Good Governance Implementation



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ABSTRACT

The present thesis provides an analysis of international donors' good governance implementation by means of governance programmes.

Political development in the form of good governance has become a crucial issue in the development aid agenda of the international donor community. The concept good governance embraces democracy and respect for human rights and is perceived as essential in the promotion of development. It has, however, been criticized for being a demonstration of western domination of the developing countries and the actual implementation of good governance has proven to involve different challenges for donors.

The thesis analyses these issues on the basis of a case study consisting of three donor's governance programmes in Nicaragua. The three donors consist of Danida as bilateral donor and the two Danish NGOs, Mellemfolkeligt Samvirke and Ibis.

Through an analysis of the governance programmes based on the human development approach to political development, the thesis thus examines the challenges international donors' may face when implementing good governance programmes. Furthermore, the thesis seeks to investigate how these programmes can be a sign of western domination.

Abbreviations

AMUNIC: Municipal Association (Asociación de los Municipios de

Nicaragua)

APDEL: Support for the Process of Decentralisation and Local

Development in Nicaragua (Apoyo al Proceso de

Descentralización y Desarrollo Local)

CC: Civil Coordinator (Coordinadora Civil)

CDC: Centre of Constitutional Rights (Centro de Derechos

Constitucionales)

CDM: Committee of Municipal Development (Comité de Desarrollo

Municipal)

CINCO: Centre of Communication Research (Centro de investigaciones de

la Comunicación)

CPC: Citizens Power Council (Consejo del Poder Ciudadano)

DAC: Development Assistance Committee

Danida: Danish International Development Assistance

EU: European Union

FAC: Anticorruption Fund (Fondo Anticorrupción)

FSLN: The Sandinsta National Liberational Front (Frente Sandinista de

Liberación Nacional)

GDP: Gross Domestic Product

HDI: Human Development Index

INIFOM: Municipal Institute (Instituto Nicaragüense de Fomento

Municipal)

IPADE: Institute for Development and Democracy (Instituto para el

Desarrollo y la Democracia)

MINREX: Nicaraguan Ministry of Foreign Affairs (Ministerio de Relaciones

Exteriores)

MRS: the Sandinista Renewal Movement (Movimiento de Renovación

Sandinista)

MS: Mellemfolkeligt Samvirke

NGO: Non-Governmental Organisation

PLC: Constitutionalist Liberal Party (Partido Liberal Constitucionalista)

OECD: Organisation for Economic Co-operation and Development

PSTAC: Public Sector Technical Assistance Credit

SECEP: Presidency's Secretariat for Coordination and Strategy (Secretaría

de Coordinación y Estrategia de la Presidencia)

RDDL: The Nicaraguan Network for Democracy and Local Development

(Red Nicaragüense por la Democracia y el Desarrollo Local)

RAAN: North Atlantic Autonomous Region (Región Autónoma del

Atlántico Norte)

RAAS: South Atlantic Autonomous Region (Región Autónoma del

Atlántico Sur)

UN: United Nations

UNDP: United Nations Development Programme

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1. Introduction

"Good governance is perhaps the single most important factor in eradicating poverty and promoting development."

- Kofi Annan¹

Throughout the years the development aid debate has been focused on how best to provide aid and help the developing countries. International donors' aid programmes and strategies have been changing more or less according to the leading development theories and goals. The development objectives change from dealing with modernity, economic growth, poverty reduction and enlargement of people's choices and the strategies to obtain these objectives have been changing similarly as well.

During the last years international donors have come to focus especially on good governance, as the quotation illustrates. Good governance or lack of good governance became the answer of the poor development in Africa. The bad governance of the African governments was claimed to be the reason why economic reforms had not had the desired effect, and democracy, as the essence of good governance, became the new development issue. Previous development thinking did not take the aspect of democracy into consideration or it was considered to be of secondary importance. Other conditions which have been argued to be leading to this development are the end of the Cold War and the fall of Communism. Cold War politics involved that the western world engaged in the developing countries in order to secure allies against Communism. The western world supported, among others, authoritarian regimes which then secured political stability in form of anti-communist regimes. The fall of Communism represented the success of the western liberal democracy and Communism became a perfect example of stagnation, inefficiency, corruption and mismanagement (Abrahamsen, 2000:25+29+34).

This has been argued as resulting in the promotion of good governance, which also can be referred to as the good governance agenda. Democracy and good governance have come to be perceived as a prerequisite for economic growth and development, as the quotation also demonstrates. Critics of the good governance agenda have stated that it is rather a 'western

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¹ Kofi Annan in UNDP, 2002:51

domination' than an actual development benefiting 'ordinary' people (Abrahamsen, 2000:44). The term good governance though also contains a normative aspect referring to the definition of what 'good' governance is, which relates to the critique of 'westernisation'. A proposed 'western domination' furthermore raises the question of whether this agenda impedes the developing countries in exercising their own politics and type of governance, hence leaving room for alternative thinking or not. The international donors dedicate a great part of their development assistance to different kinds of governance programmes and in connection with the above issues it makes the good governance agenda an interesting issue to examine further.

These are the questions in which the present thesis finds its relevance and leads me to the more specified problem formulation.

1.1 Problem formulation:

Based on the above the following problem formulation presents the question around which this thesis will revolve:

What challenges do international donors face when working with good governance programmes? To what extent can it be explained as a western domination of the recipient country and why?

In order to answer this problem formulation I operate with a case study consisting of one bilateral donor and two NGOs working with good governance programmes in Nicaragua. The bilateral donor chosen is Denmark and the NGOs are Mellemfolkeligt Samvirke (MS) and Ibis, both Danish organisations. All three actors have been working in Nicaragua for several years and I use these actors as representatives of international donors.

The problem formulation is twofold. First, I address the challenges international donors face when implementing good governance by focusing on good governance on a practical level that is, good governance as policy. In order to obtain an understanding of good governance as policy, I take Danida, MS and Ibis' governance programmes as point of departure for the analysis. This leads me to the western domination question which I address by discussing the good governance policy in relation to the concept of good governance. The thesis hence

operates on two levels; good governance as policy and good governance as concept. The analysis of good governance as policy enables me to discuss the good governance concept more thoroughly, hence lifting the discussion to a more general level.

Further explanation of the thoughts and consideration behind the problem formulation and thesis as such follows in the next chapter, Method and Methodology.

2. Method and Methodology

This chapter presents an introduction to the method and the methodological considerations of the thesis. First, the essential concepts of the problem formulation are defined. Secondly, the area of analysis is introduced. Third, reflections on theory are presented followed by reflections on empirical data and the chapter closes with considerations of reliability and validity.

2.1 Definition of central concepts

This paragraph will introduce a definition of the central concepts of the problem formulation in order to clarify the content of the thesis and establish a common understanding of the leading concepts used throughout the thesis. These concepts are vital because they constitute the starting point of the empirical case, which I use to answer the problem formulation. The thesis finds its relevance from the development aid agenda's high priority of good governance, which makes international donors and good governance the pivotal point of this thesis.

2.1.1 International donors

In this thesis the concept, international donors, refers to bilateral aid and NGO aid. Multilateral aid is not included in this thesis. The following presents a brief description of the two types of aid.

A bilateral donor is understood as the donor distributing bilateral aid, which is one country giving aid directly to another country (www.um.dk/da/menu/Udviklingspolitik/OmUdviklings politik/Bistandsformer/). When providing foreign aid, it is possible to observe great variation in the aid management and the amount given among bilateral donors. Some countries provide aid on the basis of national security policy or foreign economic policy whereas others base the aid on foreign policy or development policy (Degnbol-Martinussen, 2003:74-89).

In this thesis, Denmark is used as representative for bilateral donors; well aware of the differences in aid management this donor may have from other bilateral donors. Danida (Danish International Development Assistance) is the organ within the Ministry of Foreign

Affairs that administers development policy and foreign aid (http://www.um.dk/da/menu/dviklingspolitik/OmDanida/). In the thesis, Danida will be employed referring to Denmark as a whole. In 2007 bilateral aid constituted 64.6% of the total Danish foreign aid (Danida, 2008:1). The bilateral assistance is distributed to 16 programme countries (including Nicaragua) and places emphasis on supporting the recipient country's own efforts and strategies for development and poverty reduction in order to create sustainability. The aid is mainly distributed to the poorest developing countries but the selection of programme countries is furthermore done on the basis of compliance with certain criteria:

"Denmark will therefore attach much importance to the need for the recipient country to give high priority to poverty reduction, to pursue sound and socially balanced economic policies and seek the promotion of good governance, anti-corruption measures, respect for human rights and democratisation, gender equality and a concern for safeguarding the environment." (Danida, 2000:6)

These criteria set by Denmark to become a programme country illustrate the importance of good governance to Danish bilateral assistance. This moreover justifies the present analysis that is, the analysis of implementation of good governance.

The term, non-governmental organisations (NGOs), encompasses different kinds of organisations. In this thesis the term is used corresponding to: "private volunteer organizations that focus on economic, political and cultural development for specific groups of people" (Degnbol-Martinussen, 2003:143). Despite this development-oriented focus there is great difference within the NGOs in their way of functioning and their organisational forms. The different ways of functioning for instance concerns the strategies of the NGOs. Nowadays strategies from northern NGOs often relate to self-help by *assisting* local partner organisations in building capacity whereas NGO work previously was more action-oriented, focusing on *giving* help to acute needs. NGOs might be formed as either first-party organisations or third-party organisations. First-party organisations work on behalf of and for the benefit of their members, such as trade unions. Third-party organisations, however, work for the benefit of a 'third' part (Degnbol-Martinussen, 2003:144+147).

This is the case with the two Danish NGOs, Ibis and Mellemfolkeligt Samvirke (MS), which are used as representatives in this thesis. Their work is, among others, directed towards Nicaraguans and not towards the members of the organisation. Both of the organisations

furthermore work through local partners, assisting them in their work instead of carrying out certain projects on their own.

2.1.2 Good governance

The analysis revolves on the notion good governance and it will first and foremost be defined here to create a basic knowledge of the notion. The thesis operates with two understandings of good governance: good governance as concept and as policy that is, the donors' operationalisation of the concept. Good governance understood as concept will in the following will be written with a capital G (Good Governance) whereas good governance as policy will be written with a small g (good governance). The following gives an introduction to the concept Good Governance. In the theoretical chapter follows a further explanation and critique of the Good Governance concept.

The theories of development have been changing from dealing with economic growth and modernity to concerning poverty reduction and human welfare. The decades after the Second World War development theory addressed economic problems thus focusing on economic growth and economic transformation. Political and social aspects were not taken into consideration together with the economic aspects. The assumption was that these issues were to follow if economic growth and transformation happened (Degnbol-Martinussen, 2004:5-6). In modernisation theories development concerned the process underdeveloped and traditional societies undergo in order to transform into rich and modern societies similar to the Western (Degnbol-Martinussen, 2004:56).

In the 1970s, however, other aspects than economic issues increased in significance. An alternative development paradigm emerged focusing on social life of the individuals and civil society (Degnbol-Martinussen, 2004:289). Theories and approaches with emphasis on democracy, equality, redistribution, gender, participation and empowerment came to the fore. It is within this theoretical framework that the concept of Good Governance has emerged. The following describes how the donors have embraced the concept.

The World Bank first introduced the term Good Governance in 1989 and throughout the 1990s it became a much-used term in the development aid agenda. As described in the

Introduction, bad governance was claimed to be the reason for the poor development, which opened up for the promotion of political development and the Good Governance agenda. Democracy was considered a prerequisite for sustainable economic growth, and democratisation, respect for human rights and good governance policies entered the donors' development agenda (Abrahamsen, 2000:25). The argumentation behind the promotion of political development was that an effective and equality-oriented economic policy is attached to democratic and accountable regimes respecting human rights. Not only did the donors embrace the Good Governance agenda, they moreover have come to use it as conditions or selectivity for aiding by choosing countries that already have initiated political development programmes (Degnbol-Martinussen, 2003:30).

Despite a rather universal use of the notion Good Governance among international development actors, there is no universal definition of what it actually covers as policy. First of all governance can be defined in various manners and secondly 'good' is rather subjective. Everyone wants 'Good' Governance but what is meant by the notion requires further elaboration. The implementation of good governance first and foremost depends on how 'governance' is defined because it determines the area of operation. The understanding of governance changes from being a matter relating only to 'government' to including something additional within 'politics'; being public policies, institutions, a system of economic relationships, or non-governmental bodies (Smith, 2007:3).

Governance perceived as 'government' focuses on the management of the public sector and the legal and administrative capacity, whereas governance including politics furthermore focuses on:

"the way power and authority are exercised; the management of a country's affairs; the relationships between rulers and ruled; how conflict is resolved; how interests are articulated and rights exercised; and so on" (Smith, 2007:5-6).

This signifies that within the more narrow definition (governance equals government), the promotion of governance or the ensuring of Good Governance only concerns the public sector, whereas the whole society is incorporated in governance in the broad definition which makes the area of analysis in ensuring Good Governance that much larger.

The narrow approach to good governance can be assigned to the World Bank. The mandate of the World Bank is to engage only in economic aspects, hence keeping out of politics. Consequently, the World Bank cannot engage in political aspects concerning governance but it recognises that there is a political dimension to governance. The Development Assistance Committee (DAC) within the Organisation for Economic Co-operation and Development (OECD), contrary to the World Bank, includes working with the political dimension within governance. The purpose of the DAC is for member countries to establish and coordinate a common framework for their development policies. This means that the DAC approach only serves as guidelines within which each donor is able to accommodate (Hede, 2006:205-206+211-212).

Danida operates with the broad approach to governance in its strategy for Good Governance, thus including elements within politics. Main focus is placed on the public sector in ensuring Good Governance but Danida recognizes the importance of civil society groups and other non-state actors in holding the public sector accountable and in advocating needs and priorities. (Danida, 2007:1) Danida hence defines 'governance' as 'government' plus 'non-governmental bodies'. The exact definition of Good Governance employed is the following:

"the transparent and accountable management of human, natural, economic and financial resources for the purpose of equitable and sustainable development, in the context of a political and institutional environment that upholds human rights, democratic principles and the rule of law." (Danida, 2007:8)²

What is meant by 'good' is thus that governance is transparent, accountable, ensuring equity and sustainable development and respecting human rights, democratic principles and the rule of law. This illustrates the complexity of Good Governance but common characteristics in donors' good governance policy are possible to detect as will be demonstrated in the analysis. The thesis operates with the broad approach to Good Governance. A further discussion of the Good Governance concept and critique of it follows in the theoretical chapter.

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² Danida operates with the definition employed in the Cotonou Agreement between the EU and the ACP countries (Danida, 2007:8)

2.2 Reflections on the area of analysis

The area of analysis concerns international donors' good governance implementation. The thesis finds its relevance within the development aid debate which has been dominated by concepts such as democratisation, Good Governance, aid effectiveness and partnership. The change of focus from economic development to political development involves an emphasis on Good Governance as a means to ensure development and effectiveness. The focus which Good Governance has obtained in development aid makes it interesting to have a closer view at Good Governance as concept in order to investigate the practise surrounding the concept that is, good governance as policy. This area is furthermore interesting because the Good Governance agenda is a rather sensitive topic as regards the limit for donors in relation to intruding a country's politics.

There are several reasons for the choice of case that is, Danida, MS and Ibis' good governance implementation in Nicaragua. First of all, the reason for choosing a bilateral donor and NGOs is that they present two different kinds of assistance which provides the analysis with a more comprehensive picture of the assistance concerning governance. Furthermore, it is interesting also to look at the differences of the two types of assistance. The election of Denmark and not other bilateral donors, besides it being my mother country, deals with the aspect presented above about the basis for providing aid. Denmark's aid to Nicaragua is mainly based on development policy and not on foreign economic policy or national security policy and choosing Denmark should give the most value-neutral basis as regards aid. Choosing a donor with other interests in the aid could have had a different outcome and added other dimensions to the analysis.

There are different reasons for choosing Nicaragua as a case. Nicaragua is a very donor intensive country in which Danida, MS and Ibis have been working for several years. Danida and Ibis have worked in there since the 1980s and MS since 1991 (Danida, 2004:7+MS:17+ http://www.ibis.dk/index.php?menuId=9&upId=2). Furthermore, Nicaragua is an interesting case because of recent incidents in the country that have challenged democracy and governance. These incidents provide this thesis with a topicality that makes it a relevant study now.

This leads me to the aim of the thesis. The aim is to obtain an insight into donors' work with good governance. The thesis operates on two levels of good governance: Good Governance as concept and good governance as policy. I have chosen this division because it enables me to analyse the donor's governance programmes on the basis of the Good Governance concept, thus discussing how the policy relates to the concept and the critique of the concept.

The thesis first of all provides an analysis of the donors' governance programmes that is, what is their area of focus, who is their target group, etc. This provides me with an insight into what and who good governance programmes include, hence explaining good governance as policy. This enables me to discuss the good governance programmes on the basis of the critique which then leads me to a discussion of the effect of the programmes based on the Nicaraguan context. Based on this analysis of good governance as policy, I move to linking the good governance policy and Good Governance concept. The last part thus provides a discussion of the policies in a Good Governance context.

The thesis is thus an exploratory empirical project that seeks to survey the matter of good governance implementation. The empirical case of Danida, MS and Ibis' development assistance to good governance programmes in Nicaragua, hence serves as main object of analysis and enables me to answer the problem formulation by means of the theoretical framework chosen.

2.3 Reflections on the theoretical approach

This thesis takes the human development approach as point of departure. The human development approach is to be placed within the Alternative Development Paradigm which functions as an alternative to mainstream development thinking where economic factors are of main importance. The essential of human development is that it considers people as ends of development in contrast to mainstream development economics where economic growth is the end. Economic growth is still an important part in human development but must be considered in relation to other aspects, such as distribution. The founders of this approach are the Pakistani economist, Mahbub ul Haq and the Indian economist, Amartya Sen, and its existence was defined with the Human Development Report, which the UNDP has published annually since the first in 1990. The report is a monitoring of human development and especially the Human Development Index (HDI), which includes life expectancy, literacy and income, has become an important measure in development as a counterpart of GDP.

The reason for choosing the human development approach is that it consists of some key aspects which are compatible with the elements of the political development that has gained much importance in donor communities. The human development paradigm incorporates and emphasizes political development as a central factor in development in general and democracy and democratic governance are perceived as important parts to promote and ensure human development. The human development approach thus allows me to locate political development, and by this the Good Governance agenda, in a larger development perspective. Furthermore, it explains different ways to strengthen political development which enables me to analyse how the international donors in my case implement good governance. This thesis thus leans on human development and economic development will hence not be subject of discussion.

In the elaboration of Good Governance, based on the human development approach, I have chosen to incorporate Rita Abrahamsen because of her rather critical view on Good Governance. She discusses the normative aspect of Good Governance and donors' intervention in recipient countries by means of good governance policies. In that sense she connects Good Governance to international donors' actual good governance implementation and in the analysis I use her points of critique as tools for analysing Danida, MS and Ibis' good governance policies.

In order to place the good governance agenda in relation to the recipient country and thereby assess the donors' challenges, I have found it relevant to take the conditions the donors work within into consideration. In the case of bilateral conditions, this is done primarily by means of the Paris Declaration because it sets up some key criteria to development assistance. Additionally, I have found it necessary to incorporate some perspectives on NGOs and their conditions. In accordance with the Paris Declaration, this provides me with tools for analysing and explaining the NGOs' situation in the country.

2.4 Reflections on empirical data

The empirical data employed in this thesis consists of both primary data and secondary data. The analysis takes its point of departure from the primary data. In addition, qualitative data is included which consists of interviews with key informants from the Danish actors in Nicaragua and their cooperating partners.

The analysis is based on the governance programmes of the Danish donors. Therefore the empirical material employed in the analysis consists of Danida, MS and Ibis' country strategies, overall governance programmes and programme documents. MS and Ibis' governance programmes are regional programmes for Central America which besides Nicaragua includes Guatemala and Honduras and in the case of MS, El Salvador as well. Consequently, there may be variations in what initiatives the programme presents as a whole and the actual initiatives undertaken in Nicaragua. The programmes, however, normally indicate when for instance Nicaragua has a different context from the other countries and additionally, the interviews allow a more thorough insight in the work dedicated to Nicaragua. The method of the interviews is considered below.

In order to discuss the donor's governance programmes in the Nicaraguan context I have found it necessary to incorporate information of the political situation in Nicaragua. The empirical material hence moreover consists of both interviews and different kinds of news articles concerning the situation in Nicaragua. The articles have been gathered from the two Danish daily newspapers *Politiken* and *Information*, the Nicaraguan weekly newspaper *Confidencial*, the Nicaraguan daily newspaper *La Prensa* and the Danish news based website *U-landsnyt.dk*.

The fieldwork is composed of semi-structured research interviews. The interviews are informant interviews with the purpose of gathering information and descriptions of, on one hand, Danish donors' work and on the other hand, the work of three Nicaraguan partners. I hence use the interviews to obtain a deeper insight in their work and the conditions involved, which then serves as a supplement to the other empirical material. It provides the thesis with a more nuanced picture as it allows for further elaboration on key aspects. The method of semi-structured interviews has been chosen in order to ensure obtaining certain information, however, making room for following up on respondent introduced information (Kvale, 1997:129+131). The interviews were thus based on an interview guide that introduced certain themes and questions of interest. They are all digitally recorded and are attached in Appendix 1.

The choice of interviewees first of all relates to the desire to cover each of the Danish donors with a key figure working directly within the governance area in Nicaragua. Secondly, I chose to interview three Nicaraguan civil society partners, one NGO (IPADE) and two networks

(CC and RDDL). MS supports all three of them, Danida supports IPADE and Ibis supports RDDL and supported CC in a previous governance programme. The purpose of interviewing these three was to include their perspective as partners and thereby present a more comprehensive foundation.

2.5 Reliability

With regards to the reliability of the empirical material, I will first take the donors' governance programmes into consideration. In relation to the donor programmes it is necessary to stress the fact that they of course are made in advance normally covering several years of support. This implies that they may be subject for change or adjustment while in execution which affects the reliability. I however try to counter this issue by including interviews with key informants of the donors' governance programmes.

This leads me to the reliability of the interviews. There are different measures as regards reliability in interviews. Reliability for instance can be affected by the interviewer if asking leading questions or in the selection and interpretation process in the analysis (Kvale, 1997:231). However, I consider that if others were to interview the same persons from the same interview guide, they would most probably reach the same answers.

The empirical material I employ in relation to the political situation in Nicaragua come from the sources *La Prensa*, *Confidencial*, *Politiken*, *Information* and *u-landsnyt.dk*. The four newspapers are all renowned news providers in their respective country which provides me the best possibilities of gathering information. No data is however completely neutral which must be taken into consideration but the essence of the data employed is to be found similarly in other sources. The Danish website *u-landsnyt.dk* is based on providing news on aid and global questions focussing on the Third World. The website is run by an association of mainly journalists and consultants and safeguard editorial independence. I consider it a reliable source and, similarly with the newspapers, the data I use from the website can be found in other sources as well.

On the basis of these considerations, I consider the analysis to be reliable.

2.6 Validity

One concern regarding validity is the use of Danida, MS and Ibis as representatives of international donors. First of all this choice excludes multilateral donors who otherwise also play a great part in development assistance. One may argue that not including the World Bank which first introduced Good Governance implies missing an important actor within international donors. However, because the World Bank's mandate does not allow the Bank to enter politics and I work with the broad approach to governance, there would be a large area of the analysis the Bank excludes. Furthermore, it is worth bearing in mind that there are differences among donors and their basis for providing aid as mentioned previously. Nevertheless, the process of donor harmonisation and cooperation suggests an enhanced common mission, which also can be seen in Danida's programmes that support some of the same partners as other donors.

Another concern is that I have not interviewed any informants from the Nicaraguan authority, from either the government or other types of authority involved in the governance programmes. However, as the focus of the analysis is placed on the donors and the interviews mostly serve as additional information to the primary material, I do not consider it to invalidate the analysis

A final remark on the validity concerns Danida's governance programmes. Danida's three governance programmes are in the process of being merged which implies that a new governance programme will emerge in the not too distant future. Consequently, the support will be adjusted and only some components will be transferred to the new programme. Despite of this I do not consider the use of these programmes to invalidate the study because the changes that Danida might have made do most probably not involve a new mindset of the governance programmes.

By looking at Danida, MS and Ibis' governance programmes in relation to the human development approach to political development and in relation to the political situation in Nicaragua and thereupon placing them in a broader Good Governance context, I intend to answer the problem formulation. Thereby the analysis should be answering the problem formulation and considered valid.

3. Theoretical approach

This chapter presents the theoretical framework of the analysis. The chapter opens with a brief introduction to the change from mainstream development theories to the alternative development paradigm. Subsequently follows a part on the human development approach with special emphasis on the role of political development which is followed by a discussion of the contents of the Good Governance concept. The chapter closes with perspectives on the role of development assistance which addresses the conditions the international donors work within both as regards bilateral donors and NGOs.

3.1 From economic development to human development

There are various approaches to what development is and how to bring it about. In development theory, mainstream theories to a great extent perceive development of the Third World as a concern of economic growth. In modernisation theories, for instance, development concerns traditional or underdeveloped societies undergoing a process to become modern and developed, similar the rich and industrialised countries. This means that development is perceived as a linear process where economic growth is to result in modernity. (Degnbol-Martinussen, 2004:56).

In the 1970s an alternative development paradigm to mainstream theory appeared. What is alternative about these theories is that the notion of development has changed to focusing primarily on citizens' social life instead of economic growth and modernity. The alternative development paradigm is not one theory but encompasses a number of different approaches to development some of them being built on mainstream theories others rejecting them completely. The approaches can hence be divided into two different approaches; one redefines the development goals and searches for other measures while the other in the rejection of mainstream theories turns towards civil society and local communities in the creation of human welfare (Degnbol-Martinussen, 2004:291).

It is within this alternative development paradigm that human development exists. Human development is to some extent built upon mainstream development theory because it does not reject all of it but merely redefines the development goals. What is important and what distances it from mainstream theory is, that it perceives human welfare as the end of

development instead of economic growth or other development goals. Economic growth is still important but as a means not an end of development and the distribution of it, is of overriding importance. Human development thus rejects the modern industrialised countries of the modernisation theory as the end (Degnbol-Martinussen, 2004:291).

The human development approach is a rather normative approach which prescribes the ideal society more then actually theorizing on it. However, UNDP does discuss some preconditions for and obstacles and strategies to human development which may contribute to the theorizing but much of their work is rather descriptive (Degnbol-Martinussen, 2004:304). Good Governance can be perceived as one of these preconditions. As showed the quotation in the Introduction, Good Governance is seen as a very important factor in development and it is an aspect that the UNDP has discussed in more detail. On that basis I will employ the human development approach in the analysis.

3.2 Human Development

The essence of human development is the focus on people-centred development; people are the ends of development contrary to previous thinking. Mahbub ul Haq explains in his book *Reflections on Human Development* (1995) that:

"The basic purpose of development is to enlarge people's choices. In principle, these choices can be infinite and can change over time. (...) The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives." (ul Haq, 1995:14)

This quotation shows the significance of people in development. Ul Haq believes that people should be able to choose themselves how to live their lives, however, this is only possible on a foundation of equal conditions. Because this is not a reality, development must help to create such an environment by expanding the choices and thereby the possibilities of people (ul Haq, 1995:14). This concerns both the economic, political and cultural area. In this context ul Haq levels criticism at the traditional economic growth way of thinking. He states that economic growth only concentrates on expanding the choice of income, which is only one choice, whereas human development focuses on all human choices (ul Haq, 1995:14).

Similarly to ul Haq's focus on people's choices as what must be enlarged, Amartya Sen utilized the term *capabilities*. The essence of Sen's capability approach is people's ability to do certain things in the sense that welfare is measured on the basis of their capabilities.

Importance must be given to what goods do to people instead of the goods as such (Sen, 1979:218). In accordance with ul Haq, Sen also argues that there is more to development than just economic growth, for instance. Development, on the other hand, focuses on obtaining human freedom – creating an enabling environment, as described above – by removing the sources of 'unfreedom' such as tyranny and poverty. Sen moreover argues, that different kinds of freedoms, as for instance political freedoms and social opportunities, help advancing the capabilities of a person (Sen, 2001:3+10).

Another important aspect, which the above quotation stresses, is the inconstancy in people's choices. The approach thus gives room for societal or other forms of changes that might influence what people choose. This means that the approach does not prescribe a fixed entity but develops in coherence with the society and time period. Additionally, the Human Development Report from 2002 stresses that human development priorities change with the world, in the sense that public policy issues that were of highest priority in the beginning of the 1990s might not be anymore (UNDP, 2002:54).

Ul Haq stresses four important components of the human development approach: 1) equity, 2) sustainability, 3) productivity and 4) empowerment. In the following, these four components will briefly be described.

Equity is essential because it provides people with the same opportunities in life. Without equity in opportunities some people are left with no or less possibilities, thus restricted in their choices. In that regard, it is necessary to stress the difference between having access to the same opportunities and making the same choices. Even though people have the same opportunities they might not choose similarly for which reason the same possibilities may have different outcomes from person to person. Hence the important aspect is that they have the same starting point (ul Haq, 1995:17). Additionally, Sen argues that equality must be measured in capabilities because the diversity among human beings means that people do not necessarily have the same opportunities or capabilities just because they for example have the same income level. (Sen, 1979:219).

Sustainability must be understood as the ability of the following generations to enjoy the same opportunities as this generation. Ul Haq describes it as followed:

"it is a matter of distributional equity – of sharing development opportunities between present and future generations and ensuring intragenerational and intergenerational equity in access to opportunities." (ul Haq, 1995:18)

Ul Haq not only stresses the sustainability between generations but also within generations. By this he means that equity within one generation must be obtained before it is sustained to the next generation. In that way deprivation avoids being transferred, as sustainability is about preserving human well being for all people. This does not mean the end of technological progress nor nature changes, as long as the capacity to produce an equal well being still exists. That fact, that the world changes, is thus not an impediment to sustainability (ul Haq, 1995:18).

Productivity is also important in the human development approach but it is not the end of development. People are still the end and productivity a part of this end. However, people are to some extent also a means as investment in human capital helps productivity. Nevertheless, this does not reject people as being the overall end of development (ul Haq, 1995:19).

The final component is empowerment. People must participate in the activities and processes that shape their lives making it development by the people and not by people from neither the outside nor the top authorities. Empowerment hence enables people to choose on their own free will. In order for this to be the reality there are certain requirements to for instance education but it also entails structural requirements such as political democracy. The empowerment of people from a human development perspective is not limited to economic empowerment such as the basic needs approach but embraces also political, cultural and social empowerment in the same way the human development covers all these aspects (ul Haq, 1995:20).

3.2.1 Human Development and Politics

As assessed above human development comprises all spheres of human life, however in this thesis special emphasis it placed on the priorities given to politics and governance within the human development paradigm.

In the Human Development Report from 2002, the policy issue of focus is deepening and widening democracy. That was the human development priority then but the issue is still critical in the development agenda and lays the foundation of the overall theme of this thesis; implementation of good governance. The report assesses the importance of politics regarding

human development, thus focussing on Good Governance in a broad sense that ensures people's participation and thereby the ability to gain power, shape their own lives and express their views (UNDP, 2002:vi). This is especially related to the fourth component from above, empowerment. Emphasis is hence placed on more than administrative and institutional concerns.

The aim of human development as regards politics is to have Good Governance that enlarges people's choices, more thoroughly it means:

"From the human development perspective, good governance is democratic governance. Democratic governance means that:

- People's human rights and fundamental freedoms are respected, allowing them to live with dignity.
- People have a say in decisions that affect their lives.
- People can hold decision-makers accountable
- Inclusive and fair rules, institutions and practices govern social interactions.
- Women are equal partners with men in private and public spheres of life and decision-making.
- People are free from discrimination based on race, ethnicity, class, gender or any other attribute.
- The needs of future generations are reflected in current policies.
- Economic and social policies are responsive to people's needs and aspirations.
- Economic and social policies aim at eradicating poverty and expanding the choices that all people have in their lives." (UNDP, 2002:51)

Democratic governance thus relates to political freedom and participation, which by the human development paradigm is considered a fundamental right in line with health and education. Without this, people are once again restricted in their choices and well being. In that sense political freedom and participation is a means to advance human development but it is also a development goal that is, an end in itself (UNDP, 2002:52). Taking ul Haq's four components into consideration most of them are present in the definition of democratic governance. The aspect of equity manifests itself in several of the points, as for instance the one against discrimination. Number seven concerning taking the needs of future generations into consideration clearly underlines the aspect of sustainability. Furthermore, the issue of empowerment states itself in several points, such as people having a say in decisions that affect them as well as women being equal partners.

As demonstrated above, democracy by means of democratic governance is a prerequisite for human development. This, however, does not mean that there is a causal relation between democracy and human development. Democracy may have certain influences on human development but it is not a direct causality. The causality between democracy and human development is complex because human development is a rather holistic concept that encompasses economic, political, social and cultural aspects. The Human Development Report stresses that there is a link between democracy and some human development factors. For instance, the competition among political leaders to gain power may help covering the needs of the people because political leaders more likely will respond to those needs in order to obtain votes and hold power. Moreover, the freedom of speech, free media and an open political debate enable people to influence public policies. These democratic processes and institutions have effects on human development (UNDP, 2002:56+57).

One of the pitfalls regarding democracy and especially the promotion of citizens' participation is the tight-rope walking in claiming poor people to engage in democracy while suffering from lack of resources to support themselves and their family. The concern for survival is greater than which kind of regime the country has. This has been demonstrated in UNDP's *Democracy in Latin America* from 2004 where 54.7 percent of the citizens agreed that they "Would support an authoritarian government if it resolved economic problems" (UNDP, 2004:131). Reasons to this high percentage are, among other things, lack of trust in democratic governments and poor performances. The fact, that democracy not necessarily causes economic growth and that poor people are more concerned with eating than democracy, can impede the work with strengthening democracy and democratic governance and hence human development.

The above shows that democracy can influence human development, however, the links between the two are not automatic. Democracy can help create equitable development but this is not necessarily the rule. In some cases there are large inequalities in income, wealth and power in democracies, which among other things can be explained by lack of pro-poor policies and favouring the rich. In a human development perspective, the task is thus, through democratic governance, to strengthen the link between democracy and human development: "making democratic institutions serve human development." (UNDP, 2002:61)

3.2.2 Strengthening Democracy

The strengthening of democracy requires different measures. The Human Development Report stresses two critical things:

- 1) Strengthening formal democratic institutions
- 2) Promoting democratic politics to deepen democratic practise.

These two areas are necessary to strengthen because they are the key to ensure public accountability of democratic institutions. By accountability is understood that the public is able to hold the decision-makers to account as well as other people influencing the public. In that sense the rulers will to a greater extent serve the interest of most people, thus ensuring democratic governance and human development. Accountability is thus: "central to democratic governance – to ensuring that the holders of public trust are acting effectively and fairly." (UNDP, 2002:65).

This makes the means to demand accountability as important as the right itself. Demanding accountability is possible through on one hand, civil society actions and on the other hand through structures of representation and independent institutions such as public service commissions, ombudsmen and other supervision organs. This is hence where the above actions gain importance because the problem is that these means to demand accountability often do not function properly. Some of the reasons are resource constraints, corruption and elite capture in the democratic institutions as well as in the structures and democratic practise, which makes the measures important (UNDP, 2002:65).

In the following the two measures to strengthen democracy and what they imply, will be further elaborated on.

Strengthening formal democratic institutions is critical as described above. Furthermore, it is important because many democracies are experiencing lack of trust in, for instance, political parties as well as lack of enrolment in political parties and power. This means that a certain crisis in the system of representation can be perceived and, according to the human development paradigm, the actions to be taken are hence the following. Each of these measures will be discussed separately.

- "Developing stronger vehicles for formal political participation and representation through political parties and electoral systems.
- Strengthening checks on arbitrary power by separating powers among executive, judiciary and legislature, and by creating effective independent entities.
- Decentralizing democratically: devolving power from central government to provinces and villages, underpinned by stronger local democratic institutions and practices.

• Developing free and independent media." (UNDP, 2002:69).

The first issue to be taken into consideration is developing stronger vehicles for formal political participation and representation through political parties and electoral systems. An essential point in that regard is to develop a democratic culture in the political parties. This is critical because if parties do not possess transparent and democratic structures within, they are unlikely to be democratic and representative to the outside (UNDP, 2002:70). Some of the common actions within this area are:

- 1) Improving governance in political parties
- 2) Promoting the participation of minorities and women
- 3) Building electoral systems
- 4) Limiting the distorting influence of money in politics

These actions are ways to improve the representative structures (UNDP, 2002:71). They can furthermore be labelled within actions to ensure ul Haq's component of equity but also empowerment. They all take part in advancing equity in access to opportunities, which is one of the fundamental issues in expanding people's choices and human welfare. Moreover, the improvement of women and minorities' opportunities is critical in the alternative development paradigm in general.

The second issue *Strengthening checks on arbitrary power by separating powers among executive, judiciary and legislature, and by creating effective independent entities* is important because creating an independent judiciary helps to impede abuses of power of, for instance, authoritarian regimes or democratic regimes turning into authoritarian. Efforts are thus taken to introduce innovations and provide these instances with trained professional staff. Theses actions are undertaken from within the system however actions can also be undertaken from without. Independent organs, as described above, can have an influence on democratic practises by promoting and defending these values and practises (UNDP, 2002:73).

The third measure to be taken is *Decentralising democratically*. Decentralisation contributes to empowering the people, there are, however, requirements for this to happen properly. It is necessary to expand participation among marginalized people and increase accountability in local levels because if this is not done simultaneously, elites at local level might as well take power and exclude local people from decision-making (UNDP, 2002:74). For that reason, decentralisation must go together with support to community groups that can facilitate people

to participate in decision-making and demand accountability (UNDP, 2002:69). This furthermore underlines ul Haq's emphasis on empowerment described above.

The forth measure of strengthening democratic institutions is *Developing free and independent media*. A free and independent media can act in three different ways to help strengthen democracy: 1) as a civic forum, 2) as a mobilizing agent and 3) as a watchdog. When the media act as a civic forum it is because it creates debates where all parts and points of view of society can participate. As a mobilizing agent, the media facilitates civic engagement providing people with information. And finally the media acts as a watchdog when for instance holding officials to account and supervising transparency (UNDP, 2002:75-76).

Promoting democratic politics to deepen democratic practice is the second main issue of deepening democracy, as mentioned above. Democratic institutions alone are not enough; civil society has a crucial role in promoting democratic politics through their voice and participation. Civil society actors have often been referred to as watchdogs that monitor but they are increasingly beginning to participate in setting agendas, thus obtaining more power in decision-making. This can for instance be seen in accountable budgeting where civil society actors examine official budgets and the impact these have on specific issues and groups of people. Moreover some even participate in the preparation of official budgets - participatory budgeting - which institutionalises public participation and enhances human development (UNDP, 2002:79). Furthermore, some are given responsibilities of monitoring institutions, which previously belonged to state institutions and this all demonstrates that civil society actors are becoming more involved and accepted which then strengthens democratic institutions (UNDP, 2002:81). Once again this all fall under the category of ul Haq's empowerment. Through such actions, people are influencing and dealing with their own lives. One of ul Haq's statements is moreover the importance of empowering people for them not to live of charity, which he considers as unsustainable (ul Haq, 1995:20).

An issue that has appeared relating to accountability is the civil society actors' accountability and responsibilities towards the public. Especially as civil society groups are extending and entering in global networks, problems of representation might appear. This means that the civil society groups themselves also have to strengthen their organisation in order to be public accountable and transparent. Finally it can all be summed as follows:

"Expanding political and civic space for popular social engagement is critical for deepening democracy and building democratic governance. Responsibilities for expanding this space lie both with the state, which must protect civil and political freedoms, and with the members of society who engage in and invigorate this exercise." (UNDP, 2002:82).

3.3 The Good Governance concept

This part provides an explanation of Good Governance as concept based on the theoretical framework of human development. It presents the foundation of Good Governance and is followed by Rita Abrahamsen's critique of the Good Governance agenda.

Perceiving Good Governance as concept implies perceiving development from a political development perspective. The Good Governance objective entails the move away from the mainstream theories perceiving economic growth as the way to create development. Focus is instead placed on the internal political affairs of the developing countries. Democracy is the essence of the political development and Good Governance, and the human development approach addresses strengthening democracy as a key issue. Democracy is essential in Good Governance because it possesses basic institutions and practices that enable citizens to be part of or have an influence in governance and life as such. People are incorporated in development. Democratic institutions take part in representing the citizens as well as ensuring the rights and equity of people. This also involves accountability. Institutions and decisionmakers must be hold accountable to the public because it results in efficiency and a greater responsiveness towards the demands of the public, making the public the central issue. The institutions and decision-makers are more responsive when being hold to account because the democratic practises such as elections create the possibility for citizens to elect differently. This brings forward the importance of citizen participation. Citizen participation not only upholds democracy, it moreover enables citizen to have a say in or affect aspects regarding their life. The political freedom within democracy allows all people to be heard. To sum up, Good Governance focuses on democracy and democratic principles as means to create development. Good Governance thus enlarges people's choices and capabilities by ensuring their political rights.

3.3.1 Critique of Good Governance

The human development paradigm emphasizes that Good Governance and democracy play a key role concerning human development. Democratic governance is the essence of ensuring and creating human development because it establishes accountability and incorporates civil society. When speaking about Good Governance in development assistance, it is often perceived as a positive thing which no one can disapprove of. There are however sceptics of the Good Governance agenda who criticizes the way it is employed in developing countries. Rita Abrahamsen is one critic who, in her book: *Disciplining Democracy* (2000), analyses the discourse of Good Governance and the normative aspect in it.

Abrahamsen believes that the promotion of Good Governance and democracy is another way of establishing or ensuring the hegemony of the West. She argues that the Good Governance agenda relies on Western values and political systems, such as democracy and human rights, which makes her compare the implementation of Good Governance with the colonization. She mentions that democratisation is stated as a 'moral duty' similar to the civilizing of the colonies which gives the Western countries the right to intervene. Consequently, Abrahamsen argues, that the Good Governance agenda returns to previous development thinking where the developing countries are to be reformed by and reach the stage of the developed countries (Abrahamsen, 2000:36+44). In her own words she states: "(...) the good governance discourse sanctions the right of Western countries to intervene in the third world to promote their vision of development and democracy, while simultaneously marginalizing alternative interpretations." (Abrahamsen, 2000:23). Abrahamsen refers to the theories of Modernisation which stressed the interaction of the developed countries with the developing countries as benefiting the developing countries in their progress of development.

Besides the exercise of power, Abrahamsen stresses that the Good Governance agenda serves as a way of legitimising economic liberalisation and consequently, giving the structural adjustment programmes of the Bretton Woods institutions a 'democratic face'. Good Governance legitimises economic liberalism because it is perceived to be interrelated to democratisation. This means that promoting democracy implies promoting economic liberalism and delegitimising state-led development. Abrahamsen furthermore addresses the issue of empowering civil society. She emphasizes civil society's relation to economic liberalism as emerging from economic liberalisation and reduction of the state. This means that strengthening civil society also involves reduction of the role of the state. She moreover

argues that empowerment and participation are means to cover the retreat of the state by relying on local initiatives as regards provision of social services, such as water and health care. People have to take care of their own lives. Perceiving empowerment in this manner furthermore reinforces the idea of economic liberalism, as empowerment is used in order to reduce the costs of public provision, cost–sharing, and not necessarily to develop alternatives (Abrahamsen, 2000: 51-53+59+139).

In general, Abrahamsen stresses the power and influence of foreign donors as affecting the self-determination of the countries in the sense that policies must be made within a certain framework laid down by the donors. It is hence an exclusionary democracy that the Good Governance agenda introduces. She moreover argues that it marginalizes large parts of the population, such as the poor, because it does not address socio-economic aspects. The lack of social reforms implies that the demands of the poor are not in focus (Abrahamsen, 2000:144-145). Abrahamsen especially refers to the World Bank's good governance policies which may justify her critique of focussing on liberalisation and technical issues in democratisation because it refers to the narrow approach to governance. However, if considering good governance from the broad approach which includes political aspects makes the latter argument less trenchant because the broad definition does approach issues of gender and discrimination.

Abrahamsen presents the whole discussion of Western development where the developed world imposes their values on the developing world. This brings forward a discussion of the good governance agenda and whether it really is the ordinary people in the developing countries who benefit from this development and the old discussion of state versus market. This critique will be further discussed in the analysis of the governance programmes.

3.4 Conditions for development assistance

In the above human development, how to improve human development and Good Governance have been discussed. However, in order to analyse international donors' implementation of good governance it is also necessary to have a closer view at the role development assistance plays in human development and especially regarding governance. Which role donors play in human development also depends on which type of donor they are and their relationship with the recipient country, it is thus necessary to outline the conditions

the donors work within, in order to fully discuss the role of development assistance. The Paris Declaration from 2005 presents one way of approaching the conditions of development assistance, especially bilateral, and will be further presented in the following. After that part, I will have a closer look at the role of the NGOs in development assistance, including outlining the conditions these work within.

3.4.1 Bilateral donors

The Paris Declaration establishes the framework of development assistance especially in a bilateral and multilateral perspective, incorporating several developed and developing countries as well as multilateral organisations with the purpose of making aid more effective. The five pillars of the declaration are 1) ownership, 2) alignment, 3) harmonisation, 4) managing for results and 5) mutual accountability (High-Level Forum, 2005:1). Each of these topics contains different commitments accepted by both donor and recipient countries. These pillars are relevant in a governance perspective because they constitute conditions for the donor and recipient countries as regards their aid cooperation.

One of the main issues in the Declaration is defining development assistance as a partnership hence getting around the unequal relationship of donor-recipient. The contents emphasize the move away from donor superiority and ownership to relying on national ownership instead. This is based on the idea that national ownership to a greater extent results in sustainability. Rhetorically, the move toward equivalence between the two parts can also be underlined from the use of partner countries instead of recipient countries (High-Level Forum, 2005:3).

The pillar of *ownership* is relevant because it concerns partner countries commitment to exercising "effective leadership over their development policies, and strategies and coordinate development actions." (High-Level Forum, 2005:3). This involves that the leadership has been transferred to the partner countries which the donors must respect. Ownership thus limits the role of the donors if the commitment is followed.

Alignment concerns donors basing "their overall support on partner countries' national development strategies, institutions and procedures." (High-Level Forum, 2005:4). This implies that there is a relatively high dependence on the partner countries not only because of handing over the leadership and building the assistance on national strategies but especially because of the dialogue such a partnership requires.

The *harmonisation* of the Declaration refers to donors' harmonisation of their development assistance, thus avoiding duplication and instead assuring the mutual effectiveness of the work (High-Level Forum, 2005:6). Goran Hyden stresses an interesting view with regard to the harmonisation of development aid. Hyden argues that the harmonisation creates a global agenda to development for which reason donors prioritise certain issues at the expense of others. He moreover states that: "Harmonising aid, therefore, is not just an administrative matter. It is highly political in the sense that the more harmonisation there is, the more limited is the scope for alternatives." (Hyden, 2008:265). This perspective is in concord with Abrahamsen's view of the Good Governance agenda.

Managing for results deals with implementing and managing aid with a view to the desired results and finally mutual accountability concerns donors and partner countries being mutual accountable for the development results (High-Level Forum, 2005:7-8).

Basically, the Paris Declaration lays down important conditions for development aid that requires great involvement from the part of both donor and partner country, entering in a partnership. Furthermore, the Declaration presents interesting issues comparable to the Good Governance agenda.

3.4.2 NGOs

NGOs consist of different organisations with different objectives and working methods depending on the country where they work and their origin. Consequently, it can be difficult to establish common conditions they work within but there are some common questions that need to be taken into consideration if one is to outline the conditions.

As within bilateral aid, there is a tendency for northern NGOs to establish partnerships with southern NGOs and work through those partner organisations. These partnerships are also based on the idea of equality between the two parts and northern NGOs supporting southern NGOs in their work giving them the responsibility of the programmes. It is, however, also possible to question the equality of these partnerships. Northern NGOs are often larger and more bureaucratic than southern NGOs and have specific formal demands which southern NGOs have to accommodate. Some of these demands might even be ordered from a higher court when for instance official aid organisations support northern NGOs. Furthermore, the NGO in the south might have to accommodate to the development priorities of the northern

NGO (Degnbol-Martinussen, 2003:148-150). The part in the recipient country is hence affected by the global development agenda.

The various levels of relations and resource transfers also require various levels of accountability. A northern NGO might have to be accountable to its members as well as home government if it is funded by that. This NGO might then enforce accountability on a southern partner NGO which also have to be accountable to the target group. Furthermore, the government in the country where it is working might claim accountability from it if it for instance has special benefits, such as duty-free imports. Many organisations though oppose this form of accountability. This suggests a rather complicated system of accountability and the question then is what is most important if a conflict within this system arises. This is, moreover, complicated depending on the sanctions the different levels can impose. If the target group does not participate it jeopardizes the project, however if the funding is withdrawn it is often more serious. Power is thus most often dedicated to the donor with the financial support. Some organisations though might be able to change donor if there is a high competition among donors in the country (Tvedt, 1998:158-159+162).

Another important issue, which might affect the work of both the southern and the northern NGOs, is their relationship to the authority in the recipient country. As a consequence of the diversity among NGOs and the context of the country it is difficult to generalize on relationships between the organisations and the authorities, however, Degnbol-Martinussen & Engberg-Pedersen set up three different types of relationships:

- "Confrontation: NGOs are in opposition to authorities, and authorities try to limit NGO's work.
- Co-opting: only NGOs that allow themselves to be integrated into the state system are permitted to work.
- Cooperation: both authorities and NGOs are committed to a constructive dialogue. Cooperation can consist mainly of a division of labour, or working together directly to solve problems, or a combination of these." (Degnbol-Martinussen, 2003:165)

These three types can help to organise the NGOs roughly but analysing different NGOs will show that it is often more complex than these three categories show.

In much NGO literature, much emphasis is placed on their comparative advantages in relation to bilateral aid distribution. Some of these advantages are that they are better at reaching the poor, political independent, more flexible and responsive to their work, etc. In the book, *Angels of Mercy or Development Diplomats?* (1998), Terje Tvedt criticizes the comparative

advantages studies and argues that they often have no empirical evidence nor are they methodologically viable. He argues that the comparative advantages are overestimated and depends on the size, structure and competences of the organisation as well as the context of the country. He does not reject that NGOs have been better than most governments at carrying out projects by means of its flexibility in micro-development situations but it depends on the conditions of the single NGO and not NGOs as a group and the advantage is often not as big as the NGO literature stresses. Tvedt emphasizes that it is more relevant to consider the roles that NGOs have played and are playing in specific development contexts instead of generalizing because NGOs do not function in a definite way (Tvedt, 1998:138+150+156).

The theoretical framework presented here leads me to the analysis of the thesis in the following chapter.

4. Analysis: Good governance as policy in Nicaragua

This chapter presents the analysis of the thesis and provides a discussion of good governance as policy based on the case study of Danida, MS and Ibis' good governance implementation in Nicaragua. The chapter first provides an elaboration on the donors' governance programmes in relation to 'strengthening democracy', the human development approach to political development. That provides me with the ability to discuss the programmes from Abrahamsen's critique of the policies which constitutes the second part of the analysis. Thirdly, I will place the policies in the Nicaraguan context, thus discussing the democratic outcome of the policies and the challenges to the implementation. Fourth, the chapter presents a partial conclusion summing up the policy part of the analysis and finally the analysis closes with a discussion where the good governance as policy is linked to the concept.

4.1 Good governance as policy

In this part of the analysis I will have a closer view at good governance as policy by analysing what the donors' governance programmes actually consist of. This means that the choice of programmes and the programmes as such first are considered on basis of the human development approach to strengthening democracy.

4.1.1 Danida's governance programmes

The development assistance from Danida is based on the notion of partnership with the recipient country and must be based on the partner country's own strategies and policies. The partnership however should include all parts in society affected by the efforts, incorporating national authorities as well as the private sector and the civil society (Danida, 2004:5). In reference to the Paris Declaration, Danida follows the guidelines of alignment and ownership making the partner country responsible for the implementation of the programmes.

Within the subject of governance, Danida supports the programme of *Decentralisation and Local Development (APDEL)*, the *Programme in Support of Democracy and Human Rights (Transparency and Justice)* and the programme *Reform of the Public Sector (PSTAC)*. These three programmes are to be merged into one governance programme but as this is not

completely done in the moment of writing, the thesis takes these three programmes as point of departure (Danida a, 2007:487-491).

Partners

The support to these programmes is concentrated on both national authorities and civil society organisations. Especially the Programme in Support of Democracy and Human Rights includes several donors as well as partners making aid effectiveness a great part of the programme, as regards the harmonisation pillar of the Paris Declaration. In the following I will refer to this programme as the Democracy and Human Rights programme. The programme has the objective: "to improve compliance with commitments to human rights, to promote good governance, and to empower discriminated and disadvantaged groups and individuals in Nicaragua" and revolves around two topics 1) "The Fight Against Corruption: Transparency and Accountability" and 2) "Access to Justice for Excluded Groups: Women and Indigenous People." (Danida, 2005:4). The choice of partners in this programme covers rather broadly the whole society.

In the first component, for instance, the programme first of all supports the Anticorruption Fund (FAC) in which the implementation is carried out by the Attorney General and the Office for Public Ethics. Moreover, the multilateral organisation UNDP is supported in its "Modernisation of political party entities to promote transparency". In the second component, *Access to Justice*, support is given to the National Police and to strengthening Access to Justice in the Atlantic Coast. The programme furthermore, supports partners which are working within both components. These are the Human Rights Ombudsman, the Basket Fund in Support of Civil Society, the Democracy and Governance Watch, the Nicaraguan Ministry of Foreign Affairs (MINREX), and finally the Central American University in Managua (Danida, 2005:28-29).

The variety in partners shows that the programme intends to cover not just the national authorities but also other parts of the society as stated above about partnerships. NGOs are incorporated as an important part both through the Democracy and Governance Watch and the Basket Fund in Support of Civil Society. At the same time essential parts of the government as the Ministry of Foreign Affairs is part of the partnerships.

Governance Programmes

In reference to the theoretical approach one way of implementing good governance is to strengthen democracy as good governance equals democratic governance. In the following Danida's programmes will be analysed on the basis of the theoretical approach about how to strengthen democracy. Through the governance programmes described above, Danida operates with various parts of strengthening democracy and thereby accountability, both through strengthening formal democratic institutions and promoting democratic politics to deepen democratic practise.

Strengthening formal democratic institutions is the area Danida mainly supports. In the programme Reform of the Public Sector in Nicaragua the main partner is the government through the Ministry of Finance. This programme focuses on the management of the public sector, thus dealing with the more technical issues of governance. Bearing in mind the definition of Good Governance made in the methodological chapter, this programme hence embraces the World Bank's area of work, which focuses on public sector reform. The World Bank is moreover a co-financier on the programme together with the Nicaraguan government and other bilateral donors (Danida, 2007a:491).

Considering the aspect of improving the representative structures, highlighted in the theoretical approach, Danida supports this area. In the Democracy and Human Rights programme, one part concerns strengthening political parties. Emphasis is put on strengthening young people's leadership capacities within the parties especially in the two Atlantic Coast regions; RAAN and RAAS (Danida, 2005:28). Secondly, support is also given within the area of strengthening the executive, judiciary and legislative power. Moreover, the Central American University in Managua, among other things, enters in monitoring, providing technical assistance and training of judiciary staff in order to strengthen the value of legal services (Danida, 2005:47-48).

Decentralisation is furthermore an important way to strengthen democratic institutions and a matter Danida engages in through the Decentralisation programme. In considering the Decentralisation programme, support among others goes to INIFOM, the municipal institute, in order to strengthen its work with formulation of policies for municipal development, capacity strengthening and service delivery. SECEP, the Presidency's Secretariat for Coordination and Strategy, was also supported with the purpose of integrating

decentralisation in government politics but the responsibility has been transferred to INIFOM. Secondly, the municipal association, AMUNIC, is strengthened in its ability to influence national politics and legislation and finally, support goes to the municipalities and regional governments on the Atlantic coast (Danida, 2007a: 487-488). This shows that in this programme Danida especially concentrates the support on the institutional capacity building, enabling the decentralisation process to function properly by supporting different actors with influence on the success of the process. Emphasis is put on the institutional framework in this programme but taking the Democracy and Human Rights programme into account as well, helps to support the decentralisation process. In the theoretical chapter the Human Development Report stressed the importance of attending decentralisation with support for participation. The Democracy and Human Rights programme incorporates a Basket Fund in Support of Civil Society, with the purpose of:

"strengthening the system of citizen participation and its interaction with the municipal, departmental (regional, i.e. within Nicaragua) and national levels to enable effective influence on public policy-making and greater contact between those who make and those at the receiving end of policies." (Danida, 2005:42)

It furthermore supports the Central American University in enhancing the channels of citizen participation. In that way one programme supports the other.

All things considered, the strengthening of democratic institutions plays a great part in Danida's governance programmes. Additionally, can be mentioned the support for the Human Rights Ombudsman as well as the Nicaraguan Ministry of Foreign Affairs with the aim of preparing reports on the compliance with the international commitments which Nicaragua has entered regarding human rights and anticorruption (Danida, 2005:40+44). Furthermore, support is given to the National Police with the purpose of improving police intervention, especially regarding women, and modernising the training of the Police Academy. Access to Justice in the Atlantic Coast is also part of the programme with the aim to strengthen the capacity and influence of the autonomous regional institutions working for indigenous people's rights and land-rights. All in all, the programmes attach importance to the institutional framework and even though the two thematic components of anticorruption and human rights are the main topics which the support concentrates around, it cannot avoid having an effect on the institutions as a whole.

The issue of **promoting democratic politics to deepen democratic practise** is also an area which Danida works with. As described above, related to decentralisation, the Basket Fund for Support of Civil Society is a great actor in that regard. Additionally to citizen participation, an important purpose of this partnership is to strengthen civil society internally in its ability to prepare political analysis and to cooperate for common goals. The Central American University furthermore works for promoting democratic politics by means of advocacy and monitoring. Concerning monitoring, an important aspect within the Democracy and Human Rights programme is the establishment of the Democracy and Governance Watch which is constituted by three Nicaraguan NGOs: CINCO, CDC and IPADE. Their job is to monitor and draw up reports and analyses of the state of democracy and governance in Nicaragua (Danida, 2005:42-43+47). This can also be compared to the functions of a free and independent media outlined in the theoretical chapter. The purpose also is to monitor and provide information but they might not reach the number of people as the media does.

4.1.2 MS and Ibis' governance programmes

In the following, the work of the two NGOs, Ibis and MS will be elaborated on the basis of the theoretical approach of strengthening democracy and democratic governance. Ibis' governance programme will first be outlined whereupon MS' governance programme is addressed.

Ibis has recently in 2008 introduced a new governance strategy *Thematic Programme: Intercultural Governance* which has a less comprehensive scope than previous governance programmes in the sense that it mainly concentrates on indigenous people and afrodescendent communities in the Central-North of Nicaragua and the Autonomous Regions. In coherence with Danida, Ibis also works through programme partners. These are selected among indigenous authorities, organisations of indigenous youth and women, civil society organisation, local and regional governments, municipal development institutes and prestigious research centres and universities. In accordance with Ibis' focus, the partner organisation must have an interest in and focus on indigenous' rights and intercultural governance. Moreover, they must be in conformity with Ibis' vision and certain other criteria laid down by Ibis (Ibis:10+21+25).

The overall objective of the programme is to: "Institutionalise **structures and governmental processes** that are able to revert the impoverishment of the multiethnic population in Central America" (Ibis:11). Within this objective there are three more specified sub-objectives which moreover demonstrate the area of their work. These sub-objectives concern first of all, strengthening of indigenous capacities, secondly, indigenous participation in state governments and thirdly, territorial governance (Ibis:20). In the following, the activities within these three objectives will be further elaborated in relation to the theoretical approach of strengthening democracy and democratic governance.

Ibis focuses on one target group that is, the indigenous people and the afro-descendent communities. In the following I will refer to the target group as the indigenous. With the new governance approach, Ibis stresses the need for an alternative governance structure which incorporates indigenous people and moves away from the 'monoethnic state model' which dominates in Central America. By this Ibis refers to the present state model as being favourable to racism and opposed to intercultural governance (Ibis:8). Consequently, Ibis also enters both the area of promoting democratic politics and strengthening formal democratic institutions but with an approach that to some extent tries to adjust the present structures to the benefit of their focus group. Danida on the other hand, works within the 'normal' governance structures and with the whole society as described above. With the three sub-objectives as point of departure, a further explanation follows.

The first objective concerns the strengthening of indigenous capacities which deals with strengthening individual capacities, organisations as well as alliances among organisations or other spheres. The activities within this objective are in coherence with the issue in promotion of democratic governance that civil society organisations also have to be strengthened as well as public institutions in order to be representative and democratic. By strengthening individual capacities, Ibis for instance relates to training and education of leaders and strengthening indigenous identity. Strengthening organisations, on the other hand, deals with improving the functioning of the indigenous organisation. One issue is for example to develop the capacities of women and youth to incorporate them in the leaderships as well (Ibis:20). The issue of empowerment is to a great extent present.

The second objective, indigenous participation in state governments, deals with promoting intercultural aspects in public policies. Moreover, it concerns integrating traditional structures

in the municipalities and interethnic communication in political advocacy at national and regional levels. As the objective in itself describes, these activities are promoting the participation of minorities as one of the topics to strengthen the democratic institutions. However, it does to some extent intervene in or add a new aspect to the 'normal' structures, for instance, with promoting incorporation of traditional structures such as councils of elders to the municipalities. It suggests a broader and different inclusion and participation of indigenous in public policies (Ibis:20).

The third objective, territorial governance, proposes even more challenge to the existing governance structure. It involves activities within the consolidation of territoriality, inward governance in relation to territorial management and outward management regarding advocacy. It challenges the structures because it relates to deepening autonomy. The last two objectives can be seen as different manners to create intercultural governance, one being keeping and improving the existing model of democracy and promoting change within it, whereas the other requires a certain change of the model creating an alternative by giving the indigenous people self-determination. In the Caribbean Coast the indigenous enjoy autonomy and the objective is to deepen this whereas on the Pacific Coast and North-Central zone there is still no General Law on Indigenous People. (Ibis:7+9+20).

Within the area of democracy and governance MS operates with the thematic focus *Building Local Democracy* and 50% of the regional resources, in the case of Central America, must go to the implementation of this area, which is outlined in the *Strategy for MS in Central America 2008-2012* In the first period from 2008-2009, MS concentrates on five municipalities within the North Atlantic Autonomous Region (RAAN), the province of Matagalpa and the province of Nueva Segovia. In the second period three municipalities will be changed with three others. Just as Ibis, MS works through partner organisations, focusing on rural partners, which belong to either local or national community based organisation, local or national NGOs, NGO coordinators, thematic networks, umbrella organisations or trade organisations (MS:19+39-40).

The three immediate objectives of the Programme are; first, holding local governments accountable, second, political empowerment of civil society and third, gender equality. These objectives deal with both strengthening democratic institutions and promoting democratic politics. In order to empower citizens, actions taking place concern both the development of

individual and organisational capacities, like Ibis' work with the indigenous. One of the crucial matters in MS' work is that the organisations works from very basic forms of citizens participation such as town hall meetings to more complex forms of participation in advocacy work at national level for example in cooperation with local authorities. Within the two extreme forms of participation MS also emphasizes strengthening participation in municipal development planning, preparation of municipal budgets and in activities which serve to control municipal budgets, plans and programmes (MS: 38+50).

The work of MS is especially within the area of promoting democratic politics to deepen democratic practise working with civil society. MS focuses on strengthening the capacities of civil society to participate in all levels and this, consequently, affects the democratic institutions. By entering municipal planning and budgets and in monitoring accountability in the municipalities, citizen participation helps to strengthen the democratic institutions, particularly at the local level.

The work of MS and Ibis is very similar in structure. They both approach good governance mainly through civil society working with different types of partner organisations. Moreover, they approach it from a local point of departure, though trying to have an effect nationally as well. Ibis operates with a more narrow focus or target group than MS. MS focuses on the rural populations in certain municipalities, including both indigenous people and non indigenous whereas Ibis has chosen to take its point of departure in the indigenous but also within certain regions. A central aspect of their work deals with individual and organisational empowerment which is to strengthen participation and accountability. Based on the similarities between the two organisations, they will be referred to as the NGOs in the following. When differences of special points from one of them are outlined, they will be referred to separately.

4.2 The programmes related to the critique

In the following I will go more thoroughly into the donors' good governance policies in relation to the critique which Abrahamsen puts forward. It hence provides a discussion of to what extent Abrahamsen's critique of the good governance agenda applies for them.

4.2.1 Danida

The human development approach to political development suggested strengthening democracy including accountability by means of actions within formal democratic institutions or civil society actions. The above demonstrates that Danida's support for good governance to a great extent is arranged around institutional capacities thus actions within democratic institutions and practices. It is however supplemented with some civil society actions, though also with the overall aim of strengthening public accountability.

Perceiving Danida's support as mainly institutional development to a certain degree complies with Abrahamsen's critique of the good governance agenda. She addresses some interesting issues in the good governance agenda which to some extent also can be viewed in Danida's policies. One of her arguments is that the agenda has a technical approach which does not address the issues of power relations and problems of inequalities. If we look at Danida's programmes this is partly the truth. Danida does have a programme supporting public sector reform and a decentralisation programme which focuses on strengthening the institutions and practices behind the process which demonstrates a rather technical and managerial approach. These activities are furthermore situated within the typical western structures of democracy hence not leaving much room for alternatives.

However, in the Democracy and Human Rights programme, Danida addresses the issue of access to justice for indigenous people and women, thus focusing on some of the weak parts of society. Of course this is still done on the basis of the structures of democracy and in accordance with the respect of human rights which is a common western value. This moreover opens for the discussion of the universality of human rights, I will, however, not go further into depth with that discussion as it requires an analysis of its own.

The above presents Danida as working within one kind of democracy which to some extent substantiates Abrahamsen's argument that empowerment in the Good Governance agenda is not a way to represent possible alternatives to or within the system. However, her argument that it serves as an instrumental tool for solving the problem of public expenses is though more difficult to verify. If we look at the aim of the Basket Fund in Support of Civil Society, it is to strengthen citizen participation in order to create a closer connection between decision-making and the people affected by it. To incorporate citizens in policy-making at first suggests an enhanced possibility for people to improve their lives but, as Abrahamsen points out, it depends on the framework of manoeuvring. Nevertheless, there is a difference in the

type of empowerment Abrahamsen describes because the aim of the Basked Fund is for citizens to influence the decision-making by creating a closer connection and it does not necessarily mean fewer responsibilities to the public institutions. The reduction of the power of the central government is though an issue in Danida's good governance policy in the form of the Decentralisation programme. One component of the Decentralisation programme is a block grant system to the local authorities to investment in social infrastructure, including health, hygiene, water and sanitary facilities (www.ambmanagua.um.dk/da/menu/Udviklingspolitik/DecentraliseringAPDEL/Komponent2/). Besides confirming a less liberty of action of the central government as regards financial capacity, this component refutes Abrahamsen's statement of leaving social services to the people themselves. This component helps local authorities in their capacity to deliver services.

4.2.2 The NGOs

The NGOs implement good governance through civil society actions focusing on empowerment but if we are to take Abrahamsen's perspective into consideration, she addresses empowerment as not to the benefit for the ordinary people, but that depends on which kind of empowerment. MS empowers people and organisations to work in different levels of participation not with the aim of just participating in elections but with the aim of influencing politics by taking part in decision-making.

MS supports the network CC, Civil Coordinator, which in general terms first concentrates on contributing to the construction of a democratic society and the development of a national plan and secondly, on contributing to the strengthening of capacities to construct active citizenship and of political impact of the persons who are CC's target groups (MS a:2). In the partner agreement with MS, CC works both at national and local level, though focusing on the Autonomous North Atlantic Region (RAAN). At local level, CC works for the consideration of municipal demands in the Regional Government and Councils. This is, as an example, done through active participation of civil society's municipal representatives in the spaces for citizen participation at regional level. They particularly concentrate on processes of validation of regional development plans, investment and budgeting. Moreover, they work for strengthening the impact of the organised community at municipal level in the Regional Councils through communication and consultancy. At national level, CC advocates that the

Government and National Assembly implement public policies with equitable redistribution of public funds. The network contributes to such policies by elaborating policy proposals every year (MS a:8-9).

The type of empowerment and participation described in this partner agreement is different from just electoral participation. Participation is here used in order to obtain influence in the policies that affect them. By participating in the validation of development plans and budgeting, civil society may have a say or at least be able to express their views on the matters. This may also concern more social matters which Abrahamsen perceives as outside the agenda. The work at the national level actually addresses the issue of equity. Nevertheless, there are several pitfalls to the successful outcome of this participation, which also will be elaborated below. One is that civil society may participate but after all it is the politicians who make the final decision. Even though civil society may have been consulted it does not necessarily imply that the final say appears to their advantage. Additionally, preparing a policy proposal every year does not equal the implementation or consideration of it.

Another issue is the problem of reaching the very poor in society. People who have a hard time making a living are difficult to get to participate because political participation then is an extra aspect to deal with which does not make the highest priority. The interviewed member of the RDDL also referred to that as a problem (Appendix e). Moreover, a UNDP report has stated that "most NGO interventions probably miss the poorest 5-10%." (UNDP, 1993:96). This moreover accentuates Tvedt's statement that the comparative advantage of NGOs in development work is overestimated. One typical claim is that NGOs are better at reaching the poor but if they miss the poorest 5-10% other actors might be just as good.

In coherence with MS, Ibis addresses the issue of empowerment. As stated above, Ibis to a certain extent intends to change the governing structures of the 'monoethnic' state and incorporate the indigenous people and create an intercultural form of governance. This shows an attempt to challenge the normal model of democracy which is what Abrahamsen stresses as not part of the empowerment the good governance agenda outlines. Ibis' programme, thus seeks an alternative which embraces and enhances indigenous' collective rights and opposes what Abrahamsen claims. However, in the Caribbean Coast the objective is to strengthen the autonomy of the indigenous regions which limits the power and influence of the central authority, but with the aim of ensuring traditional structures and values. The aim of reducing

the power of the central authority is thus not related to social services but merely to the management of their regional territories in order to prevent unsustainable exploitation of the territory. Traditional management, on the other hand, considers the relations between human and nature differently and enables the development of sustainable economies (Ibis:9).

The Programme Officer of the governance programme in Ibis, moreover, accentuates the problem of influence and representation of indigenous people at national level because as the electoral system is now they have to join political parties to for instance obtain a seat in the Parliament. However, joining a political party does not necessarily mean more influence to indigenous people or indigenous issues on the agenda because it depends on the preferences of the party as a whole. This also applies to the Regions where membership of a political party is necessary in order to obtain a seat in the Councils. Therefore the Programme Officer states that the ideal would be a model where the indigenous community selects representatives of their own to a seat in the Parliament without having to be part of a party (Appendix b). Again this demonstrates that Ibis works for an alternative to the typical democratic model. It is a proposal for a special treatment of indigenous people through the issue of collective rights which to some extent clashes with the democratic idea that all are equal. However, it is a way to ensure their rights as a minority which are difficult otherwise to ensure.

Abrahamsen's criticism of the good governance policies can mainly be levelled at Danida's policies. Danida has a rather technical approach working within the boundaries of western democracy, however, Danida does take some weak parts of the society into consideration and empowering people is not necessarily an issue of reducing the social services of the state. Similarly, MS works with empowering people in order to enhance their participation in governing structures and not with the aim of replacing state responsibilities. Ibis works for indigenous' autonomy and ability to manage their territories by themselves which, to some extent, reduces the role of the state. It is though based on traditional management which introduces an alternative governing structure to the 'normal' western democracy, which challenges Abrahamsen's arguments.

4.3 Strengthening democracy?

The above good governance policies show different attempts to strengthen democracy but the question then is if these policies actually consolidate democracy in Nicaragua. The following provides a discussion of this issue with reference to the present governance situation in Nicaragua, beginning with Danida followed by the NGOs. This provides me with an idea of the challenges donors meet in their work.

4.3.1 Danida

In the November 2006 presidential elections in Nicaragua, Daniel Ortega from the oppositional Sandinista party (FSLN) was re-elected for president, succeeding Enrique Bolaños who was elected president from the Liberal Party (PLC) from 2002-2007 (http://www.ambmanagua.um.dk/da/menu/Nicaragua/Landefakta/). Since the change of power several incidents have affected the governance situation negatively, from a Good Governance point of view. In June 2008, the Supreme Electoral Council excluded the two oppositional parties, the Sandinista Renewal Movement (MRS) and the Conservative Party, from the municipal elections in November (Hansen, 2008). The Ortega government is put in connection with this incident as the Supreme Electoral Council is controlled by Sandinistas. Ortega has furthermore excluded election observers from the municipal election (Korsgaard, 2008). After the municipal election there were several accusations of electoral fraud which led to disturbances between the Sandinistas and Liberals. These are some of the incidents which have taken place in Nicaragua and also take part in questioning the donors' governance programmes.

This change of power has had different consequences for Danida's governance programmes. Counsellor of the Royal Embassy of Denmark in Nicaragua has informed that since the change of government there has not been much interest in the processes of decentralisation and the new government has chosen not to follow the plan that was made for decentralisation despite the fact that the plan was approved and broadly accepted. Because of the municipal elections this year, the will to decentralisation is very small until the outcome of the election is known. This means that not much is happening on the decentralisation area until then (Appendix 1a). Within the area of regionalisation, there is, however, a clearer tendency to

respect the autonomy and work for the regionalisation. Nevertheless, the regionalisation is being distorted as there is a political cooperation with the central government in the north, RAAN, but because of a Liberal government in RAAS, the situation is different (Appendix 1a).

This situation with the Decentralisation programme shows some of the problems donors meet which may undermine the effect of the programmes. This situation has two aspects worthwhile regarding; the issue of partnership and the fact that it is a governance programme. The issue of partnership is interesting because the development assistance from Danida builds upon the issue of partnership which in this case suffers from lack of mutual engagement in the execution of the programme. However, the fact that it is a governance programme which is affected is also relevant. Relying on partner countries own strategies and leadership implies that donors depend on the partner country's political will and accountability. Moreover, it actually challenges the argument that partnerships provide sustainability to programmes, at least when it concerns government strategies. Every time the government changes the new government is likely to make its own strategy from its own logic in order to settle accounts with the former politics. In that regard the Embassy Counsellor stresses that a problem with governance programmes can be that, what was planned with one government not necessarily is in harmony with the politics of a new government, at least not when a radical change from, for instance, a liberal to socialist government has taken place (Appendix 1a). This seems to be the present case in Nicaragua which has affected the Decentralisation programme. Even though the Bolaños government came to an accord with Danida about the Decentralisation programme it does not mean that all aspects of the programme are ensured with the new government. The consequence of this is that donors have to await the line of the new government, as does Danida. The counsellor of the Embassy moreover stresses that it is difficult to make long-term planning with governance programmes, especially if a country is political turbulent.

Taking the Paris Declaration into consideration, it hence takes part in establishing conditions for Danida which make the work difficult because of the political situation in Nicaragua. The partnership outlined in the Paris Declaration requires a dialogue between the two parts. The Declaration does, though, recognize that the context of the specific partner country should be taken into account when interpreting the commitments of the Declaration but this situation is

different. The Decentralisation programme was broadly accepted and that a change of government is cause of jeopardizing the accountability is difficult to forestall.

The lack of will of the Ortega-government to engage in decentralisation until the results of the municipal elections, moreover, suggests rather centrally managed governance. That Ortega awaits the outcome of the election means that he does not really engage in the idea of decentralisation because then it would be of no matter for him whether the municipalities are Sandinista or Liberal. Contrary, he wants to assure that the Sandinistas are in possession of the majority of the municipalities which provides him with more power. This can also be demonstrated by the process of regionalisation to the two autonomous regions. There is political cooperation in RAAN but not in RAAS because of the Liberal government.

Another issue worth regarding is whether decentralisation in this situation actually enables citizens to participate and have a say, hence strengthening democracy. The municipal election turned out with a great advantage to the Sandinistas, despite the accusations of fraud; out of 146 municipalities, 105 won by the Sandinistas, 37 by the Liberals and 4 by smaller parties (http://www.u-landsnyt.dk/indhold.asp?ID=16717&mode=Nyhed#). Ortega is now sure of the Sandinista influence and can start cooperation with the municipalities but does it really mean power to the citizens as he wanted to be sure of the outcome first. It rather suggests power of the political parties more than the citizens. Then one may put forward that the idea of representative democracies is that representatives from parties are being elected which may justify the power of the political parties. However, the fact that two parties have been excluded on a rather suspicious basis undermines the representative democracy and political freedom.

The above demonstrates various problems for governance programmes and makes one wonder about the effect of them. There might have been a positive development with the former government but when a new government rather quickly is able to (and does) challenge democracy, do the good governance policies then actually strengthen democracy. The policies depend on the political environment and the present Nicaraguan conditions to some extent destabilize the grounds of the policies. The Embassy Counsellor moreover stresses that one problem with governance programmes can be that there is no dialogue with the government and governance programmes have difficulties in functioning without a dialogue. The will of

the government in the recipient country is hence crucial in the execution and outcome of the programmes also because many programmes deal with the public sector.

4.3.2 The NGOs

The above demonstrated that Danida's governance programmes were rather dependent on the Nicaraguan government. The programmes of the NGOs are also to some extent dependent on the government even though they do not enter a direct cooperation with it, as does the bilateral donor. The dependence rather concerns the fact that governance programmes deal with state and governance structures in which the government of course is a key actor. It is therefore relevant to have a closer view at the NGOs relationship to the Nicaraguan government and authorities as such as it may have an effect on the influence of the NGO programmes.

In the theoretical part Degnbol-Martinussen & Engberg-Pedersen outlined three different types of relationships between NGOs and the authorities of the recipient country. MS and Ibis' relationship with the government mainly depends on who they choose as partner organisations because the partner organisations are the ones working directly with the programmes. This implies that it can be difficult to place the northern NGOs within just one category as they have various partners. They may support organisations that the government has no problem with and at the same time support others which the government dislikes. However, MS and Ibis have chosen their partners on the basis of certain criteria which to some extent unite them within the vision of MS and Ibis.

If MS and Ibis are to be placed within the three categories they could be placed within the third; cooperation. Both MS and Ibis are to some extent cooperating through their partner organisations with the authorities at local level or at least trying to influence the authorities. The cooperation is not built upon a division of labour leaving certain assignments to the organisations but merely consists of the organisations cooperating with local authorities, for instance in their ability to be heard at national level. The cooperation though takes place on local level and the relationship to the central government is different. The relationship with the central government would most likely be referred to as within the co-opting category. The relationship in Nicaragua between the government and NGOs as a group is though rather

interesting as the government recently has accused both national and international NGOs for money laundering and demanded some to hand over their accounts for inspection (http://www.u-landsnyt.dk/indhold.asp?ID=16257&mode=Nyhed). Neither MS nor Ibis has, however, been affected by the government initiatives, in the moment of writing, and would hence not be defined as in confrontation with the authorities, despite the claims and actions from the central government. However, both informants interviewed from CC and IPADE mention that the actual government is rather hostile towards the NGOs and their work, because it considers them to be rightist (Appendix d+f)

The NGOs' dependence on the government concerns their adjustment to the strategies and structures laid forward by the government. The change of government has, as previously stressed, led to changes in policies and structures. Programme Officer of MS, in addition mentions that the new government has established a parallel form of organisation as regards citizen participation to the system that was in progress (Appendix c). This implies that the development that was happening has been set back and the municipalities function differently depending on whether they are Sandinista or Liberal. The Citizens Participation Law establishes the Committees of Municipal Development (CDM) as organ of citizen participation and the Ortega government has set up the Citizens Power Councils (CPC) (http://www.asamblea.gob.ni/index.php?option=com_wrapper&Itemid=153+ López, 2007). They both have their strengths and weaknesses. The CPC are based on the idea of direct democracy, thus including citizens directly in governance, and they have a closer link to the central government (Arróliga, 2008). At first sight, this provides a solution to the shortcomings of the representative issue discussed above, however, the interviewed Supervisor from IPADE informs that these CPC are claimed to be rather partial in the sense that it is mostly Sandinistas that participate under the ideology of the government (Appendix f). In addition to the above, it suggests the Sandinist power instead of citizens' power. The CDM are though claimed to be more democratic, including more people, but not as effective depending to a great extent on the mayor's openness towards citizens (Arróliga, 2008). The parallel structure thus means that there are two organs where the CPC functions better in municipalities run by Sandinista. This is an example of a government changing the structures which the NGOs then have to take into consideration when working with participation.

One of MS' main objectives is to hold local governments accountable. Accountability both concerns responsiveness from the local authorities as well as the ability of the public to hold the authorities accountable for their actions, for instance through means of elections. The situation with the two parallel organs of participation makes this more difficult. In municipalities governed by Sandinistas there may be possibilities to participate and have a say in the CPC – as long as participants belong to the Sandinista side of the political spectrum. However, this undermines the CDM but also the citizens who are not in agreement of the Sandinista agenda. In Liberal municipalities the CDM may function better but again depending on the mayor. This means that the NGOs work under conditions where they first of all have to adjust to the type of participation they will promote but moreover they are dependent on the willingness of the authorities to use their proposals. The dependence of the mayor is in that way natural in a representative democracy and emphasizes the importance of the ability of hold the decision-makers to account. However, this brings forward another problem for the NGOs and citizens as such. If the decision-makers do not live up to the demand of the public they must be able to elect differently in the following election. The latest incidents in Nicaragua have shown that this has not been a possibility. First, two of the oppositional parties have been excluded for the elections and secondly, accusations of election fraud have been emerging. This means that even though citizens have become aware of their right to vote there has not been a real or at least not a transparent election. This brings forward one of the difficulties of NGO governance programmes, the 'what comes first'. The NGOs work with individual and organisational empowerment to enable people to participate but this requires structures which enable citizen participation. Nevertheless, it does question the programmes when a new government rather easily is able jeopardize democracy and the progress that might have been.

The above demonstrates that the Nicaraguan government has a key role when the donors work with governance programmes. Whether the policies are strengthening democracy depends to a great extent on the political climate in the country and the dialogue with the government. The Ortega government has been able to challenge the basis of the good governance policy which hence affects the programmes. Even though the programmes are meant to strengthen democracy they are founded on basic democratic issues stated by law, as for instance

participation, political freedom and independence, and when practise differs too much from that the programmes suffer as well.

The analysis so far illustrates that in order for the governance programmes to have an effect, measures must be broadly accepted. The programmes need to be deeply rooted and run transversely to the parties to create sustainability. It is not sufficient that the government which frames the programmes and laws has the sense of ownership because if that government only is in power for one period, there has not been time for consolidation and progress might be lost. There is a necessity for the opposition to, to a larger extent, have the sense of ownership as well in order to ensure a continued implementation. The informant from IPADE also stresses that a central problem in Nicaragua is the lack of consensus and in addition to that, the Coordinator of CC informs that there is not a common policy of the State but merely policies of every party and lack of national dialogue to resolve problems (Appendix d+f).

4.4 Partial conclusion

The governance programmes of Danida, Ibis and MS have been presented in the above in order to obtain an understanding of what their work and preferences consist of. Danida, MS and Ibis' ways to implement Good Governance show differences but to a great extent they are all working on basis of the same key concepts to Good Governance. Actions towards strengthening accountability, transparency, participation, rule of law and equity and empowering people are the essence of their work and the essence of strengthening good governance as showed in the theoretical chapter. The differences are mainly in relation to Danida as a bilateral donor working primarily with the national authority and MS and Ibis as NGOs working primarily through civil society.

Abrahamsen's critique of the good governance agenda to some extent apply to Danida's good governance programmes in the sense that the programmes work within the western model of democracy. Decentralisation to local level plays a great part however it does not mean leaving ordinary people to themselves. Both NGOs work through civil society, among other things, aiming at empowering people at local level. A type of empowerment that not necessarily is against the state as such but aims at including more people, making it more accountable and

representative. Ibis even works for modifying the democratic model creating intercultural governance in coherence with the intercultural context of the country.

Both in relation to Danida and the NGOs' work the Nicaraguan government plays an important role. Danida to a great extent depends on the government in the execution of the programmes because the majority of the programmes concern the public sector and governing structures. The change of government in Nicaragua has demonstrated this relationship. The Ortega government has not shown political will to follow the plan for decentralisation which means that some things are not being carried out. The government change has moreover caused several drawbacks in the democratisation process which affects the outcome of governance programmes. The regionalisation process to the two autonomous regions RAAN and RAAS is being distorted because of two different kinds of regional governments. The central government engages in a political cooperation with RAAN governed by Sandinistas which shows the priorities of the central government. The government undermines democracy and democratic practices, which the good governance policies seek to strengthen, and challenges thereby the outcome of the policies.

The Nicaraguan political environment has furthermore influenced the affect of the NGOs' programmes. The participation promoted by the NGOs has been hampered because of two parallel organs where one, the CPC, is dominated by Sandinistas and the other CDM has difficulties in functioning in municipalities governed by Sandinistas. The NGOs may strengthen the civil society but with the representative structures not functioning properly real participation and influence is difficult. Basically, all this shows the difficulties of governance programmes and the need for stronger consensus and dialogue when developing national plans, programmes or laws. A key area to embrace more thoroughly would then be to strengthen the dialogue between parties. This however suggests a further entrance in Nicaraguan politics which brings me to the chapter discussing the Good Governance concept as western domination.

5. Discussion: Linking policy to concept

On the basis of the analysis so far this part provides a discussion of the donors' good governance programmes in relation to Good Governance as concept that is, taking the discussion to a more general level of development assistance.

The concept Good Governance can be placed within the alternative development framework, focusing on political development ensuring democracy and human rights and thereby enlarging people's choices. This provides the basis for Good Governance but critics argue that it merely is a new kind of modernisation where the western or developed countries develop the developing countries. One of Abrahamsen's main points about the Good Governance agenda is that it imposes the western form of democracy leaving no alternatives to the developing countries. The self-determination of the developing countries fades away in the policy framework of the Good Governance agenda. This view will be taken into consideration in relation to the NGOs and Danida's work in Nicaragua in what follows.

An article in the Danish newspaper *Information* recently addressed exactly the issue of donors implementing democracy. The chairwoman in MS, Trine Pertou Mach, responds in the article *Vi arbejder skam med demokrati 2008* (We do work with democracy year 2008) to a previous article claiming that MS, among others, are missionaries in democracy, similarly to Abrahamsen's view. Trine Pertou Mach stresses that MS does not work with one political agenda or kind of democracy but merely supports organisations that promote a society governed by the people, thus respecting the individuals. This is in accordance with MS programmes analysed in this thesis, focusing on the rural population enabling them to participate and have a say. However, having a further look at MS' work in Nicaragua, MS may not promote one type of democracy but they are working with and within the 'normal' structures of democracy. Focus is for poor people to have a say as well, and one may argue that it is impossible to enable them to be heard if not entering the governance structures. In that sense MS works with democracy but through a bottom-up approach that focuses on the empowerment of citizens.

Ibis' governance programmes have already been discussed in that regard to some extent in part 4.2.2 in relation to empowering people without enabling them to seek alternatives. Ibis is

the donor that mostly challenges the western form of democracy. The Programme Officer in Ibis addressed the issue of indigenous participation in governing structures, which is among the attempts to change the western looking democracy. The electoral law prescribes citizens to be part of a party to have a seat in the councils or parliament which, if changed as the Programme Officer proposes, would be adjusting to the intercultural context of Nicaragua. Similarly, Ibis works for an alternative governance system through indigenous autonomy and traditional management of the territories. They try to impose an alternative governance system, nevertheless, the actions are still based on western values of the rights of people to be heard and participate similar to MS. The question then is if Ibis as well as MS through the development assistance is 'imposing' the Nicaraguans something. One may argue that it is a Danish organisation with a governance programme containing an aim which to some extent is based on western values which may suggest Ibis as 'imposing'. They are however working through Nicaraguan partner organisations hence working on the basis of what the Nicaraguans propose themselves. In that regard the aspect of getting hold of donor money is also worth considering. This in so far also applies to the other donors. The Nicaraguan partners may accommodate their programmes or actions to the Danish donors in order to 'please' the donors and obtain support. In the case of the NGOs, their civil society partner organisations are though working mainly within the area of democracy and participation and in the case of Ibis, especially regarding indigenous issues, hence already focusing on the same area as the Danish organisations.

In Danida's case, the situation is different because they work with the government. The government may also accommodate the strategies in order to obtain support but the government does not necessarily have to promote participation and good governance policies. The work and existence of civil society organisations is based on a belief that this is the way forward and if this belief is not present there is no need for them to exist. The state, on the other hand, does not have this foundation of existence which means that the argument of 'pleasing' for donor money may be even more relevant. The promotion of democracy and Good Governance, etc. is not the government's foundation of existence, it exists no matter what the belief of development is. Therefore, a government with scarce resources may be liable to accommodate strategies, by for instance including good governance policies, knowing that it will provide resources from donors. This brings forward the question whether donors then are imposing their policies on the recipient country.

Danida may argue that they are working on the basis of the Nicaraguan government strategies, thus selecting countries which have begun processes which are in accordance with Danida's vision, but these strategies may have been made in order to obtain support more than on a real interest in the exact strategies. This furthermore leads to the issue of imposing a western type of democracy and western values, leaving no room for alternative thinking. Danida's governance programmes are based on strengthening the democratic institutions and processes. The programmes work with strengthening the structures we know from western democracies based on values of human rights.

Referring to Hyden, the harmonisation aspect of the Paris Declaration also implies imposing a global agenda on the partner countries. The harmonisation of development aid leads to less alternatives for partner countries. Denmark attends coordination meetings with both the Nordic countries and the EU in order to coordinate their efforts, which enables the development of what Hyden refers to as the global development agenda and Abrahamsen's Good Governance agenda (http://www.ambmanagua.um.dk/da/menu/Udviklingspolitik/Donorkoordination/). There is moreover established a 'Governance Roundtable' (Mesas de Gobernabilidad) in Nicaragua where both Nicaraguan authorities and donors participate (Danida, 2005:20). This however gives the Nicaraguan authority the possibility of influencing decisions. A global development agenda from part of the donor, clashes with idea of partner country leadership and tying aid on the partner country's own strategies and efforts but related to the above the partner country may also have made the strategy because of this global agenda. In that sense, one may argue that Danida is imposing western aspects, however, the interesting question then concerns whether this then excludes alternative thinking.

The present political situation in Nicaragua to some extent demonstrates that there is not much room for developing countries to challenge the Good Governance agenda, at least not with the approval of the donors. Ortega has challenged the democratic structure by the incidents described previously in the thesis and the donor's have reacted with concern for this development. The Danish development minister, Ulla Tørnæs, cancelled in October an increase in the Danish development assistance to Nicaragua because of the democratic situation (Korsgaard, 2008). Moreover, the Danish Ambassador in Nicaragua has stated that:

"In the current situation we keep all options open, among these the possibility of adjustment of the Danish aid contribution with regards to, in the best possible way, supporting a broadening of the democratic space and independent actors in our work on poverty reduction" (http://www.u-landsnyt.dk/indhold.asp?ID=16300&mode=Nyhed).

This shows Danida's concern and it is furthermore an illustration of donors' intervention in the politics and governance of the recipient country. The quotation shows that Denmark will keep providing aid to Nicaragua with adjustments if necessary which to some extent undermines the Nicaraguan government. Denmark then finds other ways to 'impose western values' when the Nicaraguan government is not cooperating. However, it is worth noting that Danida has not stopped the developing assistance to Nicaragua so far, even though an increase has been cancelled. This also implies that despite the turbulent political situation Danida has not used Good Governance as direct conditionality for aid in relation to stopping the canalisation of aid. Despite the adjustment that may occur, a further canalisation of aid though also benefits the government as aid also is distributed to other areas than the governance area.

Other donors have stopped their aid. Finland has recently (in the beginning of November) stopped the budget support to Nicaragua because of the governance situation, including the of exclusion observers to the municipal election (http://www.u-landsnyt.dk/ indhold.asp?ID=16438&mode=Nyhed). The United States has, moreover, frozen a 65 million US dollar support from the millennium fund for the purpose of reaching the Millennium Development Goals (http://www.u-landsnyt.dk/indhold. asp?ID=16924 &mode=Nyhed). These donors have evaluated the governance situation in Nicaragua, thereby entering the stage of politics, and concluded that it was not satisfactory for which reason they have stopped their assistance. Hence the donors use their perception of governance – the western – as a condition for aid. This implies not making room for alternatives. This thesis does not aim to defend Ortega's type of governance and actions but merely shed light on how donors may intervene in the politics of the recipient country and impede alternatives to the democratic structures by means of Good Governance.

Considering Danida, MS and Ibis' governance programmes in relation to the critique of the Good Governance agenda, it can especially be pointed at Danida. As a bilateral donor Danida works within a partnership with the government, and working with Good Governance – the global development agenda – Danida is to some extent imposing good governance policies.

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³ My translation, quotation originally in Danish.

The former government followed the policy of the overall agenda but there is not the same dialogue with the Ortega government because it does not follow the policies to the same extent. Abrahamsen argued that the self-determination of the partner country fades away in the policy framework of the Good Governance agenda and the situation with the Ortega government can be seen as a clash with this. The new government, to a greater extent than the former, wishes to change governance structures and policies, thus enlarging self-determination, which clashes with the policy framework of Good Governance, the western democracy. The consequences are concern from the donor part and reconsideration of the aid to the country.

Because the NGOs work through civil society, they do not affect the self-determination the same way as bilateral donors. Considering MS and Ibis as affecting self-determination negatively is rather interesting because their aim exactly is to enable people to determine their lives themselves or influence the decision-making that affect them. However, the critique is about them imposing western values and thereby affecting self-determination. Basically, the donors must be said to have an important western influence indirectly, even though the aim of their work is to strengthen the Nicaraguan society and its different capabilities. An issue regarding the critique is that there does not necessarily have to be a distinction between human rights and democracy for instance as being western values. Of course the values are western but this does not as a rule imply that it has a negative effect on the developing countries. The tight-rope walking concerns not to impede alternative thinking of the developing country itself, thus allowing the country to adjust to its own context.

This brings me to the end of the analysis which is succeeded by the final conclusion in the next chapter.

6. Conclusion

The present study has demonstrated that Good Governance is a rather complex issue to address. The basis of the Good Governance concept lies in democracy and democratic governance ensuring human rights. This implies that governance is not restricted to concerning only the government but merely includes the whole society. Civil society obtains a role in governance by executing their rights as citizens, thus participating in governance. The area of work for donors as regards good governance implementation hence also constitutes the whole society. The operationalisation of the concept is though not as simple which brings me to the first part of the problem formulation of the thesis: What challenges do international donors face when working with good governance programmes.

The analysis has illustrated that there are great challenges to donors when working with good governance programmes in a country like Nicaragua. The analysis shows that the political climate and the government are crucial as regards the outcome of the programmes. In Nicaragua the Ortega government has been able to challenge the democratic structures which the good governance programmes is based on. The NGOs have to accommodate the structures of participation which can be questioned as regards the real influence of citizens. The participation channel CDM established with the Citizen Participation Law has been challenged by the CPC which Ortega has set up as a means of promoting direct democracy. Nevertheless, there are differences in relation to how these channels work depending on the political conviction of the municipality. Consequently, the NGO programmes of empowering people and organisations to participate are to some extent undermined by lack of political independence.

Because Danida's programmes rely on government development strategies and dialogue with the government, as the first part of the analysis showed, the Nicaraguan government comes to play a great role in the implementation of the programmes. It moreover implies that the outcome also relies on the government's will to engage in them. As the analysis showed, this is an important problem with the Ortega government because the government has not shown the same interest in the programmes as the former government that took part in the formation. The change of government has led to a desire from the part of the new government to make its own policies from its own logic. This is a big problem for the governance programmes because it means that they suddenly are excluded. Ortega's ability to challenge democracy moreover questions the governance programmes and their ability to consolidate democracy.

These problems demonstrate a necessity to create the sense of ownership in the opposition as well when working with governance programmes if the sustainability is to be ensured.

The Nicaraguan case has showed that the Nicaraguan government thus has had a key role which, at first, suggests the Nicaraguan government as in a dominant position. This leads me to the second part of the problem formulation: to what extent can it be explained as a western domination of the recipient country and why?, which links the good governance policy to the Good Governance concept.

The above showed that the government is a crucial actor in the good governance implementation, but the concept as such builds on western democracy and values which suggests a western domination. A further view at the programmes and the Nicaraguan context illustrates that the western influence is rather big because the donors' programmes are based on democracy and human rights, however the claim of them promoting economic liberalism has proven to be less true. The analysis demonstrates that the programmes do not attempt to reduce the role of the state and leave people to themselves. Danida does have a rather managerial focus but does incorporate weak parts of the society as well in the programmes. The block grant system in the Decentralisation programme moreover demonstrates a desire to enable the municipalities to provide better service to the citizens and is not a sign of reducing state responsibilities. Additionally, the support of the NGOs goes to empowering people to have a say in the decision-making that affects them and not to enable them to take care of themselves without the state.

As regards the NGOs, the domination concerns them working with western values but the fact that they work with exactly empowering people to have a say, shows the NGOs' desire in not dominating. Ibis' work with changing the western structures of governance in relation to the indigenous accentuates this. This also questions whether the distinction between western and non-western is worthwhile in this case because the right to participate and have a say etc. can also be 'adopted' by the Nicaraguans and not 'imposed' by the donors.

Danida's situation is a bit different because the programmes to a larger extent are based on country strategies and government dialogue. The analysis demonstrates that Danida's good governance implementation shows various signs of domination and entrance in the politics of Nicaragua. The trouble which the Ortega government has caused because of a different view on governance than the donor community illustrates the domination of western governance in the programmes. The programmes do not leave room for alternative thinking and the

consequence of alternative thinking, illustrated by Ortega, is that some donors freeze their aid or seek alternative ways to implement good governance.

Good governance implementation is hence exposed to challenges by the political situation which may be countered with an enhanced consensus seeking. Western values and practices or not, an enhanced consensus may moreover undermine the discussion of domination because focus is placed a common framework.

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