



**“From “good governance” to politically smart cooperation and promoting inclusive institutions”**

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### **Why more inclusive political settlements and processes matter:**

Two crucial findings that emerge quite strongly from the literature/available evidence are that:

- In the short term: more inclusive INTRA-ELITE political settlements (are essential in maintaining peace and stability:
  - the **2011 WDR**, which focuses on “inclusive enough coalitions”
  - **Charles Call**’s recent Why Peace Fails book, and the work of Steven **Lindemann** (2008 and 2010) on recurrence of civil war in Africa
- Over the longer term, more broadly inclusive settlements (ie beyond elites) underpin more resilient and peaceful states and societies that also tend to be better governed – more democratic, more legitimate, wealthier, less unequal (with the US as an outlier in the latter).
  - Acemoglu and Robinson

- North et al
- Lipset
- In fact no single democracy has fallen after reaching a certain level of GDP per capita, which was Argentina when it fell to bureau authoritarianism in the 1960s.

However, there is a big gap between these two findings, and the fundamental, if not foundational, question is:

**how can the boundaries of a political settlement that may have a narrower focus on elite inclusion, at least in the short term, be expanded to address wider state/society relations and create a more broadly inclusive political order – in terms of both process and outcomes.**

This is also the puzzle at the heart of SDG16, as well as PSG1, whose emphasis on “inclusive institutions” and “legitimate politics” respectively is decidedly spot on.

*SDG 16: “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”.*

But if the evidence that inclusive and effective institutions matter, it is far less clear which institutions matter most when and where, and – crucially – how to get there, what “there” actually looks like, and how sustainable or resilient institutions are over time.

We still have relatively little systematic knowledge about that, not only in the developing world, but also as we are increasingly seeing, in the developed world as well, where the left-behinds are making their voices heard and it is not all clear where we are heading (Brexit, US, France...)

We have many more questions than we have answers, for example:

- What are the key drivers and dynamic processes at play in and out of fragility; how do underlying political settlements shape or define the boundaries of the kinds of reform and transformation that might be possible?
- To what degree can various forms of inclusion compensate for other ongoing weaknesses within the state and in the linkages between state and society?
- How can tensions, dilemmas and/or trade-offs highlighted by LH best be addressed?
- What persuades elites to pursue more or less inclusive settlements, either in terms of process, or in terms of outcomes, or both? What might be the right balance, if indeed there is one?
- How can bottom-up pressures for change affect or shape political settlements?

States that are trying to become more stable, resilient and inclusive over time are trying to transform themselves in fundamental ways across multiple dimensions:

- From war/violent conflict towards peace
- From closed and exclusionary political orders to more open and inclusive ones – usually involving some kind of democratic opening/democratization process
- From a narrow and exclusionary sense of nation towards more inclusive nation-building and a shared sense of an imagined community.
- From clientelism towards a greater focus on the public good;
- From personalised systems of interaction to ones that are more impersonal and grounded in the rule of law; and
- From stagnating or narrow-based economies towards greater investment and (shared) growth.
- From impunity to justice and the RoL

Some of these dimensions of change may reinforce one another – for example efforts to focus on the public good (through among other things increased state capacity to provide basic services) may help to build more inclusive political orders, which in turn can help to foster state legitimacy.

BUT if we have learnt anything, it is that, contrary to the view espoused by the GG agenda, all good things do not always go together naturally or in mutually reinforcing ways.

Different dimensions of change may not always reinforce one another – and in fact they often generate tensions, dilemmas, and potential trade-offs.

So in this respect, the GG agenda has a strangely ahistorical view of how change happens.

Governance transitions are not linear and one-directional.

These deeply political (rather than purely technical) processes of change that are likely to be complex and contested – if not even violent.

Contemporary Rwanda, for instance, is an example of a state that has made remarkable progress in establishing its authority and capacity, especially in terms of generating economic growth, providing basic services, and establishing a monopoly over the use of violence. It has made considerably less progress in making the political system more open, representative, and inclusive in terms of PROCESS.

The complex dynamics and dilemmas around elections are also illustrative.

- Clearly, elections are essential to foster the legitimacy, accountability and responsiveness of a political system.
- Yet, they have also been associated with increased clientelism and corruption in developing settings, which is perceived as problematic from a developmental perspective.
- Money in politics, whether legitimate/clean, or “dirty”, has become a pernicious problem and has done much to pervert the process of

democratic representation – in both developed and developing countries –

- Witness for instance what has happened in the US (Princeton study), and the effect that the infiltration of organised crime has had on democratic institutions across Lat Am, for example.
- In addition, electoral competition can generate incentives that foment fragmentation and undermine coherent policy-making based on long-term priorities.
- There is a profound and generalised disillusionment with the way democracy works, in particular with its ability to deliver (study on perceptions and what people care about),
- And political parties and parliaments, which are by their very essence the foremost institutions of democratic representation, are also by far the LEAST trusted institutions in the eyes of the population in country after country all over the world, irrespective of income levels.
- This forcefully illustrates the point that, above all, both democracy and development need to be underpinned by a functioning state – and a vast majority of incipient democracies, especially those that remain conflict afflicted, are affected by a fundamental lack of state effectiveness.

Indeed, squaring the circle between normative ideals and how change actually happens is the fundamental challenge of development over the next 15 years and beyond.

So where does this leave us?

The *process* different countries will need to undertake to achieve the SDGs will be context specific.

Importantly, regardless of the Goal being pursued, and irrespective of sector, this process is – and will be – inherently political.

A significant factor in disappointing development results over the past 15-20 years has been ignoring these underlying politics at work -- or at least not making enough of an effort to understand the political landscape where we are trying to bring about change.

As they engage with their counterparts in country, donors will need to be more [politically savvy](#) in the way they approach programming in order to make progress towards Agenda 2030.

But findings from a report the Berghof Foundation and Clingendael have undertaken on the kind of work donors are doing to support PSG1 and more inclusive institutions suggest just how challenging this remains.

The report finds that donors are still envisaging change in a very cookie cutter way (eg support democracy, etc), and that more imagination and creativity is needed.

And this is where it gets rather tricky.

Donors have sought to promote both process-focused (elections, quotas, constitution making processes etc) and outcome-focused (eg service delivery) inclusion, but often the kinds of changes that have been brought about have fallen far short of expectations.

Often such efforts have not been politically savvy: grounded in contextual realities, realistic in what they aimed to achieve given resources and timelines, open to risk and experimentation, etc.

As a result, they have remained focused on form and altered very little of the substance of politics –

But history shows that **changes in formal rules may do little to change informal institutions and the actual practice and distribution of power.**

And this leads to perhaps a much deeper question:

How to move away from the standard menu of support, which is what gives donors their normative grounding and ethical/moral compass?

If elections and parties and constitution-making processes are at best only a partial bit of the answer, what other mechanisms can be supported? What would more creativity, imagination, and boldness look like, and how to ensure that would not lead to other unintended consequences that do more harm?

We don't have ready answers to these questions, but surely one crucial dimension of this is to start by understanding much more deeply where pressures for greater inclusion are coming from within a given country/setting, how different forces for and against different forms of inclusion play out and are articulated/organised, how these interests for and vs change may be linked to subnational, regional, international, and global drivers, and go from there.

Thinking and working in a more politically aware manner may mean simply be understand these underlying politics better,

but it might also mean doing things very differently in some contexts.

One of the key lessons emerging from decades of donor efforts to promote GG is that, as long as design is appropriate to the programme, and, perhaps more crucially, to the *context* where it is meant to be grounded, there is no one way to do or design these sorts of programmes.

In some spaces it may be really difficult to try radically new approaches and in others it may be relatively easy to do so.

Better understanding these differences and figuring out how to support different actors in different contexts to work in a more politically savvy, adaptive manner will help those committed to the SDGs – whether in government, civil society, development agencies and so on – to better understand how to think and work politically to achieve their goals.