

**EXPORTING GOOD GOVERNANCE: THE TEMPTATIONS AND CHALLENGES IN CANADA'S AID PROGRAM, EDITED BY JENNIFER WELSH AND NGAIRE WOODS. WATERLOO, ON: WILFRID LAURIER UNIVERSITY PRESS, 2007.**

***By Jean-Marc Mangin, CUSO***

The authors have given us one of the more important recent books on Canadian international public policy – on a par with Janice Stein and Eugene Lang's The Unexpected War: Canada in Kandahar. Promoting and supporting good governance constitutes one element of Canada's foreign policy that attracts wide support – among citizens, NGOs, the bureaucracy and the political class. However, as the authors make abundantly clear, the “promotion” of this public good is fraught with conceptual and implementation challenges, a key one being hubris. The title Exporting Good Governance does not assume humility but the subtitle already hints at its necessity: “Temptations and Challenges in Canada Aid's Program.” Canadians are rightly - if quietly - proud of their open ended, multiethnic and bilingual federal state, and of the strong protection for both individuals and cultural and ethnic minorities provided by the Charter of Rights and Freedoms and by federal and provincial legislation.

The Canadian cosmopolitan experience of living diversity through tolerance and civil dialogue is rich in lessons for new and often fragile multinational states that have emerged since decolonization and the end of the Cold War. Canadians are also willing and generous in sharing their experience with those struggling to promote human rights

and democracy. However, as Maureen O'Neil points out, "[our] aspirations blind us to lessons of experience or to seeking out what those lessons are."

The book is full of lessons for the relatively new field of democratic assistance. Staying clear of the dark shadows created by the Iraqi disaster - where Canada has quietly provided substantial "good governance" funding to little effect - the book offers six fascinating case studies (Vietnam, Bangladesh, Ghana, Afghanistan, Haiti and Mauritius). The changing international and Canadian contexts for aid are well laid out, as are the implications provided by the empirical evidence.

What is good governance? This programming sector is slippery to describe. It has involved everything from security sector reform to human rights promotion to building the machinery of government (taxation, rule of law, departmental planning and coordination, elections) to democratic reform (parliamentarian associations, policy and constitutional processes). The apparent explosion of good governance programming has partly been the result of re-categorizing and re-coding fragmented and often unrelated capacity building activities that both the public sector and civil society undertake. Still, even if figures are unreliable, new real resources have been allocated to this sector as the failings of development assistance have often been blamed on "poor" governance and "bad" policies. Under the new aid paradigm, good governance and good policies constitute the necessary pre-conditions for development assistance to work and deliver results. Hence, the identification and reward of "good" performers has driven aid agencies for nearly a decade.

The authors punch huge holes in the naïve and simplistic assumptions behind much of good governance programming. Skipping straight to Weber is not a realistic

option when one looks at the historical Canadian experience (and that of other Organization for Economic Co-Operation and Development states) or at the political economy of developing nations.

A prospective reader would be wrong to skip Richard Sandbrook's chapter on Mauritius as being irrelevant to the discussion. After all, Mauritius is small, far away, has few links with Canada and has become a middle-income nation with aid playing a marginal role in the country's transformation. Sandbrook's subtle analysis demonstrates the critical importance of appropriate conditions for successful democratization to emerge. These conditions are created by the complex interactions of economic, social and political development. There are no simple determining factors at play. At best, public and aid policy can help these processes to be mutually reinforcing. Sandbrook points out that neo-liberal economic reforms and democratization are not always compatible if the State remains unable or unwilling to address "...poverty, inequality and powerlessness."

As the case studies demonstrate, a keen and perceptive understanding of the local context constitutes a necessary pre-condition for any development investment and relationship to succeed. This understanding can only be gained through extensive field experience that goes well beyond the cocktail parties and corridors of power. The centralization of the Canadian International Development Agency (CIDA) - its decision making approach, the high ratio of headquarters to field staff, the relatively rapid turn over of field staff, the frequent marginalization of local staff in reporting and policy recommendations, the dispersion of aid among too many recipients, the inadequate and unpredictable volume of aid, and a risk adverse bureaucratic culture - are all constraints

that seriously undermine the effectiveness of Canada's aid program. These factors are all under the control of Canada and we can do something about removing these self-imposed restraints.

Bernard Wood's depressing but sadly accurate analysis of the poor management of Canada's aid program provides a reality check about the challenges of transforming CIDA. The department responsible for most of Canada's aid program has been a marginal player in official Ottawa and a subordinate to other national interests and political masters who have little understanding of aid dynamics and whose timeframe and attention spans are short and shallow. Until Canada addresses "...the mismatch between intentions and executive capability and incentives," the performance of Canada's aid program will remain mediocre and unimpressive. Wood and Welsh both call for a legislative framework with clear, long term goals and an accountability structure to govern Canada's aid program. (At the time of writing, a private member's bill, C-293, to do just that is languishing in Parliament. The current government opposes the legislation. The proposed bill has weaknesses; but the government has so far refused to provide any alternative legislation of its own. )

Many of the authors are cautiously encouraged that the new aid architecture underpinned by the 2005 Paris Declaration and the world of Poverty Reduction Strategy Papers (PRSPs) offer real opportunities for improving the impact of aid investments.

Moving from the fragmented world of donor-led projects to coordinated, partner-led program strategies has many attractive potential features, notably a powerful and virtuous narrative of coherence and local ownership that reinforce each other in eliminating poverty and supporting democratization. The case studies demonstrate that

this potential remains largely unmet. The breadth, quality and ultimately the legitimacy of local ownership continue to be highly questionable. In the politics of the mirror, local officials say - and often believe - what the donors want to hear. Through the accountability and results requirements of program-based approaches, donors have insinuated themselves deeper into national governance processes. Many aid officials are aware of and uncomfortable with this paradox that potentially undermines the legitimacy of national ownership and sovereignty.

An assumption that is not examined at any great length is whether the new aid paradigm can indeed work. From too much government regulation and interference being the problem identified by the 1980s Washington consensus, the central role of the State has now been rehabilitated. The pendulum has now swung so far that donor agencies and partner governments are expected to elaborate and implement coherent and well-coordinated strategic development plans to reduce poverty, trigger sustainable economic growth and build up appropriate safety nets.

After the failures of Soviet-style central planning, after the disillusionment of corporate "strategic" planning, and the less than stellar experience of fifty years of official aid, the international aid bureaucracy remains amazingly optimistic about planning. (Planners and consultants employed by the Banks are seldom around for the implementation and learning phases of the programs). Economic, social and democratic developments are all messy, non-linear and often politicized processes. Perhaps we are collectively learning, although the patchy evidence is too recent to be captured in the book under review. The new generation of PRSPs have begun to appreciate the complexity of the tasks at hand. Many officials recognize the uneven quality and time-

consuming nature of coordination and harmonization. Budgetary support and program-based approaches are no longer seen as panaceas and donors are starting to recognize the critical role of civil society in building both aid effectiveness and accountability.<sup>1</sup>

One assumption that could have warranted more discussion by the editors is the straight jacket imposed by the “3Ds” policy in Canada. Those three Ds - development, diplomacy and defense - are supposed to work in a coordinated and coherent fashion to meet good governance objectives.

Many of the other case studies, and Welsh in her concluding chapter, make the strong case that good governance promotion is most effective when viewed in the context of achieving better development outcomes.

This conclusion is *de facto* dismissed by Scott Gilmore and Janan Mosazai in their discussion of the impact of Canada’s “3Ds” in Afghanistan. For them, the absence of a well articulated strategy based on Canadian national interests is one of the key reasons for the inadequate level of resourcing, poor Canadian and international coordination and fragmented good governance results. Many of these conclusions were echoed by the report of the Manley panel on Afghanistan. CIDA performance is criticized, either directly or in veiled terms. Despite Afghanistan being the largest Canadian aid recipient worldwide, Canada’s aid strategy plays second fiddle to the military and diplomatic components of the mission.

In the world of coherence and “3Ds”, development goals lose out to “harder” national interests and to timidity. (Yet, while punching above our weight through the

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<sup>1</sup> A Ministerial OECD High Level Meeting will take place in Accra in September 2008 to review the progress of implementing the Paris Declaration and will address the role of civil society.

sacrifice of so many Canadians, successive Canadian governments have been reluctant to use this political capital with Kabul or with NATO).

The concept of coherence should be replaced with convergence – recognizing that legitimate national interests cannot necessarily be harmonized and must be pursued through parallel tracks with sufficient resources. Over the long term, security, political support and development assistance reinforce each other in support of democratization. In the short term, these legitimate goals can often be in conflict or “creative tension”. But, subordinating aid to other goals will lead to dumber aid and bad results –social engineering of the worst kind disconnected from real needs.

Sue Unsworth suggests that “... democracy assistance can help ‘speed up a moving train’, where democratic forces are already at work, but it doesn’t affect outcomes in decisive or significant ways”. Humility, modesty, long term commitment to partnership, openness to learning and flexibility to respond to changing needs and opportunities are all required to effectively support good governance.

We cannot skip straight to Weber or impose externally driven democratic models. But we have nonetheless a responsibility to act and to assist those seeking to ensure that every life is of equal value deserving of freedom from fear and freedom from want. Real opportunities exist - especially since the end of the Cold War – for societies to take short cuts to real democratization, but on their own terms. Canada must live up to its international commitments and give itself the legislative framework, funding and tools to join the struggle against abject poverty and injustice. Many Canadians have stepped up and have become global citizens – we need a federal government willing and able to

move from rhetoric to sustained action. We can no longer afford in Wood's telling phrase "... a third-class aid effort from a country with first class capabilities".

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