Chapter 5

The "demand side" of good governance: the return of the public in World Bank policy[1]

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This is a pre-publication version of this chapter, the final version of which appears in *The Return of the Public in Global Governance,* J. Best and A. Gheciu, eds. Cambridge: Cambridge University Press, 2014, pp. 97-119

> In the last half-century we have developed a better understanding of what helps governments function effectively and achieve economic progress. In the development community, we have a phrase for it. We call it good governance. It is essentially the combination of transparent and accountable institutions, strong skills and competence, and a fundamental willingness to do the right thing. Those are the things that enable a government to deliver services to its people efficiently.
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> Speech by World Bank President Paul Wolfowitz, April 2006.

In its insistence that good governance is central to economic development, the World Bank has put "the public" back on the development agenda once more. Over the past decade and a half, a whole range of public processes ranging from budget development to public sector management and civil society engagement have appeared on the organization's radar. Does this mean that the state is back in international development theory and practice, after several decades of languishing as insignificant

[1] This chapter draws in part on Chapter 6 of my recent book: Best, 2013. I benefited from some excellent research assistance by Marie Langevin and Kailey Cannon in researching and writing this chapter, as well as helpful feedback from the other contributors to this volume, particularly Alexandra Gheciu. The research for this chapter was made possible by a grant from the Social Sciences and Humanities Research Council of Canada, as well as the support of the Faculty of Social Sciences at the University of Ottawa.

and downright dangerous? Yes and no. There is no doubt that staff and management at the World Bank are more interested in the potentially positive role of the state than in the 1980s, when state-market relations were viewed in largely zero-sum terms. Yet, a closer look at the kinds of policy practices being developed in the context of the good governance agenda reveals that the kind of public that the World Bank and other international financial institutions (IFIs) and donors are seeking to engage through their policies is a much more complex thing than the state alone. They are seeking to define a new kind of public, in which a multitude of different kinds of public actors (state, private sector, civil society) are engaged in a range of public processes, providing certain public goods.

This trend towards a more dynamic public has become more pronounced over the last few years, as the World Bank has sought to foster the "demand side" of good governance. Having spent the better part of a decade trying to improve the *supply* of better governance practices, World Bank staff are now focusing more attention on the *demand* for them. In the simplest terms, this means encouraging poor people, civil society groups, parliaments, and market actors to demand better governance. In other words, this new development strategy seeks to exercise an indirect and productive form of power to create new kinds of public actors, processes and goods: to foster the formation of public groups, to encourage them to engage in particular kinds of public speech, and to hope through those means to create a more responsive and accountable public sector.

As Best and Gheciu discuss in the framing chapter of this volume, the public generally takes one of three classic forms in global governance literature: as a form of authority in decline in the context of the rise of private authority; as global public goods needed when the market fails; or as a global public sphere of debating individuals that seeks to hold the state accountable. Each of these concepts of the public is present in World Bank rhetoric and practice on good governance: we can find a continued interest in shifting the provision of public services to the market, a tendency to frame good governance in public choice terms as a public good, and efforts to encourage processes, such as participation and transparency, that we would normally associate with the public sphere.

On one level, what we are witnessing is the emergence of a hybrid public logic (see Chapter 2, this volume), which combines all three classic forms of the public in new ways. Yet such a characterization oversimplifies the processes underway. The new practices that the World Bank is engaging in are more intent on reengaging public actors than we would expect if the shift were driven by the rise of private authority. And while the Bank leaders represent these initiatives as fostering new kinds of public goods, they do so by drawing on moral as well as public choice conceptions of the common good. Moreover, the new public processes that they are promoting are far thinner and more instrumentalized than those that we would traditionally associate with the public sphere.

In fact, the kind of public that is emerging is far more than the sum of these three traditional forms. It is defined above all by its refusal to remain contained in any one space or sphere. Who counts as a public actor depends less on where they are situated, and more on what kinds of *practices* they are engaged in. Are they fostering transparency? Are they engaging in consultations about publicly necessary services? Are they demanding better services, whether provided by the state, the non-profit sector or the market? If so, they are at least in some measure to be defined as public actors. This is therefore a more fluid kind of public that is defined by the kinds of relations that are built between actors, practices and goods and the kinds of claims about their publicness made by them or on their behalf. It is therefore an example of the public as practice, as defined by Best and Gheciu in the framing chapter to this volume.

I begin this chapter by taking a closer look at the evolution of the good governance agenda at the World Bank. I will then examine the kinds of public that these new policies seek to constitute, focusing in particular on three central dynamics at work: the organization's efforts to define good governance as a public good; its efforts to engage new kinds of public actors in the production of good governance; and its attempts to foster particular kinds of public processes as a means of achieving that goal. These are all examples of public practice, I will suggest.

What is at stake in this new kind of public practice? I will tackle this question by considering the forms of indirect and productive power and authority involved in these efforts to foster new kinds of publics. Drawing on the concepts developed in Best and Gheciu's framing chapter, I will suggest that the World Bank's practices are both transformative – in their efforts to reconstitute the public in new ways – and reinforcing – in their tendency to fortify the Bank's own institutional authority. Yet, these efforts have not been entirely successful to date, suggesting that there are limits to recent efforts to constitute a new kind of public. I will conclude by reflecting on the broader implications of these changing practices both for our understanding of the role of the public in global governance more generally and for the evolving character of political life.

The evolution of good governance

Over the past two decades, it has come to seem quite natural that IFIs and donors would make good governance and limits on corruption part of their development programs. Governance is also front and centre in many donor assistance programs, including the Department for International Development in the UK, US AID and the Millennium Challenge Corporation in the United States, and the Canadian International Development Agency (DFID 2006; Danilovich 2007; MCC 2008; USAID 2011; CIDA 2011). Yet when the issue of governance was first introduced at the World Bank, it was the subject of considerable internal debate. In some ways, nothing has changed since then: the pursuit of good governance continues to encounter opposition. Nonetheless, good governance and anti-corruption efforts have also become normalized into IFI practices.

How did we get to this point? Given that IFIs are legally mandated to stay clear from political intervention of any kind, the very fact that the World Bank now spends considerable energy giving advice and imposing conditions on civil service reform, reforming legal systems and encouraging civil society organizations to play a role in these processes requires some kind of explanation.

Some of the initial impetus for the policy shift came from assessments of the limits of development efforts in Africa during the 1980s; it was this insight that first put the issue explicitly on the agenda of the World Bank. Another major underlying factor was the end of the Cold War and the experience with transitional economies in Eastern

Europe and the former Soviet Union, where it quickly became clear that economic reform without institutional change was a recipe for disaster. These experiences also helped to foster the increasing influence of new institutionalist economics, as many development practitioners became less satisfied with narrowly neoclassical approaches to their task. Over time, significant pressure for the change also came from donors who faced a combination of "aid fatigue" from voters and increasing pressure to cut back government spending. They spearheaded the new emphasis on "aid effectiveness" and ultimately focused on domestic governance as one of the solutions to what had been ailing development assistance.

It is possible to define two broad phases in the evolution of the governance agenda at the World Bank: the first phase, from 1989-1998 was very much an extension of the neoliberal agenda, and saw governance defined primarily in public choice terms, as an effort to avoid rent-seeking by creating a leaner, more effective government. The second phase, dating roughly from 1999 onwards, saw a broadening of the theoretical justification for good governance to include institutionalism and more emphasis on the "demand side" of governance, through transparency and participation.

The term "good governance" first appeared as a central theme in the Bank's 1989 report on long-term development in Sub-Saharan Africa (Bank 1989, xii).[2] The report's authors sought to explain the persistent failure of development efforts in the region over

[2] The actual history of Bank interest in what eventually became known as good governance dates back further to the late 1970s (Weaver 2005; Miller-Adams 1999), while the attention to the role of the state in economic development of course has a much longer history, dating back to early development economics of the 1940s and 1950s.

the previous decades. They argued that the principal source was not external – in declining terms of trade, for example – but was internal, based in a failure of investment that had its roots in bad public management (Bank 1989, 3). This "crisis of governance" they argued must therefore be addressed before economic progress could be expected (Bank 1989, 60). Although the report did place some responsibility for failure on the Bank's inability to recognize the institutional basis of economic development, it also implied that the ultimate blame rested with poor countries' governments and argued that the solution was to create a leaner and more effective state (Bank 1989, 4-5).

Within the next few years, the governance agenda began to command greater attention within the institution. Bank reports on governance in the early 1990s began to flesh out a particular vision of what good governance was, and to identify the steps needed to promote it (Bank 1991; 1992; 1994). Throughout these early governance documents, the relationship between state and market is defined in terms of public choice theory, which views political and social interactions through the lens of economic theory, treating key players as self-interested and individualistic agents. Perhaps the most pervasive argument made at this time is the claim that rent-seeking is the central problem of governance (Bank 1991, ii-iii, 4-6; 1992, 7-9; 1994, 15-16, 32). Rent-seeking is a public choice concept that suggests that the state's ability to make decisions about resource allocation – for example the building of a dam in a particular location – encourages the unproductive use of resources (legally or illegally) by those who would benefit from the decision being made one way or another (Krueger 1974). The most often touted solution to rent-seeking is to reduce the scope of state decision-making by shifting greater responsibility to the market – a classic example of the kinds of trend towards privatization discussed in the private authority literature.

By the mid-1990s, the governance agenda was having a concrete impact on Bank operations: the volume of governance-related lending was significant and increasing, with as many as sixty-eight percent of lending operations containing some kind of governance dimension (Bank 1994, xv). Yet, even as the idea of governance began to take hold within the institution, it was a fraught issue. The Bank's General Counsel, Ibrahim Shihata, was asked to provide a legal opinion on whether the institution's mandate allowed it to address questions of governance. Shihata's opinion sought to narrowly define the scope of the Bank's involvement in governance to those questions that had a direct impact on economic development (Shihata 1990).[3]

It was not until James Wolfensohn took the helm of the Bank in 1995 that the issue of governance – and the related problem of corruption – took centre stage, and the governance agenda entered its second phase at the Bank. In a famous speech at the Annual Meetings in 1996, Wolfensohn called for an end to the "cancer of corruption" that he argued was eroding development efforts around the world (Bank 1996). Over time, Wolfensohn significantly transformed the character of the governance agenda at the Bank. It was during his tenure that the 2000-01 World Development Report, *Attacking Poverty*, and the 2002 *Building Institutions for Markets* were released (Bank 2001; Bank 2002b).

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[3] For an interesting discussion of this opinion, see: (Thomas 2007, 733).

As the good governance agenda entered this second phase, the theoretical justification for good governance changed somewhat: while public-choice theory remained influential, it was supplemented by more emphasis on institutionalist economics.[4] This shift is significant because although an institutionalist approach remains consistent with much neoclassical economic theory, it does place considerable emphasis on the problems of market failure – instances in which the state must step in because markets are unable to allocate resources effectively. Together, new institutionalist economics and public choice theory provided a basis for a public goods justification of the importance of good governance, as I will discuss further below.

Under Wolfensohn, the Bank staff also began to place more emphasis on the importance of public participation and voice in the process of governance. Although the idea of public voice is a theme that carries through from the earliest Bank governance strategies, by 2000 the idea that governance reform should be driven by the "demand" of public and private actors had become a defining feature of the governance agenda (Bank 2000; Bank 2002a).

When Paul Wolfowitz took over as Bank President in 2005, he continued this emphasis on the demand-side of good governance, integrating it into his governance and corruption strategy (GAC), which remains the principal framing document for

[4] Classic institutionalist texts here include: Coase, 1937; North, 1990; Williamson, 1985. Douglass North, in particular, is cited in a number of Bank documents as an inspiration for governance policy, particularly from the 2002 WDR on Institutions onwards, in which the first footnote cites North, Williamson and Coase on institutions (Bank 2002b, 5 n.1)

governance activities at the Bank today (Bank 2007a). As one World Bank staff member put it,

> A lot of Wolfowitz's enthusiasm for governance and anti-corruption has given a real boost to an interest in citizen participation, because – we can have a discussion about neoconservatism and Strauss and some very interesting philosophical ideas – but a central neoconservative idea is let's support human rights, citizen rights and grassroots democracy. . . . The [World Bank] President loves this stuff.[5]

As I will discuss further below, this demand-based framing of good governance represents an important step in the Bank's efforts to bring the public back into development policy by defining good governance as a new kind of public good, by mobilizing a broader set of public actors, and by integrating a range of new public practices into its policies.

[5] Interview with senior World Bank staff member, May 10, 2011.

Redefining the public good

> "If you want to make poverty history you have to make corruption history." That is why for the World Bank group, corruption and governance are such important subjects. Yes they are *moral issues* and the *moral dimension* has got to be kept in mind, but from our perspective they are development issues, they are poverty issues.[6]

As this brief history indicates, the idea of good governance has been hotly contested, in large measure because it significantly expands the scope of IFI policies into far more explicitly political terrain. In order for good governance to become accepted, it was necessary for its advocates to establish just why it was an essential part of development policy. One of the chief ways in which they have done so is by arguing that good governance is a public good, a discursive practice that works to constitute a new kind of public – not unlike the efforts to narrate derivatives as a public concern that Helleiner describes in Chapter 4. What is particularly interesting about the World Bank's efforts is the way in which the good governance agenda hinges on a peculiar combination of moral and technical claims about why good governance constitutes a public good.

As Wolfowitz's statement above makes clear, the Bank's governance and corruption agenda derives some of its legitimacy from the moral assumptions that underpin the concepts. The term "good governance" carries clear normative assumptions: it tells us that the objective of the policy is good (as opposed to bad)

[6] Speech by World Bank President Paul Wolfowitz, March 2007 [emphasis added].

governance; that it is possible to distinguish between the two forms; and that the pursuit of the better kind of governance is in the public interest. Moreover, as Mlada Bukovansky has argued in her appropriately titled paper, "Corruption is Bad," the concept of corruption has long carried a powerful set of moral assumptions (Bukovansky 2002). Both IMF and Bank leaders have made strong moral claims for the importance of the good governance agenda.[7] Not only, we are told, are these new policies good for the economic prospects of those living in countries reliant on Bank assistance, but they also foster global economic growth and stability.

This normative framing of governance supplements the institution's more traditional (and still dominant) technocratic conceptions of the public good. The two are not in fact as far apart as one might imagine: part of the power of economics is its appeal to universality – to the universal laws that govern human behaviour, whatever the time or place. As Wolfowitz's above statement makes clear, the Bank cannot rely too explicitly on its moral claims about good governance, given its commitment to technical neutrality: hence the technical argument for governance as a public good becomes essential. As one Bank staff member put it, echoing Wolfowitz, "a technocratic approach leads you to a set of prescriptions which are squarely in the realm of what are usually discussed in ethical and normative terms. We come at it from a positive angle but end up in what appears to be a normative position."[8]

[7] See Best 2005; Best 2006.

[8] Interview with a senior World Bank staff member, May 10, 2007. Of course, this "positive" angle carries within in a particular set of normative assumptions rooted in the presumed universality of its methodological individualism. For an analysis of the moral assumptions implicit in different kinds of economic theory, see: (Best and Widmaier 2006)

In defining good governance as a public good, World Bank staff have drawn on both public choice and new institutionalist theory. The Bank's 1991 report suggests: "Governments play a key role in providing two sets of public goods: the rules to make markets work efficiently, and, more problematically, correcting for market failure." (Bank 1991, ii) For the report's authors, the correction of market failure is problematic because it leaves scope for rent-seeking and more overt forms of corruption. Not only must the state provide public goods, it must do so in such a way that minimizes opportunities for abuse: hence the need for good governance policies as an antidote for government activism. The public choice theory of principal-agent dynamics, which assumes that actors cannot be trusted to pursue anything other than their own self-interest, thus becomes a central framework for understanding the dynamics of political accountability (Bank 2004a, ch. 3). For example, those collecting taxes (the agents) on behalf of the public (the principal), need incentives and checks to ensure that they do in fact act in the interests of the public rather than for their own enrichment (Bank 1991, 3).[9] This is an approach that treats governance problems as the logical outcome of rational agents pursuing their own self-interest.

Through the lens of public choice theory, good governance becomes a particular kind of public good that is needed because of the perverse outcomes of human self-interest and the difficulties of collective action.

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[9] Classic public choice texts on principal-agent dilemmas include: (Coase 1937; Kiewiet and McCubbins 1991; Niskanen 1971; Williamson 1975)

Redefining public actors

The World Bank's increased engagement in public-constituting practices is not limited to its efforts to define governance as a public good. The organization's good governance policies also seek to define and constitute new kinds of actors capable of achieving that public good – actors that include a more "efficient" and "responsive" state and a more engaged group of non-state actors. Such practices are simultaneously discursive and material: they seek to conceptualize and define state, market, and civil society actors in particular ways, goals that they achieve through concrete techniques, including processes for empowering citizens and for keeping errant government bureaucrats in check. These public practices are therefore performative: they seek to produce the very thing that they define.

One of the most striking aspects of the changes taking place in IMF and World Bank policies and pronouncements over the past decade has been their renewed interest in the state after several decades of denigrating its developmental role. Yet that renewed attention has consistently retained a certain skepticism about the state, and a belief that its role should remain secondary to that of the market:

> Markets discipline participants more effectively than public sector accountability mechanisms generally can. Enlarging the scope and improving the functioning of markets strengthens competitive forces in the economy and curtails opportunities for monopoly profits, thereby eliminating the bribes public officials may be offered (or may extort) to secure them (IMF and Bank 1996, 3).

In 1997, the World Bank published its landmark document on the return of the state, *The State in a Changing World*. This report, like those before it, took great care to differentiate its approach from earlier state-led development efforts in the 1950s and 60s, arguing that, today, developing country states can only become effective if they first focus on the fundamentals and pare down the role of the state by shifting some of its "burdens" to the private sector and to local communities (Bank 1997a, 3). The report then goes on to note,

> But reducing or diluting the state's role cannot be the end of the reform story. Even with more selectivity and greater reliance on the citizenry and on private firms, meeting the broad range of citizens' collective needs more effectively will still mean making the state's central institutions work better (Bank 1997a, 3).

The new and improved state will not only be leaner, but will also be "effective" and "efficient." The Bank defines an effective state as one that has the capacity to undertake certain necessary functions; to do so, it must be able to "undertake and promote collective action efficiently." (Bank 1997b, 3) These bases for assessing a state are clearly drawn from economics, in which efficiency is defined in terms of an effective cost-output ratio. This kind of market-based approach to the state is clearest in the earliest Bank documents, but it also appears in the later institutionalist-inspired governance strategies in which there is a call to bring market-style competition to bear on state institutions, at the same time as the state comes to play a greater role in setting clear rules for the market (Stiglitz 1998; Bank 2002b). The most recent Bank strategy on Governance and Corruption (GAC) also explicitly warns against "excessive regulation," arguing for reforms that "clarify the role of the state, reduce excessive regulatory burdens, and promote competition." (Bank 2007a, ii, iv)

These policies seek to engage state functionaries in a renewed role in development, but it is one that is narrowly defined and carefully limited through interaction with other actors. How does one avoid the potential for corrupting "public officials" noted in the quotation above (IMF and Bank 1996, 3)? By ensuring that they are kept in check by active and empowered citizens and other non-state actors. The Bank's emphasis on a broader kind of public can be seen as far back as the early 1990s, when their role is defined as ensuring the "micro-accountability" of the state (Bank 1991). From the late 1990s on, they are understood as a source of "demand" for good governance (DFGG) (Bank 1997a; Bank 2007a). Rather than emphasizing only the "supply side" of governance (through World Bank and IMF imposed reforms), the idea is that non-state actors will combine to form the "demand side" of the good governance strategy.

There is of course a long history of the World Bank's interest in using market actors and forces as a check on government action – that is part of the logic underpinning decades of privatization. The logic behind these new initiatives is somewhat different, however: there is a genuine attempt in the demand-side initiative to encourage not just market agents, but also citizens to press for better governance. What is particularly interesting in fact is the way in which the differences among these actors become blurred. Thus, the "DFGG" website notes:

> Demand for Good Governance (DFGG), or "demand-side" activities are made up of development approaches that focus on *citizens* as the ultimate stakeholders for better governance. With this focus, they strengthen the

> capacity of *civil society*, the *media*, *parliament*, *local communities*, and the *private sector* to hold authorities accountable for better development results (Bank 2011a).

This slippage between citizens and other kinds of actors is even more explicit in the 2004 World Development Report, which provides part of the analytic framework for this approach. The report, entitled *Making Services Work for Poor People*, emphasizes the role of "citizen/clients": individuals who are both clients of the providers of basic services, such as water or health care, and citizens of a particular state responsible for the provision of those services (Bank 2004a, 6, 49). For the authors of this report, it is the hybrid identity of the poor – as economic actors who are recipients of services and as political subjects – that motivates and justifies their efforts to demand accountability. Their identity as public actors is linked to their role as private consumers – an identity, I will suggest below, that effectively limits the scope of their participation.

The conception of public actors contained in the 2004 WDR is thus more narrowly defined in public choice terms than the one underpinning the wider DFGG strategy. Yet both identify as public actors a wide range of different groups and individuals, and blur the line between those who would traditionally be seen as public and private. Moreover, they go further and refuse to identify these actors with a coherently defined public or private sphere. As the documentation for the Cambodian DFGG project makes clear, those responsible for this project view public actors in terms of their practices, not their formal identity:

> A state-run broadcasting cooperation involved with disseminating information about public programs and their budgets, and providing

> feedback of citizens to public officials is as much a "demand side" actor as civil society and the private media promoting demand… What matters for strengthening DFGG under this project is therefore *what an institution does rather than where it is situated* (Bank 2007b, 3, emphasis in original).[10]

Whether you count as a public actor therefore depends on what you do – and whether or not those practices can be counted as public.[11]

Redefining public processes

What kinds of processes count as public – and entitle someone to be defined as a public actor? The processes the World Bank staff identify in their "demand-side" strategy should be familiar to anyone who has examined theories of the public sphere. As discussed in the framing chapter to this collection, as well as in Matthew Paterson's chapter, both Habermas and Arendt have defined the public sphere as a site in which individuals engage in publicity (typically through a free press) and debate. World Bank staff have identified several related practices as key to supporting demand for good governance: transparency and the dissemination of *information*, consultation and *participation*, and ongoing *monitoring* and evaluation. These are all examples of public

[10] This point is taken up again and reinforced in the 2008 stocktaking report on DFGG: (Chase and Anjum 2008: 10)

[11] Deborah Avant and Virginia Haufler make a similar point about contemporary transnational actors in their chapter in this volume.

practices that combine a set of liberal ideas about what counts as public together with specific material techniques necessary for enacting them.

Both classical and contemporary conceptions of public practice emphasize the importance of *information* as the foundation of public action: before individuals can hold state actors accountable, they need to know what they are doing. In economic theory, moreover, information is seen as vital for market actors to make informed decisions. Hence the Bank's emphasis on government transparency, which they define as its disclosure of relevant information (Bank 2009). Some versions of the demand-side of good governance are based on what one World Bank staff member has called a "*Deus ex machina* theory of political change based on demand by civil society: the assumption is that if only they had a copy of the [government] budget then they would rise up and demand change."[12] Over time, however, the demand for a good governance framework has relied less on such *deus ex machina* and has placed increased emphasis on actively promoting demand: such efforts go beyond requiring the disclosure of information about government activities and include practices of active "information-dissemination" and "demystification" – to ensure that this information is readily accessible to "the ordinary public." (Bank 2009; Bank 2011b) In concrete terms, such practices might include "initiatives such as freedom of information, awareness campaigns, rights education, and media programs that 'promote' demand." (Bank 2007b, 2)

In the place of the more classical idea of public debate, the World Bank has instead focused on increasing a range of other forms of engagement, loosely organized around

[12] Interview with senior World Bank staff member, May 11, 2007.

the ideas of "voice," and *participation*. These practices take a number of forms, ranging from more collective forms of mobilization (which are defined as part of the promotion of demand) to more localized and institutionalized forms of interaction, designed to provide feedback to government decision-makers and service providers about public concerns. One of the most commonly cited examples of this kind of strategy for increasing the public's voice is that of "citizen report cards"; in Bangalore, India, for example, "Citizens are asked to rate service access and quality and to report on corruption and general grievances about public services." (Bank 2004a, 88) The publication of report card results puts pressure on government actors to reform those services deemed least satisfactory.

These public practices do share some similarities with the forms of debate and deliberation articulated in more traditional conceptions of the public sphere. There are clear parallels with Habermas' definition of the public sphere as "a realm of our social life in which something approaching public opinion can be formed." (Habermas 1974) Yet, it is not at all clear that these forms of consultation constitute the kind of deliberative activity that both Habermas and Arendt are talking about: the emphasis is on participation and consultation, rather than on deliberation and debate – and therefore constitute a much thinner version of public activity.[13] While such thin public practices could potentially spill over into thicker more genuinely political activities, this possibility is constrained by the tendency to frame civil society actors as consumers of services first and foremost. Narrowly economic forms of consultation such as obtaining

[13] See Helleiner's chapter in this volume for a similar assessment of the kind of public being engaged and created by recent efforts to regulate derivatives.

customer feedback thus come to redefine and constrain activities that might have produced more political kinds of engagement.

This slippage between political and economic forms of public practice is particularly apparent in the 2004 WDR discussed above. The goal of the report is evident from its title, *Making Services Work for Poor People*: finding ways of improving services for poor people, including basic health care, education and water provision. The report's authors suggest that for this to happen, the poor must become more active in demanding improvements. One of the ways of fostering this kind of demand is through the increased voice of the poor as citizens – what the report describes as the "long route" to accountability – using the various participatory practices described above. Yet there exists another route to ensuring accountability – the "short route" which traditionally goes through the market, in which the poor, as clients, hold service-providers more directly accountable by taking their business elsewhere if they are unsatisfied (Bank 2004b, 6).

The report's authors ultimately recommend a combination of long and short routes to accountability, proposing a hybrid form of service delivery. The report sets out to demonstrate "why pure public sector provision often fails – and why pure privatization is not the answer." (Bank 2004b, 46, 54) Their alternatives combine public and private practices and actors in various ways, depending on the circumstances on the ground. Whatever the particular form service provision takes, they suggest that it can be viewed through the framework of principal-agent dynamics, in which both democratic and market forms of accountability are seen through the same lens.

The final set of public processes that the World Bank has proposed as a part of its demand for good governance initiative are all organized around the central role of *monitoring*. The goal is not simply to engage public actors' attention early on in the formulation of policies, but rather to create mechanisms through which they can monitor, evaluate and report on government policies on an ongoing basis (Bank 2007b; Bank 2011b). For this to happen, it is necessary to gather information about the effects of those policies, to assess them against pre-defined indicators and to communicate them to the public. These can include Doing Business Indicators, a Bank initiative that scores countries on how easy it is to set up a business, complaints mechanisms, media investigations, and "citizen report cards." (Chase and Anjum 2008, 14, 19) Through these monitoring practices, it is hoped that public actors will become actively engaged in a service management process that places increasing emphasis on targets and testing. Transparency, participation and monitoring thus come together, as information on service performance is transmitted to encourage public actors to "voice" their views, producing data that is in turn used to improve service delivery.[14]

Reconstituting power and authority

Why do these changes in the kinds of public constituted by the World Bank and other development actors matter? Although there are many possible answers to this question, I will focus here the implications of these new public practices for the

[14] This shift is part of a much broader turn to results-based management at the World Bank and more generally in the global governance of development. I discuss this phenomenon in more detail in Best 2013.

character of power and authority in global governance. Engaging in new public-constituting practices, whether defining the public good, engaging new public actors or fostering new public processes, all involve power relations. The IMF and World Bank have always relied on a wide range of forms of authority, from the more coercive power of conditional lending to the informal power of technical advice and assistance. As Barnett and Finnemore suggest, international organizations like the IMF and World Bank use productive power through their capacity to define and categorize objects of governance in order to give them real meaning and presence (Barnett and Finnemore, 1999; 2005). The idea of good governance is a classic example of a term whose invention has had significant performative effects by making possible a range of practices and interventions that would not have been possible before. The term can be seen as an extension of earlier such categories like "sound economics" which have been used for much longer. Yet whereas past calls for sound economics tended to define state and market actions in largely negative terms, as a matter of deregulating and liberalizing, the category of good governance seeks to define far more explicitly – and positively – what counts as a public good, a public actor, and a public process.

As the governance agenda has begun to focus more on the demand-side, Bank staff have argued for the importance of actively *promoting* demand. In the proposed Cambodian project, for example, they plan to support not only state institutions, such as the national radio station, but also non-state actors with the hope of increasing their capacity mobilize public pressure (Bank 2007b). If all of these individuals and groups are to play their part in this demand-based strategy, they need to become more active and skilled public actors. Moreover, it is not simply this broader range of public actors that the World Bank seeks to engage and reshape through its demand-side strategy: its ultimate object remains the government itself. The DFGG approach not only hopes to promote and mediate demand through various consultation mechanisms but ultimately to foster more responsive government agencies and service providers. To achieve this end, DFGG advocates argue for the importance of restructuring the public service around performance incentives that link rewards to government actors' achievement of results. Ultimately, the good governance agenda is an ambitious one that seeks to transform the cultures of several different publics – fostering more active and reflexive actors in government, civil society, and the market.

What is notable about the forms of authority that the World Bank seeks to exercise in this context is how indirect they are. The aim of changing government policy is to be achieved not directly – by stipulating changes as a condition for a loan, for example – but by creating the conditions in which others will demand those changes. This is a circuitous, provisional form of authority that relies on the power of information and indirect incentives to achieve its ends.[15] Not only is the form of this strategy therefore unusual, but its goal is also novel: the attention to public demand together with the emphasis on transparency, accountability and monitoring makes it quite clear that the objective is to create what Mitchell Dean, drawing on Peter Miller (1992) has described as reflexive government:

> The imperative of reflexive government is to render governmental institutions and mechanisms… efficient, accountable, transparent and

[15] The rise of a more provisional form of authority and style of governance is one of the central themes of my recent book: Best 2013.

> democratic by the employment of technologies of performance such as the various forms of auditing and the financial instruments of accounting, by the devolution of budgets, and by the establishment of calculating individuals and calculable spaces (Dean 1999).

World Bank actions are therefore quite ambitious. But do they involve a significant transformation in how global development is practiced? As Best and Gheciu discussed in the framing chapter for this collection, practices can either work to *reinforce* an existing community, often by supporting ongoing background assumptions and habits, or they can work to *transform* it by unsettling taken-for-granted norms and activities. In this case, the Bank staff's practices can be understood as both reinforcing and transformative. There is little doubt that the Bank seeks to redefine what counts as a public good and as a public actor, extending its authority into new more political terrain; such efforts work at local as well as global levels, transforming communities of development practice in important ways. Yet these policies are also designed to re-establish existing hierarchies of development practice – above all reinforcing the World Bank's own place as the central authority.

Contested publics

The evolution of good governance strategies and the Bank's efforts to reinforce its global authority are only part of the story, however. For there has been significant resistance to these changes – both within and outside the organizations – as well as signs of the limits of these new strategies.

If, as I argued at the beginning of this chapter, and as is argued in the framing chapter for this volume, the kind of public that is re-emerging in these policies is always linked to a set of claims that this (good, actor, process) *is* public, then we would also expect such claims to be challenged sometimes. In the final pages of this chapter, I will briefly outline some of these challenges and consider their implications for our understanding of the kind of public that the World Bank is seeking to define. I will focus on three specific challenges: the ongoing contestation over whether good governance is in fact a universal public good; the persistence of divisions within the organization in defining public actors and processes; and the limits that the strategy has faced when being put into practice.

While the Bank has always sought to define good governance as a universal public good – as a set of universally applicable principles or best practices that are broadly applicable in any specific development context – there has, over time, been growing ambivalence among staff and state representatives about the appropriateness of such universalist claims. This discomfort became particularly pronounced with the arrival of Wolfowitz in 2005, and his increased emphasis on corruption as the centerpiece of the good governance agenda. This more recent governance and corruption (GAC) strategy produced a return to the kind of Executive Board resistance that characterized the earliest discussions of governance at the Bank (Conable 1991). This time, the attack was led by the United Kingdom representatives, among others, who raised concerns about the likelihood that the poor would suffer from having aid cut because their leaders were corrupt, and the dangers of applying the policy without attending to the complexities of local context (Thornton 2006).

At around the same time, a debate erupted about the possibility of objectively measuring good governance. Under Wolfowitz's leadership, the Bank began to put increasing emphasis on the development of quantitative governance indicators (Bank 2007a, ix, 34-5). Although the World Bank Institute – a semi-autonomous think tank within the institution – had developed a range of governance indicators, the Executive Board rejected attempts to integrate them into the Bank's lending operations. At the heart of this debate was a lack of faith in the possibility of aggregating a range of diverse and locally-specific forms of data into a series of universal metrics of just how "good" the governance of any country is. As one senior World Bank staff member put it (probably not representing the mainstream view):

> Governance indicators are subjective and atheoretical. We have no good indicators despite what others here would assert. To the extent that they're used to allocate resources or to punish countries, those who are on the short end of the stick are screaming mad.[16]

In addition to these rather public differences of opinion on the Bank's Board about the good governance agenda, there remain subtler divisions among the different departments of the organization. As I discussed above, there are several different approaches to good governance at the Bank, which become particularly evident in later demand-side strategy documents. Although the World Development Report's focus on accountability and the DFGG emphasis on mobilizing demand are closely connected (with the WDR's accountability triangle appearing in most DFGG documents), they each define public good, actors and processes somewhat differently: above all, the

[16] Interview with senior World Bank staff member, May 11, 2007.

WDR approach is more strongly defined by public choice theory and more clearly instrumentalizes political activity.

This lack of a singular coherent conception of demand for good governance at the World Bank is not surprising: the organization is notoriously complex, with an institutional structure that makes it common for different sectors, regions and thematic departments to act with some autonomy. There are several agencies responsible for pursuing the demand-side agenda, including the Social Development Department and sectoral governance and corruption teams within the Human Development and Infrastructure sectors. The Social Development Department has historically been more interested in participatory approaches to development than other divisions within the Bank; in this case as well, the DFGG strategies and projects have been generally developed by those working from this part of the Bank, whereas the 2004 WDR's more public-choice based focus on accountability in service provision carries over into the Human Development sector's work on education, health, and social protection. Even within a single organization, we can find a variety of conceptions of the public at work.

This lack of coherence also helps to explain one other important limitation in the Bank's efforts to emphasize the demand-side of good governance: the fact that the efforts to translate discursive claims into concrete actions have been less than successful to date. There have been two recent reviews of demand-side policies – neither of them particularly positive. The Quality Assurance Group's (QAG) 2009 review found that demand-side initiatives had received less attention than fiduciary or political economy initiatives and concluded that "a great majority of the projects have little or no DFGG mechanisms in place." (Bank 2009; Bank 2011c) A draft stocktaking report by the

Social Development Department provides some insight into why there has been so little take-up of the demand-side practices on the ground. As the report's authors bluntly put it, "even though the governance agenda is everyone's business, it is in fact no one's business." (Chase and Anjum 2008, 9) The report suggests that while demand-side initiatives are present in a wide range of Bank operations and activities, they are fragmented and uncoordinated. There are few incentives for integrating participatory mechanisms in particular, since they can slow down the disbursement of funds (Chase and Anjum 2008, 35-36).[17]

How much of a limit do these challenges pose to the good governance agenda? To date they have been relatively minor, yet they point towards both technical and political tensions in the good governance strategy's efforts to re-engage the public through its demand-side approach. The difficulties of accurately quantifying good governance pose serious challenges to an organization that relies for its authority on its capacity to translate the world into numbers, while the failure to operationalize demand-side policies could ultimately reduce the strategy to little more than rhetoric. Moreover, those developing country representatives who have argued most strenuously against efforts to develop universal indicators remind us of the fact that responsible governance cannot be easily aggregated precisely because it is contextual, and that what is often labeled as "good governance" is often derived from particular western values. Although the World Bank's evolving good governance agenda involves some quite ambitious

[17] The primary incentive operating at the World Bank has for a very long time been to move money out the door.

efforts to reconstitute a new kind of active, engaged public and a responsive, reflexive state, its future remains uncertain.

Conclusion: a new kind of public

I began this chapter with the question of whether we are witnessing a return of the public in the governance of global economic development. Like many of the other chapters in this book, my answer is a qualified yes. Yes, the public is playing a more important role now in global governance than in the recent past, but it is taking an unfamiliar form. Theoretical approaches that focus on the decline of public authority, the centrality of public goods and the rise of the public sphere all provide some clues to the kind of public involved in the Bank's good governance programs. But they also miss some of the most importance features of this emergent public.

Echoing some of the literature on *private authority*, this study has revealed that we do see a continued focus on redistributing some of the state's authority among different actors, whether in civil society or the private sector. Yet even as authority is spread to more sites, there is still far more emphasis on fostering a more active role by the state and other public actors than was the case in the 1980s when the mantra of privatization was at its peak. Moreover the form that authority takes is not as formalized, direct or as closely tied to the private realm as studies on private authority tend to suggest. Actors are deemed to have authority to speak for the public based on what they do, rather than where they are – in state institutions, the private sector or civil society.

One of the ways in which World Bank staff have explained and justified the need for a more robust public has been through the logic of *public goods*: if they are less sanguine about the market as a panacea for all basic development needs, it is largely because they have begun to take more seriously the challenges of market failure. Many of the policies contained in the good governance agenda, from the emphasis on transparency and institution building to the insistence on increasing accountability, can be explained in terms of an economistic conception of public goods. Yet the idea of the common good that is contained in many of these policies is ultimately thicker than these narrowly economistic conceptions assume, relying on moral as well as technical claims. Moreover, the kinds of practices that the Bank seeks to encourage, particularly through its demand for good governance programs, require more than individual self-interested behavior to make them possible.

What DFGG initiatives in particular are calling for is a more collective and activist form of public action that bears more resemblance to the kinds of public process normally associated with the *public sphere*. Yet here again, not all of the elements of the public sphere seem to apply: the actors and institutions involved can be part of the state, civil society or private sphere; the links of accountability being fostered can just as easily connect a client to a service provider (public or private) as a citizen and a state department; and the kinds of practices involved, such as consultation, participation, and monitoring, are thinner and more instrumental than we would normally expect from genuine public debate and contestation.

The kinds of public that the World Bank seeks to foster through its good governance programs cannot therefore be reduced to any of these more traditional forms. What is emerging is a hybrid public: one that is characterized not by bounded and coherent spaces but rather by the kinds of actions that individuals engage in and the ways that they define them. Many of the chapters in this book have pointed to similar phenomena in the governance of derivatives (Helleiner), climate change (Paterson; Bernstein), and security (Avant and Haufler; Gheciu): pointing to the way that practices and processes such as transparency, participation, and monitoring have become increasingly integrated in governance strategies and justified in terms of their (various) public attributes. A push for transparency can be justified as necessary for better market discipline (private authority), as a way of increasing government agents' accountability (public goods), or as essential to a vibrant civil society (public sphere). Moreover the actors involved in creating and responding to that transparency can be state officials or departments, NGOs, poor individuals, business groups, or activists. It is through the act of engaging in this practice that they become public actors engaged in creating a public good. This is a more dynamic and fluid kind of public insofar as what is done and how that action is justified are more important than whether someone sits on one side or another of some imagined public-private dividing line.

As this chapter has already suggested, how we define and practice the public always has normative implications. In this case, the very combination of different kinds of public logics – the more technical, economistic public goods approach, and the more moral and political public sphere approach – has potentially important consequences. Although the technical logic remains the predominant one, it is supplemented by a broader, thicker conception of the public, enhancing the basis of institutions' claims to legitimacy. In the case of the World Bank and other IFIs, this thicker conception of the public – as voice and participation as well as functional goods – provides a more robust foundation for expanding the institutions' mandates to include increasingly contested and politically-charged areas in their programs. At the same time, the combination of normative and technical conceptions remains somewhat perverse – for just as the normative claims help to thicken the thin appeal of economic theory, those normative claims' increasing dependence on economic logic also has the effect of thinning and instrumentalizing their political character (Abrahamsen 2000). Public actors and processes are now admitted to be a part of the logic of economic development in a way that they had not been for quite some time. Yet the kind of public *politics* that appears in this particular conception of good governance is an impoverished one indeed.

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