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Governance and the Rhetoric of International Development

Wil Hout

Inaugural Address

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1. Introduction

It has become a truism, of late, to characterize governance as one of the buzzwords in the vocabulary of international development. In a sense, the acceptance of the importance of governance, defined as 'the formation and stewardship of the formal and informal rules that regulate the public realm, the arena in which state as well as economic and societal actors interact to make decisions' (Hyden, Court and Mease, 2004: 16), is remarkable against the background of dominant definitions of development in largely economic terms. The governance concept has gained currency in circles of international development only since the mid-1990s. Despite earlier attention to problems of governance at the World Bank scene, as in a report on the crisis in Africa in the 1980s that was published in 1989 (World Bank, 1989) and a discussion paper on governance of 1991 (World Bank, 1991), the Bank's analysis of development issues remained staunchly focused on 'macroeconomic fundamentals' until well into the 1990s, as exemplified in the so-called Asian Miracles report of 1993 (World Bank, 1993).

The real turn in the debate came a little over ten years ago. First, newly appointed World Bank President James Wolfensohn started to emphasize the importance of taking a 'holistic' view of development, taking on board a set of non-economic variables, such as 'the essentials of good governance', the regulatory framework for the market, social policies, infrastructure and environmental sustainability (Wolfensohn, 1998: 13-14). The second major impulse for the focus on governance came with the publication of yet another World Bank report, *Assessing Aid* (World Bank, 1998), usually referred to as the Dollar report, not because of its focus on the American currency, but because of the surname of its lead author, David Dollar. The claims of the latter report were by no means modest, as attested by its subtitle: *What Works, What Doesn't and Why*. In the year when the Dutch Scientific Council for Government Policy has published a major report on development policies with the title *Less Pretention, More Ambition* (Wetenschappelijke Raad voor het Regeringsbeleid, 2010), the use of such terminology, as if one had finally discovered the Holy Grail where so many others failed, sounds almost like megalomania.

The current lecture is not an attempt to write the history of a concept. I take a different route in discussing the genealogy and usage of the term, and place this in the context of the approach taken by Bøås and McNeill (2004), who have argued that trends in development discourse are the consequence of successful 'framing'. According to Bøås and McNeill, the exercise of framing comprises two elements: it leads to *attention for a specific issue*, and, more importantly, it *determines how such issue is viewed*. Thus,

> [a] successful framing exercise will both cause an issue to be seen by those that matter, and ensure that they see it in a specific way. … An effective 'frame' is one which makes favoured ideas seem like common sense, and unfavoured ideas as unthinkable. (Bøås and McNeill, 2004: 1-2)

In this lecture, I will argue that the framing of governance in the context of international development has taken place in overly technocratic, apolitical terms. Set against the background of the neo-liberal orthodoxy, which has placed emphasis on the role of market forces and the harnessing of the state in development, 'good governance' referred to, in particular, the adoption of 'good policies' by governments that have effective public management instruments in place. In itself, this technocratic and apolitical framing of governance is not surprising. Well-known authors such as James Ferguson (1990), who studied the implementation of development policies in Lesotho and John Harriss (2001), who analysed the usage of 'social capital' by the World Bank, already pointed out long ago that the international development community operates as an 'anti-politics machine'. More recently, Sue Unsworth (2009), the former Chief Governance Advisor at the UK's Department for International Development, argued that donor agencies find it inherently 'hard to come to terms with politics'.

I will point out that recently, however, we find a paradox in the debate on international development. While the treatment of governance remains largely technocratic, many development agencies have recognized the need for political (or 'political economy') analyses. I will argue that the tension between the fundamentally depoliticized understanding of governance and the call for political sensitivity is, most likely, unsolvable in the current framework of international development (cf. De Haan and Everest-Phillips, 2007). Academic research could act as a counterweight to the tendency to depoliticizing governance, but its impact in circles of policy makers is most likely to remain indirect, at best.

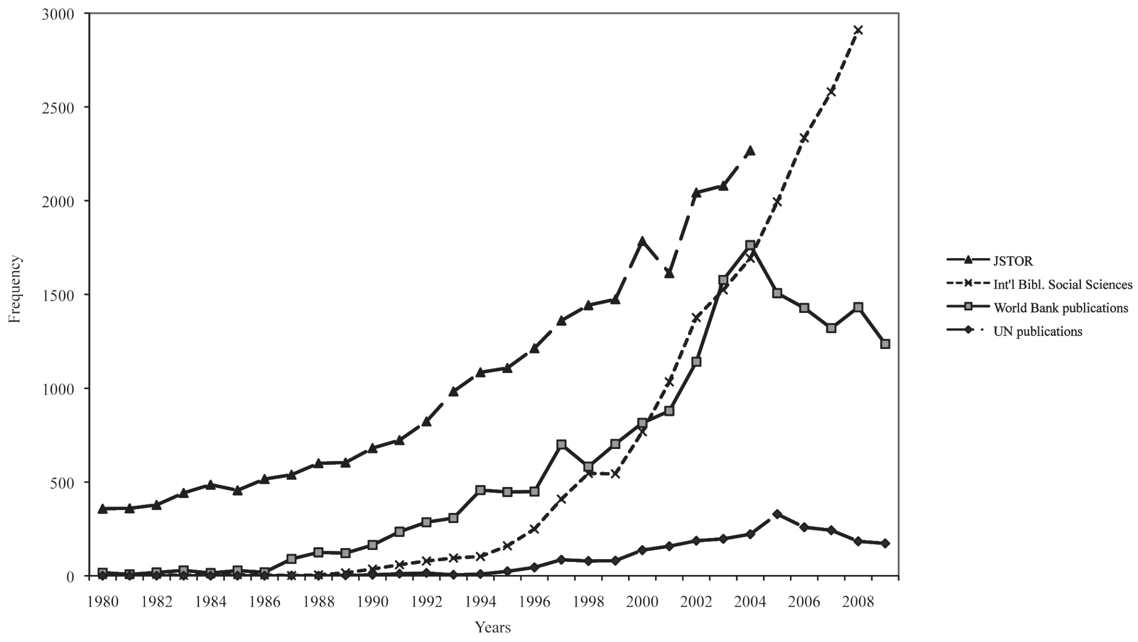
My lecture consists of the following five parts. The next section illustrates, with some key bibliographic data, how the governance concept has achieved prominence in both academic and policy making circles since the 1990s. Section 3 focuses on the two 'poles' in the conceptualization of governance and good governance, respectively, the political and the technocratic understanding of the terms. In section 4, the results are presented from a bibliographic analysis of World Bank and academic publications in order to substantiate the existence of the two 'spheres' of writing about governance. Sections 5 and 6 provide some examples of the way in which particular framings of governance have had implications for the implementation of policies. Section 5 focuses on the approach to fragile states by development agencies, in particular the European Commission. Section 6 discusses some examples of political economy instruments that have been introduced to deal with governance issues in aid-receiving developing countries. Section 7 contains some conclusions.

2. Governance: The Rise to Prominence

As part of the so-called CANDID project – the acronym of which stands for the 'Creation, Adoption, Negation and Distortion of Ideas in Development' – Desmond McNeill has analysed the diffusion patterns of three development ideas since the 1970s. His findings demonstrated that the typical pattern of diffusion of various popular development concepts ('informal sector', 'sustainable development' and 'social capital') has generally been one of initial slow growth, subsequent rapid growth and the slowing down of growth after a saturation point had been reached (McNeill, 2006: 341).

The so-called 'logistic' or S-shaped curve that was found to be characteristic for the diffusion of development concepts such as 'informal sector', 'sustainable development' and 'social capital' appears to be applicable also to the spread of 'governance' and its prescriptive counterpart, 'good governance'. The spread of the governance and good governance concepts in a variety

Figure 1: Usage of the term 'governance'



of publications (academic journals, policy-related publications and international newspapers) is captured in the following figures.

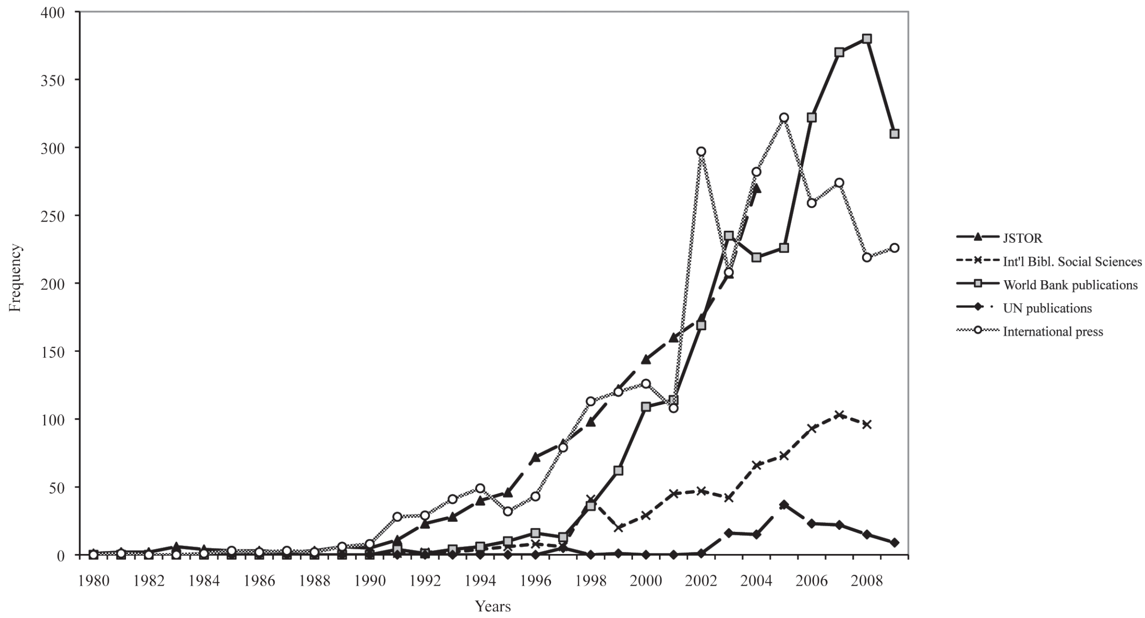
Figure 1 illustrates the diffusion of the governance concept since 1980. Two bibliographic sources have been used for the analysis of academic output and the frequency of the term 'governance'. Following McNeill, JSTOR has been used to analyse the full text of a set of academic journals.[1] The *International Bibliography of the Social Sciences* has been the source of data on a broader set of academic publications, including books; searches in this database were, however, limited to abstracts. Given the increased prominence of the term 'corporate governance' since the 1990s, this term was explicitly excluded from the search in the articles contained in JSTOR and the *International Bibliography of the Social Sciences*.[2]

Journal articles published during the 1980s seem to have been applying the term 'governance' primarily to the analysis of intra-organizational processes, as witnessed in the frequently occurring term 'university governance'.[3] Since the beginning of the 1990s, the concept has referred mainly to governance at the national level. Data obtained from JSTOR demonstrate a rapidly growing use of the term 'governance', almost at a constant rate, since the early 1990s. Also, the *International Bibliography of the Social Sciences* reports the unequivocal increase in the presence of the term in scholarly publications. Given the broader base of the *Bibliography*, in particular its inclusion of books, it is not surprising that the growth that is found in that source started somewhat later, in the mid-1990s. This growth has continued steadily until 2009.

Increased use of the governance concept is evident also in publications emanating from international organizations such as the World Bank and the United Nations. Data on World Bank publications from the online World Development Sources and on UN publications from UNBISnet[4] show that governance had been an increasingly popular term in policy documents until the middle of the current decade and that a modest decrease in its usage can be witnessed since, roughly, 2004 or 2005. The decrease since then represents a return to the earlier level of 2002.

Usage of the term 'good governance', which has a closer relationship with the academic and policy-oriented discourse on international development

Figure 2: Usage of the term 'good governance'



than the generic ‘governance’, shows a slightly different pattern from the one discussed above, as is evident from figure 2. The curves representing academic publications (based on JSTOR and the *International Bibliography of the Social Sciences*) demonstrate significant growth in the application of the good governance concept since the early to mid-1990s. The more recent data represented in the *Bibliography* show a levelling off in the frequency with which the term is used towards the end of the period under study.

Interestingly, the policy-related usage of the good governance concept exhibits a pattern that is different from the one in academic publications. After a slow start in the mid-1990s, the frequency with which ‘good governance’ appeared in World Bank publications has increased in an almost linear fashion from 1998 until 2008. 2009 data report a relative slowdown in the usage of the term. The World Bank’s emphasis of good governance appears not to have been followed by the United Nations family of organizations: usage of this term originated only in 2003, peaked (though at quite a low level) in 2005 and has seen a decline since that year. UN reticence in using a term that has been closely associated with the World Bank vocabulary may be a reflection of resistance within the New York-based organization to the World Bank-dominated Washington Consensus.

The fifth curve in figure 2 reflects the usage of ‘good governance’ in a selection of major international newspapers (the *New York Times*, the *Washington Post*, the *Financial Times*, the *Guardian* and the *Toronto Star*) that are represented in LexisNexis.[5] Analysis of newspaper publications demonstrates that the presence of the term ‘good governance’ increased slowly between 1990 and 2001 and has been fluctuating at much higher levels from 2002 onwards.

In conclusion, the data that were summarized in figures 1 and 2 demonstrate quite rapid growth in the usage of the two key terms ‘governance’ and ‘good governance’ since at least the early 1990s. Attention for both concepts is not limited to either the academic or the policy-making world, as publications from both domains have been applying them with great frequency. In addition, the terms appear to have made their way to the general public, as illustrated by their frequent appearance in major international newspapers over the last decade and a half.

3. Governance and Its Two Faces[6]

The usage of the term 'governance', and *a fortiori* of its normative counterpart 'good governance', can be understood as a framing exercise that has shaped the discussion on international development. The World Bank, as one of the main institutions in development financing, has had major influence on the thinking about what type of institutional frameworks would produce successful development policies. World Bank thinking has led to the 'powerful narrative', as Julius Court and Simon Maxwell (2005: 721) have called it, that aid works only in countries with good governance and good policies.[7] The framing of 'governance' and 'good governance' took place against the background of the neo-liberal analysis of development that has dominated international discourse since the 1980s.

Early policy prescriptions supported by the Washington-based World Bank, International Monetary Fund (IMF) and US Government – hence, the 'Washington Consensus' – revolved around market-oriented reforms and emphasized the virtues of liberalization, privatization and deregulation (Williamson, 2000: 252-3). After a decade of macroeconomic restructuring through 'structural adjustment programmes', the implementation of which was made into a precondition for the allocation of loans to developing countries, the World Bank started to pay attention to the way in which economies and societies were governed.

The groundwork for the Bank's consideration of governance was laid in a discussion paper circulated in 1991. In the paper, governance was defined as 'the manner in which power is exercised in the management of a country's economic and social resources for development' (World Bank, 1991: 1). Four issues were considered relevant for World Bank work: (i) capacity and efficiency of public sector management; (ii) accountability; (iii) predictability and the legal framework for development; and (iv) information and transparency. Despite the use of the term 'power' in its definition of governance, the exercise of power was understood primarily in technocratic, apolitical terms, as if policies could be made in a vacuum, and would only aim to increase collective well-being and economic efficiency.

Adrian Leftwich (1994) was one of the first to point out that the World Bank's position on governance in the 1990s was predominantly technocratic in orientation and tended to neglect the political dimension of governance. The fact that the notion of governance has its roots in the language and thinking of 'new public management', which was embraced by the World Bank as an instrument for 'reinventing government', helps us to understand the Bank's orientation in this respect (Leftwich, 2000: 117).

The technocratic, apolitical approach to governance has been characteristic of the World Bank ever since the early 1990s, even despite the Bank's shift to include broader social and political institutions in its thinking about governance. Undoubtedly, this orientation was due partly to the mandate given to the Bank as a shareholder-based organization, which does not allow the institution to interfere in the political affairs of its member states.[8] At the same time, the Bank's embeddedness within the neoliberal framework explains its preference for the market as the central economic coordination mechanism, and its deep-rooted distrust of politics.

World Bank thinking on governance evolved in the second part of the 1990s, under the leadership of President James Wolfensohn and Chief Economist Joseph Stiglitz. The Comprehensive Development Framework, launched officially in January 1999 but in the making since Wolfensohn's arrival at the Bank (see Mallaby, 2004: 233), Stiglitz's call for a Post-Washington Consensus, and the move to governance-related 'performance-based allocation' of development loans (through the World Bank's International Development Association, IDA) can all be seen as markers of a second phase in the World Bank's thinking about governance. The Comprehensive Development Framework emphasized, in Wolfensohn's words, 'the basic institutional infrastructure, without which a market economy simply cannot function' (Wolfensohn, 1998: 11).

Stiglitz argued that trade liberalization, macroeconomic stability and privatization, which were the hallmark of the Washington Consensus, would not suffice as elements of proper development policy. Rather, he claimed, the regulatory framework of the market economy would need to be 'redesigned'. Government would play a crucial role, as it 'should serve as a complement to markets, undertaking actions that make markets work better and correcting market failure' (Stiglitz, 1998: 26).

IDA's performance-based allocation mechanism places much emphasis on governance indicators. In the 2008-11 period, the so-called Country Performance Rating, which is a major input into the allocation of IDA funds, is being determined, for about two-thirds, by a governance-related cluster of five measures (International Development Association, 2008: 43-5).[9] These measures are:

- property rights and rule-based governance;
- quality of budgetary and financial management;
- efficiency of revenue mobilization;quality of public administration; and
- transparency, accountability and corruption in the public sector.

Thus, the emphasis of IDA's governance assessments has continued to be on impediments for private-sector activity, on public sector management in relation to public finance, taxation and service delivery and on checks on government.

The move to the second phase in the understanding of governance – often referred to, *pace* Stiglitz, as the Post-Washington Consensus – has been analysed at length in the book *Governance and the Depoliticisation of Development* that Richard Robison and I co-edited (Hout and Robison, 2009). As we argued in the introduction to this book, which was one of the major outcomes of the ISS-based part of the EU Network of Excellence 'GARNET',[10] the World Bank and its many followers have continued to see governance in essentially apolitical terms. Under the Post-Washington Consensus, the proper organization of social and political life became the focal point in the thinking about governance and development; a reflection of this is the increasing popularity of the term 'good governance' since the late 1990s. The way in which social and political institutions had been shaped over time, was seen as an important determinant of development, or the lack thereof. The challenge for policy makers was defined, certainly in the case of the Bank, as 'building institutions for markets'. This concern was reflected in the title of the 2002 edition of the Bank's flagship publication, the *World Development Report* (World Bank, 2002).

The change to a broader, institutionally oriented understanding of governance did not, however, produce a revaluation of politics. The theoretical framework embraced by the World Bank and many other agencies has remained essentially apolitical and has not led to enduring attention for political interests and power considerations, which, as any political scientist would point out, are at the heart of politics.

The understanding of governance among policy makers on international development policies stands in stark contrast to the way in which governance is being conceptualized by many academics, in particular those working from a political science or (international) political economy perspective. Hyden, Court and Mease, whose definition of governance was quoted in the introduction, place politics centrally in the understanding of governance. In their interpretation, governance needs to be conceived as an utterly political activity that deals with 'the constitutive side of how a political system operates' (Hyden, Court and Mease, 2004: 16). They make the analogy with Harold Lasswell's classical description of politics – as the process determining 'who gets what, when, how' (Lasswell, 1936) – to argue that a central concern in development has become 'Who sets what rules, when, and how?' (Hyden, Court and Mease, 2004: 17). Hyden, Court and Mease describe governance as a meta-level process that influences outcomes. It is, in their view, a political activity that must explicitly be distinguished from policy making, public administration and management, as the latter operate, as instruments, within the rules regulating the public realm

My argument, that we need to understand governance in essentially political terms, is not merely a semantic move. Neither is it a case of political science chauvinism.[11] The emphasis is important, in my view, because it points to the necessity of a particular type of analysis – instead of seeing governance mechanisms as tools to enhance efficiency and achieve 'the greatest good for the greatest number', governance refers to an arena where different interests collide all of which wish to influence the rules of the game in such a way that the arrangements would benefit them. A few examples may illustrate this point.

The focus of Hyden, Court and Mease on formal and informal rules that regulate the public sphere leads them to distinguish six 'institutional arenas', all of which shape policy processes and, thus, development outcomes. The six arenas are summarised in table 1, together with the purpose of the rules that apply.

Table 1: The functional dimensions of governance and their institutional arenas

Process dimension	Institutional arena	Purpose of rules
Socialising	Civil society	To shape the way citizens become aware of and raise issues in public
Aggregating	Political society	To shape the way issues are combined into policy by political institutions
Executive	Government	To shape the way policies are made by government institutions
Managerial	Bureaucracy	To shape the way policies are administered and implemented by public servants
Regulatory	Economic society	To shape the way state and market interact to promote development
Adjudicatory	Judicial system	To shape the setting for resolution of disputes and conflict

Source: Hyden, Court and Mease (2004: 18)

The approach summarized in table 1 directs our attention to the way in which the rules that apply in different institutional arenas are shaping outcomes. The rules operating in 'political society' shape the way in which policies are set by political institutions, in a similar vein as the rules of 'economic society' mould state-market interactions and thus produce, or fail to produce, development.

Adrian Leftwich's recent analysis of developmental states resonates well with Hyden *et al.*'s approach. Leftwich focuses on the essentially political process that underlies the establishment of the 'rules of the game' – in other words, governance – that are conducive to development. In Leftwich's words, development is 'quintessentially political and potentially deeply conflictual', as it involves 'changing not only *how* resources are used, produced and distributed, but also … how decisions are taken about such changes and about the politics which sustain, implement and extend them' (Leftwich, 2008: 10). The coming into being of the developmental framework needs to be understood against the background of the political dynamics in the countries concerned. Leftwich mentions several characteristics that set successful developmental states apart from other states in the developing world. The most important factors are: (i) the rise of determined elites or developmental coalitions who built their power base in the light of external threats or internal instability; (ii) relative autonomy of the state, made possible by the absence of strong independent economic interests; (iii) the building of effective and insulated bureaucracies; (iv) the existence of a relatively weak and subordinated civil society; (v) state legitimacy, built on economic performance (Leftwich, 2008: 14-16; Leftwich, 2000: 160-7).

A third useful example of a political approach to governance is Chabal and Daloz's analysis of disorder as political instrument in Africa. The argument made by these two authors is essentially a critique of the fact that 'virtually all models of African politics are constructed on the assumption that development and modernization are coterminous' (Chabal and Daloz, 1999: 142). Chabal and Daloz emphasize that it is impossible to understand the essence of governance in African states if one focuses on the formal institutions that may resemble the legal-bureaucratic order of Western polities. Rather, the interests cementing 'informal compacts derived from ethnic, factional, or nepotistic ties of solidarity' (Chabal and Daloz, 1999: 100) imply that the constitutional order in Africa may be little more than a 'façade'. Instead of emphasizing the dysfunctional nature of corruption, as the World Bank would do, Chabal and Daloz advocate that we need to understand how practices of corruption tie in to the social fabric and the interests of power-wielders. This is well captured in the following quote:

> Provided the beneficiaries of graft do not hoard too much of what they accumulate by means of the exploitation of the resources made available to them through their position, and provided they redistribute along lines that are judged to be socially desirable, their behaviour is deemed acceptable. Corruption is not, therefore, a matter of a few 'rotten apples' or of a venal 'class', even less an 'evil' to be eradicated by means of vigorous 'ethical' campaigns. On the contrary, it is a habitual part of everyday life, an expected element of every social transaction. (Chabal and Daloz, 1999: 99)

Thus, understanding the real foundations of governance practices in Africa and the interests that are at play, according to Chabal and Daloz, may bring us to a better understanding why 'Africa works', at least for the elites, and how they use 'disorder as political instrument'.

The implication of taking a political perspective on governance is that interests are taken into consideration, rather than being assumed away as is done in the technocratic approach. Interests, it is my contention, need to be understood as an intermediary variable between norms and practices of governance. In the case of Hyden, Mease and Court's analysis, interests explain why rules in the different institutional arenas are different from country to country. In the case of Leftwich's analysis of developmental states, interests help us understand why 'development' has become a central concern to some elites, but not to others. In the case of Chabal and Daloz's analysis of disorder, the focus on interests clarifies why the sustenance of 'bad governance' practices is rational for certain African elites.

4. Governance and Its Correlates: Bibliographic Analysis

In order to test whether the existence of two 'spheres' of governance can be substantiated empirically, this section reports on a second set of analyses on bibliographic sources. Data on World Bank publications were again derived from the online World Development Sources; journal publications were traced using JSTOR.[12] The analyses reported in this section are relatively rough bibliographic exercises; they should not be mistaken for fine-tuned, sophisticated content analyses.[13] The sheer volume of the publications made a more nuanced analysis impossible.

The following figures reflect a comparison of World Bank publications and articles published in academic journals for a set of key terms that are felt to reflect more technocratic, depoliticized notions of governance (called 'corrrelates' for want of a better term) and a set of terms that are more directly and explicitly political. Terms such as ´management´, ´corruption´, ´transparency´, ´accountability´, ´financial management´, ´public finance´, ´public sector management´, ´public sector´ and ´decentralization´ were taken as representing the former set of notions. Another set of concepts ('struggle', 'justice', 'conflict', 'parliament', 'democracy', 'interests' and 'politics') were used to represent the more political interpretation of governance. The hypothesis underlying the analysis is that governance-related publications stemming from the World Bank will show more frequent use of the depoliticized notions, whereas academic publications in general will tend to associate governance with political issues and institutions.

Figures 3 to 6 present the outcome of the analyses. Figures 3 and 4 report the use of the more technocratic and more political notions in World Bank and academic publications in two periods: 1990-9 and 2000-9. The horizontal bars indicate the relative frequency with which governance correlates appear in publications that use the term 'governance'. Figures 5 and 6 report the findings in relation to the use of the term 'good governance'.

Figures 3 and 4 display roughly similar results. In all but one case, World Bank publications show a much more frequent use of the technocratic correlates of governance than articles that were published in academic journals. Figure 3 indicates that World Bank publications on governance in the 1990s were very much concerned with issues of management, accountability and public sector; academic publications showed much less attention to these themes, illustrated by the difference of 20 or more percentage points in the frequency with which the terms were used. Other issues, such as transparency, financial management, public finance and public sector management

Figure 3: Governance correlates (1990-9)

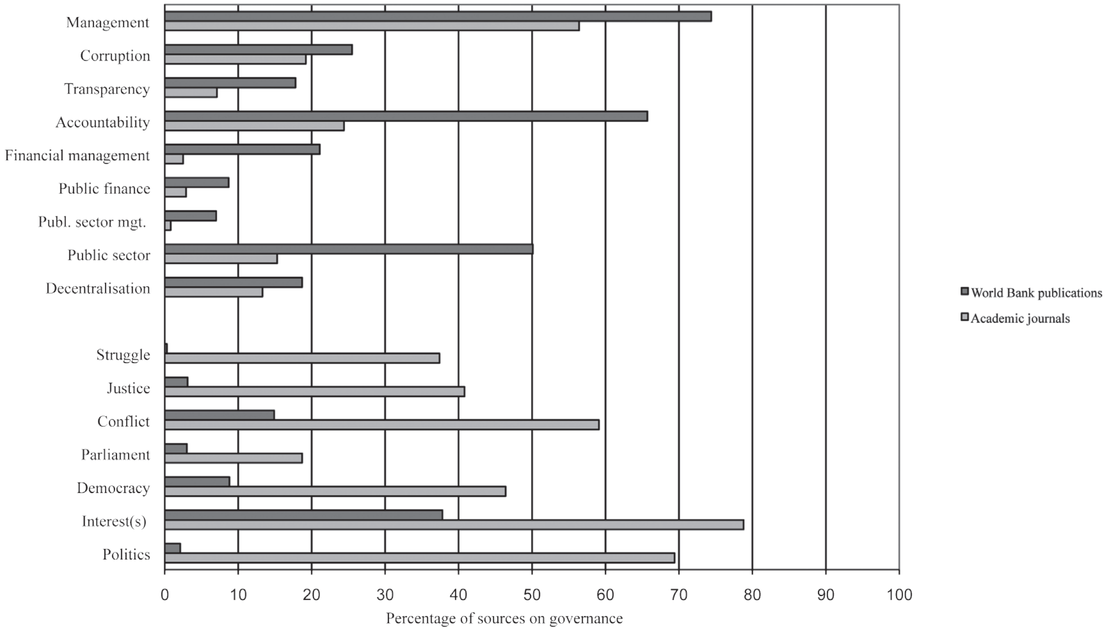
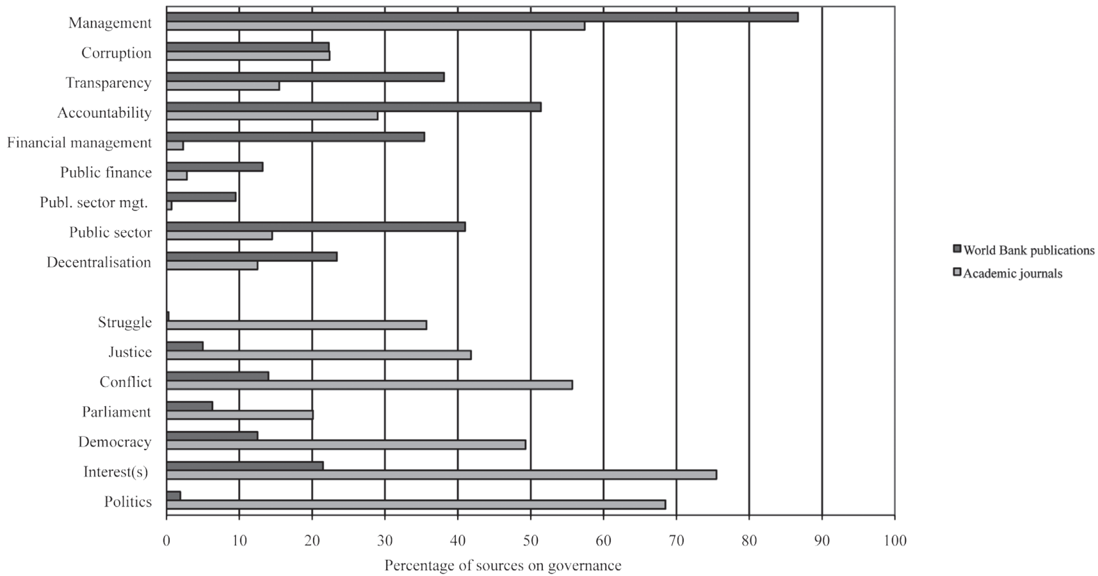


Figure 4: Governance correlates (2000-9)



were applied less frequently by the World Bank than other terms, but also in these cases there appears to be a marked difference with the academic literature on governance.

Differences between World Bank and academic publications are even clearer when it comes to the usage of the political correlates of governance. Terms that appear to be associated closely with governance by academic authors, such as politics, interests, struggle, conflict, justice and democracy, have received much less attention in World Bank publications – in all these cases the difference is well over 30 percentage points, and in one case (that of politics) it reaches a high of 65 percentage points. The frequency with which reference is made to parliaments appears to differ much less when World Bank publications and academic journals are compared. Yet, the ratio between the relative frequencies is still over 1:6, which illustrates the relative lack of attention for a seemingly uncontroversial governance institution in World Bank circles.[14]

The results that are displayed in figure 4, on the 2000-9 period, are highly similar to those described above. The major exceptions with regard to the more technocratic correlates are transparency and financial management, which appear to have become much more prominent in World Bank publications, and corruption, the attention for which has evened out between World Bank reports and academic journals. During the last decade, World Bank publications appear to have had relatively more attention for parliaments and democracy but the mention of interests in that period has almost been halved as compared to the 1990s.

The correlates of good governance are displayed graphically in figures 5 and 6. The results of the analysis of the literature on good governance are broadly similar to that of the publications dealing with governance in a general sense. Figure 5 illustrates that World Bank publications on good governance in the 1990s tended to stress technocratic aspects, such as management, corruption, transparency, accountability, public sector and decentralization. Figure 6 makes clear that financial management rose to prominence in the 2000-9 period. With the exception of, again, corruption, all these aspects were much less present in the academic literature. There also appears to have been a marked difference in the emphasis on public finance and public

Figure 5: Good governance correlates (1990-9)

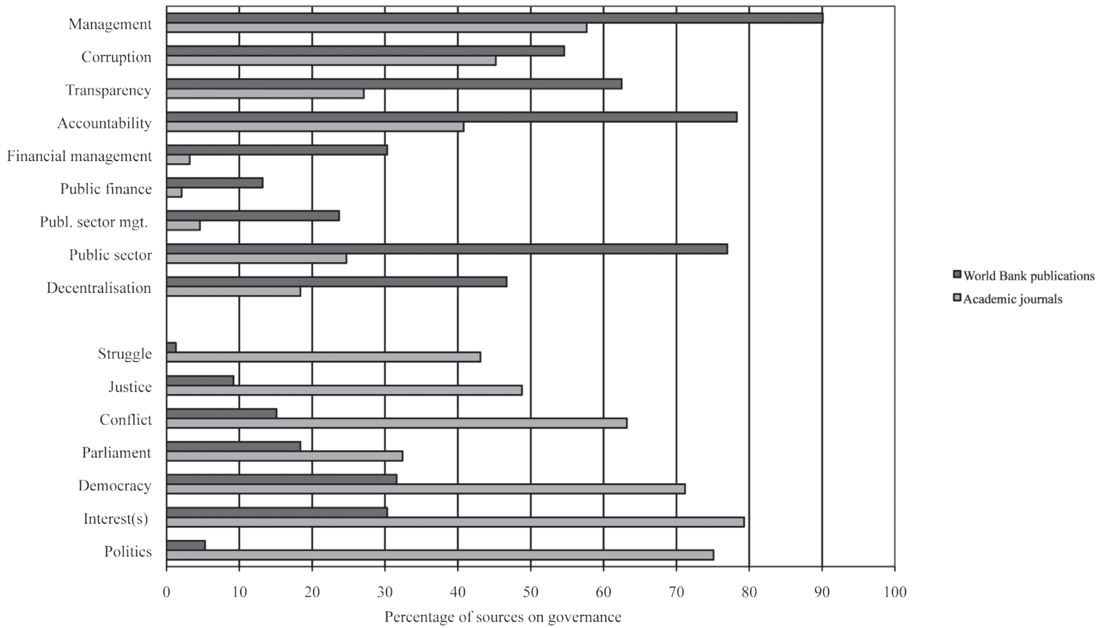
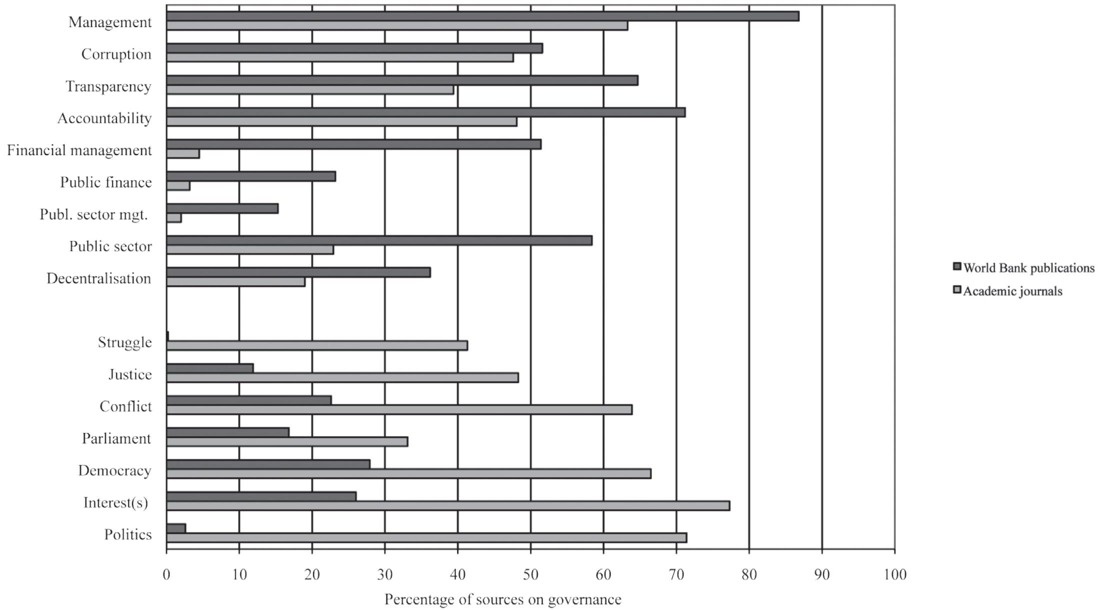


Figure 6: Good governance correlates (2000-9)



sector management in World Bank and academic circles, although these correlates, by themselves, generated much less attention in World Bank publications than the seven concepts mentioned above.

In regard to the political correlates of good governance, the analysis of data on the two periods supports the conclusions reported above on the general governance literature. Generally speaking, academic publications on good governance have had much more interest in outright political issues than World Bank reports. Exceptions seem to be parliaments and democracy, which both received relatively much more attention in World Bank reports on good governance than in reports dealing with general governance issues.

5. The Emergent Agenda of State Fragility[15]

This and the following section serve to illustrate the argument presented above. This section discusses the way in which the European Commission has dealt with the issue of fragile states and zeroes in on the implications that the use of an essentially technocratic and managerial concept of governance has had. I argue that such outlook leads, almost inevitably, to the obfuscation of the power relations and conflicts of interest that are at the root of state fragility. The next section focuses on the attempt of several development agencies to come to grips with the political economy of governance practices. I argue that development agencies have experienced great difficulty to truly incorporate political economy approaches into their policies because such approaches sit uncomfortably within the generally depoliticized development framework that the agencies have espoused.

Development agencies have been paying increased attention to the issue of 'state fragility' since the turn of the century.[16] The interest in state fragility was spurred by security considerations in the wake of the terrorist attacks of '9/11'. Fragile states came to be seen as potential incubators of state collapse, which would produce 'ungoverned spaces', with an increase of crime and terrorism as a consequence (François and Sud, 2006: 145).

The European Union began to place increasing emphasis on so-called 'fragile states' with the adoption of its 'security strategy', drafted by Common

Foreign and Security Policy (CFSP) High Representative Javier Solana in 2003. The key threats to Europe that were outlined in the strategy included 'state failure' which was perceived both as a threat in itself and as a factor possibly contributing to other types of threats. The European security strategy defined state failure as a 'key threat', because:

> [b]ad governance – corruption, abuse of power, weak institutions and lack of accountability – and civil conflict corrode States from within. … Collapse of the State can be associated with obvious threats, such as organised crime or terrorism. State failure is an alarming phenomenon, that undermines global governance, and adds to regional instability. (Council of the European Union, 2003: 4)

The European Council has defined state fragility in terms of:

> weak or failing structures and … situations where the social contract is broken due to the State's incapacity or unwillingness to deal with its basic functions, meet its obligations and responsibilities regarding the rule of law, protection of human rights and fundamental freedoms, security and safety of its population, poverty reduction, service delivery, the transparent and equitable management of resources and access to power. (Council of the European Union, 2007: 2)

A related Communication from the European Commission makes clear that 'governance deficits' are seen as the main cause of state fragility: 'Fragility is most often triggered by governance shortcomings and failures, in form of lack of political legitimacy compounded by very limited institutional capacities linked to poverty' (European Commission, 2007: 8). In 2007, the European Council requested the Commission to 'test' the EU response to fragile states in six pilot cases: Burundi, Sierra Leone, Guinea Bissau, Haiti, Timor-Leste and Yemen. On the basis of the experience in the pilot countries, the European Commission is currently working on an EU Implementation Plan (European Commission, 2009).

The main instrument defining the relationship between the European Community[17] and partner developing countries is the Country Strategy

Paper (CSP). The CSP is a medium-term plan for the provision of development assistance on the basis of a country's official national policy priorities. CSPs contain an analysis of the political – along with the economic, social and environmental – situation in partner countries. Various governance indicators are included as part of the assessment of the political situation, such as:

- obstacles for the protection of and respect for human rights;
- democratic principles, relating to elections and change of government;
- government organization and decision-making, including the division of power over different levels of government, transparency and accountability of key political institutions, anti-corruption measures, the rule of law and the independence of the judiciary; and
- evidence of state fragility, demonstrated by the incapacity to perform basic government functions, such as security, social services and human rights (European Commission, 2006: 12-14).

In order to assess the European Commission's approach to governance in so-called fragile states, I have compared the Country Strategy Papers[18] that were concluded between the European Community and the pilot countries in 2007. This comparison shows that the European Commission has clearly made an effort to ground its response strategy in an understanding of the local dynamics of the countries concerned and that it has aimed at presenting a substantively sound and policy-relevant understanding of the causes of state fragility.

In four out of the five pilot countries for which CSPs were available (Burundi, Guinea-Bissau, Sierra Leone and Yemen), the Commission's analyses did not, however, dig deep enough to uncover the structural or root causes of the problems. Independent political economy analyses show, in the case of Burundi, that the CSP missed out on structural causes of the country's conflict that are related to the unequal distribution of, and access to, resources (Jooma, 2005). The CSP for Guinea-Bissau did not pay sufficient attention to the unequal distribution of wealth in the country and to the fact that the ruling minority keeps a tight grip on the country's resources, which enable the elite to rule by maintaining profound clientelist networks (Magalhães Ferreira, 2004). Similarly, the deep-rooted causes of the conflict in Sierra Leone, related to the underdevelopment of the country's economy and the pervasiveness of social exclusion, was underemphasized in the Sierra Leone CSP. Thus, the grievances experienced by all participants in the Sierra Leone conflict, which stemmed from a lack of education, unemployment and failure of local justice, were not well understood (Keen, 2004). Finally, in the case of Yemen's CSP, the awkward position of the government seemed insufficiently clear. The CSP appeared to have underestimated the impact of the decrease in oil revenues on the government's ability to maintain its tribal power base. As a result, the country has been facing the risk of civil war in the north of the country, a separatist movement in the south, as well as the activity of terrorist groups (Hill, 2008).

The analytical shortcomings of the CSPs of the pilot countries would seem to be remediable. A more profound problem of the response strategies for the fragile states, however, is the serious gap that exists between the political-economic analyses made in the CSPs and the measures adopted in the EC's support packages. The various measures are compared in table 2. This table illustrates the dominance of certain types of responses to the problems in fragile states: public sector reform, decentralization and public finance management are key to the European approach in all cases discussed earlier. Also, support of electoral processes at the national or local level shows up as a measure in a majority of the pilot countries. Security sector reform, support of the justice sector and support of central state organs are each mentioned in the case of two of the five fragile states. Finally, anti-corruption and civil society support show up in one case.

The listing of priority areas in table 2 illustrates that the general approach of the European Commission is to aim for a *reconstruction* of state capacities in fragile states through essentially technical and managerial measures. In a good number of cases, such technocratic measures do not seem to square with the analysis of the problems made either in the CSPs or by independent analysts. Issues raised in the analyses of state fragility relate to problems of state capture, including patronage and clientelism, the violent resistance of groups against central government, ethnic divisions, human rights violations, weak socioeconomic basis, and extreme inequalities and social exclusion or marginalization of particular groups. The failure to ground the choice for policy instruments in a sound political-economic analysis of the

Table 2: EC Support Strategies in Five Fragile States

	Burundi	Guinea-Bissau	Sierra Leone	Timor-Leste	Yemen
Public sector reform	x	x	x	x	
Decentralization	x		x	x	
Public finance management	x	x		x	
Electoral support	x	x	x		x
Security sector reform	x	x			x
Support of Parliament and central state organs		x		x	x
Support/reform of justice sector				x	x
Anti-corruption	x				
Civil society support			x		

Sources: République de Burundi–Communauté européenne (2007: 20-2), République de Guinée-Bissau–Communauté européenne (2007: 31-8), Sierra Leone–European Community (2007, Part 2: 3-4), Timor-Leste–European Community (2007: 70-7), Yemen-European Community (n.d.: 6-8).

governance problems involved raises serious doubts about the effectiveness of the European Community's strategy for fragile states.

6. The Challenge of Political Economy[19]

Over the past decade, various development agencies have started to recognize the limits of the approach to governance that had been adopted under the influence of World Bank thinking, and that was grounded essentially in a depoliticized framework. Calls for a better understanding of underlying power structures and the causes of deep-rooted political conflicts – often cast in terms of the need for 'political economy analyses'[20] – resulted in the development of various instruments that aim to capture governance realities by 'looking behind the façade' (a term used, among others, by Harth and Waltmans, 2007 and Waltmans, 2008). This section focuses on three examples: the UK's Drivers of Change, the Dutch Strategic Governance and Corruption Analysis and the World Bank's Problem-Driven Governance and Political Economy Analysis.

First steps towards a political economy approach to governance were set at the UK's Department for International Development (DFID) with the launch of the so-called Drivers of Change (DoC) methodology. Drivers of Change was introduced because of the feeling at DFID that it would not be sufficient for donor agencies 'to bring about change through technically sound programmes, supported in country by individual champions of reform or change' (Department for International Development, 2004: 1). In addition to such programmes, it was argued, knowledge would be required about governance realities on the ground in developing countries, in particular related to the role of formal and informal institutions and 'underlying structural features' shaping governance practices. Structural features would include the heritage of state formation, economic and social structures, regional influences and integration, patterns of trade and investment and urbanization (Department for International Development, 2004: 1).

The philosophy behind the Drivers of Change methodology was to examine:

> ‘what is driving change’ in the countries where DFID is active. This is to address the fact that, ‘DFID and other donors find it easier to say “what” needs to be done to reduce poverty than “how” to help make it happen’. By better understanding *how change occurs* within specific contexts, it is hypothesised that DFID’s programming decisions will be better equipped to respond to this ‘how’ question and help bring about pro-poor change. DoC therefore emphasises DFID’s need to understand economic, political and social contexts, in other words, the application of political economy analysis to formulation of donor strategy and implementation. (Warrener, 2004: 1)

The Drivers of Change programme typically led to the commissioning of analyses by DFID country offices from teams of independent local and international consultants. Altogether, consultants have produced some twenty reports that all followed the programme’s conceptual model, that is, by focusing on three main categories: agents, institutions and structural features.[21]

Various commentators have argued that its high level of abstraction does not make the Drivers of Change approach easily applicable to concrete policy decisions (e.g. Dahl-Østergaard *et al.*, 2005: 24). An OECD-DAC report on the lessons learned indicates that:

> there is a sense of growing tension – expressed by staff in all locations – arising from the pressure to increase spending, especially in Africa, and to pursue short term interventions to achieve the Millennium Development Goals. This is seen as difficult to reconcile with the emphasis of DOC studies on local political process, and longer timescales for fundamental change. (Dahl-Østergaard *et al.*, 2005: 7)

Thus, in the end, Drivers of Change analyses appear to have served mainly as a means to enhance the understanding of staff at DFID country offices and country specialists at headquarters about the political-economic realities in partner countries (Dahl-Østergaard *et al.*, 2005: 7).

The co-called Strategic Governance and Corruption Analysis (SGACA), introduced by the Directorate-General for International Cooperation at the Dutch Ministry of Foreign Affairs in 2007, appears to have had a similar fate as the Drivers of Change approach. SGACA had been introduced by the Human Rights, Good Governance and Humanitarian Aid Department with the clear aim of integrating the analysis with standard policy-making procedures at the ministry – which resulted in the formulation of Multi-annual Strategic Plans per embassy – and thereby enhancing the 'operational' value of the instrument. So-called Power and Change Analyses (PCAs) would address, in a similar way as the Drivers of Change, the 'foundational factors', the 'rules of the game' and the 'here and now' (the current context and main actors and stakeholders). The approach envisaged that operational implications would be derived from the SGACAs during workshops organized at the embassies (Ministry of Foreign Affairs, 2008: 6-7). As it was put in the SGACA framework:

> The PCA can help with refining existing choices or making new ones, by enhancing understanding of context (the underlying causes of bad governance and weak development); and highlighting opportunities and threats arising from that context that should inform all donor interventions. (Ministry of Foreign Affairs, 2008: 27)

The first of 29 completed SGACA exercises started from the assumption that the Power and Change Analyses would be 'quick scans', on the basis of governance assessments made by the Dutch embassies (the so-called 'track records'; cf. Hout, 2007: 58-61) and other available material, such as academic publications and policy-oriented reports. On the basis of the pilot phase, which took place in the second quarter of 2007, a decision was taken to increase the time allocated to the work of the international and local consultants in order to provide more solid analyses.[22]

Despite the increase of resources for the analyses, direct observers of the SGACA exercises seem to agree that the quality of the SGACAs has been highly variable. In certain cases, the quality of the consultants is mentioned as a cause of poor quality, while in other cases the relative failure of SGACAs is ascribed to the lack of interest among embassy staff. In any case, the decision by the Minister for Development Cooperation to bring the drafting of the Multi-annual Strategic Plans for 2009-2012 forward did not help in turning SGACA into a success: eventually, fewer than half of all 29 SGACAs had been completed by the time the MASPs were finalized at the beginning of 2008. Finally, in an interview held in January 2010, a seasoned consultant expressed his doubts about the way in which the SGACA exercise had been managed (or, rather, had failed to be managed) at headquarters in The Hague.

The SGACA process seems to have come to an end only three years after its inception, although the Human Rights, Good Governance and Humanitarian Aid Department argues that an 'action plan' will continue to bring the usefulness of 'political economy thinking' to the attention of embassy staff. The fate of SGACA seems, therefore, rather similar to that of the Drivers of Change; its main value is seen to derive from the contribution that political economy analysis has on the understanding of embassy staff of interests and power struggles in the partner countries.

The World Bank has come a long way in its thinking about the political economy of governance practices. The Bank's *World Development Report 2002* was premised on the notion that markets are the central element of development: 'income from participating in the market is the key to boosting economic growth for nations and to reducing poverty for individuals' (World Bank, 2002: 3). The main challenge in fighting poverty was almost reduced to a micro-economic issue: it would involve creating opportunities and incentives for poor people to make use of markets (cf. Fine, 2003: 14). 'Good governance' precepts would limit the role of the state to that of a regulator. The *World Development Report 2002* distinguished four elements, in particular, as main tasks of the state:

> the creation, protection and enforcement of property rights, without which the scope for market transactions is limited ... the provision of a regulatory regime that works with the market to promote competition ... the provision of sound macroeconomic policies that create a stable environment for market activity ... the absence of corruption, which can subvert the goals of policy and undermine the legitimacy of the public institutions that support markets. (World Bank, 2002: 99)

In a self-assessment published in 2005, the World Bank embraced some significant conceptual and theoretical innovations that implied an implicit criticism of and distancing from its earlier apolitical, technocratic approach. Interestingly, the report argues:

> Perhaps the most important lesson of the 1990s is that technocratic responses to improve governance work only in very auspicious settings – where there is committed leadership, a broadly based coalition in support of reform, and sufficient capacity to carry the reform process forward. ... Meeting the challenge requires a good understanding of the political dimensions of reform, and, in particular, of how reform can be used to identify and build constituencies that are capable of sustaining the reform momentum. (World Bank, 2005: 298)

Although the report seemed to signal much greater sensitivity for political dynamics than in the past, the 'guidelines' for policy reform as formulated by the Bank remained limited to the creation of incentives for economic actors, the pursuit of growth strategies and the creation of institutional conditions for a favourable investment climate (World Bank, 2005: 262-5).

A so-called 'good practice framework', published by the World Bank's Poverty Reduction and Economic Management (PREM) Network in September 2009, emphasizes the need for 'problem-driven governance and political economy analysis' as 'a crucial part … in enhancing the effectiveness of development' (Fritz *et al.*, 2009: vii). The Bank, so much is clear from the framework, stresses the instrumental nature of its approach:

> A number of recent evaluations have underlined the need for understanding the political economy context of reforms more systematically and for taking this into account when designing and implementing reforms. … [Governance and political economy] analysis can help to anticipate and manage risks – including risks of reform failure, of Bank-supported reforms triggering unintended negative consequences, as well as potential reputational risks. It can also assist in transmitting important knowledge about institutions and stakeholders more quickly and effectively to staff newly joining a country or other operational team. (Fritz *et al.*, 2009: 1)

Although the framework alludes to 'country-level analysis', specific sectors and policy themes receive most attention (Fritz *et al.*, 2009: 23). It is at this level that the framework seems to see the best opportunities for the application of governance and political economy analysis. In particular, the authors of the framework suggest three options to the Bank. In the first place, analyses would inform Bank staff teams how to adjust strategies and operations to existing opportunities for change. Further, such analyses would enhance and broaden the policy dialogue with country governments. Finally, findings of the governance and political economy analyses would point out opportunities for supporting change proactively.

On the basis of recent World Bank work on governance and political economy, one is led to conclude that little has changed to the Bank's approach to politics. Insofar as the analysis of the political economy context of borrowing countries is felt to be relevant, it is judged primarily on the contribution it may make to the Bank's own risk management. The World Bank's increased recognition of political factors in the governance reform process seems to have had only limited impact on its day-to-day operations. The Bank's use of the Country Policy and Institutional Assessment (CPIA) is a case in point. As the discussion above (section 3) has made clear, there are no signs that the allocation of loans to developing countries will become less performance-based and less reliant on the technocratic and market-oriented CPIA. Further, it is not clear how the change in thinking would reflect in actual lending practices and how the awareness of political dimensions of reform would be featured into projects and programmes aimed at strengthening governance in developing countries. The advocated changes are likely to remain rhetorical and have little impact on day-to-day World Bank policy practices.

The discussion of various methods for political economy analysis in this section has demonstrated that such approaches do not sit very comfortably among the range of tasks undertaken by development agencies. The agencies seem to understand their own role primarily as 'doing development'. Such self-conception leads to a preoccupation with finding the right instruments to bring about desired effects, be it building infrastructure, providing health care or implementing macroeconomic policies. Development practice, as noted above, tends to be seen as an expert activity, not an act of politics

– on the contrary, much of the development 'industry' still operates as the 'anti-politics machine' that I alluded to above.

7. Conclusion

In this lecture, I have made an attempt to analyse the rhetoric of international development with regard to the use of the terms 'governance' and 'good governance'. I have purposefully applied a somewhat pejorative term to refer to the discourse of international development, because I feel that many of the discussions about governance, governance reform, governance conditionalities and the like, have remained at the level of rhetoric and have not been put into practice.

I have tried, in this lecture, to demonstrate how 'governance' and 'good governance' have been used by policy makers and international development agencies to serve their own purpose. In the case of the World Bank, which has set the tone of much of the debate about governance and international development policies over the past two decades, the purpose was the reordering of societies, economies and, in many cases, even political systems across the developing world. In many other cases, policy makers have tended to take a very instrumental, and managerial, approach to governance.

What I have further tried to argue is that academic interpretations of the governance debate, which emphasize the need to adopt an explicitly political understanding of governance, have, on the whole, had limited influence on the rhetoric of international development. Where attempts have been made to introduce political economy analyses, development agencies ran up to the limits of their mandates. The agencies tend to see 'doing development' as a highly instrumental, and predominantly apolitical, activity.

The overall conclusion of my lecture is that the academic analysis of governance and the rhetoric of international development is useful because policy making, to a substantial degree, is an act of framing. We should be aware of the – highly politically relevant – attempts of development agencies to place emphasis on certain issues and prioritize particular viewpoints in the debate on international development. Academics, in particular, should stay alert to point out that ideas and solutions that are framed as 'common sense', actually serve particular political purposes and specific group interests. If nothing else, I hope that this lecture will have made clear why we need to maintain a critical stance on governance and its application in the debate on international development.

Afterword

Coming to the end of my inaugural address, I would like to say a few thank yous.

In the first place, I thank the Executive Board and the Board of Deans of Erasmus University for expressing their trust in me as holder of the Chair in Governance and International Political Economy and the Erasmus Trustfonds for establishing the Chair. For me personally, obtaining this appointment at my *alma mater*, where I received my BA and MA degrees and spent the first five years of my academic career, is highly gratifying.

A special word of thanks should go, in this respect, to former Rector Magnificus, Professor Steven Lamberts, who proved very supportive of the idea that the International Institute of Social Studies appoint a good number of associate professors to Chairs in order to redress the imbalance that had become manifest in the senior ranks of this Institute over the past years. I am sure that, in relation to this, I speak also for my five fellow Chairholders who were appointed in December 2009.

I would also like to express my gratitude to our former Rector, Professor Louk de la Rive Box. As Deputy Rector for Academic Affairs I have had the opportunity to work closely with Louk for over three years. I have been impressed with his drive and ability to introduce changes in the Institute. He has been very creative in using the opportunities to get quite a large number of professorial appointments accepted in the new context of Erasmus University, which we joined, in the form of a University Institute, on 1 July 2009. I remain indebted to him for his efforts to get the Chair in Governance and International Political Economy established at ISS.

To my colleagues of the Staff Group States, Societies and World Development I would like to say the following: I have been part of the group for little over eleven years now. Despite important changes in its composition (which have made me the fifth longest serving staff member of the group), I enjoy contributing to our collective agenda now as much as when I joined the Institute. I look forward to the moment when I will again be part of the Staff Group full-time and rejoin you on the third floor. My hope is that we will then jointly take new initiatives for teaching, research and capacity development in the fields of governance and international political economy.

Let me, finally, address the students in our MA, Doctorate and Diploma programmes. It has always been a pleasure to work with you. The diversity of the ISS student body – both in terms of nationalities and experiences – as well as their maturity, make the interactions with our students worthwhile. I appreciate their commitment to issues of development, as well as their critical attitude. I hope that the generally critical nature of my lecture will inspire you to continue your work at this Institute.

Thank you for your attention.

Notes

1 Data from JSTOR are reported until 2004, since the so-called 'moving wall' of three to five years implies that many journals have been included only up to that year. JSTOR, in contrast to more encompassing databases such as the ISI Web of Knowledge, offers the advantage that full-text searches can be made of articles.

2 Wherever possible, the search in databases was performed with the use of Boolean queries. Where this proved to be impossible, full text searches for the exact terms 'governance', 'corporate governance' and 'good governance' proved to be the most obvious alternative.

3 A similar point has, inter alia, been made by Doornbos (2001: 93-4).

4 Data from World Development Sources were obtained from http://go.worldbank.org/CIUL1PYIB0 (accessed 18 March 2010), those from UNBISnet from http://unbisnet.un.org (accessed 15 March 2010).

5 The selection of major international newspapers has been made on the basis of McNeill (2006: 339).

6 I have borrowed the term from my colleague Karim Knio (see Knio, 2010).

7 'Good policies' were included, among others, in the World Bank's *Assessing Aid* report. There, the quality of policies and governance was established by using an 'index of economic management', which was calculated as the weighted sum of the inflation rate, the budget surplus, trade openness and institutional quality. The latter was a composite of indicators related to bureaucracy, corruption, the rule of law, the risk of expropriation, nationalization and breach of contract (World Bank, 1998: 121-3).

8 This interpretation is based on section 10 of Article IV of the Articles of Agreement, which specifies that '[t]he Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially.'

9 A new formula for calculating the Country Performance Rating was introduced in the 15th replenishment period of IDA (IDA15, 2008-11). This formula is

Country Performance Rating = (0.24 * CPIAA-C + 0.68 * CPIAD + 0.08 * PORT),

in which CPIAA-C stands for the average score on the clusters on economic management, structural policies and policies for social inclusion/equity, CPIAD represents the average on the five components of the governance cluster, and PORT the assessment of portfolio performance (International Development Agency, 2007: 9-10). In earlier periods, a so-called 'governance factor' had been used to emphasize governance-related criteria in the Country Performance Rating (see Hout, 2007: 31-40 for a detailed analysis).

10 GARNET was a research network on 'Global Governance, Regionalisation and Regulation: The Role of the EU' that was sponsored by the European Commission under the Sixth Framework Programme. ISS hosted one of 18 jointly executed research programmes, on 'North-South Development Issues and the Global Regulatory Framework'.

11Cf. Leftwich (2000: 11-12) who comments that 'for too long the study of development has often been extruded from the central concerns of political science especially, and the broader field of the social sciences more generally' and that 'the study of the politics of development has tended to evolve in relative isolation from the mainstreams of the discipline of politics or political science. Parallel to that, the discipline itself moved forward in relative isolation from the work done in development politics.'

12 In contrast to the data reported in figures 1 and 2, data from JSTOR were used though 2009. Relative underreporting over 2005-9 was felt to be less of a problem, since figures 3-6 report percentages, not absolute numbers. The absence of particular journals affects the numerator and the denominator in the same way.

13 In the analyses reported below, data have a binary character. This implies that the single use of the terms 'governance' and 'good governance' has led to inclusion of a document, and no further distinction is made with regard to the frequency with which the terms have been used. The analyses have not been able to take into account the proximity of other terms (such as 'management' or 'interest') to 'governance' or 'good governance', although it would have been preferable to determine whether such correlates were used in the same context as 'governance' or 'good governance' or in parts of the document that may be unrelated to those terms.

14 This finding corresponds to the arguments made by Hatcher (2009), who found a clear lack of attention to parliaments in the Poverty Reduction Strategy Papers, which are among the World Bank's most favoured instruments in its relations with developing country governments.

15 This section is based on Hout (2010a and 2010b).

16 The fragile state concept has gradually replaced concepts that were applied earlier – such as difficult partnerships, countries at risk, difficult environments, failing states and low income countries under stress (LICUS) – since the adoption of the Paris Declaration on Aid Effectiveness in March 2005 (World Bank Operations Policy and Country Services, 2005: 1). Most definitions seem to understand state fragility either in terms of the inability or unwillingness of states to guarantee the security and wellbeing of their citizens, or in terms of the problems brought about by such states, such as poverty, violent conflict, terrorism, refugees and organized crime (Cammack *et al.*, 2006: 16-18).

17 As a result of the Treaty of Maastricht of 1992, development assistance is part of the first 'pillar' of the European Union. This pillar is commonly referred to as the European Community.

18 République de Burundi–Communauté européenne (2007), République de Guinée-Bissau–Communauté européenne (2007), Sierra Leone–European Community (2007), Timor-Leste–European Community (2007) and Yemen–European Community (n.d.). No CSP was available for Haiti. The CSPs were concluded either as part of the allocations under the 10th European Development Fund for the period between 2008 and 2013 to African, Caribbean and Pacific (ACP) partners, or in the framework of the Development Cooperation Instrument, which focuses at non-ACP countries. The findings of the analysis are reported in more detail in Hout (2010: 147-51).

19 This section draws on Hout (2009).

20 In this context, De Haan and Everest-Phillips (2007: 11) present the interesting argument that political economy as a 'convenient portmanteau term does as much to obscure as to clarify or facilitate a more political approach to economic growth. Often it seems to mean no more than an attempt to recognize that the linkage of politics and power cannot be separated from economic policy or asset distribution.'

21 Agents are individuals and organizations pursuing particular interests, including political elites, the judiciary, the military, civil society organizations and the media. Institutions are the formal and informal 'rules governing the behaviour of agents', and range from laws and official procedures to social and cultural norms. Structural features relate to 'deeply embedded' factors as the history of state formation, natural resources, economic and social structures and urbanization (Department for International Development, 2004: 1).

22 This observation, as well as certain others related to SGACA, derives from interviews held between September 2009 and January 2010 as part of the ECORYS Research Programme 'The Use of Political Economy Assessments in the Governance Sphere'.

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