



UNDERSTANDING AND PROGRAMMING FOR LINKAGES: DEMOCRATIC GOVERNANCE AND DEVELOPMENT

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Abstract:

This paper underlines the importance of redefining progress as a process that requires democratic ownership of poverty reduction efforts.

It provides a critical look at currently used discourse in the development assistance community regarding the necessity of equitable development, the social price of growth, the imperative of institutions, fallacies of reduction, sequencing of reforms and normative arguments. In so doing, it underlines the need to further unpack the concept of governance.

Reviewing governance with different adjectives, including good governance, developmental governance and democratic governance, we conclude that democratic ownership is the best guarantee for securing progress in its broadest sense, inclusive of the poor, women and marginalized.

We understand democratic governance as a process of enhancing ownership of development, where ownership goes beyond national sovereignty to encompass alignment to national priorities and engagement of society in meaningful participation in planning, budgeting, implementation and monitoring.

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DISCLAIMER

The views expressed in this discussion paper are those of the authors and do not necessarily represent those of the United Nations, including UNDP, or UN Member States.



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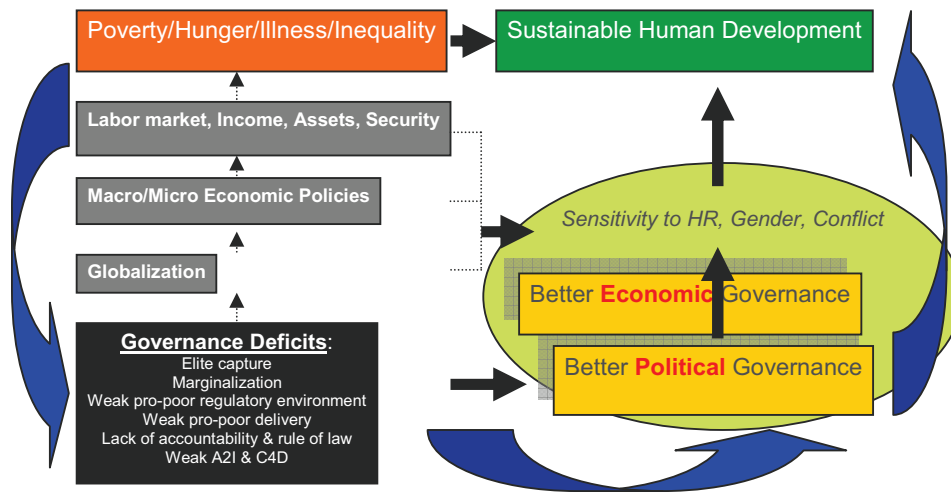
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CONTENTS

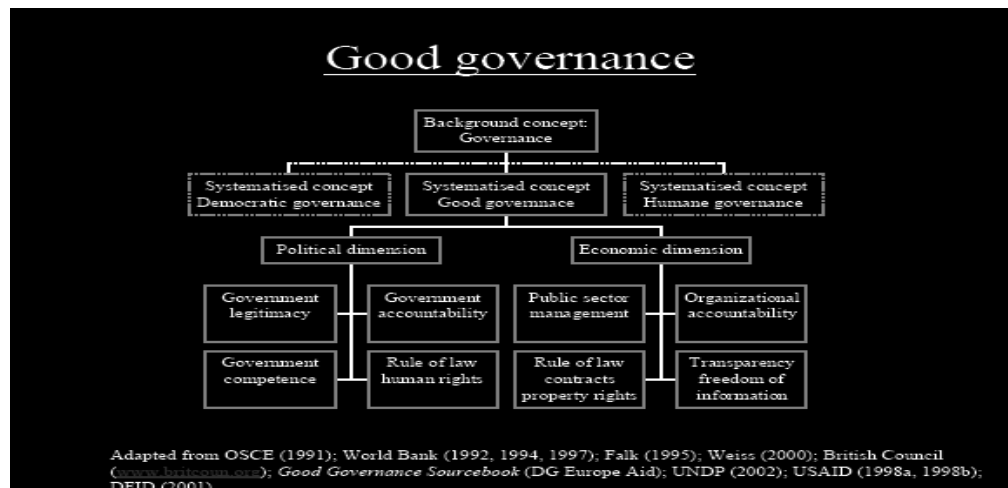
1. The Context	4
2. GOVERNANCE AND ITS ADJECTIVES.....	6
2.1. Breaking Free from Fallacies of Reduction.....	6
2.2. Good Governance.....	6
2.3. Developmental Governance.....	7
2.4. Democratic Governance.....	8
3. LINKING GOVERNANCE AND POVERTY REDUCTION:.....	8
3.1 Economic Development and Democracy	8
3.2 Growth and its Social Price.....	9
3.3 “Institutions” Matter	9
4 CHALLENGES AND OPPORTUNITIES FOR PROGRAMMING LINKAGES OF DEMOCRATIC GOVERNANCE & DEVELOPMENT	10
4.1 State Capacity: Supply-side Governance.....	10
4.2 Ownership: Demand-side Governance	11
5. ALTERNATIVE STRATEGIES FOR DEVELOPMENT POLICY & PROGRAMMING	13
5.1 Sequencing.....	13
5.2 The Normative Argument	14

1. The Context

In the current context there is a need to revisit the role of governance in development policy: on the one hand there is consensus that democratic governance is critical both in its own right, and as a means for achieving equitable and sustainable development, what OECD countries may call “progress”. On the other hand, there is little clarity on what is governance, how it differs from democracy, and how it relates to development and progress. Pictogram 1 summarizes this quagmire.



As varied as the definitions of governance are, whether by UNDP, the World Bank, or the European Commission, those definitions seem to agree on one thing: governance is about how power is exercised and checked. Relevant adjectives include efficient, effective, transparent, accountable. This stands in contrast to democracy which is more about how power is attained and rotated over known intervals (based on electoral terms). Relevant adjectives include liberal, electoral, representative, deliberative, hybrid, etc. Pictogram 2 provides a summary.



UNDP has combined democracy and governance coining the term “democratic governance.” UNDP argues that “democratic governance” is an end in itself because it entails universally desirable principles, such as inclusiveness, responsiveness, transparency, accountability, equality of genders and respect for human rights. UNDP argues simultaneously that this “democratic governance” should be a means towards pro poor development. UNDP’s Administrator asserted in 2007 that “UNDP must do its part”, by “mobilizing support for pro-poor policies and people holding their governments to account” (Letter 13.04.2007). This assertion builds on the Millennium Declaration’s (2000) acceptance of the importance of democratic governance for poverty reduction and the World Summit Outcome Document (2005) which called for strengthened policies in the areas of human rights, democracy and the rule of law. This practically means that UNDP’s democratic governance should be economically, politically, legally, socially and culturally empowering, especially of those frequently vulnerable and marginalized.

Underneath this happy mix are two sources of tension. Firstly, the legacy of development in the last century shows that late developers used state-led models with little concern for empowering people, at least in the short run. The model proved variably successful. Subsequent market-led reforms in the 1970s and 1980s were primarily technical, though coinciding with a wave of democratization at least in some places. Again the record gave mixed results on the account of accountability and empowerment. Secondly, after the Monterrey, Rome and Paris declarations, development practitioners are becoming conscious of the absence of politics in technical development approaches. Project-led development is furthermore lending itself to budget and sector wide support yet the road is still long towards development based on inclusion and empowerment

This deficit of politics in development¹ uncovers another set of tensions, namely between economic and political governance. The former focuses on how those holding power manage/regulate factors of production, finances and markets; the latter focuses on who holds power, how, why and with which degree of legitimate monopoly of force and enforcement. Indeed, both economic and political governance are complimentary. For example, rule of law simultaneously restrains power holders and enables markets; it protects economic assets and civil and political rights.

Half-way towards the deadline for the MDGs, the development community is increasingly concerned about getting the “politics” of development right. The legal empowerment of the poor agenda is adding ammunition of good ideas and good intentions to the effort to bring the democratic governance dimension back into the MDGs.

¹ A number of papers by Overseas Development Institute, London, UK make this point.

2. GOVERNANCE AND ITS ADJECTIVES

Governance has come to be associated with some adjectives. The most currently in use are “good governance”, “developmental governance” and “democratic governance” where the latter is often combined with a rights-based understanding of development and of governance. The adjective we use has a lot to do with how we view the relationship of governance and development.

2.1. Breaking Free from Fallacies of Reduction

Identifying the place of governance in development is often confused by two fallacies of reduction. There are those who reduce development to growth rates. There are those who reduce political governance to democracy and hence to democracy promotion, reducing the latter to the regular holding of multi party elections.

Indeed, human development requires the reduction of income poverty which in turn requires high and sustained rates of growth; holding elections may not be needed for that. While one of the world’s biggest countries, India, is an established democracy that holds regular competitive elections and has a respectable growth rate, other big leaders of income growth rates, e.g. China, are not democratic, in the reductionist sense of holding multi party elections.

As both economic and political governance value accountability, reducing political governance to elections is not useful. Robert Bates argues that voters do not have enough information to vote strategically, and are often swayed by other issues, including that of personality.² Elections are, therefore, a poor accountability mechanism for rewarding or punishing bad economic performance.

There is another reason why reducing political governance to democracy and the latter to elections entail risks. This reductionist view focuses reform on institutional design, e.g. electoral systems and political party models. This is often to the detriment of understanding how designs and structures harbour or co-exist with underlying exclusive dynamics³.

The best way out of this bind is to expand the notions of economic and political governance to include them as means to an end beyond growth and elections. The end is human development of the sort that expands rights and capabilities, a sort that empowers. UNDP is also championing an approach to electoral assistance that includes an election cycle, not event. In this case, elections are viewed as long term processes.

Until 2015, the world community has agreed to a set of goals, targets and indicators (the MDGs). The Millennium Declaration anchored consensus around an understanding of poverty that is income and non-income based and an understanding of well-being which entails more capabilities enhanced by economic, social, political and cultural rights and freedoms that are equally enjoyed by all. The debate on deepening democracy is expanded now to a debate on deepening the deepening of democracy.⁴

2.2. Good Governance

The good governance approach advocates a minimalist state which cares about the incentive structure for free market transactions in goods, capital, labour, ideas and technologies. The most important institutions are those that secure private property, law and order and accountability as the cornerstones of an enabling environment for investment and growth.

² chapter in forthcoming University of Cambridge book *The Political Economy of Economic Growth in Africa*

³ Deborah Yashar “Democracy, Indigenous Movements and the Postliberal Challenge in Latin America” *World Politics*, vol 52, #1, October 1999, pp. 76-104.

⁴ John Gaventa “Triumph, Deficit or Contestation: Deepening the Deepening Democracy Debate” Working Paper 264, Institute of Development Studies July 2006.

Some very specific state functions are within the framework of a good governance approach. The functions around which consensus seems to be strong are: (a) enabling environment for growth with employment; (b) social service delivery with special reference to access, quality and price; (c) security and rule of law, with special reference to access, quality and price; and (d) management of globalization and its effects on sustainable human development.

'Actionable Governance Indicators', the World Bank's most recent attempt at measuring good governance, broadens its scope. In addition to public finance management and a transparent civil service, factors such as interactions with civil society and the private sector; decentralization, political accountability and checks and balances are also measured.

This expansion comes as an admission that the good governance agenda is too narrow to understand why governance is sometimes good or sometimes poor. Despite this expansion, good governance does not adequately address the issues of power relations to uncover the causes of 'good' or 'poor' governance.

On the other hand, pragmatists argue that the good governance agenda is too ambitious. States in the developing world can never easily become the standards of good governance, but they have to continue to deliver on development, one has to work with less than ideal types. Merilee Grindle has argued for hybrid degrees of good governance, which has come to be known as the "good enough" governance argument. The same argument was made by Mush-taq Khan about the economy. Developing economies may not easily be able to achieve the market efficiency required by ideal type economic models and thus may have to focus on other variations which achieve the growth targets and the development targets given specific institutional contexts and legacies⁵.

The risk in this argument is two fold. One is that it lends itself to the temptation of wanting to create effective governments by insulating elites from societal demands, thus reducing incentives and mechanisms of responsiveness. Related to that is the second risk: focusing accountability measures on the institutional design and less on the processes of voice. Both risks entail the temptation to sequence "good" governance by wanting to start with increasing the efficiency and effectiveness of supply side institutions, delaying any investment in the efficiency and effectiveness of the demand side.

2.3. Developmental Governance

Two trends characterize this approach to governance: that promulgated by ODI, supported by DFID, and that of the French Agency for Development AFD. ODI revived the discussion around "developmental states" as models of governance to be recognized not by their policies – for these may differ- but by their commitment to development ahead of personal aggrandizement, their autonomous nature vis-à-vis the private sector, their responsiveness – nonetheless- to private sector needs and their insulation from society – even oppressing it at times. Developmental states tend to have professional bureaucracies and a unified national project that unites a diverse population.

The French Agency for development, on the other hand, borrows from the developmental state model while it refutes the good governance approach, considering it irrelevant to development strategy⁶. AFD understands developmental governance to encompass all institutions that (a) generate confidence – including those of coordination; (b) open otherwise closed systems of in-

⁵ Verena Fritz et al "Developmental States in the New Millennium: Concepts and Challenges for a New Aid Agenda" Development Policy Review, 25 (5): 2007.

⁶ Good governance -understood to mean formalization of rules in a world that insulates economic from political spheres and applies one model inspired from developed countries to all developing countries whether in take off or catching up phase of development- has small to non existent effects on growth and does not seem to affect decisions of investors either. Working Paper # 58 "Is Good Governance a Good Development Strategy?" AFD.

sider elites, whereby openness is economic, social and political; and (c) enhance formalization of rules, both juridical and administrative.

2.4. Democratic Governance

What needs to be underlined, however, is that beyond policies and capacities that promote market relations and enhance growth, there are processes of governance which foster responsiveness of institutions marked by their delivery of services to all people equitably. 'Whom' institutions deliver to is to a great extent decided by an on-going process of negotiations between different interest groups within societies; how these negotiations are conducted also affects outcome. This holds for democracies as well as non-democracies. Whom institutions are responsive to can be continuously corrected through processes of inclusive participation which tilt leverage more in favour of vulnerable groups.

The intention of inclusive participation is to allow vulnerable groups' interests to be heard when developing poverty reduction strategies and monitoring and evaluating outcomes. Broad stakeholder participation is, therefore, (among other things) a means to even the playing field. When allowed to take part in the political debate and policy processes civic groups, political parties, statistical agencies, media and other organisations have an effect on institutional responses and the sustainability of reforms. However, one-off consultations should not be confused with the longer-term benefits of more inclusive participation strategies, which more broadly involve fostering an active civil society that is actively engaged at every stage of the policy cycle. More permanent mechanisms of inclusive participation sustain reforms, one-off consultations do not. Establishing more permanent processes for inclusive participation is often what is required to strengthen accountability⁷. This implies not only elections, but also representative and inclusive participation in planning, budgeting, implementation and monitoring.

3. LINKING GOVERNANCE AND POVERTY REDUCTION:

Political governance with its various adjectives can link in multiple ways to poverty reduction. This -to some extent- depends on how one perceives the requirements for poverty reduction. Such requirements could be multivariate encompassing different dimensions of economic development or minimalist, prioritizing growth. Either way poses some challenges for political governance.

3.1 Economic Development and Democracy

There is an established argument that makes poverty reduction part of an entire economic development process. In this view, the link of democracy to economic development (cause, consequence or correlate) is inconclusive. The classical argument put forward by Barrington Moore and Martin Seymour Lipset has been that economic development yields necessary conditions for sustainable democracy.⁸ This argument has been based on examining the history of large countries in Europe. It has been convincingly argued that "Democracy required a high level of literacy, communication and education, an established and secure middle class and a vibrant civil society." This argument is still used today.⁹ Adam Przeworski argued in *Capitalism and Development* that economic growth and development are necessary for stable democracy. Pre-

⁷ UNDP Strategic Plan 2008-2011.

⁸ S.M. Lipset's *Political Man*, Adrian Leftwich's *Governance, Democracy and Development in the 3rd World*, R.A. Dahl's *Polyarchy* are profound works that examine the dichotomy between Democracy and Development.

⁹ (most recently, Michael Mandelbaum in *Foreign Affairs* of September-October 2007).

works based his argument on statistical time series. But Przeworski cautioned that economic development does not guarantee transition to democracy. He argued that the history of a country mattered in this context.

It is important to note that arguments about the necessity of economic development are ultimately less about absolute levels of incomes, and more about social transformation (e.g. expansion of a middle class) and the relative influence of various socio-economic interests. Barrington Moore famously argued that; "No bourgeoisie, no democracy". In Western Europe, democratic institutions evolved as a result of a rising middle class with enough economic clout to demand more influence in political affairs. But even in these historical circumstances, the rise of a white male middle-class did not guarantee the franchise for women or the poor, which was only achieved much later as a result of other historical struggles.

An understanding of 'economic necessity' as an argument of relative influence by interest groups rather than one of achieving certain growth rates or income levels has implications: it implies that technical fixes for the economy are not enough to guarantee inclusive participation in economic and political power bases. The ensuing power distribution among different socio-economic interests or forces is of paramount importance.

3.2 Growth and its Social Price

There are those who prioritize growth for poverty reduction. The question is no longer whether growth, but rather which type and at what cost. Robert Bates has recently argued that: "policies which only focus on growth with the underlying assumption that improvements in the non-income dimensions will automatically follow, can turn out to be very inefficient and costly."¹⁰ This has been particularly evident in the Latin American experience and more recently in China and India.

There are good arguments about the benefits of mitigating the social price of growth: The UNDP Democracy Report for Latin America (2004) makes the case that growth which would reduce inequality and increase decent work would strengthen citizenship. Unfortunately, it seems that within country income inequality has been increasing in the past 30 years, also in countries that experienced high growth rates.

The relationship between poverty reduction, inequality and growth is specific to country trajectories. The minimal consensus is that there is a positive pay-off from growth, but also from lower initial inequality and reductions in inequality during the growth process. Similar results appear to hold true for gender inequality.¹¹

3.3 "Institutions" Matter

It is worth exploring on a country by country basis, which type of political governance would most likely foster economic development, promoting growth and reducing inequality. On face value, both democratic governance and developmental governance seem most likely to do that. That needs to be substantiated.

Some would point out that economic development has never been preceded by liberal democratic institutions. History shows that the foundations of modern advanced industrial economies were laid under non-democratic or highly limited democratic conditions. Some would argue that also most major post 1960 success stories of economic growth – such as the Asian economic

¹⁰ Steven Klasen "Economic Growth and Poverty Reduction: Measurement and Policy Issues" OECD Working Paper 246, DEV/DOC (2005) 06.

¹¹ Steven Klasen 2005 p. 9.

miracle(s), did not occur under democratic conditions. Even in countries such as Botswana, Malaysia and Singapore, de-facto one party rule has carried the day (Adrian Leftwich).

However, economic development understood to mean a process inducing growth, better social services and more equality over time has been explained in the 1990s as a process induced by a set of necessary institutions, not those of liberal democracy per se. These include institutions that secure property rights, enhanced investment through government coordination of an enabling environment and increased accountability through transparency of information (Adam Smith, Machiavelli, D. North, D. Rodrik, and P. Keefer).

Based on this argument, some development practitioners argue that these necessary institutions need to be extended to the poor; if the poor were allowed to benefit from secure property rights, stable economic environment, and appropriate incentives for markets of capital and labour, economic growth would follow.¹² This is the kind of argument that underlines the legal empowerment of the poor agenda.

Others argue that such an approach would fail. It has been argued that this particular set of 'necessary institutions' is second order institutions: They are the result of other and more important political institutions of governance which determine the distribution of power (Adam Przeworski 2007).¹³ The overriding issues of power will determine the extent institutions such as property rights will be secured for the poor. The issue of power will therefore need to be 'fixed' first.

Clarity regarding the type of political institutions needed for economic development is weak. Both autocratic and democratic institutions have been found to induce economic development and growth at various periods of history. Among democracies, there is also no clarity as to which specific democratic arrangements is necessary for economic development and growth (Adam Przeworski 2007).

4 CHALLENGES AND OPPORTUNITIES FOR PROGRAMMING LINKAGES OF DEMOCRATIC GOVERNANCE & DEVELOPMENT

The governance debate needs to be grounded in a wider understanding of the role of the state in specific regional and national contexts. The governance debate also needs to address issues of supply and demand side governance.

The challenge of introducing governance reforms is about choosing the entry point. Technical quick wins may not be enough. The Introduction of end point institutions, as T. Carothers calls them, which transplant structures and institutional arrangements into contexts that have their own political economic spoken and unspoken rules may not work. Low hanging fruits, as the saying goes in development discourse, need to be well scrutinized.

4.1 State Capacity: Supply-side Governance

A challenge is that revolving around state capacity. This often increases the traction of "good" governance and "good enough" governance. Different models of state capacity may be suitable for different kinds of objectives in different country circumstances. Table 1 summarizes two models of state capacity: hierarchical and network based, whereby the latter enhances public space for deliberation and transparency. It also presents two purposes of state capacity, 'growth-enhancing' and 'market-enhancing' governance.

¹² Steven Klasen 2005, p. 10.

¹³ UNDESA Paper "Participatory Governance and MDGs" ST/ESA/PAD/SER.E/119, p. 65-94, 2007.

The discourse on state capacity, e.g. in Africa, is set in a context of three types of governance: political, economic and corporate. Critical in this context is that the representational base of the state needs to enhance inclusion and meaningful participation alongside the integrity of the electoral machinery. On economic governance, the report underlines the importance of improving state integrity as well as capacity with regard to equitable taxes and sustainable natural resource management.

Meanwhile, the Democracy in Latin America report (2004) emphasized the issue of “social citizenship” reflecting the high priority given in Latin American surveys to employment, reduced poverty and equality. The report reminded us that limiting state capacity to market enhancing types dilutes the focus on the most crucial state capacity, namely the capacity to “enforce rights and responsibilities equally, which will inevitably reflect a change in power relations” (2004, p. 182).

The Arab Human Development Report (2004) pointed out, the “black hole” syndrome of Arab states which manifests executive domination converting its surrounding social environment into a setting in which nothing moves and from which nothing escapes. State capacity here is, as one Egyptian scholar says, not weak across the board; the Arab state is often weak where it needs to be strong and strong where it needs to be weak. This ill conceived state strength (or weakness) is often constitutionally sanctioned in the form of executive domination and reinforced by political party systems which are too tied to the executive and its wishes, parliaments that are adjunct to the executive and a judiciary that is an instrument for taming opponents.

4.2 Ownership: Demand-side Governance

In retelling the story of governance and poverty reduction, it is necessary to take a closer look at ownership as a demand side story.

On the one hand we know that in countries where there is weak ownership of the governance process, linkages between governance and poverty reduction are also often weak. For example, where rights and resources are an unchecked privilege of the few, poverty reduction for the many may not be a priority which leads to high inequality and often to little trust in government among the poor.

On the other hand, inclusiveness (social, economic and political) and broad ownership is not trouble-free, and should not be equated with populism: we know that models of populist redistribution could endanger sustainable growth and induce insecurity and distrust of government among investors.

Getting it right, in the pursuit of poverty reduction, is therefore a process that both requires addressing challenges of inclusive participation (demand side), as well as challenges of responsive government (supply side).

In an effort to get it right, the Paris Declaration (2005) and the Accra High Level Forum September 2008 have confirmed that ownership of development needs to be inclusive based on empowered voices of those often left-out. Stepping up support to demand side governance entails extending support to certain processes and mechanisms such as:

- Access to information
- Broad democratic ownership of a home-grown capacity to assess one’s own governance performance over time and across regions, income groups, and gender in a country
- Enhancing the uptake of pro poor evidence into policy, especially governance related evidence
- Coupling accountability enhancing efforts with voice enhancing ones
- Enhancing inclusive and responsive management of natural resources
- Supporting elections as cyclical processes not events.

Table 1

	Different models of state capacity		Different purposes of state capacity	
	The command-hierarchy Model	The influence-network Model	'Growth-enhancing' governance	'Market-enhancing' governance
State relations to other social actors	Hierarchical, state stand 'above' and 'outside' society.	Interdependence, networks of relations that cross organisational boundaries	'State capitalism' to various degrees, boundaries between the state and the private sector are 'muddled'	Liberal markets, minimal role of state, civil society important mediator between the state and the individual.
Delivering public goods	Framing and implementing policy top down, in the best case scenario coherent and unified.	Bottom-up, maximizing synergies between actors	Assist in the allocation of assets and resources to higher productivity and higher growth sectors, with technology adaptation having priority	Maintain stable property rights, rule of law, contract enforcement, minimize expropriation risks and rent seeking, and achieve the transparent and accountable provision of public goods in line with democratically expressed interests
Capacity requirements / resources	Money and the capacity to manage effectively in state institutions	Linkages and trust with other actors	Fiscal space to invest in growth enhancing strategies, ensure access to technology, incl. through sound intellectual property rights regulations	Foreign and domestic investment
Focus of Capacity building	Staff training through formal education and on the job supervision, centralization and streamlining of command structures	Learning networks, decentralization of authority and flexibility in structures	Long term human resource planning, 'Learning institutions' for managing transformation	Competitive salaries of civil servants, outsourcing and public-private partnerships
Accountability	Formal, transparent accountability, based on clear roles and responsibilities; often procedure-oriented	Besides formality there is political context and process; outcome-oriented.	Legitimacy and popular support is achieved through delivering on economic growth, with emphasis on job creation and equality as qualifiers for growth-embedded inequalities	checks and balances of government, elections, independent media and civil society vigilance

Source: Mick Moore, DFID Note, and Moshtaq Khan, Background Paper to Conference. These categories are ideals, and most states will have some aspects of each. A specific model of state capacity does not necessarily correspond with a specific purpose of state capacity, and models and purposes may cross-relate in reality.

5. ALTERNATIVE STRATEGIES FOR DEVELOPMENT POLICY AND PROGRAMMING

The field of governance is bifurcated. There are those focused on economic governance to foster growth and economic development. There are those focused on political governance to foster legitimacy, stability, empowerment. Adjectives of political governance abound. Linkage of political and economic governance to development remain inconclusive. Within that context, determining how to exercise agency by development practitioners becomes a puzzle. Two main strategies present themselves.

5.1 Sequencing

There are two arguments of sequencing: one about sequencing economic and political reform; the other about sequencing components of democratic governance reform. As to the first, some argue that democratic governance could harm growth by encouraging government consumption with less focus on capital accumulation and by instigating economic populism. Proponents of this sort of sequencing argue that economic reform takes place before democratic reform. They often warn against the threats to economic growth of democratizing before a country is 'ready': Democratizing too early may lead to "violent asset redistribution"¹⁴ as the poor demand what they before could not have. Proponents suggest to first invest in human capital, including education and health; infrastructure and pro-poor trade, and to hold on democratic reform.¹⁵

The argument was echoed earlier in the 1960s by the Social Science Research Council in the USA with respect to sequencing components of political reform. The council defended sequencing nation building, state building and then democracy promotion (e.g. S. Huntington and L. Binder). The sequencing argument relied on the modernization theory, which saw development as a linear progress driven by economic growth.

Nowadays, no such strong agreement on the benefits of sequencing exists. There is therefore good reason to believe that 'political exclusion is just as bad as social and economic exclusion', both in terms of what is right and wrong, as well as in terms of achieving progress. (Ralph Miliband 1969 and A. Przeworski 2005). The dependency theory of the 1980s and the more recent critiques of globalization attest to the need to reform power structures while paying attention to economic growth.

Secondly, some may want to argue for a sequencing of different components of democratic reform. Examples include starting with electoral strengthening and then moving to rule of law and access to justice or the other way around. No conclusive argument can be made for sequencing in this manner. The more persuasive argument has been forwarded in support of gradualism on all fronts (T. Carothers). UNDP's approach to supporting election cycles, not events, is a strong step in this direction. UNDP's most recent primer on corruption and development¹⁶ is another example. It argues for strong input in support of United Nations Convention Against Corruption (UNCAC) but also argues for a strong understanding of the impact of corruption on development and hence for better linkage of anti corruption measures and development. The legal empowerment of the poor agenda is another way of linking issues of eco-

¹⁴ Adam Przeworski's in *Capitalism and social democracy* (1985: Cambridge U. Press) argued that parties representing the distributional interests of workers needed to hold back on distributional policies to induce enough growth that increases the lot of the working class in the long run.

¹⁵ H. Lopez 2006, p. 13.

¹⁶ UNDP, *Primer on Corruption and Development: "Anti-Corruption Interventions for Poverty Reduction, Realization of the MDGs and Promoting Sustainable Development"*, 2008.

conomic, social, and political exclusion to access to justice and rule of law. These are good examples of a holistic not a sequential approach to democratic governance reform.

5.2 The Normative Argument

It is argued that democratic governance is valuable in its own right. Democratic governance advances human development in three main ways: It increases the scope of human capabilities and human self-fulfilment.¹⁷Democratic governance may also serve as a 'safety net' for human insecurity to a certain degree. For example, famine is rarer in democratically governed countries. Democratic governance is also more likely to ensure that economic growth leads to the realization of human rights.¹⁸

Though normative principles of democratic governance, such as equity, responsiveness, representation, transparency and accountability are well aligned to principles of sustainable human development,¹⁹ advancing democratic governance is a continuous struggle and process of realizing these principles in reality. The UN Common Understanding²⁰ for supporting the internationally endorsed Human Rights conventions and the UN principles for programming for a rights-based approach to development should be guiding posts on the way.

While recognizing the universality of some normative principles, the insight that progress follows different trajectories in different countries holds consequences for any generic conclusions about linking governance with progress: while certain conclusions can be drawn at the level of principles, no global template on institutional design beyond this will provide the right answer in all circumstances. There are many paths to economic development, as well as to progress more widely understood.

¹⁷ The most basic of these capabilities are leading a long and healthy life, being educated, having access to resources necessary for a sustainable livelihood and participating in public decision making, HDR 2002, p. 13.

¹⁸ The drive to introduce and integrate gender sensitive budgeting shows such a self corrective potential that is also empowering of previously marginalized groups, HDR 2002, p. 5.

¹⁹ Thomas Carothers "The Sequencing Fallacy" *Journal of Democracy* January 2007.

²⁰ UNDG (2003). *Statement on a Common Understanding of a Human Rights Based Approach to Development Cooperation*. Stamford Workshop. United Nations Development Group, New York.