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# The Idea of Good Governance and the Politics of the Global South

An Analysis of Its Effects

Haroon A. Khan



Haroon Khan provides a comprehensive and thoroughly researched account of the conceptual framework and implications of good governance in developing societies. This is an useful reference book for students of global politics and development studies.

Subho Basu, *McGill University, Canada*

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# The Idea of Good Governance and the Politics of the Global South

One of the major objectives of good governance is human development. Many worry that without good governance, many developing countries may become failed states.

Using one of the worst industrial disasters in Bangladesh to date, Haroon A. Khan helps further our understanding of the importance of bureaucratic capacity for achieving good governance and offers a new paradigm for a merit system to improve governance. In doing so, he introduces the reader to the concept of good governance, and its importance, by investigating its relationship with failed states, globalization, bureaucratic effectiveness, and human development.

*The Idea of Good Governance and the Politics of the Global South* will be useful for students interested in political science, public administration, and international relations.

**Haroon A. Khan** is Professor of Political Science at Henderson State University. He also serves as the Director of Public Administration program.

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An Analysis of Its Effects

**Haroon A. Khan**



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**Dedicated to my wife, son, and daughter**

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# Preface

Although researchers focus on the important elements of good governance, the effects of the lack of good governance are not clearly explored. The researchers on good governance focus on its components without a clear analysis of the consequences of the lack of good governance. The book attempts to examine the effects of good governance in a thorough fashion to understand its importance. In order to assess the effects of the lack of good governance in the global south, the book will undertake statistical analysis between the WGI (Worldwide Governance Indicators) and the issues of the failed states, globalization, bureaucratic capacity, and the Human Development Index. A statistical analysis based on regression and correlation will be useful for students, academics, and policy makers to have a broader understanding on the effects of the lack of good governance. The study on good governance and the issues of the failed states, globalization, bureaucratic capacity, and human development will be helpful to understand the problems faced by the global south. It will explore ways to improve on good governance in an attempt to find solutions. The issue of good governance has been an important aspect of public administration, especially in the global south. International relations theorists have been interested in the issues of globalization, human development, and political violence. With a focus on good governance as a traditional domain of public administration and its linkage with human development, and globalization the traditional issues of international relations, a bridge between the two fields can be reached. Academics, students, and policy makers may like to read the book for a variety of reasons.

First, policy makers and academics consider good governance important because, without it, some of the developing countries may become failed states. The failed states will then become breeding grounds for terrorism. The book analyzes the different indicators of good governance with the characteristics of the failed states. The failed states suffer from serious political violence and terrorism. Therefore, it is important to understand the linkage between the failed/fragile states and the indicators of good governance.

Second, the issue of globalization has raised concern about the problems and prospects associated with it. Foreign direct investment and capital flow from the developed world to developing countries have led to economic development and poverty reduction. As a result of the lack of good governance, the countries of

the global south cannot achieve the benefits of globalization to their fullest extent. Without good governance, the fruits of globalization cannot be fully achieved. The book, with a case study on Bangladesh, analyzes the complexities of globalization in general and foreign investment in particular from the issues of good governance.

Third, the linkage between the bureaucratic capacity and good governance is important because bureaucrats are still responsible for implementing policies despite the rise of non-governmental organizations. Therefore, it is important to understand how to enhance bureaucratic capacity to improve governance. The book investigates the impediments to bureaucratic capacity, which may create problems for good governance and suggests ways to enhance the capacity.

Fourth, the ultimate goal of good governance and foreign aid is to improve human development. An analysis of human development in the countries of the world and its linkage with good governance needs special attention. The book assesses the impact of the lack of good governance on human development.

Finally, the book uses World Governance Indicators (WGI) prepared by the World Bank to measure good governance. It calculates the averages on different indicators of good governance in the countries of the global south and the north. It uses statistical analyses to investigate the relationship with fragile states, globalization, bureaucratic capacity, and human development. It makes a comparison between the countries of the global south and the north based on average scores on the Fragile State Index, globalization, and human development. A statistical analysis based on regression and correlation will be useful for students, academics, and policy makers to have a broader understanding on the effects of the lack of good governance. Both graduate and undergraduate students will find the book useful for their academic pursuits. The study of good governance and the issues of failed states, globalization, bureaucratic capacity, and human development will be helpful to understand the relationship between public administration and international relations theories. Therefore, students and academics of public administration and international relations will find it useful. The book is organized into the following chapters.

**Chapter 1**, “Introduction,” identifies the plan of the book and the goals of each of the chapters.

**Chapter 2**, “Good Governance: Definitions and Clarifications of WGI Indicators,” focuses on various definitions, and indicators, of good governance. It analyzes the controversies around good governance. There are several definitions of good governance. Two of the major elements involve performance and the processes in delivering the services of the government. Performance is defined as the effectiveness in providing the services. Governance involves the manner and the effectiveness in providing services that the government is obligated to deliver. The process includes transparency, accountability, ethics, and efficiency in delivering the services. Good governance requires that the government must meet the needs of the people in an equitable way through a transparent process. Good governance requires an agreement on the long-term goals of the community. The chapter analyzes the different indicators of Worldwide Governance Indicators.



**Chapter 3**, “The Fragile States and the Lack of Good Governance: A Causal Explanation,” analyzes the different definitions of fragile (failed) states. It uses the Fragile State Index prepared by The Fund for Peace to investigate the relationship between the fragile states and the different indicators of good governance. It briefly focuses some of the failed states like Iraq, Somalia, and Syria to analyze the problems.

**Chapter 4**, “Globalization and Its Effects: A Case Study on the Garment Factory Tragedy in Bangladesh and the Lack of Good Governance,” analyzes the advantages and disadvantages of globalization with the purpose of understanding its complexities. It makes a statistical analysis of good governance and globalization. The chapter then investigates the relationship between good governance and globalization with a case study on one of the worst industrial disasters in the world, when more than 1,100 people were killed in Bangladesh, in a garment factory building collapse in April, 2013. The tragedy exposes the problem not only in the garment industry, but also the deeper problems associated with the lack of good governance, which can complicate the benefits of globalization. Globalization has led to economic development in many poor developing countries. It can complicate problems in countries suffering from poor governance. Globalization in the absence of good governance can cause serious problems in the host countries. The case study will explain how the lack of good governance can complicate the opportunities created by globalization in developing countries.

**Chapter 5**, “Bureaucratic Capacity and Good Governance,” focuses on the linkage between good governance and bureaucratic capacity. Bureaucracy plays an important role in the implementation of public policy even although other actors are influential. The success of the implementation of policy depends on the capacity of the bureaucrats. Good governance depends to a great extent on the capacity of the bureaucracy. Even although the researchers emphasized the necessity of accountability and efficiency of the bureaucrats for good governance, the literature lacks empirical data establishing the linkage between bureaucratic capacity and good governance. This research investigates whether the different good governance variables have an influence in bureaucratic capacity, which is treated as a dependent variable. I used regression analysis to investigate the impact of good governance indicators on bureaucratic capacity. The chapter analyzes how the lack of good governance stands in the way of good governance. It develops a paradigm of a bureaucracy for good governance for broader application for the countries of the world for cross-national comparison.

**Chapter 6**, “Human Development and Good Governance,” focuses on the effects of the good governance on human development. Human development is a good indicator in the success of governance, because without an improvement, the purpose of good governance will not be achieved. The Human Development Index (HDI) was developed based on the idea of the basic elements of human beings: health, education, and income. The HDI provides a composite score on a measure universally accepted as valid and reliable. The chapter uses statistical analysis to draw a conclusion on the relationship between good governance and human development. The chapter uses various definitions based on current literature on human development to have a better understanding on the concept.

[Chapter 7](#), “Conclusion,” summarizes the findings, based on the different indicators of good governance and its relationships with failed states, globalization, bureaucratic capacity, and human development. It will emphasize important lessons from the study and the opportunities for future research.

Although the book focuses on good governance, students and academics interested in fragile states, globalization, human development, and bureaucracy will find it useful. Researchers on public administration need to understand the broader implication of globalization to understand in turn the complexities of running the government. At the same time, researchers on comparative and international politics need to realize that the complex problems of fragile states, globalization, and human development cannot be understood without the administrative system of the countries of the world. This book on the lack of good governance will be complementary in the understanding of the complexity of administrative systems to shed light on global problems.

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I would like to recognize the love and affection of my wife, son, and daughter in the writing of the book. My daughter kept on asking the question: Are you writing the book? even although she did not understand what I was writing. But it was very inspiring for my writing. I would like to recognize the research grants by the Henderson State University and I would like to express my sincere thanks to Natalja Mortensen, the Acquisition Editor of Routledge for the suggestion and the acceptance of the proposed research. I would also recognize Lillian Rand for continuous help and support in writing the book.

# 1 Introduction

The countries of the global south continually face problems of economic and human development. Although some of the countries in the global south have made significant progress in recent times, many of them suffer from poverty, hunger, political violence, and instability. Many of the fragile states are located in the global south. Many of the countries of the global south suffer from low human development, but they are the largest recipients of foreign aid from the developed countries. Despite the existence of massive aid, many countries of the global south still suffer from poverty, hunger, and overall low development. Most often mismanagement and a high level of corruption stand in the way of the intended purposes of the foreign aid. On many occasions, the aid does not reach the people for whom it is intended. It causes frustration about the utility of the foreign aid. Ranis (2011) suggested that the foreign aid cannot solve economic problems. I think that the proper utilization of the foreign aid is the main issue rather than abandoning it altogether.

So, the donor countries are demanding more accountability from the governments of the global south on foreign aid. As a result of the growing pressures on the developing countries to improve their governance, there is an added emphasis on good governance, which has led to an abundance of literature on the subject. Despite the different definitions of good governance, this book will use Worldwide Governance Indicators developed by the World Bank. The book is an attempt to understand the effects of the lack of good governance in the global south. The terminology of North and South was used during the first report of the Brandt Commission published in 1980. It is based on the idea that the world is divided between the rich north and the poor exploited south. Since then,

the term South (or, more confusingly still, the Global South, which is after all a contradiction in terms) has always been used to lump together for ease of reference a whole bunch of countries and peoples who are said to fit into the world order in a disadvantaged fashion and suffer the consequences of doing so.

(Payne, 2013)

Payne considers this to be out-of-date categorization. I will include the countries of Africa, Latin America, and most of Asia in the global south. Of course, there

## 2 *Introduction*

are wide variations in the countries in the global south. The emergence of China, India, and Brazil may reshape the world in terms of the north–south characterization. The oil-rich Arab countries do not have poverty like the other countries of the global south. Still, the majority of the global south suffers from low human development, political violence, lower civil liberties, a higher level of corruption, and ineffective bureaucracy.

Moreover, almost all the failed or fragile states are in the global south. The researchers and the policy makers worry that without good governance, many developing countries may become failed states. The phenomenon of fragile (failed) states has attracted many researchers in recent times because of the far-reaching consequences of the problems. A failed state may directly cause enormous sufferings to its people. A failed state can become a haven for the terrorists bent on attacking other countries especially the western world. Policy makers and academics consider good governance as important because, without it, developing countries, especially fragile countries, may become failed states. The failed states will then become breeding grounds for terrorism. This book seeks to analyze the different indicators of good governance and the characteristics of the failed states. The failed states suffer from serious political violence and terrorism. Therefore, it is important to understand the linkage between political violence and the indicators of good governance.

Academics and policy makers are interested to know the reasons for the failure of the states. This research argues that that by providing good governance, many of the reasons for the failure of the states can be eliminated. This research uses correlation and regression analysis to establish empirically the relationship between fragile states and good governance.

Globalization, especially economic globalization, has led the countries of the west to outsource the products and services to poor developing countries. The issue of globalization has raised concern about the problems and prospects associated with it. Foreign direct investment and capital flow from the developed world to the developing countries have led to economic development and poverty reduction. However, without good governance, the fruits of globalization cannot be fully achieved. This book, with a case study on Bangladesh, will be interesting to those seeking to understand the complexities of globalization in general and foreign investment in particular.

The businesses in the west, in their drive to save the costs of manufacturing, and to avoid stiff environmental laws, outsource their jobs to poor developing countries. Analyzing the tragedy in a garment factory in Bangladesh, this book seeks to investigate the complex problems of globalization from the lack of good governance.

Researchers also emphasize bureaucratic capacity to achieve good governance. The attempts by some countries in recent years to politicize the bureaucracy brings back the spoils system in government, damaging the efficiency in administration, which is a fundamental prerequisite of good governance. Researchers emphasize inclusiveness, efficiency, and accountability in bureaucracy to achieve good governance. The attempt to have an efficient bureaucracy goes back to the writings of Max Weber, who advocated an ideal type of bureaucracy for modern society,

where authority is based on rational-legal principles. He also mentions that the ideal type of bureaucracy is required because of the complexities of modern government. A high level of specialization is necessary for the ideal type of bureaucracy. Weber's ideal type of bureaucracy includes a high degree of qualification and expertise in administration. With a focus on Weber, this book proposes a paradigm for a comprehensive and effective bureaucracy for good governance. The research also develops a measure of the merit system for good governance. Once data can be collected on these measures, there will be more opportunities for cross-national comparison, which will help in making broad-based generalization on the linkage between the merit system and good governance. The linkage between bureaucratic capacity and good governance is important because the bureaucrats are still responsible for implementing policies despite the rise of non-governmental organizations. Therefore, it is important to understand how to enhance bureaucratic capacity to improve governance. This book will investigate the impediments to bureaucratic capacity, which may create problems for good governance.

One of the major measures of development is human development. The ultimate goal of good governance and foreign aid is to improve human development. An analysis of human development in the countries of the world and its linkage with good governance needs special attention. Human development is measured by the HDI (Human Development Index) prepared by the United Nations Development Programme. The book will assess the impact of the lack of good governance on human development. This study will assess the relationships between human development and good governance by analyzing the correlation between them. Ultimately, one of the major purposes of good governance is human development.

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## 2 Good Governance

### Definitions and Clarifications of Worldwide Governance Indicators

This chapter will analyze various elements of good governance so that students are familiar with the various aspects of good governance and its importance. It will clarify the various meanings of good governance. It will elaborate on the six WGI (Worldwide Governance Indicators)—voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption.

The countries of the global south continuously face challenges of economic growth, and political and human development. The countries of Africa, central and Latin America, and most of Asia are known as the global south. These countries are also known as the developing countries. Although some countries in the global south like China, India, Brazil, South Africa, and the Southeast Asian countries of Malaysia, Philippines, Singapore, and Thailand, have made significant progress, the rest of the countries of the global south still have serious problems. Despite economic development, the global south faces serious problems of poverty, lack of human development, environmental degradation, political violence, and massive refugee problems. On the other hand, the global north includes the developed countries of North America, Europe, and Japan. The problem of the global south is a matter of concern for the rest of the world.

The UN Millennium Development Goals (UN MDG, 2014) have sought to eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV, malaria, and other diseases; ensure environmental sustainability; and develop a global partnership for development. But these goals are too complex to find an easy solution as each problem is dependent on various factors. One of the ways to gain progress on these goals is by “good governance.”

The World Bank in its Millennium Development Goals has put good governance as one of the major goals. The United States in 2002 had created Millennium Challenge Account (MCA) requiring the criteria of good governance set out by the World Bank (Hout, 2007). The concept of good governance has political, economic, and social perspectives. The political and administrative dimensions reflect a multiparty and competitive party system with civil and religious liberties; administratively, it means the quality in management and institutional capacity; economic perspectives imply economic development, fairness in development; and social perspectives focus on social equity and diversity.