. Resolution 55/2, adopted by the General Assembly, September 8. New York: United Nations General Assembly. http://www.un.org/millennium/declaration/ares552e.pdf (accessed December 8, 2008).

_____. 2005. World Summit Outcome. Resolution 60/1, adopted by the General Assembly, September 16. New York: United Nations General Assembly. http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN021752.pdf (accessed December 8, 2008).

Wallerstein, I. 2007. *Conocer el mundo, saber el mundo: una ciencia social para el siglo XXI*. 3rd ed. Mexico City / Buenos Aires / Madrid: Siglo Veintiuno Editores.

Werna, E. 1995. The management of urban development, or the development of urban management? Problems and premises of an elusive concept. *Cities* 12 (5): 353-359.

World Bank. 1989. Sub-Saharan Africa, from crisis to sustainable growth: A long-term perspective study. Washington, DC: The International Bank for Reconstruction and Development/The World Bank.

_____. 1992. Governance and development. Washington DC: The World Bank.

_____. 1997. World Development Report 1997: Bringing the State closer to the people. Oxford, New York: Oxford University Press, The World Bank.

_____. 2000. World Development Report 2000-2001: Attacking poverty. Oxford, New York: Oxford University Press, The International Bank for Reconstruction and Development/The World Bank.

http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20195989~pagePK:148956~piPK:216618~theSitePK:336992,00.html (accessed November 26, 2007).

_____. 2002. World Development Report 2002: Building institutions for markets. Washington DC: The World Bank/Oxford University Press.

http://www.worldbank.org/wdr/2001/fulltext/fulltext2002.htm, on 26/11/2007 (accessed November 26, 2007).

_____. 2003. World Development Report 2004: Making services work for poor people. Washington DC/New York: The World Bank/Oxford University Press. http://econ.worldbank.org/WBSITE/EXTERNAL/EXTMODELSITE/EXTWDRMODEL/0,,ImgPagePK:64202988~entityID:000090341_20031007150121~pagePK:64217930~piPK:64217936~theSitePK:477688,00.html (accessed November 26, 2007).

_____. 2005. World Development Report 2006: Equity and development. Washington DC/New York: The World Bank/Oxford University Press. http://econ.worldbank.org/external/default/main?pagePK=64165259&theSitePK=469372&piPK=64165421&menuPK=64166093&entityID=000112742_20050920110826 (accessed November 26, 2007).