Introduction

Governance or to be more accurate the concept of New Governance is not older than 1980s. However, some of the key known ideals and concepts sponsored by the concept of governance can be traced back to ancient and medieval times though in an elementary form. Of them mention may be made of governance as a pattern of rule aimed at protecting the weak against the strong, preventing those in power from misusing their authority, maintaining peace and orderly life, promoting human resource and working for economic, social and cultural development, involvement of non-state actors, institutions and community leaders in steering the government, borderless world, free trade and unfettered exchanges, the perception of the good society and the means to attain it, the relationship between good governance/poor governance and the development, the rule of law, justice' accountability, a clear separation from what is private or what is public, privatization as per what is today called Rational Choice Theory, freedom to opt any business/career without legal hindrances, simplified rules and quick decisions, enabling political environment to bring about desired changes' continuous process of management of affairs by individuals and institutions—public and private—by accommodating conflicting and diverse interests etc. Indeed, it was the collective consciousness of the ancient and medieval societies for a just rule as per the canons of the time that such great political thinkers and advocates of governance as Socrates, Plato, Aristotle, Kautiliya, Mobidans of ancient Iran, Confucius, Cicero, St. Augustine, St. Aquinas, Nizam ul Mulk, Nasiru’d-Din Tusi, Ibn Khaldun, Sayyid Ali Hamadani and a host of others were produced. However, it was only after the arrival of Enlightenment the tendency
towards good governance caught the minds of great thinkers as Voltaire, Thomas Pain, Adam Smith, Hobbes, Lock, Rousseau, Mill, Montesquieu, Karl Marx etc. who explained and analysed the concept of good governance from the modern perspectives which in one way or the other paved way towards the mill of ‘New Governance’.

To be sure, governance as a concept is not static but a dynamic concept; it is in continuous flux, changes, modifies and adapts itself with the changing times in the enabling environment of nexus between knowledge and power. The most significant feature of the progress and growth of human civilization is, in the words of Toynbee, “progress towards self-determination”— in a way the ability of the civilization to fully understand the challenges confronting with and its capacity to respond effectively by constantly making amends, modifications and even radical changes in the existing systems, institutions and techniques. However, as pronounced by Foucault, the knowledge must have the backing of the dominant discourse of the time, and its exponents should have more power than its critics for making the knowledge popular and respectable. This is exactly true to the emergence of ‘New Governance’ discourse. Clearly, the existing patterns of governance were flawed, but it is a fact that the fundamental reason for the New Governance to become a ‘universal truth’ is that it is the ‘ideological product’ of the hegemonist power and its controlled global institutions—World Bank, International Monetary Fund (IMF), World Trade Organization (WTO), Asian Development Bank, Organs of United Nations like United Nations Development Programme (UNDP), Organization of Economic Development and Co-operation (OECD) and others—international mechanisms and multilateral and bilateral agreements. What is more important is the fact that since the new governance is seen as the historic ascendance of an ever-evolving concept for thinking about the good of the mankind, the donor institutions and the aid giving
countries made the adoption of the parameters of new governance as the basic conditionality for qualifying to receive loan, assistance and aid besides earning a place of respectability in the community of nations. Both for dependency reasons as well as for the fact that the parameters appear relatively plausible albeit on a dominant-marginal spectrum, the new governance became the global governance ethic—the mirror through which governments of all the countries sees their self-image and reaches self-appraisals.

Considering the power as well as the attraction which these parameters of good governance possess, it is easy to understand why they have become the central themes of development discourse of the scholars, the media, the policy makers, implementers as well as the politicians all over the world leading to liberalization of economies, foreign investments, private-public partnership, free trade, departure from ‘soft budget constraints’, transition from ‘negative sovereignty’ to ‘positive sovereignty’, accommodation of different voices, recognition of identities, decentralization, multiculturalism and inter-culturalism. tolerance of difference, deepening of democracy, an array of political and administrative reforms to ensure free and fair elections, making the parliament, state bureaucracies and political parties more open and accountable, promoting the culture of information rather than secrecy and strengthening institutional structures and legal frameworks to curb misuse of power, protection of human rights, growing participation of civil society in public affairs and a host of other measures which are considered by the international community beneficial to those living under the state’s jurisdiction and which regard individuals as citizens with rights and duties rather than as subjects, and which addresses the concerns of minorities and marginalized sections of the society. However, the contradictions inherent in the economic parameters of ‘good
governance’, which create havoc once put to practice in the environment of vast inter
- country and intra-country disparities, are yet to be addressed to guard against the
globalization and liberalization becoming simply an instrument to serve the interests
of developed world and middle and upper income groups of the developing societies.

The time-line chosen by me for this study is historical. Therefore, I use the
term governance as a general concept to describe the pattern of rule with emphasis on
democracy and public policy. In the context of Jammu & Kashmir the knowledge
about the pattern of rule from 1947 to 1971 is insightful to the students of governance,
as it is a period of engagement and negotiation with political instability through the
development of different instruments of governance and mis-governance which
created new challenges, but except for the cosmetic responses to challenges, the
governments held the ground; the ‘creative minorities’ turned into ‘dominant
minorities’; resorted to force to maintain their position. They no doubt at the same
time performed important services to the society, and it appeared to be a blessing. But
it ultimately proved that they were not summers, but Indian summers, masking
autumn and presaging winter, for coercion and ‘development’ could not subsume the
effects of idolizing the ‘time machine’.

Indeed, Jammu and Kashmir is the most ailing state of India suffering from
political instability, financial crisis and deficit of salient benchmarks of good
governance. The ailment is not self-generated; it is ascribed; its sources lie beyond the
borders of the state. It is the victim of pervasive nationalism. It still carries the
disabilities imposed upon it by British colonialism which debarred the state from its
natural locational advantages—by snapping its commercial and cultural routes which
connected the state with Central Asia, China and Russia—for its colonial interests.
Moreover, while the future of the whole of Indian population got ultimately settled in 1947-48, the Jammu & Kashmir became the bone of contention between the two dominion states which emerged on its borders, resulting into the closure of the remaining age old routes (which connected Kashmir with the world through that part of the sub-continent which came to be called Pakistan) on the one hand, and on the other the political uncertainty created permanent instability in the state affecting adversely every sphere of the state including governance. Infact anyone interested to study governance in Jammu & Kashmir, it is pre-requisite for him/her to bear in mind this governing factor of the pattern of rule in Jammu & Kashmir. How the state is to be ruled; whether to treat it like other states or not; how selective the governments have to be in following their own constitution or the Indian Constitution in their respective areas of jurisdiction; what policy should be continued in purity, what to be modified or left out; whether to adopt the parameters of new governance or not; if it is necessary to respond, then what set of parameters have to be followed in letter and spirit, what to be observed simply as paper tigers and what to be overlooked altogether. All these subjective choices are determined by the quest to restore order.

Although modern Jammu and Kashmir has attracted the attention of scholars, political scientists and theorists all over the world, and a plethora of quality literature has been produced which thoroughly observes many dimensions of the politics and political culture in the state, but the issue of governance has remained one of the neglected areas of scholarship on Jammu & Kashmir politics. Notwithstanding the fact, that the nature of post 1947 governance in the state has its bearing on the political dynamics, the issue of governance has been referred only occasionally, without any objective analysis and detailed treatment. Also the history of governance in the state since independence has its own internal dynamics, which had in turn,
influenced the socio-political and economic life of the state. The hitherto scholarship has remained mostly concerned only with political aspect of the period, neglecting or only partially highlighting, more important governance party which is extremely important to understand process of institutional development in the state and, which is, needless to mention, mostly at variance with other states of the Indian Union in view of the special constitutional position and political nature of the state. The present study therefore studies the governance in the state of Jammu and Kashmir from 1947 to 1971 aiming at understanding the nature and the uniqueness in its process of institutional development.

**Review of Literature**

There are more than 300 works that wholly or partly examine the politics and history of modern Jammu and Kashmir and profusely refer the issue of governance here and there but there is hardly any scholarly work which gives a detailed account about the said issue. The frequent mention of governance by the modern writers is no doubt common place; but the treatment drowns the issue in the sea of myriad facts of the time rather than presenting it as an important area of modern Jammu and Kashmir politics. Some of the important works related to the issue are;

**Gupta, Sisir** (1966) in his famous book *“Kashmir: A Study in India-Pakistan Relations”* provides an in-depth account of the formation of All India State People’s Conference, the impact of National Conference on the freedom movement in Jammu & Kashmir, tribal invasion and subsequent accession of Jammu & Kashmir state with the Indian union. It covers in great detail the story of Jammu & Kashmir from 1947 to 1964, and provides a mine of information that earned the gratitude of all serious writers, analysts, and scholars of this problem. This book also provides a detailed
description regarding the constitutional and internal developments that took place after 1947 in Jammu & Kashmir, dismissal of Shiekh Mohammad Abdullah and its impact on state politics. It also briefly discusses the developments that took place during Shiekh Abdullah’s and Bakshi’s regime in the Jammu & Kashmir state.

Bazaz, P.N (1967) in his work “The History of Struggle for Freedom in Kashmir” explained the political, economic and cultural position of the state against its historical background. In this epoch-making work, the author had made an objective and dispassionate analysis of the accession dispute not only in the context of the past history of the state, but also with special reference to the developments during the three decades proceeding to the partition of India. In this book author has mentioned and critically analysed the view point put forward by political parties and political leaders within the context of state. This book also provides a detailed account of the political and constitutional developments that took place in the state under successive governments along with their relative impact on the state politics. It provides an insight about state politics during the early period of Dogra rule when the powerful nationalist movements in the state took roots. It presented a connected history of the freedom movement of the people of Kashmir right from the dawn of insight to 1990’s.

Das, Durga (1971) in his edited work “Sardar Patel’s Correspondence” provides a detailed evidence of the genesis of Kashmir dispute. This comprehensive work also throws light on the role of National Conference leadership during the Quit Kashmir Movement and the efforts of Shiekh Mohammad Abdullah to persuade Maharaja Hari Singh to accede with the Union of India. It depicts the role played by Jawaharlal Nehru and other leaders in the release of Shiekh Abdullah. It also provides a detailed account of correspondence that took place between Jawaharlal Nehru, Lord
Mountbatten, Hari Singh, the Maharaja of State, Sardar Patel, Mehar Chand Mahajan during the partition days.

Singh, Karan (1982) in his autobiography “Heir Apparent” depicts the role of National Conference in post 1947 governance in Jammu & Kashmir state. It also throws light on the role of various distinguished leaders especially Jawaharlal Nehru, Sardar Patel, and Mahatma Gandhi during the important year of 1947 and in the accession of state with the Union. It also provides a detailed account of the dismissal and later imprisonment of Shiekh Mohammad Abdullah and the installation of Bakshi regime in the state with active consent of central government. Furthermore, it also discusses the post Kashmir Accord 1975 situation of the state. Considering the fact that the author of the work supervised the transition of the state from feudal autocracy to the constitutional democracy, the facts revealed with greater detail observes things in an importantly distinctive perspective.

Abdullah, S.M (1986) in his autobiography “Atish-i-Chinar” provides a detailed account about his early life, his education, his rise as a leader of Jammu and Kashmir, the rise of national consciousness in the state, about the emergence of Muslim Conference and later its conversion into National Conference and role of National Conference in Quit Kashmir Movement. The book also throws light on the role of National Conference in accession of the Jammu & Kashmir state with Union of India and in it the role played by Shiekh Mohammad Abdullah, Kashmir issue in U.N, developments undertaken during the first dose of popular rule in the state, the most important the dismissal and arrest of Shiekh Mohammad Abdullah, emergence of plebiscite movement in kashmir and an in depth analysis of Kashmir Accord 1975 with its impact on state politics. The book is without doubt an important source of the
present study. However, the work is to be used very cautiously as its author appeared to be more concerned about the self-glorification rather than observing things objectively and impartially.

**Qasim, Mir** (1992) in his autobiography “*My Life and Times*” describes in detail about the political dynamics of the modern jammu and kashmir, the role of Muslim Conference in Jammu and Kashmir politics and its subsequent conversion into National Conference, the tribal invasion, special status of Jammu & Kashmir under article 370 of Indian Constitution, role of National Conference in the governance of state, the dismissal and arrest of Abdullah and rise and fall of Bakshi Ghulam Mohammad. The work also provides an elaborative account of constitutional and economic developments undertaken during the rule of National Conference in the state and the governability crises state faced during the said period. The work is an important source, in so far as it offers a critical appraisal of the functioning of the successive governments in the state.

**Puri, Balraj** (1993) in his book “*Kashmir towards Insurgency*” attempts to understand the nature and historical roots of the insurgency in Kashmir. It traces the complicated history of the early years after independence when the stability of Kashmir was of intense debate and examines the process through which the emotional ties between Kashmir and the rest of the country were eroded and the basis of secular and democratic politics in the state were weakened. It contains a detailed description about the nature of rule under the prime Ministership of Shiekh Mohammad Abdullah in the state. It discusses the issues of accession, plebiscite; abrogation of Article 370, regional autonomy and the issue of human rights in the state in an elaborated form.
Besides, it also analyses the factors that helped militant groups in late 1980’s to gain popular support in the valley.

Lamb, Aliaster (1993) in his most epoch-making work “Kashmir: A Disputed Legacy” provides an in-depth account of the history of the Northern Frontier in the final years of the British Raj and shows how this had set the scene for British Policy towards the state of Jammu and Kashmir in 1947. He blamed Lord Mountbatten’s policy towards the Jammu and Kashmir which contributed to the dispute, who in reality took steps to intervene in the state, India or Pakistan, such questions have been analyzed by the author in the part I of this book, however with unexpected conclusions.

Part II of the book analyses the post 1947 scenario of Jammu and Kashmir especially since October 1947. It provides a detailed account of the United Nations participation, attempts at direct Indo-Pakistani negotiations, and the internal politics of the state including the origins of insurgency. The importance of Shiekh Mohammad Abdullah is beautifully explored and issues like Article 370 of the Indian Constitution have been examined by the author. It also discusses in detailed the developments that took in the state after the dismissal of Shiekh Abdullah. All these provide an essential background for an understanding of the present unhappy situation in Kashmir.

Anand, A.S (1994) in his book “Constitution of Jammu & Kashmir, its Development and Comments” analyses in detail the circumstances that led to the creation of Jammu & Kashmir state with its present boundaries, the effect of its creation and the influence of other factors on the development of its constitution. The accession of State which remained a matter of political controversy right from its execution has been dealt in detail. The ambit and shape of Article 370 of the Indian constitution has
been thoroughly analyzed. Various presidential orders and ordinances applying different provisions of the Constitution of India to the state and their relative implications on governance and state’s constitutional relationship have been noticed and commented upon. The comments on constitutional provisions of the state have been made by referring the latest case laws on the subject.

Bhatacharjea, Ajit (1994) in his book “Shaikh Mohammad Abdullah: The Tragic Hero of Kashmir” provides a comprehensive well documented account of the life of charismatic leader the lion of Kashmir who contributed crucially in the making of modern India and more importantly to its founding ideology of secularism. In the book the author traces the historical developments that followed this unique commitment to secularism inspired by Shiekh Abdullah. It provides an intrigue that led to the Abdullah’s downfall and arrest in 1953. Author also provides a detailed account of Abdullah’s governance model which he followed during his tenure as the prime minister of State.

Naqash, et.al., (1997) in the book “Kashmir: From Crises to Crises” explores in detail the varied modes of Kashmir history, Dogra domination and genesis of freedom movement in the state, the struggle for independence and in it the role of National Conference and internalization of Kashmir issue. It also provides a detailed account of post 1947 governance in the state including the internal dynamics of state politics. The author also examines the factors responsible for the emergence, growth, and consolidation of political upsurge in the state.

Blinkenberg, Lars (1998), in his book “India Pakistan: The History of Unresolved Conflicts” Vol. 1 provides the historical roots of Kashmir conflict. It provides a detailed description of Treaty of Amritsar, genesis of Dogra regime, the freedom
struggle of 1931, the conversion of Muslim conference into National Conference, Quit Kashmir movement, tribal invasion, accession of State with the Union and the emergence of popular rule in the state.

In the Second Vol. of book, the author provides an account of post conflict situation in the state. It discusses in detail the role of U.N in Kashmir issue, the impact of cold war on the issue of Kashmir, the conflict between India and Pakistan, emergence of popular rule in the state, dismissal and arrest of Shiekh Abdullah and the various efforts undertaken by Union government to integrate the state with Indian union and its relative impact on state apparatus.

**Akbar, M.J** (2002) in his work “Kashmir: Behind the Vale” recorded the Kashmiris struggle in the century to first free itself from the feudal oppression and then enter the world of Modern Indian of 1947. Placing the mistakes and triumphs of their early formative years in the perspectives of history, author goes on to explain how 1980’s have opened the way for Kashmiri hitherto marginalized sections. Author provides a detailed description of changes brought out in the state during Shiekh Abdullah’s rule and describes him the ‘architect of modern Kashmir’. He also provides a descriptive analysis of special constitutional status of the state under Article 370 and about the formative process of institutional development in the state during 1947 to 1990.

**Bose, Summantra** (2003) in his comprehensive work “Kashmir: Roots of Conflict and Paths to Peace” captures the complexity of the Kashmir issue and explains it in simplest ways which even non specialists can understand. The author expertly analyzed the complex conflict and develops a compelling framework for moving towards a settlement. The author in this work clearly says that peace in the region is possible only through a skillful compromise that takes into account all the competing
stances of the Kashmir conflict. According to author the crises in Jammu & Kashmir is the outcome of failure of democratic setup in state. He advocated that the roots of Problem lie in the denial of democracy, intolerance of opposition, and curbing of civil liberties by the successive regimes. He calls for broadly inclusive political structures in Jammu and Kashmir, and across border in PoK. He also provides an account of various discrepancies suffered by Jammu and Kashmir since 1947 both internally and externally. Author also compares Kashmir to other global hotspots, especially the peace framework in Northern Ireland which offers important lessons for a smailiar process in Kashmir.

Zutschi, Chitralekha (2003) in her book “Languages of Belonging, Islam Regional Identity and the Making of Kashmir” sheds new light on the issues like proxy militias, Islamic terrorism and human rights abuses with a pioneering focus on the Kashmir valley itself, provides a different perspective on Kashmiri regional identities what had largely been ignored. The work examines the impact of hundred year Dogra rule on Kashmiris class formation. It looks at the responses of Kashmiri society to social and economic restructuring. It studies the uses made of Kashmiri political elites by the state. It analyses the effects of blamer discourse on Kashmir political culture. It shows that while all these historical changes had a profound impact on the political culture of Kashmiri valley, there is nothing very inventible or quit definite about the political regionalism and Islamic particularism of this area. The author clearly shows how the state has transformed over a hundred years and assumed the position it had come to occupy in the contemporary South Asia.

Habibullah, Wajahat (2008) in his work “My Kashmir: Conflict and Perspectives of enduring Peace” lays out the intricate web of issues and the root of conflict, ethnicity,
religion, national identity, friction between national and local government and territory. In this valuable book the author examines in concrete terms the complicating factors, Indian government mis-steps, the greed of Kashmiri middle-class elites, the religious politics and their all-too-familiar polarizing consequences. Habibullah have given an even handed treatment to both Indian and Pakistan perspective, though he rightly keep Kashmiri people themselves at centre stage, for their needs and desires will be pivotal to any real solution.

Schofield, Victoria (2010) in her book “Kashmir in Conflict: Indian, Pakistan and the Unending war” provides an in-depth account of the “controversial sale” by the Britishers of predominantly Muslim state to a Hindu ruler through the treaty of Amritsar. She analysis critically the actions of the key players who throughout its history have contributed to the militarisation of the valley. She also provides a detailed account of various issues including accession of the state with Union, special status of state and the issues of diplomacy and war in the state. The author also provided an elaborative picture of the present political problems in the state and presented visionary solutions to the problem which are quite useful and beneficial for the overall understanding of Kashmir issue.

Objectives


2. To study the process of transformation of state from feudal monarchism to democratic socialism.

3. To study the character of first democratic government in the state with its success and failures.
4. To study the relationship between governance and socio-economic and political nature of the state.

5. To study the formative process of institutional development in the state.

6. To underline the internal and ideological dynamism in the state governance with relative impact on state apparatus.

**Hypotheses**

1. The process of governance in Jammu and Kashmir from 1947 to 1971 is different in many respects as compared to evolution of governance in the rest of country. Two things mainly contributed to this difference: a special constitutional status of the state and disturbed political conditions.

2. The nature of governance in the state had contributed enormously to shape the socio-economic and political conditions in the state. The strong dissent voices and separatist tendencies in the state had mostly the nature of governance at its root.

3. The evolution of post 1947 governance in the state was highly influenced by different ideologies.

**Methodology**

The topic under study is such in its span and complexity that it required multi-variant approach in dealing with different aspects of the problem. The issue involved historical descriptive and comparative analyses of the available sources both in written as well as in archival form. Due to lack of any comprehensive material, the scholar collected data form primary and secondary sources. These sources include the party manifesto, official documents, reports, speeches, autobiographies and correspondence of some of the important political personalities like Shaikh
Mohammad Abdullah Mir Qasim, B.K. Nehru, Karan Singh etc. Further the books, articles and journals remained important sources of information. For the completion of my work I have visited different libraries and institutes in Indore, Srinagar and New Delhi. Important among them are, State Archives, Srinagar, National Conference Regional Office, Srinagar, Alama Iqbal Library, University of Kashmir, Srinagar, National Archives of India, British Library, Delhi University, Jawaharlal Nehru University and Central Library, Devi Ahilya Vishwavidyalaya. However, being the pioneering and general work on the subject it suffers from vital limitations. It neither covers all the subjects which is not possible within the constraints of time and space, nor I have measured governance by using quantitative method, which I hope would be seriously taken up in my future micro level research engagements.

Besides introduction the present study has been divided into five chapters followed by conclusion. The first chapter of this work is devoted to a brief summary of the concept governance, different forms of governance, and to theoretical roots of the governance.

The second chapter included the description about the nature of governance in the state before 1947 and mainly under Dogra regime. It examines the nature of the state and socio-economic conditions of masses under Dogra’s, how it interacted with different sections of the society and the developments undertaken during the period. The main focus had been laid on the evolution of different organs of state administration after the Glancy Commission recommendations of 1931-1932, which incidentally marked the beginning of the constitutional history of the state. It also examines the causes of British intervention in the state administration after 1885 and its relative impact on governance, education and economy of the state.
Chapter third begins with the discussion on the constitutional position of the state with India, brief discussion about state’s accession with India and the formation of emergency administration in the state. It also laid focus on the process of reformation and reconstruction initiated by the first popular government in the state under Sheikh Mohammad Abdullah and how these were responded by the people. The issues like ideological orientation of Sheikh Mohammad Abdullah in light of his constitutional and socio-economic blueprint “Naya Kashmir Manifesto”, the development of democracy, emergence and functioning of different organs of government remained other major highlights of the chapter. A brief discussion had been made about the crises in governance under the Prime Ministership of Sheikh Mohammad Abdullah including an insight about his controversial dismissal and arrest.

The fourth chapter analyses the changes and continuities in the state’s governance under the Prime Ministership of Bakshi Ghulam Mohammad. Although Bakshi Ghulam Mohammad was earlier the deputy of Sheikh Mohammad Abdullah, but he had a different style of rule and ideological orientation. What changes he had brought about in the administration with their implications on state politics and governance had been thoroughly discussed.

The fifth chapter examines the new shift in Centre-state relations under the Prime Ministership of Ghulam Mohammad Sadiq, his liberal and socialist ideological tilt and its relative impact on his governance. Why plebiscite movement become very popular in the state during his regime and the massive integration of state with the centre with its impact on the psyche of masses in the state has also been thoroughly examined.
This study ends with a brief conclusion that summarizes the issues involved in enhancing governance. It takes the note of the problems and prospects, strengths and limitations of the governance approaches followed in the specific context of Jammu and Kashmir by successive regimes with this hope that it will help to understand the present state of governance in the state of Jammu and Kashmir.
Chapter I

Conceptualizing Governance

Governance as a concept has developed considerably since it emerged in discussions of development issues around the late 1980s. It has now become a buzz word but the concept is as old as human history. Issues relating to politics, the state and government have attracted the attention of the best minds, over space and time, throughout history. Separated by centuries and continents, Plato, Aristotle, Confucius, Kautilya and various others have theorized on them. The modern western tradition has witnessed an uninterrupted continuity of outstanding political philosophers from Thomas Hobbes in the 16th century to John Rawls in the 20th dealing at length with various aspects of governance. Governance is a vague and contested term, as are many other political terms and concepts. People hold different theories and values that lead them, quite reasonably, to attribute different content to the concept of governance.

The Word governance has been taken out from the Classical Greek word kubernan, meaning to steer, pilot or direct. It was used by famous Greek philosopher, Plato with regard to how to design a system of rule. The Greek term gave rise to the Medieval Latin term gubernary, which has the same connotation of piloting, rule-making or steering. The general concept of governance as a system of rule or as the activity of ruling has a long lineage in the English language. The medieval poet Geoffrey Chaucer wrote, for example, of ‘the gouernance of hous and lond’ (the governance of house and land) To put in simple words "governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in many contexts such as corporate
governance, national governance, international governance and also as local governance. Since governance implies the process of decision-making and the process by which decisions are implemented, an objective analysis of governance emphases on the formal and informal actors involved in decision-making and executing the decisions made and the formal and informal objects that have been set in place to arrive at and execute the decision.

Governance consists of all these institutions and traditions through which authority in a country is exercised. This includes the procedures by which governments are selected, supervised and replaced; the capacity of the government to effectively formulate, implement and execute sound policies; and the respect of the citizens and the state towards the institutions that govern their economic, political and social interactions. Governance relates to decisions that define prospects, grant power and validate performance. It consists either of a separate process or of a specific part of management or leadership processes. Usually people set up a government to oversee these processes. In this context, some well know theorist tend to identify governance more closely with government. Jon Pierre and Guy Peters, being well reputed scholars, define governance as, “Governance is the capacity of government to make and implement policy, in other words, to steer society”. This definition refers more to classical meaning of steering capacity of states and it introduces an important distinction between ‘old’ and ‘new’ governance. Inherent in the old governance is a traditional concept of steering by national governments from top down. It has to do with the degree of control the government is able to exert over social and economic activities. The new governance has more to do with how the centre interacts with society and asks whether there is more self-steering in networks.
Current use does not treat governance as a synonym for government. Rather governance denotes a change in the meaning of government, referring to a new process of governing; or a changed condition of ordered rule; or the new method by which state is governed. In terms of distinguishing the term governance from government, “governance” is what a “government” does. It might be a geo-political government (nation-state), a corporate government (business entity), a socio-political government (tribe, family), or any number of different kinds of government. But governance is the kinetic exercise of management of power and authority, while government is the instrument (usually, collective) that does it. Governance refers to something broader than government, and it is about steering and the rules of the game. It focuses more on collective action and the networking of various stakeholders. According to Gary Stoker “governance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred. The essence of governance is its focus on mechanisms that do not rest on recourse to the authority and sanctions of government. Government is a formal structure possessing authority and power, while governance deals with activities that have the active involvement of citizens. According to Rosenau, “government occurs when those with legally and formally derived authority and policing power execute and implement activities; governance refers to the creation, execution and implementation of activities backed by the shared goals of citizens and organizations, who may or may not have formal authority and policing power”. Distinguishing between government and governance, Donald Kettl says that “while government refers to the structure and functions of public institutions, governance implies the way the government gets its job done”.

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In its general use governance can be used to refer to all patterns of rule, including the kind of hierarchic state that is often believed to have existed before the public-sector reforms of the 1980s and 1990s. This general use of governance enables theorists to explore intellectual analyses of the construction of social order, social coordination or social practices regardless of their specific content. In its specific sense, the term governance can be used to pronounce changes in the nature and role of the state following the public-sector reforms of the 1980s and 1990s. Typically, these public sector-reforms initiated during 1980s and 1990 are said to have brought a shift from a hierarchal bureaucracy towards a greater use of markets, quasi-markets and networks, especially in the delivery of public services.

Governance has been defined differently by theorists, scholars and agencies. The first masterpiece political science essays on the concept talked about the concept of “governability”, which made the rule of law the crux of development. With the end of the Cold War the term, “governability” paved way to the concept of governance, defined as reshaping or re-inventing public administration, in the broad sense of the term, to meet the new challenges of development in the era of globalization. Governance deals with issues relating to the methods needed to negotiate various interests in society. It is increasingly viewed as a concept that incorporates a series of procedures and processes designed to uphold the entire system, to empower the population and to ensure that society owns the process. Broadly speaking by governance we mean the form in which power is used by governments in the management of a county’s social and economic resources. However, governance is not only associated to governments alone. That is why emphasis has been on adopting broader definitions of governance that enables us to go for- beyond the theme of public-sector management and consider how all the sectors of civil society can act as
a catalyst. Governance as a concept expresses a widespread belief that the state in order to secure its intension effectively, deliver its policies effectively and to establish its pattern of rule largely depends on other organizations. By analogy, governance can also be used to pronounce any pattern of rule that arises either when the state is dependent upon others or when the state plays little or no role. However, there is another perspective that does not agree with the above view that there has been a general loss of the governing capacity of the state, and instead argue that governance is about governments seeking to govern better rather than govern less. Shabir Cheema defines it as “governance comprises the mechanisms and processes through which citizens and groups articulate their interests, mediate their difference, and exercise their legal rights and obligations”. It is also used to highlight the shift from bureaucratic state to the hollow state or third-party government. Governance has also been interpreted as development of social capital, civil society and high levels of citizen participation. Different sub-fields of Political science have adopted different definitions of governance. Rod Rodes, in his seminal work on governance, refers to “governance as an ambiguous word for reforming the public sector”. However, the word governance has been used in many other contexts as well. When James Rosenau talks about governance, he does not refer to the emergence of public sector reforms, but to the emergence of global political problems requiring global solutions. And when Goran Hyden talks about governance, he relates it to theories of development and democratization in the Third world.

In his seminal work, Understanding Governance—Policy Networks, Governance, Reflexivity and Accountability, Rod Rhodes defines governance as “Governance refers to self-organizing inter-organizational networks characterized by interdependence, resource-exchange, rules of the game, and significant autonomy
from the state”. His definition of governance can be placed in the field of Public Administration and Public Policy analysis. Historically scholars working in the field of governance analyses the tasks, organization, management and accountability structure of the public sector. Traditionally, this concept involved assuming that the public sector performed its best when it remained apolitical, structured as a hierarchy, and based on a system of merit-recruitment and promotion. However, this ancient conception was increasingly challenged by theorist, political scientists who accentuated the essentially political character of public bureaucracy. These theorist pointed towards the ‘pathologies’ of the public sector and realized that it often did not work in an organised manner. During the 1980s a wave of public sector reforms characterized many western countries, entailing privatization, the transfer of private sector management principles to the public sector, and decentralization. Also civil society organizations have become more attracted in the delivery of public services. The consequence has been an increased fragmentation of political system and the emergence of what Rhodes calls network governance. In field of Public Administration and Public Policy, the purpose of governance studies is primarily to analyse how policy networks come into existence, how they function and how they change.

James Rosenau takes it to another level and defines it in terms of international relations. According to Rousenau, “Global governance is conceived to include systems of rule at all levels of human activity-from family to the international organization-in which the pursuit of goals through the exercise of control has transnational repercussions”. The study of international relations has been largely dominated by the realist paradigm, which upholds that states are the main units in the international system and that the study of international relations is mainly about the
relations between states. They argue that international system is anarchic and states as main actors are in constant preparations for war. However, the realist conception has been challenged by significant developments. One such development is the globalization of world economy, which has raised the discussion to such an extent were states are really in no control of their territories. With the advent of globalization, states no longer enjoy full sovereignty and they no longer remain the only important units in the international relations. Another development is the direction that rapidly changed its nature was the growth of non-governmental movements and the creation of global organizations such as the UNO and WTO to respond to problems that have a global or transnational character. In other words, increasing globalization has raised a need for global governance in many arenas such as trade regulations, environment and conflict resolution. Also the term global governance has been used in recent times to refer to the pattern of rule found at the global level where the United Nations (UN) is too weak to resemble the kind of state that can impose its will on its territory. This also indicates the ever widening scope of governance. In international relations the main question of governance is how to determine rules and procedures that can help to solve problems arising from increased globalization. The relevant actors are states, as well as transnational or supra-national organizations. The main focus has long been and still is the efficiency of global decision making.

In the words of Goran Hyden, “Governance is the stewardship of formal and informal political rules of the game. Governance refers to those measures that involve setting the rules for the exercise of power and setting conflicts over such rules”. Hyden’s conception of governance applies to the field of comparative politics. Comparative politics refers to the scholarship engaged in the systematic comparison
of political system. Before Second World War, comparative politics most often involve the comparison of different world constitutions. During 1950s and 1960s comparisons became increasingly based on inputs to the political system, political cultures, parties and interest groups and electoral behavior. In was however during 1980s, the study of state institutions returned back in the spectrum. The focus on state soon became supplemented with the comparison of state-society interactions. Hyden’s understanding and definition of governance can be studied in this framework. In field of comparative politics, there are two main debates of importance to governance. The first one is termed as comparative political economy which concerns with the role of state regulation in economic, political and social development. The task is to identify the rules guiding public policy-making and implementation. These rules could be institutions or networks securing public-private cooperation, or they could be the rules of recruitment based on achievement rather than merit. The important actors are presidents, top officials and representatives of certain industrial sectors. The other debate is about democratization. Its main concern is with input legitimacy and is a normative concern. The debate also involves an analytical discussion on the role of structures vis-à-vis that of actors in democratization. The study thus revolves round the regime rules, the task being to identify the rules governing access to power and how these rules change as well as the individuals and groups who implement the change. These may be civil-society groups, political elites or representatives of international organizations or other governments. The important and main themes in governance and comparative politics are thus democratization, state capacity and the nature of state-society relations. Studying governance process in comparative politics implies asking questions about how best to establish rules that are stable, promote
legitimacy and enhance efficiency. It is about addressing issues of regulation, steering and democratic control.

The definitions of governance as adopted by key international organizations are as under:

**World Bank**- Governance refers to “the manner in which power is exercised…in the management of a country’s social and economic resources…”. The world Bank further says that “Governance is the institutional capacity of public organizations to provide the public and other goods demanded by a country’s citizens or their representatives in an effective, transparent, impartial and accountable manner, subject to resource constraints”. The world bank make a clear difference between economic and political dimensions of governance The World Bank has identified three distinct aspects of governance: “(i) the form of political regime; (ii) the process by which authority is exercised in the management of a country’s economic and social resources for development; and (iii) the capacity of governments to design, formulate and implement policies and discharge functions. This definition of governance is distinctive of an international organization in the development community, such as the World Bank, which, through ‘good governance’ programmes, wants to support reforms that strengthen the recipient governments’ ability to steer, while, at the same time, endeavoring to encourage and strengthen civil society participation in governing process”. The basic aim is to have not only smaller but also efficient and more effective government.

**UNDP**- UNDP defines the concept of governance by relating it to that of sustainable human development. Thus, “under the parameters of Sustainable Development, sound governance has come to mean a framework of public management based on the rule
of law, a fair and efficient system of justice, and broad popular involvement in the process of governing and being governed. This requires establishing mechanism to sustain the system, to empower people and give them real ownership of the process”.

Another definition put forward by UNDP which define governance as “the exercise of political, economic and administrative authority to manage a society’s affairs. It is a broad concept that encompasses the organizational structures and activities of central, regional and local government, the parliament and the judiciary and the institutions, organizations and individuals that comprise civil society and the private sector insofar as they actively participate and influence the shaping of public policy that affects people’s lives”.

**OECD**- According to OECD, the concept of governance signifies the “use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development”. This broad definition incorporates the role of public authorities in establishing an environment in which economic operators function and in determining the distribution of benefits as well as the nature of the relationship between the ruler and the ruled. It uses the definition of governance that resonances the definition put forth by World Bank, but it also considers the political, social and economic aspects of the concept. Governance is thus defined as “the use of political authority and exercise of control in society in relation to the management of its resources for social and economic development”. Efficiency and effectiveness, independent legal framework, responsible and equitable administration at all levels of government are some of the major attributes of governance.

**Commission on Global Governance**: The most comprehensive definition of governance is provided by the Report of the Commission on Global Governance. In
its report entitled, *Our Global Neighbourhood*. It states, “Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest”.

**Asian Development Bank**- It emphases mainly on the social and economic aspects of governance. The distinction of bank lies to be the only Bank that had developed a sound policy on governance. According to the Bank, “governance refers to the institutional context in which citizens interact among themselves and with government agencies”. “Although policy issues are important to development, the concept of governance as defined by the Bank basically laid focuses on the constituents of effective management. The Bank treated governance as being synonymous with effective management of development”. The Bank identifies accountability of the public sector, participation of the private sector, predictability of the legal framework and public policy, transparency of information, and clarity of regulations and policies, as the basic components of governance.

**Institute of Governance, Ottawa**- According Ottawa, Institute of Governance “governance comprises the institutions, processes and conventions in a society which determine how power is exercised, how important decisions affecting society are made and how various interests are accorded a place in such decisions”.

**International Institute of Administrative Sciences**- According to this institute “governance refers to the process whereby elements in society wield power and
authority and influence and enact policies and decisions concerning public life, and economic and social development. Governance is a broader notion than government. Governance involves interaction between these formal institutions and those of civil society”.

Tokyo Institute of Technology- This institute defines “governance refers to the complex set of values, norms, processes and institutions by which society manages its development and resolves conflict, formally or informally”. It does not involve only the state, but also the civil society (economic and social actors, community-based institutions and unstructured groups, the media etc) at the local, national, regional and global level.

With a view to understand fully the significance that governance has acquired over the years, it is important to trace the most significant shifts that have taken place in thinking about development since the end of World War II. As Goran Hyden and other rightly make clear in their work Making Sense of Governance, much has happened since the concept of development – in the context of President Harry Truman’s post-war Four point Program that led to the Marshall Plan for European recovery – was adapted for use at the international level in the late 1940s and early 1950s. It has a long history accompanied by many twists. What is often ignored, however, is that shifts are the outcome of an unsatisfactory, if not negative, experience with the way that the development concept has been operationalized. Development itself, in other words, has always been a touching target, continuously generating demands for new approaches. It is possible to identify at least four distinct ways by which the international community has tried to make operational sense of development.
The initial tack goes back to the Marshall Plan, the first major transfer of public capital to enhance the pace of international development. Inspired by the achievement and feat that the Marshall plan had in the reconstruction of Western Europe, economic analysts began to turn the same Keynesian ideas on which it rested into universal recipes. With the result, a new subject – Development Economics – was born. In their perspective (development economists), development in the third world countries would be best achieved by way of transfers of capital and technical expertise. This notion acquired importance in the last days of colonial rule and the early years of independence in Africa. It was also applied to Asia and Latin America with some reforms. As lodged in a modernization paradigm – implying the development is a move from traditional to modern society – this approach was characterized by great optimism and enthusiasm. Although it was not rebuilding and reconstruction but development that was attempted in these instances, the challenge looked easy. It was generally analysed in technocratic terms, that development was operationalized without paying any attention to context. The principal aim was to ensure that institutions and techniques that had proved fruitful and effective in modernizing the Western World could be replicated.

The intellectual efforts focused in two directions. One approach focused on production of comprehensive national development plans as guides on the basis of which policies should be framed. These plans stated the anticipated macroeconomic conditions under which particular program and project activities should and could be developed. Projects took on special significance. They instituted the means through which macro – level goals could be realized. Better project design were though to be the key to success. It is pertinent to mention here that during this first phase of development thinking the project level was regarded of vital importance. However,
Project design remained the prerogative of technical experts. It was prepared on behalf of potential beneficiaries without their contribution. Government and other public institutions were pinpointed as responsible for ensuring their effective implementation. Private and voluntary sector organizations were kept outside. Development, then, was a top–down exercise by public agencies for the people.

The second phase began in the latter part of the 1960s, when analysts and practitioners had begun to recognize that a singular emphasis on projects in the context of national plans was no longer adequate. The analysts followed at least two lines. First, projects designed with little attention to context typically had more unanticipated than anticipated outcomes. For instance, the assumption that development would trickle down from the well-endowed to the poor, thus generating ripple effects, proved to be mistaken. Second, projects were inevitably enclave types of intervention with little or no positive externalities. For example, evaluations confirmed the absence of meaningful backward or forward linkages in this type of intervention. Critiques of this approach observed that the project approach failed to comprehend improvements, especially in the conditions of the lower sections of the population. They urged that something also needed to be undertaken to reduce the global poverty. In this direction the international community decided that instead of project method, sectoral approach would prove more effective. Farmers would no longer be approached merely as producers but as people with genuine needs as human beings responsible for other members in the household. In operational terms, this meant substituting project for program as the principal concern.

During this second phase, one important thing, therefore, became how to design integrated programs that addressed not a single dimension of human needs but the whole range of them. For example, integrated rural development programs
became widespread instruments of action. As a sequitur, governments also engaged in administrative reforms that stressed the value of decentralizing authority to lower levels of government organization to enhance coordination and management of these new sectoral programs. Another important element was the growing emphasis on education and training of the masses. Human capital mattered. Whereas capacity-building in the first phase had been concentrated on the elite, in the second phase the focus was on such areas as adult education and University primary education, the assumption being that these were integral parts of a poverty-oriented approach to development. That is why during this phase the main idea can be said to have been development of the people.

At the end of the 1970s there was a third phase, this time of even greater concern than the first. During this phase it becomes evident that governments could no longer administer the heavy development burden shouldered upon them. This was most visible in sub-Saharan Africa, where states lacked the technical capacity, but it was also recognised elsewhere because of administrative shortcomings. Bureaucratic agencies simply did not work effectively in the development field. Solacing all development eggs in one carrier, therefore, was increasingly questioned as the most useful strategy. So was the role of the state in comparison with the market as an allocative mechanism of public resources. As analysts went back to their drawing boards, the challenge was no longer how to manage or administer development as much as it was identifying the incentives that may facilitate it. The strategic focus was shifted to the level of policy.

The World Bank, mandated by its governors, took the lead on this issue and, with reference to sub-Saharan Africa, the most critical region, produced a major policy document outlining the proposed necessary economic reforms. The World
Bank policy document became the principle guide for structural adjustment in Africa during the 1980s. These reforms, in combination with equivalent financial stabilization measure imposed by the international Monetary Fund (IMF), were deemed necessary to get the prices right and to free up state-controlled resources that could be potentially better used and managed by other institutions in society—particularly the private sector. This period also witnessed a substantial increase in voluntary organizations around the world and preliminary efforts to bring such organizations into the development process. With more responsibilities delegated to the market, private and voluntary organizations could play a more significant role in working with people to realize their aspirations, whether individual or communal. Small-scale activities mattered and could make a difference. Even though the economic reforms tended to create social inequities, the basic premise was that non-governmental organizations (NGOs) could do with the people what the government had failed to do for the people. Seen from the pedestal on international development agencies, this implied a significant change. People were no longer targets of development policies but rather partners that could be induced to make a difference for themselves and their country. Again, the perception of development had changed, this time to being an exercise done with the people.

The fourth phase, since the 1990s, has been the increasing recognition that development is not only about projects, programs, and policies but also about politics. For a long time, politics and development were seen as two separate and distinct activities. Development analysts, especially economists, preferred to treat development as apolitical. Out of respect for national sovereignty, donors and government upheld this dichotomy for a long time. This has been challenged. Although it is contentious in government circles in the third world, there is a growing
recognition that getting politics right is, if not a precondition, at least a requisite of
development. The implication is that conventional notions of state sovereignty are
being challenged and undermined by the actions taken by the international
community, notably international finance institutions and bilateral donors. United
Nations agencies also find themselves caught in this process. For example, human
rights violations, including those that limit freedoms of expression and association,
are being invoked as reasons for not only criticizing governments of other countries
but also withholding aid if no commitment to cease such violations and improvement
is made. Underlying this shift towards creating a politically enabling environment is
the assumption that development, after all, is the product of what people decide to do
to improve their livelihood. People, not governments (especially those run by
autocrats), constitute the principal force of development. They must be given the right
incentives and opportunities not only in the economic arena but also the political
arena. They must have a chance to create institutions that respond to needs and
priorities. Development is no longer a benevolent, top-down exercise, not even a
charitable act by non-governmental organizations, but instead is a bottom-up process.
As such, development is now seen primarily in terms of something done by the
people.

Shifts in development thinking and emphasis from the 1950s to the Present.

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Different Uses of Governance

In his seminal article “The New Governance: Governing without Government” Rhodes enumerates six different interpretations of word governance. They are as under:

1) Governance as the Minimal State: The theory of ‘governance as the minimal state’ refers to an “organizational structure that arises when there is no government involvement. This use is a comprehensive term redefining the extent and form of public interference and the use of markets and quasi-markets to deliver public services”. In the words of Stoker “governance is the acceptable face of spending cuts”. The extent of any change is a matter of conflict. Indisputably, the intervention of government was to larger extent reduced by privatization and cuts in the civil services. The wave towards less government was getting momentum. Governance condenses that preference, but says little else being an example of political rhetoric. Applying this theory to international affairs would suggest that international affairs would be controlled and regulated without intervention from a national governments or international organizations. Rather, governance would arise from the accumulation of individual decisions in the marketplace, and as a result, there will always be some sort of organic framework that governs the behavior of all actors within international relations. More often than not, this concept of the minimal state is brought up as rhetoric to demonstrate a preference for less government and fewer international organizations.
2) **Governance as Corporate Governance:** This view of governance got popularized in Britain with the publication of the Cadbury Report in 1992, which indicates the system by which organizations are directed and controlled. Governance as corporate governance is concerned with providing overall direction to the enterprise, supervising and controlling the actions of management and ensuring accountability. In this view, governance refers to the principles of a commonly functioning public administration. The characteristic features of such an administration include fair treatment for people and an unambiguous organization that adheres to the basic principles of rule of law. The emphasis is on the operation of government, rather than on the manner in which government is organized. Corporate governance refers to ‘the system by which organizations are directed and controlled’. Thus according to Tricker, “the governance role is not concerned with running the business of the company, per se, but with giving overall direction to the enterprise, with overseeing and controlling the executive actions of management and with satisfying legitimate expectations for accountability and regulation by the interests beyond the corporate boundaries……All companies need governing as well as managing”.

3) **Governance as the New Public Management:** Governance as New Public Management implies steering aspects, resulting in transformation of the public sector involving less government but more governance. Initially NPM had two meanings: managerialism and the new institutional economics. New Public Management as managerialism implies introducing private sector management approaches to the public sector. It focuses on hands-on professional management, explicit standards and measures of performance; managing by results; value for
money; and, more recently, closeness to the customer. The NPM as new institutional economics implies introducing incentive structures (such as market competition) into public service provision. It focuses on disaggregating bureaucracies; greater competition through constricting-out and quasi-markets; and consumer choice. New Public Management becomes related to the discussion of governance because steering is predominant to the analysis of public administration and steering is a synonym for governance. Osborne and Gaebler, distinguish between ‘policy decisions (steering) and service delivery (rowing)’, and argue that bureaucracy is an insolvent device for rowing. In its place they suggest commercialized government based on ten principles: “Most entrepreneurial governments encourage competition between service providers. They empower citizens by pushing control out of the bureaucracy, into the community. They measure the performance of their agencies, focusing not on inputs but on outcomes. They are driven by their goals—their missions— not by their rules and regulations. They redefine their clients as customers and offer the choices…..They prevent problems before they emerge, rather than simply offering services afterwards. They put their energies into earning money, not simply spending it. They decentralize authority, embracing participatory management. They prefer market mechanisms to bureaucratic mechanisms. And they focus not simply on providing public services, but on catalyzing all sectors—public, private and voluntary—into action to solve their community’s problems”. The transformation of the public sector involves ‘less government’ (or less rowing) but ‘more governance’ (or more steering). The New Public Management was deliberately set in motion by newly elected neo-conservative governments during 1980’s and 1990s that were dogged to transform the public
bureaucracy and remove what they saw as obstacles in the way of efficient service delivery.

4) **Governance as Good Governance**: Good governance, with different signifiers, is as old as human history. However, the contemporary concern with the issue originated in the World Bank in 1989, and the other financial institutions and contributors have since engulfed and elaborated the concept. It is used in the perspective of western aid to developing countries and the benchmarks fixed by the former on the latter as a requirement for giving aid. Therefore, it is fundamentally a donor-directed-governance discourse a normative code controlled out by the developed countries and inflicted upon the developing nations. For world Bank, governance is “the exercise of political power to manage a nation’s affairs’ and ‘good governance’ involves, “an efficient public service, an independent judicial system and legal framework to enforce contracts; the accountable administration of public funds; an independent public auditor responsible to a representative legislature; respect for the law and human rights at all levels of government; a pluralistic institutional structure, and a free press”.

The World Bank, for the first time in 1991, dedicated part of its Annual report on Development Economic Conference to the theme of good governance, expectation about what this implies for the Bank’s future agenda was quite high, and in principle embraced nothing less than a reform of politics in under developed countries. However, to demand for conditions of political and administrative reform, a new benchmark or criterion was needed. This is where the notion of good governance came in. It was comprehensive enough to encompass public management as well as political dimensions, while at the same
time ambiguous enough to allow a fair measure of discretion and flexibility in interpretation as to what “good” governance would or would not condone. In the developed world the reinvention of the notion of good governance thus came to figure as a necessary vehicle enabling the launching of a new generation of political conditionalities.

In 1992 World Bank document entitled Governance and Development states that governance is defined as “the manner in which power is exercised in the management of a country’s economic and social resources for development and that good governance is central to creating and sustaining an environment which fosters strong and equitable development and is an essential complement to sound economic policies.” Unfolding its vast experience, the World Bank document recite vividly the problems of governance. For instance, despite technical soundness, programmes and projects have often failed to produce targeted results. Laws are not implemented properly and there are often delays in its implementation. Privatized production and market-led growth do not succeed unless there are certain rules and clear institutions. In the absence of proper accounting system, budgetary policies cannot be implemented or monitored. Very often, procurement systems foster corruption and deform public investment priorities. Again, failure to involve beneficiaries and other affected in the design and implementation of projects has been led to substantial erosion of their sustainability. Thus, from its vast knowledge in many developing countries the World Bank came to realize that “good governance is central to creating and sustaining an environment which fosters strong and equitable development, and it is an essential complement to sound economic policies.” The World Bank has identified three distinct aspects of governance: (a) the form of political regime; (b) the process by which authority is exercised for managing a country’s economic and social
resources for development; and (c) the capacity of government to design, formulate
and implement policies and discharge functions. This definition of governance has
been further developed by other organizations and agencies to include the degree of
democratization to prove legitimacy of the state, media freedom, and transparency in
administration to promote accountability of government, individual and group rights
and people’s participation in administration to establish rule of law and respect for
human rights and finally competence of government to formulate policies and deliver
services to the people.

In *Governance: The Bank’s Experience* (1994), the Bank pronounces that
how in many countries it is moving beyond assistance solely to the executive branch
of governments toward extending technical assistance to the legislative and judicial
branches of government. In Africa, for instance, the World Bank has taken up
supporting public accounts committees of parliaments. The preface of ‘*Governance:
The Banks’ Experience*’, 1994, could hardly be more broad or indeed political when
describing good governance as denoting “predictable, enlightened and open policy-
processes, bureaucracy with a professional ethos, a government accountable for its
actions, a strong civil society participating actively affairs, and all under the rule of
law”. Finally, the Bank dedicated its 1997 *World Development Report* to the
discussion of the state and its role in development. The report is an attempt to
reconcile the ‘Washington Consensus’ on the minimal state with the ‘East Asian
Model.’ In this report, the Bank’s view on governance becomes even more
comprehensive. It develops a strategy which is about matching the state’s role to its
capabilities, but also about strengthening those capabilities. It recognizes that the state
can play an important role in encouraging community involvement in service
delivery, initiating ‘social capital’-generating projects and, in general, encouraging participation. It has a specific chapter on ‘Bringing the State Closer to the People.’

Bilateral donors and the European Union are able to be more explicit when adopting political conditions for aid. Thus, where the Bank inclines to tend towards the technical aspect of governance, the rest of the world organizations stresses upon the political aspect as well. The DAC group of the Organisation for Economic Co-operation and Development (OECD), for instance, recognises both the technical as well as the political aspects of governance; the first, according to a OCED report, is concerned with the capacity and knack of governments to rule effectively and the latter with avoiding that states have undue power in relation to citizens. Thus, although the governance concept was introduced in technical terms in the 1980’s it has developed so as to have a political aspect. This becomes evident when looking at the policies of most bilateral donors. For instance, in the official publications of Danida, the Danish development agency, good governance is closely linked to human rights and democratization.

The high level meeting of development Assistance Committee statement issued a statement in 2000 which notes that, “good governance required a broad approach to partnership extending beyond government and parliaments to include civil society and private sector”. A new aspect, predictability was also agreed in the light of the financial crisis in the latter part of the 1990s which led to a call for perfection in corporate governance and stable financial frameworks.

The United Nations Development Programme (UNDP) report of 2002 describes good governance as “striving for rule of law, transparency, responsiveness, participation, equity, effectiveness and efficiency, accountability and strategic vision in the exercise of political, economic and administrative authority”.
The World Bank and Development Assistance Committee of Organisation of Economic Co-operation and Development (OECD) targeted seven specific areas of developing countries’ public sector for improved governance (or in short 7 parameters of good governance). These are: (a) public sector management, (b) accountability, (c) legal and regulatory framework, (d) transparency and information, (e) human rights, (f) participatory approaches and (g) military expenditure. Reforms in these sectors as per the directions of aid agencies wassine-que-non for receiving aid grants by developing countries.

The Human Development Report 2002, assuming that good governance is democratic governance, laid down certain points to describe what constitutes democratic governance:

a) “People’s human rights and fundamental freedoms are respected, allowing them to live with dignity.

b) People have a say in decisions that affect their lives.

c) People can hold decision-makers accountable.

d) Inclusive and fair rules, institutions and practices govern social interactions.

e) Women are equal partners with men in private and public spheres of life and decision-making.

f) People are free from discrimination based on race, ethnicity, class, gender or any other attribute.

g) The needs of future generations are reflected in current policies.

h) Economic and social policies are responsive to people’s needs.

i) Economic and social policies aim at eradicating poverty and expanding the choices that all people have in their lives.”
Looking at the different definitions of *good governance* and the aspects of good governance highlighted by many organization and institutions by way of their reports, one can sum up that in essence the concept incorporates the following ten values or parameters as its essential components: (i) democratic pluralism, which is important to uphold cultural sensitivity in a heterogeneous society to ensure sympathy and tolerance towards diversity, fundamental freedom and equality for all and universal participation in the governing process; (ii) legitimacy in the eyes of the public under the law of the land, (iii) consensus among contending interests and parity in approach; (iv) public involvement in decision-making; (v) rule of law to ensure fairness and non-partisanship; (vi) responsiveness of the governing system towards the needs of the various stakeholders; (vii) efficient and effective accountability of the institutions responsible for the governance so that power is not misused and outcomes as anticipated or planned are delivered; (viii) transparency in action so as to develop confidence in the state or other institutions; (ix) moral governance, which refers to public service ethics and moral accountability in the process of governance; and (x) a strategic vision for sustainable long term human development.

In short, “*good governance*” marries new public management to the advocacy of liberal democracy. Although the World Bank and the donor community’s concept of *good governance* is not always at odds with human rights, the fact remains that it has development as its goal, not legal security for the individual. *Governance* is usually articulated in terms of following major characteristics which become the benchmark for ensuring *good governance*. These are:

1) **Participation:** Participation in governance involves the range of formal and informal ways in which members of a political community make their values,
interests and policy preferences known. “At its core participation is the means by which the *vox de popularis*, or the voice of the people is given due space. Participation by both men and women, either directly or through legitimate representatives and institutions is considered as a key cornerstone of good governance. Participation, however, needs to be informed and organized.” This anticipates freedom of expression and association, on the one hand, and an organized civil society, on the other hand. Good Governance requires the involvement of all the sections of the society in the decision making process.

II) **Rule of Law:** The rule of law refers to a procedure, a process, an institution, a practice, or a norm that secures a particular type of government. The rule of law implies that the creation of laws, their enforcement and implementation and the relationships among legal rules are themselves legally regulated so that no one—including the most highly placed official—is above the law. The legal restraints on rulers mean that the government is dependent to existing laws as much as its citizens are. This concept is closely related to the notion of equality before law. Not only does the rule of law entail such basic requirements about how the law should be enacted in society, but it also implies certain qualities about the characteristics and content of the laws themselves. In particular, laws should be clear and certain, general in form, universal in application and knowable to all. A fair legal framework that is enforced impartially is necessary for the ensuring good governance to people. It necessitates full safeguard of human rights, especially that of the minorities and downtrodden. Impartial implementation of laws also necessitates an independent judiciary and an
unbiased and incorruptible police force. Rule of law implies adherence to laws and regulations by one and all.

III) Transparency: It implies that the decisions taken and their enforcement are done strictly in accordance to the rules and regulations of the state. It also denotes that information is easily available and directly accessible to those who will be affected by such decisions and also by their enforcement. Transparency enables outsiders to get official and timely information in easily understandable form about the activities of government or private organizations. In governance discourse, transparency refers to open and easy accessibility of the information including government document that have a direct impact on the public, by the shareholder in a society. Transparency as an important characteristic of good governance is rendered as integral to a variety of political goals, including corruption control, fair financing of electoral campaigns, enhancing democracy in existing institutions, consolidating democracy in transnational societies and limiting internal or international conflicts.

IV) Responsiveness: “Efficient governance necessitates that institutions and processes try to serve all stakeholders within a rational time frame. Responsiveness enables governmental institutions to gain legality in the public realm, which will ultimately ensure their acceptance and, thus, ultimately effectiveness in governance”. Apart from well-devised structural devices, responsiveness of public institutions can be meaningfully determined only if there is a thoughtful civil society engagement in public affairs.

V) Accountability: Accountability is an important characteristics of good governance. “Strictly speaking accountability means that someone (X), who has been put in a position of responsibility(r) in relation to the interests of someone
else(Y), is required to give an account (to Y) of how he has discharged his duties, and that, concomitantly, Y is in a position to either punish or reward X’s conduct in relation to(r)”. However this is not the case in actual practice or in the specialized literature. The term accountability originates from Latin word *computare* meaning to count. To be accountable required a person to produce ‘a count’ of either the properties or money that had been left in his or her care. In the modern discourse on governance accountability implies that not only governmental institutions but also the private sector and the civil society organizations and institutions must remain accountable to the public and to their institutional stakeholders not only for the finances but also for the decisions they take as well as for their implementation. Who is accountable to whom differs subject to whether decisions or actions taken are internal or external to an organization or institution. In general, an institution or an organisation is accountable and answerable to those who will be influenced by its decisions or actions. However, ensuring accountability necessitates the existence of transparency and rule of law.

**VI) Consensus Oriented:** Consensus is also a key requirement of ensuring effective governance. It is both a process and an outcome of discussion in order to build a shared understanding and a broad agreement about a particular proposal/process/resource etc. There are numerous actors and as many viewpoints in a given society. *Good governance* demands mediation of the varied interests in society in order to reach at a broad consensus on what is best for the whole society and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve such development. Such can be achieved only through an
understanding of the historical, cultural and social contexts of a given community. By consensus we aim at producing a common ground in heterogeneous societies or in decision making processes which have an implication on different stake-holders and to base the decision making process on consensus.

VII) **Equity and Inclusiveness:** A society’s good lies in ensuring that all its members feel that they have a share in it and do not feel neglected or alienated from the mainstream of society. This necessitates that all groups in the society or community, particularly the most vulnerable, have opportunities to improve their lot or maintain their well-being.

VIII) **Effectiveness and Efficiency:** Effective governance requires that processes and institutions yield results that fulfill the essentials of society while making the sustainable use of the resources at their disposal. The concept of efficiency in the context of governance also covers the sustainable use of natural resources and the protection of the environment.

5) **Governance as a Socio-cybernetic System:** The term *cybernetics* is basically derived from the Greek term *kybernētēs*, which refers to steersman, governor, pilot, or rudder — the same root as government. Cybernetics is a broad field of study, but the essential goal of cybernetics is to understand and define the functions and processes of systems that have goals and that participate in circular, causal chains that move from action to sensing to comparison with desired goal, and again to action. The word *cybernetics* was first used in the context of "the study of self-governance" by famous Greek Philosopher Plato in *The Laws* to indicate the governance of people. The word 'cybernétique' was also used by André-Marie Ampère, a physicist, in 1834, to
represent the sciences of government in his classification system of human knowledge. Cybernetics is most applicable when the system being analysed is involved in a closed signal loop; that is, where action by the system causes some change in its environment and that change is fed to the system via information (feedback) that causes the system to adapt to these new conditions: the system's changes affect its behavior.

Governance as a socio-cybernetic system refers to informal and non-governmental modes of organizing actors that are accountable to a government in some manner. This method does not require the existence of sovereign authority, as it brings together various actors, from governments to non-governmental organizations to international organizations, all who could benefit from the interaction to solve shared problems and take more effective actions to attend shared concerns. The socio-cybernetic system relies on the view that policymaking actors in a specific area of policy need each other because no single actor can efficiently and effectively tackle those problems alone. For example, multiple international organizations could join together to create an environmental policy that would be more effective than if each organization did so on its own. Under this theory, governance arrangements arise from the interaction of various social-political groups and organizations. According to Jan Kooiman, “governance can be seen as the pattern or structure that emerges in a socio-political system as ‘common’ result or outcome of the interacting intervention efforts of all involved actors. This pattern cannot be reduced to one actor or group of actors in particular”. To put it in simple words policy outcomes are not the product of actions by central government. The centre may pass a particular law but afterward it interacts with local government, health authorities, the voluntary sector, the private sector and in turn they interact with one another. Kooiman differentiates between the
process of governing (or goal-directed intervention) and governance which is the result (or the total effect) of socio-political-administrative interferences and interactions. There remains a particular order in the policy area but it is not impressed from above; it arises from the interactions of the numerous affected parties. Also as Kooiman points out, “these interactions are….based on the recognition of (inter)dependencies. No single actor, public or private, has all knowledge and information required to solve complex, dynamic and diversified problems; no actor has sufficient overview to make the application of needed instruments effective; no single actor has sufficient action potential to dominate unilaterally in a particular governing model”. According to socio-cybernetic approach, central authority is no longer absolute. The political system is increasingly fragmented. We live in “the centre-less society”, in the polycentric state characterized by various centers. The utmost task of the government is to facilitate socio-political interactions; in order to promote various and diverse arrangements for dealing with problems and to dispense services among the numerous actors. It signifies that in particular policy area actors or donors require each other. Each can provide relevant information or other resources. No one of them has absolute or all required relevant resources to make the policy functional. Governing provokes new challenges. Therefore, as Kooiman stated, “instead of relying on the state or the market, socio-political governance is directed at the creation of patterns of interaction in which political and traditional hierarchical governing and social self-organization are complimentary, in which responsibility and accountability for interventions is spread over public and private actors”. The socio-cybernetics approach highlights that governance is the result of interactive socio-political forms of governing.
6) Governance as Self-organizing Networks: Network Governance refers to the early-wave of governance that is associated with the changing nature of the state following the public sector reforms of the 1980s. These reforms are believed to have prompted a shift from a hierarchic bureaucracy towards a greater use of markets, quasi-markets and networks, especially in the delivery of public services. Network governance evokes a world in which state power is disseminated among a vast array of spatially and functionally distinct networks composed of all kinds of public, voluntary and private organizations with which centre now interacts. In its broader sense, a network is a group of interdependent actors and the relationships among them. Unlike a well operating market system, networks do not undertake that members have full information, nor do they consider that every individual with material means may choose to be a member. Again unlike a bureaucratic organization, a network may function without a hierarchy, and without employees. At personal level networks may be about an individual’s social relations, while at an organizational level, networks are about the recognition that organizations’ actions seldom stand alone in the world. It is however presumed that human beings can, achieve more through coordinated, collaborative efforts than through individual efforts. Networks are distinct social structures in that they include various organizations. When governance networks are being studied, the matter is not simply how informal contacts alter the working of organizational relationships. Instead, the question is what relationships have been designed between two or more programs or organizations that facilitate them to leverage the strengths and minimize the weaknesses of the collectivity. The system of government beyond Westminster and Whitehall was transformed “from a system of local government into a system of local governance involving sets of organizations drawn from the public and private
sectors”. This usage see governance as a broader term than government with services provided by any permutation of government and the private and voluntary sectors. Inter-organizational linkages are a defining characteristic of service delivery. These networks are made up of groups which require to exchange resources (for example, money, information, expertise) to attain their objectives, to enhance their influence over outcomes, and to evade the chances of remaining dependent on other players in the game. Networks are a extensive form of social co-ordination. According to W.W. Powell, networks are “a distinctive form of coordinating economic activity”. On the other hand A. Larson explores networks structures in entrepreneurial settings, concluding that “the network form of governance highlights reputation, trust, reciprocity and mutual interdependence”. Networks are simply an alternative to, not a fusion of, markets and hierarchies and they span boundaries of the public, private and voluntary sectors. To quote J. Frances et al, “If it is price competition that is the central coordinating mechanism of the market and administrative orders that of hierarchy, then it is trust and co-operation that centrally articulates networks”. Importantly these social institutions are self-administering and to a larger extent autonomous. They are not controlled by any single superior actor, not even the government. They largely control themselves. Autonomy not only implies freedom, it also implies self-responsibility. Deregulation, government withdrawal and steering at a distance…..are all notions of less direct government regulation and control which leads to more autonomy and self-governance for social institutions.

From the above discussion it is clear that the governance discourse emphases on the paradigm shift from the state as a sole single decision making and controlling authority, to the plurality of actors functioning in a society having equal power of decision making or influencing the decision making process in the society. As the
neo-liberal view started downplaying the state and overvaluing the ‘market’ and the
trend was set to decenter the state from its monopoly status in social control, the idea
of governance gained in prominence, connoting a plurality of players replacing the
state’s monopoly. The growing respectability of governance as a paradigm coincides
with the societal changes represented by the shift from government to governance and
from coordinated hierarchical structures and processes of societal steering to a
network based process of exchange and negotiation. Society is seen as a network of
negotiating units, whose compositions vary, as do their positions in the power
structure, over time and across subjects.

**Theoretical Roots of Governance**

Conceptually governance is associated with the ideological triumph of neo-
liberalism. The theoretical roots of governance are traced in ‘neo-liberal’ economic
theories, especially ‘new right ideology’. Government is ‘redefined’ in market
archetypes by redrawing borders of public administration. In the new age, governance
is an interface between state, market, and civil society. The governance discourse has
its origins in, (1) the new thrust towards neo-liberalist check on the ‘state’ along with
the advancing of ‘market’ as a contending social authority and bringing in ‘civil
society’ as a competing social services, (2) the international funding authorities’
concern for more responsible, accountable, transparent, open and participative rule,
and (3) the worldly surfacing ‘globalization’ trend—a socio-economic integration of
the world pushed by economic, technological and political considerations. The new
right pursues to re-analyse public administration by advocating the agenda of the free
market and is in favour of significant reduction in the size and functioning of
government authority.

The four main schools of new right thought are Chicago, Austrian, Public
Choice and the Supply Side.

**The Chicago School:** This school emerged as a reaction to the Keynesian welfare
economics that dominated the post second world war era until the mid-1970s. The
argument put forth by Chicago school “has been that empirical analysis of the
consequences of government actions clearly signifies that the market is much more
effective than government in achieving social goals”. Milton Friedman, an American
economist and a neo-liberalist theorist has been most important ideologue of this
Chicago school of thought. Milton Friedman’s main argument, which has greatly
inspired the contemporary discourse on governance, “is his conceptualization of the
legitimate role of government, which is very much based on the principle of ‘limited
government’ or government as night watchman propounded earlier by a well know
economist, Adam Smith in his theory of ‘laissez faire’”. Friedman identified four areas
of legitimate government activity. These are, “(a) safeguarding of individuals from
external intimidation, (b) maintenance of rule of law (c) provision of public goods and
settling of some problems arising from neighbourhood effects and (d) protection of
the innocent such as insane and children. He was attracted to the idea of constitutional
reform to provide limited government”.

**The Austrian School:** The Austrian School, also known as the “Vienna School” or
the “Psychological School,” is a school of economic thought that believes in strict
adherence to methodological individualism. With the result of this Austrians claim
that the only sound and valid economic theory is logically derived from basic
principles of human action. Alongside the formal approach to theory, often called praxeology (deductive study of human actions), the school has conventionally advocated an interpretive approach to history. The praxeological method allows for the innovation of economic laws valid for all human action, while the interpretive approach addresses specific historical events. Among others the main advocates of this school include, Carl Manger, Friedrich Hayek, and Ludurig Von Mises. Being a free-market oriented, Austrian school is taking a more upright stand in favour of the doctrine of “laissez-faire”. The distinguishing features of the Austrian School include: (1) Social science is the study of purposeful human action; (2) a radically "subjectivist" strain of Neo-classical marginalize economics; (3) a dedication to a prioristic "pure" theory, with an emphasis on "methodological individualism—Only individuals are the appropriate source of study (end in itself); (4) the importance of competitive markets and a price system in organizing a decentralized morass of economic agents; (5) a general political, economic and philosophical defense of laissez-faire economic policy; (6) value is in the eye of beholder (subjective theory of value).

The most influential thinker of the Austrian school was Friedrich Hayek, an economist and philosopher well known for his defense of classical liberalism, who made wide-ranging contribution to political philosophy and scientific methodology. The basic features throughout his thought are: (1) society is an impulsive order; as evolved, impulsive order is to be preferred to a planned society; (2) liberty is of great value because it enables individuals to deal with new ideas and experiments, makes best use of widely disseminated knowledge and provides for the unpredictable growth of knowledge, (3) socialism breeds inefficiency, it means slavery and is undemocratic and impossible. There is nothing like that as ‘agreed common purpose in society’. The
acknowledgement of private property or rules of contract exist to persuade individuals to pursue their own goals and not to reach common goals (4) Hayek’s most controversial argument was that the concept of social justice is meaningless. Social justice relied on a moral evaluation of distributive consequences. Hayek argues that morality is irrelevant to distributive consequences. As a principle of state action, social or distributive justice, requires agreement on ‘who deserves what’ and existence of wide power in the hands of state to determine it. F.A Hayek became interested in the establishment of a principle of a liberal constitution in which the role of government is limited and enabled government to create a framework within which individuals and groups can pursue their ends. His argument is individual is end in itself society or state is only a means to achieve that end. Hayek’s argument that any extension of state powers was dangerous was very influential for the New Right.

**Public Choice Theory:** The thesis of limited government reached its apex in the Public Choice theory, which is also known as “the economics of politics”. Public choice represents another facet of work in political economy with more radical implications for the theory of public administration. Most political economists in the public choice tradition begin with the assumption--individual as the basic unit of analysis. Individual is end in itself and not a means to achieve the end. Traditional "economic man" is replaced by "man--the decision maker". The second concern in the public choice tradition is with the conceptualization of public goods as the type of event associated with the output of public agencies. These efforts are closely related to Simon's concern for the definition and measurement of the results of administrative action. In addition, public choice theory is concerned with the effect that different decision rules or decision-making arrangements will have upon the production of
those events conceptualized as public goods and services. Thus, a model of man, the
type of event characterized as public goods and services, and decision structures
comprise the analytical variables in public choice theory. Our "man: the decision
maker" will confront certain opportunities and possibilities in the world of events and
will pursue his relative advantage within the strategic opportunities afforded by
different types of decision rules or decision-making arrangements. The consequences
are evaluated by whether or not the outcome is consistent with the efficiency criterion.
The theory assumes the individuals to be rational beings who seek to secure their self-
interests through adopting maximizing strategies. This theory has played a strategic
role in supporting the privatization movement and the application of market
rationality in government’s decision making processes.

The Virginia School of Public Choice started an intellectual tirade against the
nature of politics and bureaucracy. The central issue in Public Choice model is how to
limit government and to check the natural tendency for over-government. It has been
successful in pointing out that there are alternatives available for the delivery of
services to the citizens. The role of market as a competing paradigm has challenged
the hegemonic position of the state. Similarly the power of bureaucracy has been
slashed, opening up possibilities for other organizations and groups to operate

**Towards The New Governance**

The contemporary trend in governance derives mainly from reforms of the
public sector since the 1980s. This new governance refers to the apparent spread of
markets and networks following these reforms. These informal institutions and
networks constitute supplements and supplant the government authority. These
reforms basically attempted to enhance the role of markets and corporate management
techniques in the public sector. New governance highlights the role of markets, networks and non-state actors and weakens the distinction between states and other domains of social order and the term governance has come to refer to social and political order other than the state. The concept of good governance, as introduced by the World Bank in 1992 as part of its criteria for lending to developing countries, has invoked governance to refer to changes in the public sector associated with the new public management, marketization and even privatization. Governance obviously means different things to different people. The particular theories at work in different narratives prompt their adherents to take very different views of changes in government, society and economy. However, before exploring the theory behind a decentered analysis of governance, it is imperative to explore some existing narratives of governance.

The current fascination with governance derives in large part from the reforms of the public sector promoted by neoliberal governments in Britain and the USA during the 1980s. The neoliberal narrative understands governance in terms of the increased efficiency in the public sector allegedly ensured by measures such as marketization, contracting out, new management techniques, staff-cuts and budgeting. Governance, on many accounts, thus has a profound relationship to a neoliberal narrative that emphasizes the inefficiencies of bureaucracy, the burden of excessive taxation, the mobility of capital and competition by states. Recent public sector reform has occurred in two principle waves. The first wave consisted of the New Public Management (NPM) as advocated by neoliberals with the aim to increase the role of markets and of corporate management techniques in the public sector. The second wave of reforms consisted of attempts to develop and manage a joined-up series of networks informed by revived public-sector ethos.