

THE GOOD GOVERNANCE DISCOURSE OF INTERNATIONAL ORGANIZATIONS: A CRITICAL APPROACH

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Abstract: The concepts of "global governance" and "good governance" have had a significant impact on international relations, development policy, and the lexicon of multilateral organizations such as the World Bank and the International Monetary Fund (IFIs) over the past decades.

These terms have been used to both describe and prescribe a different way of managing international policies, and they are inextricably linked to the concepts of development and growth.

The World Bank's adoption of the good governance agenda has raised critical questions about the organization's role in the development process and in the system of global governance as a whole.

Some critics argue that the good governance agenda is merely a continuation of the neo-liberal policies of the 1980s, while others argue that it represents a real break with the past.

This paper examines the semantic impact of the concept of good governance as utilized within the lexicon of the IFIs, and it explores the implications of the good governance agenda for the system of global governance as a whole.

Keywords: global governance, good governance, World Bank, IMF, development

Introduction

1. Good Governance, Development, Inequality, Neoliberalism: Paradigm Maintenance or Paradigm Shift? Setting the Scene

No other linguistic event has been so influential as the advent of the vocabulary of global governance in the lexicon of International Relations (Commission on Global Governance, 1995; Rosenau, Czempiel, 1992). A lexicon which has signaled the deep epistemic change in world politics along with its consequences in the real world. Thus, "words make worlds", as may be the case for the terms, globalization and governance, if analyzed in a constructivist perspective.³ (Barnett, Duvall, 2005). Similarly, when qualified as "good", the concept of good governance has had a remarkable impact as well, since it has been used in different yet related semantic fields: ranging from the lexicon of democratization theory,⁴ to development policy frameworks.

Thus, it will be possible to address the semantic impact of the concept of good governance, as utilized within the lexicon of the multilaterals of international political economy, namely, the World Bank and the International Monetary Fund (henceforth IFIs) over the last decades. Both terms (“good” and “governance”) have descriptive and normative connotations since they have been employed to both describe and prescribe a different way of managing international policies. In this sense, the lexicon of global governance as well as good governance seems to be inextricably linked to that of development and growth.

The [World] Bank’s adoption of the good governance agenda raises critical questions about the organization’s role in the development process and in the system of global governance as a whole. Aside from the rhetoric, what sort of governance has the Bank promoted in practice? Does the good governance agenda mark a real break with the neo-liberal policies of the 1980s, or is good governance merely the old “Washington Consensus” in new clothes? (Drake et al., 2001, p. 1). Indeed, a new orthodoxy emerged sanctioning a twofold far-reaching change: with the advent of governance and of the structural adjustment programs, which eroded the “reluctance to intrude in domestic politics” in the field of regulatory interventions of the market by the State (something which was at odds with world politics during the cold war) (Weiss, 2000, p. 799), and at the same time market rationale prevailed over that of the State (the Washington Consensus rationale) (e.g. Haynes, 2005; Weiss, 2000).

However, such an inductive approach does not suffice here. Indeed, the theoretical approach on which this paper is based makes reference to a discourse analysis of the concept of good governance as the predominant signifier in a specific “chain of equivalence”, namely within a specific network of signifiers, related to each other and to certain signifieds (Cornwall, 2007; Ziai, 2011). This “chain of equivalence” is defined by the concept of development and growth. Our initial analytical hypothesis can be outlined as follows: what, if any, is the place of the concept of inequality in this chain, or, better, does the concept of inequality have any role in the semantics of good governance, in turn related to the concept of development? And, consequently, is it possible to ascertain whether or not the increasing use of the term inequality in the multilaterals’ parlance in the aftermath of the Global Recession, can be considered an indication of a significant change in the governance of global economy? In other words, we will attempt to ascertain whether or not, and if so to what extent, the epistemic impact of the global economic crisis has been effective in boosting a paradigm shift in global macroeconomic policy orientations. Herein lies the “stone guest” in our argument, namely the neoliberal ideology,⁶ or rather the intrinsic rationale of international political economic governance and developmental policies, as well as good governance program, attested by the flourishing literature on these topics (e.g. Craig, Porter, 2006; Drake et al., 2001; Gould, 2005; Haynes, 2005; Palumbo, 2015; Saith, 2006). Based on these premises, the main and most significant documents of the above mentioned organizations constitute the bricks from which our analysis will be built. These documents can be considered to be the building blocks in the construction of the neoliberal discourse, or rather of both the Washington and the Post-Washington Consensus.

What Governance and Good Governance are made of: the Epistemic Essence of Governance and the Evolution of the Development Discourse

There is an almost unanimous consensus on the added value of the critical constructivist approach in the analysis of global governance.⁷ Here the social construction of international politics stems from the intersubjective process of interaction between social actors. At the foundation of these processes lies power, specifically “social power” in its different guises: compulsory, structural, institutional, productive. Thus, power is twofold based on both material elements and ideational-cognitive factors built into societal relations.

Intersubjective meanings along with the construction of asymmetric (variably consistent) relationships may take shape within the social and political domain. In this framework, it is not only power but also knowledge that is the decisive resource in the construction of social reality. To clarify the concept: “epitomes are the background intersubjective knowledge – collective understanding and discourse – that adopt the form of human dispositions and practices that human beings use to make sense of the world” (Adler, Bernstein, 2005, p. 295). What is important to consider here is that an episteme “provides the fundamental categories in which thinking and acting take place” (p. 297).

Global governance thus may emerge as the “bubble within which people happen to live” or, more specifically, the episteme wherein power and discourse constitute the good governance of development. Material capabilities and knowledge, legitimacy and fairness define the bounds of this bubble. And how does legitimate knowledge emerge, namely the knowledge regarded as valid by a community of social actors? Productive power is also at work in defining “good practices”, i.e. the normative components of global governance and the moral dimensions of good governance. Intersubjective practical reason comes into play whenever knowledge and social interactions define the “structure of opportunity” for social actors, who commit themselves to a truth seeking process “on the basis of open communication and persuasion” (p. 308). The developmental regime and its correlated agenda of good governance can be considered to be the epitome of this dynamic underlying the social construction of knowledge. Briefly, in anticipation of a part of our conceptual analysis, the words of some scholars focus on some relevant dimensions of the episteme of good governance:

Normative issues cannot be easily escaped if global governance is to be viewed as good and moral [...]. The epitome’s normative components, therefore, play a critical role with regard to the type of global governance system and processes that will end up developing. [...]. The explosion of the recent attempts to define good practices and to introduce notions of accountability, responsibility, transparency, and representation to the study of international institutions and global governance is not simply academic. Equally, national, international, and transnational “global governance practitioners” are using similar epistemic materials to make sense of their world, the result of which can be manifested as institutional power (Adler, Bernstein, 2005, p. 305).

2. Good Governance: History of the Concept

“It is fair to say that until the later 1980s governance was not heard frequently within the development community. Yet today it is difficult to find a publication on development issues put out by the United Nations, multilateral and bilateral agencies, academics or private voluntary organizations that does not rely heavily on its use” (Hewitt de Alcàntara, 1998, p. 105). Therefore, in reconstructing the trajectory of the idea, it is possible to review contextually the main passages in the evolution of the regulatory regime of the international political economy.

In other words, the “genealogy” of good governance is woven with the same thread of the international macro-economic policies fabric.

It follows that “good” governance is a “good” idea. The one which has allowed major pillars of the postwar economic system (the World Bank and the IMF) to establish themselves as the building blocks of the new international economic order. The sound management of the ever-growing challenges that emerge in international politics is closely related to the evolution of the concept of governance. It is possible then to give an enlightening overview of the main stages in the evolution of the international political economy of the First World in its definition. It is also worth highlighting the two watersheds in the politics of the multilaterals’ macroeconomic policies; a paradigm shift that took place in the 1990s when the World Bank changed its orientation: from "getting the prices right" to “getting the institutions right” (Drake et al. 2001, p. 4).

In other words, the move away from a visceral dismantling of the State as an economic actor, to what can be considered to be its, at least partial, restoration. And the good governance agenda is inextricably connected to this, whereby it embodies the recovery, albeit restricted, of the State and institutions, “in contrast with the pro-market stance of the 1980s” (p. 4). A further clarification here is needed.

The first watershed, or rather chronologically speaking, the starting point of the evolution of the rationale of international political economy from **Keynesianism** to Neoliberalism (e.g. Harvey, 2005), can be traced back to the Post-Second World War macroeconomic order, when the “Golden Age” of mixed economies (the Bretton Woods Multilateral liberal tripartite IMF, WB, GATT-WTO) was shaped by American Hegemony, a Liberal Leviathan in stars and stripes. This was the constituent moment in which the multilateral “Constitution” of the Keynesian-Fordist macroeconomic international framework was put into place. Along this line of reasoning, the Neoliberal revolution occurred in the late 1970s, and it legitimized the privatization of the State-controlled economy and the substitution of the market for the social provision of welfare (Taylor, 2005, p. 269).

What the agenda of “governance without government” consists in is essentially this far-reaching reorientation of the coordinates of the Keynesian-Fordist “Constitution” of the “sovereign” State, a sort of seismic change also known as the “Washington Consensus”. The second watershed occurred in the second half of the 1990s (see herein quoted the document of the World Bank titled “The State in a Changing World”). In responding to criticisms about the failure of the Structural Adjustment Programs (explained below), it brought in a new agenda, a more demanding model of institutions along with the idea of a more effective State, thus the rescue of the State. Hence: “from the late 1970s onwards, the policies of these institutions were increasingly shaped by a free-market ideology that easily degenerated into economies” (Hewitt Alcàntara, 1998, p. 106). Consequently, in light of the failure of the Structural Adjustment Policies (wherein the above mentioned free-market ideology operated), a change of pace could not be postponed. Thus, on the one hand good governance was designed to reinvigorate State institutions, reinstating the role of "the State in a changing world", in line with World Bank dictum, removing obstacles to its reform in order to improve its performances. On the other hand, good governance can also be seen as the solution to the crisis of legitimacy of the IFIs after the contested results of the Structural Adjustment Policies, an opportunity thus to recover a shared framework for the “smooth functioning” of the global market.

3. Buzzwords, Fuzz words and the Discourse of Institutions: Sketching the Analytical Grid

Nobody trying to be influential can afford to neglect the fine art of buzzwords...images conveyed by simple terms are taken as reality, and words are increasingly loaded with ideological symbolism and political correctness. It may seem innocuous. It surely is not. Why make a fuss? The reason is that the terms we use help to shape the policy agenda...the linguistic crisis is real, and is not going to go away? (Standing, 2001, p. 13). Buzzwords and fuzz words play an important part in the process of framing policies. A critical analysis of the metaphors and the concepts, of the semantic qualities and per formative effects of words in policy frames may provide fruitful instruments in the 'deconstruction' of good governance discourse. "Taking the lead in shaping the lexicon, burying outmoded jargon authorizing new terminology and permissive slippage, and indeed generating a constant supply of must-use terms and catchphrases" (Eade, 2010, p. viii); this can be considered to be an emblematic representation of the hegemonic influence of discourse in framing policies. Both the World Bank and the IMF, along with the OECD, can be recognized in that role and good governance in its turn can be acknowledged as the main playing field for the buzzwords and fuzz words game. Beyond the metaphor: "buzzwords get their buzz from being "in-words", words that define what is in vogue [...] that dip in and out of fashion, some continuing to ride the wave for decades, others appearing briefly only to become submerged for years until they are salvaged and punt to new uses" (Cornwall, 2007, p. 472). They encode universal values, and as code-words they "sound intellectual and scientific, beyond the understanding of the lay person, best left to experts" (p. 472).

The mantra-like quality that good governance has attained in international policy circles has decisively contributed to conferring on it the status as "the mother of all buzzwords", somewhat like the "structural hole" which attracts and connects all the other nodes in a wider network. Thus, "the more words that becomes part of the chain, the more that meaning resides in the connections between them" (Cornwall, Brock, 2005, p. 1047).

The ability to rework concepts formerly part of different chains of equivalence, with different semantic qualities and performative effects, seems to be the main linguistic endowment of the Multilaterals: "the World Bank has such propensity to appropriate and rework terms" (Cornwall, Brock, 2005, p. 1056), which have been part of "counter-discourses", such as participation and empowerment, sustainability and decentralization, accountability and transparency, human rights and civil society. This brief list will be extended in the next section in order to describe the main dimensions from which the composite picture of good governance is drawn. However, before doing so, we should mention a methodological caveat. It could be claimed that it is still possible to play the buzzwords game in its own terms. Herein consists the advantage of thinking of words in constellations (i.e. the chains of equivalence) rather than as singular entities.

The possibility thereby emerges of: "reclaiming 'lost' words as well as salvaging some of the meanings that were never completely submerged" (Cornwall, 2007, p. 482). In this context, we may consider whether or not (and if so to what extent) inequality can become the pivotal word, the one that may change the meaning of the chain of equivalence in the buzzwords-fuzz words constellation where good governance, development and growth have been hogging the limelight. From this perspective, it becomes feasible to reconfigure the terms of the 'neoliberal'

framework of good governance in discourse centered on development (e.g. Craig, Porter, 2006; Freinstein, Mahlert, 2016; Sundaram, 2016).

And finally, what are the opportunities for a radical change, or, at least, for a fundamental reconsideration of the developmental policy framework within the international community, namely the multilaterals behind the regulatory regimes of the global economy? The issue of knowledge management, as executed by these international organizations (mainly the WB and IMF, but also the OECD and the UN) and consequentially of the paradigm maintenance can be regarded as the quintessential manifestation of the epistemic essence of governance and of good governance as a policy paradigm (e.g. Adler, Bernstein, 2005; Broad, 2010; Saith, 2006; Ziai, 2011).

4. Good Governance: the Voice of Institutions

The concept of good governance, as the new kid in development discourse, rose in popularity by the 2000s. A specific relationship between the state, the market and civil society has described and prescribed, viewed as the main conditionality to be met by the loan receiving countries. Therefore, it marked the transition of the IFIs away from commitment to the model of the “minimalist State” to that of a more “effective” State; one expected to play a critical role in the regulation of the market. Here lies the ‘tension’ between the normative dimension of good governance and the functional idea of State that it also conveys. Before moving ahead with our analysis, it is worth letting the institutions speak for themselves. The first quotation is from the 1992 World Bank Development Report, giving a paradigmatic definition of good governance: “Governance is defined in the manner in which power is exercised in the management of a country’s economic and social resources for development management. Good governance, for the World Bank, is synonymous with sound development management” (World Bank, 1992, p. 2). Another watershed definition is provided by the IMF in its 1997 Report:

“Good governance is important for countries at all stages of development. Our approach is to concentrate on those aspects of good governance that are most closely related to our surveillance over macroeconomic policies – namely, the transparency of government accounts, the effectiveness of public resource management, and the stability and transparency of the economic and regulatory environment for private sector activity” (IMF, 1997, p. 1). By historicizing and contextualizing these definitions we can maintain that they manifest the fundamental rationale of the neoliberal structural adjustment policy program defined so authoritatively by the World Bank as follows: “Building Institutions for Markets”. Here in the World Bank maintains that “successful provision of [...] institutions is often referred to as good governance. Good governance includes the creation, protection and enforcement of property rights, without which the scope for market transactions is limited. It includes the provision of a regulatory regime that works with the market to promote competition. And it includes the provision of sound macroeconomic policies that create a stable environment for market activity. Good governance also means the absence of corruption, which can subvert the goals of policy and undermine the legitimacy of the public institutions that support markets” (World Bank, 2002 a, p. 99). One of the main tenets of the World Bank approach to institutions has been stigmatizing corruption, viewed as the quintessential example of poor governance, counterpoised to good governance. Since its 1992 report (reiterated in 1997 and 2002) the World Bank has claimed that the “overregulation” of markets by States constitutes the main cause of corruption.

The diagnosis it formulated underlines the: “failure to make clear separation between what is public and what is private, hence, a tendency to divert public resources for private gain [...]. Excessive rules, regulations, licensing requirements, and so forth, [...] impede the functioning of markets and encourage rent-seeking” (World Bank, 1992, p. 9). Thus, “there is evidence that excessive regulation undermines economic growth. There is also evidence that poor macroeconomic policy and restrictive trade regimes adversely affect a country’s growth performance” (World Bank 2002 a, p. 99). According to the Bank, the “abuse of public office for private gain” is not just one but the main cause of corruption. However, “despite the fact that corporations regularly bribe officials”, the Bank rarely takes this into account.

Accordingly it is possible to say that the Bank “has turned a blind eye to corrupt firms, especially powerful international businesses” (Drake, et al. 2001, p. 15). In line with this, the different ways “to reduce corruption according to the World Bank include the contracting-out of services to private companies, “making rules more transparent, introducing market-based schemes that limit the discretion of regulators; and adopting administrative reforms that introduce competitive pressures into the government” (p. 13). Therein the institutions have been portrayed as the most important strategic asset for poor people, and conceived in the strictest adherence to the abovementioned (neoliberal) paradigm of Rational Choice Institutionalism. In this sense,

Addressing the challenge of building effective institutions is critical to the Bank’s mission of fighting poverty. [...]. Promote [ing] competition among jurisdictions, firms, and individuals. Developing country market actors often face too little competition, and changing this will significantly improve institutional quality. Greater competition modifies the effectiveness of existing institutions, creates demand for new ones, and increases choice for consumers. Competition among jurisdictions highlights successful institutions and promotes demand for them. Competition among firms and individuals does the same (World Bank, 2002 a, p. III, IV).

However, criticisms have been expressed on the normative dimensions of the concept. Indeed, according to some scholars, the concept of good governance lacks theoretical utility in that it seems unable to exert its fact-gathering capability (e.g. Grindle, 2005, 2008). In this sense the “causal link between the qualities of governance growth” would not appear to be as plain as expected. Thus, “whatever black box of institutions, norms, and practices promotes economic growth and development” this conceptualization assumes that good governance leads to development by definition” (Guissel quiest, 2012, p. 18). An alternative way of viewing the predicted causal link between good governance and development can be outlined as follows: donor agencies tend to highlight “good governance may promote or cause development”, or, conversely, development may be conducive to good governance. Therefore it could also be claimed that “some component of goodgovernancemay cause development, or, vice versa, developmentmay causes some component of good governance. Finally, a third factor in this hypothetical framework may cause both, or rather.

To complicate the story still further, it could also be that some component(s) of good governance causes development (or some component(s) of development), while others contribute to economic stagnation, but that the effect of those that cause development is stronger. Alternatively, it could be that the interaction of several components of good governance causes development (Guissel quiest, 2012, p. 19).

5. Good Governance, Poverty Reduction Strategy, Development: Main Critical Findings

The “multidimensional” nature of poverty along with the basic needs of “poor people” have been a recurring topic addressed in the “knowledge management” process, which lies at the core of the World Bank policy framework design. Indeed, it (together with the IMF, the UN and the OECD) is one of the most influential members of the epistemic community in the context of global policy making. Good governance and the Poverty Reduction Strategy are thus part and parcel of the same policy framework. As the above World Bank and UNDP dictums maintain, good governance, development and growth coincide insofar as their synergetic and mutual relationship simultaneously makes good governance both a precondition as well as a result of development.

Their mutual relationship is further emphasized by the World Bank, establishing the equation between good governance and empowerment: “a growing body of evidence is showing the linkages between empowerment and good governance and growth, growth that is more pro-poor [...]” (World Bank, 2002 b, p. v). In other words, good governance is the best way to make economic growth pro-poor. Hence, good governance can be considered to be not only an instrument but also an objective. The good governance template is therefore conducive to attaining the goal of “attacking poverty”, namely to meet the longstanding challenge arising from the persistent existence of the under-developed part of the world. Access to opportunity in the market, economic security and empowerment are key to the achievement of this aim. Consequently, good governance encompasses a broad reform program me who involves state actions, designed to “create the conditions in which poor people and other actors make decisions” (p. vi).

The three-legged Poverty Reduction Strategy formula (opportunity, empowerment, security) pertains to the threepronged policy framework, and “good governance would appear to be “a fourth leg in the Poverty Reduction rubric” or rather “an elaboration of the empowerment dimension” (Craig, Porter, 2006). The meaning of empowerment within this rubric is defined in World Bank programmatic discourse: “empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives” (World Bank, 2002, p. vi). The good governance framework devoted to ‘poverty reduction’ is further explained by the World Bank as follows:

An empowering approach to state reform can be viewed as strengthening the demand side of governance for greater public effectiveness, and procedures that enable citizens and poor people’s organizations to interact effectively with their governments. Such an approach also invests in educating and informing citizens and in enabling the emergence of strong poor people’s organizations and citizens’ groups. This is particularly relevant for investment projects and budget support loans that focus on improving local and national governance (p. vii).

As we saw in the definition above, which claims that the potential to attack poverty is inherent to the ‘good’ functioning of the State, the “move to institutions” of the Bretton Woods multilaterals has been put in place to address the shortcomings of the Structural Adjustment Programmers (SAPs). These global policies imposed economic and political conditionality’s for loans, and boosted neoliberal macroeconomic reforms, and featured as programmers of strict observance of neoclassic economic theory. In essence, the real success of these reforms

lies in the ‘dissemination’ of the neoliberal blueprint, which prescribed deregulatory macroeconomic policies, privatizations, lowering of taxes and free trade policies even at the cost of serious shocks, notwithstanding, or rather, due to the therapy itself. In this context, the good governance/poverty reduction strategy package was intended to soften the blow of the political and economic conditionality’s of the SAPs. Moreover, “beyond the raw neoliberals of the SAP”, the program me of good governance within the poverty reduction strategy shifted to become an inclusive and participatory version of the SAPs.

Poverty Reduction’s Millennium Development Goals (MDGs) were nascent within the United Nations Development Program me (UNDP), adopted by 189 nations in the Millennium Declaration [...] and then reaffirmed by all United Nations (UN) members in the Monterrey Consensus and in the Johannesburg Plan of Implementation of 2002 (Craig, Porter, 2006). Decentralization of service delivery, consultative participatory frameworks, stakeholder ship and civil society organizations involvement have all been targeted at performing the neoliberal institutionalist governance program. Digging deeper into the description of the policy framework at issue requires a description of its tripartite design: Inform (consumers), Enforce (contracts and law), Compete (make multiple agencies compete for contracts to deliver services). This has been represented as an Accountability Triangle with (in one corner) the consumer’s informed voice and choice, which together with (in corner 2) policy-maker’s contracts and compacts with service deliverers (corner 3) would deliver more accountability for service delivery (Craig, Porter, 2006).

Thus, accountability, transparency and rule of law constitute the three building blocks of good governance within the poverty reduction strategy device. In any evaluation program me, which deserves to be considered as such, both strengths and weaknesses have to be taken into account. Hence, although harmonization of donors’ requirements may substantially reduce transaction costs in accessing aid, enhancing the efficiency of aid management, at the same time it fosters the establishment of a transnational technocratic elite, consequently “crowding out” genuine, spontaneous social movements, thereby ruled out from participatory processes. In the words of a scholar:

The prevailing domination of creditor interests (streamlined disbursement, guarantees of repayment) without increased controls on lending policies; the empowerment of cosmopolitan middle-class positions in the policy elite [...] at the expense of deepening popular democratic influence and oversight; the abuse of consultation to legitimize predetermined policies (and duplicity in the portrayal of the process as participatory); the onedimensional focus of public policy on social investments without parallel attention to productivity; the affinity between the productive social forces excluded from the policy process (the domestic middle class, small-holder producers) and the absence of corresponding economic elements in the policy framework (agriculture, manufacturing); the reinforcement of quasi-feudal political relations at the grassroots as a result, in part, of the depoliticization of public policymaking (Gould, 2005, p. 63). A shallow re-embedding of markets in an institutional context and embracing the soft ‘institutionalism’ of community participation and NGOs partnership are considered to be the soft version of neoliberal reforms (that is the SAPs), a way to preserve market priority under the heading of participatory policy and consultation of civil society stakeholders.

6. From Poverty Reduction to the Assessment of Inequality in the (post)developmentalist discourse: the demise of Neoliberalism?

Perhaps, no other concept as that of development, since its outset, has been so eager to claim unanimous consensus yet been so vigorously contested at the same time; a case in point indeed of the eminently contested nature of social concepts (Gallie, 1956). It is noteworthy that, notwithstanding the radical post-developmentalist critique (Ziai, 2004), the inherent complexity of this concept has to be addressed the very moment that one decides to get to grips with it. That is to say, overly compromised with the imperialistic essence of Western modernization theories and politics, its universal commitment betrayed by its bearers, i.e. Western countries, this concept as a sort of “malignant myth” must be abandoned in order to allow its victims to free themselves from its longstanding and perverse influence.

However, it is not necessary to assume such a radical position in order to criticize the concept and reveal its shortcomings. A cautious analytical stance is therefore recommended to avoid the risk of remaining entrapped within a fallacious standpoint. According to scholars, in particular Ziai, a perverse confluence may occur between the critique of developmentalism in post-developmentalist theories, and the neoliberal policy programmers which aim to exclude those redistributive policies intended to better standards of living beyond the western domain to the advantage of all humanity. Be that as it may, it is worth focusing here on the critical potential of reworking the concept of development, since the topic of inequality seems to be revamped. Comparing this renewed attention to the issue of inequality to the NIEO moment in the history of international political economy (or rather to the McNamara-Chenery programme of “redistribution with growth prescription”) (Mosley, 2012, p. 19) the question can be posed in these terms: is there any room for maneuver to bring inequality back within the framework of developmental and macroeconomic international policies from which it was excluded in the decades of neoliberal hegemony?

And, are the IFIs making efforts to maintain paradigm in the face of this alleged change, or are they open to a paradigm shift in response to the challenge of the Global Recession? These questions will be briefly tackled here by first seeking to deconstruct the narrative of the Millennium Goals discourse: drawing out how the dimension of inequality, according to scholars, has been neglected or subordinated. Subsequently, an attempt will be made to assess the potential of this renewed interest in global inequality, supported by the international development community in the design of the Sustainable Development Goals. What critical studies point out is that the MDGs narrative “tends to ghettoize the problem of development” placing it “firmly in the third world”; consequently, the “rising levels of inequality and accompanying socio-economic exclusion find no reflection at all in the goals or targets or indicators. Mostly, poverty is regarded as absolute, neglecting the rising inequalities within and between different countries, making even less tenable the ghettoizing of poverty to the “third” world.

In this context then, no wonder “there is no mention at all in any form of redistribution whether of income or assets” (Saith, 2006, p. 1185). The MDG framework has been designed by considering poverty reduction to be “detached from the constraints imposed by structural inequality and anti-poor and anti-labour policy biases. The answer is held to lie in the simple equation: external assistance + technological fixes + good local governance =

poverty reduction” (p. 1189). Comparison of the MDGs against the first decade of development programmes, during the thirty years of Keynesian-embedded liberalism, has allowed scholars to pinpoint the differences. According to Ziai, comparing the UN International Development Strategy of 1970 and the Millennium declaration, it is possible to see how

A chain of equivalences is established between the signifiers “development”, poverty reduction and economic growth [...]. Conflicts of interests are hardly mentioned, resulting in a depoliticized view of the problem of global inequality. A global harmony of interests is seen as a consequence of increasing global interconnectedness and the ensuing mutually reinforcing relationship between development, security and human rights, leading to a reconceptualization of interests and identities [...].

The most conspicuous element identified in the comparison is the predominance of efforts to regulate global trade as a strategy to promote development in the [International Development Strategy], something which has almost disappeared in the MD [Millennium Development Goals]. The numerous differentiations between “developing” and “developed” states as actors and their corresponding needs and obligations have also disappeared. The proposed measures are far more concerned with free trade than with intervening in the market mechanisms of the global economy in favor of peripheral countries or with reforming world order (Ziai, 2011, p. 41). Confronted by the Global Recession, the IFIs, the donor community and the OECD countries, started at least to cross-examine themselves about inequality, an issue that had almost been totally suppressed in the mainstream policy frameworks of these organizations over almost thirty years of neoliberal hegemony.

Scholars argue that it is possible to envisage three different scenarios as the possible result of the alleged paradigm shift away from neoliberal hegemony: a radical break, smooth incorporation or a fundamental reform. According to some scholars, there seem to be reasons to support the third hypothesis, that of fundamental reform, starting from the Sustainable Development Goals declaration containing as main objectives the reduction of inequality within and between nations (a worthy goal with the potential to respond to one of the main shortcomings of the previous programmes, if carried out effectively) by sustaining income growth of the population, empowering people (a clear resemblance here with the lexicon of good governance), eliminating discriminatory law, making institutions accountable and people involved in decision making processes, in order to improve “regulation and monitoring of global financial markets and institutions”, which is the most sensitive objective of the programme (Freinstein, Mahlert, 2016, p. 7).

What is worth pointing out here is that the opportunity to “improve regulation and monitoring of global financial markets and institutions” figures within the objectives of the SDGs, marking a significant discontinuity in the face of previous statements and programs of the international development community. In this context, one may wonder whether or not the conservation of the term sustainable, already ingrained in the chain of equivalence constituted by the signifiers of good governance, development and (in the last decade) also of poverty reduction strategy, can be consistent with the hypothesis of fundamental reform. At this point we can assess the alleged paradigm shift in the IFIs discourse, promulgated by the World Bank (2013), the IMF (Ostry et al. 2014), and the OECD (2011), the latter apparently the most sensitive to the reasons for inequality.

By illustration, let us quote here some relevant statements in an important OECD document. Starting from an acknowledgement of income inequality given that: In OECD countries today, the average income of the richest 10% of the population is about nine times that of the poorest 10% – a ratio of 9 to 1. The Gini coefficient, a standard measure of income inequality that ranges from 0 (when everybody has identical incomes) to 1 (when all income goes to only one person), stood at an average of 0.29 in OECD countries in the mid-1980s. By the late 2000s, however, it had increased by almost 10% to 0.316. Significantly, it rose in 17 of the 22 OECD countries for which long-term data series are available [...] (OECD, 2011, p. 22). It goes on to maintain: “Policies for inclusive growth are required in the current situation.

Any policy strategy to reduce the growing divide between the rich and poor should rest on three main pillars: more intensive human capital investment; inclusive employment promotion; and well-designed tax/transfer redistribution policies” (p. 41). As far as the IMF is concerned, its position can be considered more “conservative”: The equality seems to drive higher and more sustainable growth does not in itself support efforts to redistribute. In particular, inequality may impede growth at least in part because it calls forth efforts to redistribute that themselves undercut growth. In such a situation, even if inequality is bad for growth, taxes and transfers may be precisely the wrong remedy (Ostry et al., 2014, p. 4).

However it concludes: “While we should be cognizant of the inherent limitations of the data set and of crosscountry regression analysis more generally, we should be careful not to assume that there is a big trade-off between redistribution and growth. The best available macroeconomic data do not support that conclusion” (p. 4). Particularly remarkable is the contribution of the World Bank on the topic of Inequality. In a detailed programmatic report, it provides a series of policy advices and “lessons” to be learnt, to policy makers and researchers, whilst it entrusts to the public debate its findings on the subject matter of “exclusion”. The rationale of the document is positively defined; hence it asserts that “inclusion matters”. Social inclusion is then devoted to laying the foundations for “shared prosperity”. What seems to have emerged is that: inclusion and exclusion are defined in a very broad and comprehensive way (taking into account the problems of cultural, sexual, identity, ethnic discrimination), consequently shifting the focus away from the question of income and economic redistribution; the connection between redistribution and regulatory policies has not been taken into account, since the word “regulation” is used only within the semantic of environmental policies (still very important) and the self-regulation and creativity(!) of individuals.

No place has been found to host the adjective “macroeconomic” (which is implied in regulatory interventions). Instead, the semantics of human capital is given center stage in the World Bank discourse about social inclusion. Policy frameworks, knowledge-management (episteme), dissemination are considered the main assets in driving dramatic changes in contemporary world politics. Failing these, the World Bank warns, change will come anyway, if not “by design” but “by stealth”.

7.1 Reclaiming Meaning through Reconfiguration: Is the Concept of Inequality Back in? Intention Denied?

In the aftermath of the Global Recession it is possible to raise the following questions: what are the opportunities for the principles of equality and social justice to be realized within a “globalized world” wherein the hegemonic

position of the Western countries is contested, new powerful actors have emerged and fragmentation along geopolitical and geo-economic fault lines has constantly been growing? What will then be the potential to contest the neoliberal hegemony? And to what extent, if at all, is the episteme of neoliberalism losing ground? In our view, there seems to have been some attempts by the multilaterals to address the overwhelming evidence of inequalities in OECD countries by managing - paradoxically at the same time - a move to a paradigm shift within the macroeconomic and development policy framework, that which the concept of good governance exemplifies, together with some (we would say to date) stronger efforts to maintain the previous neoliberal paradigm. From this, our assertion is that the challenge to the neoliberal “chain of equivalence”, which includes good governance, poverty reduction, development, considered as the main “nodes” in the conceptual network, has been launched. This gauntlet has been thrown down by the entry of the topic of inequality into the neoliberal hegemonic narrative. Despite this the consequences on the rationale of the neoliberal policy frameworks of the IFIs seem neither immediate nor far-reaching.

By way of picking up the threads of our reasoning, we will start by reiterating the main features in the discourse of our analytical “targets” - the World Bank and the IMF. “In particular, can we find evidence that, on average, the negative growth effects of inequality outweigh any positive growth effects of the resulting reduction of inequality?” (Ostry et al. 2014, p. 6). Along this line of reasoning, the IMF is drawing a sort of Pareto Frontier to establish the rationality of the introduction and implementation of redistributive reforms with a view to reducing the impact of inequality on growth. In other words, the matter at hand consists in assessing strengths and weaknesses, namely the costs and benefits of implementing redistributive policies consisting of interventions within fiscal policies. We could argue that here more or less the same underlying logic of an evaluation drawn in terms of rational choices (we may say business as usual).

For instance when the IMF maintains that: “redistribution that takes from the rich and gives to the poor is likely to reduce the labour supply of both the rich (who are taxed more) and the poor (insofar as they receive means-tested benefits that reduce incentives to work)” (p. 11), well then, does this mean that the rationale of the neoliberal reform of welfare states, since the 1980s in OECD countries and through SAPs elsewhere in the world, is still in place? Some clues seem to emerge here in this regard. Re-reading the text from a critical perspective allows us to shed light at least on one point: ambiguity seems to underlie the rationale of the positions expressed by the IMF on the question of “redistribution, inequality and growth” and this is a prime example of the fine art of “paradigm maintenance” in the face of mighty socio-economic challenges.

Also, the goals listed in the Sustainable Development Goals Declaration can be interpreted as being somewhat ambiguous, at least some of them, ones which are supposed to represent a means to escape the ‘ghettoizing’ logic of the MDGs; a logic which confined the problem of poverty mainly to the Third World, almost neglecting the existence of inequalities within the First. According to critics there is a lack of “unity in the understandings and assessments” in this list. The case in point is that it lacks “any significant increase in the needed means of implementation”, that is “there are now so many goals and targets that developmental prioritization and focus may get lost [...] [along with] a strong technocratic bias” (Sundaram, 2016, p. 32). The “endless repackaging of

old initiatives as sustainable” reveals at least the lack of progress towards meeting major targets, whilst calling into question here the feasibility of the planned fundamental reform of development objectives by virtue of the reinstatement of inequality within the discourse of international organizations.

The OECD programmatically focuses on policy remedies to social and economic challenges. Specifically, the four main areas of intervention identified are: “women’s participation in economic life, the employment promotion and the good quality job, skills and education, the tax-and-transfer systems for efficient redistribution” (OECD, 2015, p. 22). It would be impossible here to address in a few words all the analytical trappings of this statement, but a few comments are warranted. First, as far as the good quality of jobs, reliance on “activation policies” is a way to restore the same policies which accompanied the austerity programmers during the Great Recession, ones “more concerned with cutting welfare benefits, increasing conditionality for social benefits and pushing [...] people toward workfare-type programmers”. These apply to policies of “job search assistance, labour incentives for employing the unemployed” (France, 2016, p. 210) mainly in precarious or time labors. Secondly, despite the aim to tax “capital gains on bequeathed assets” in order to “effectively pursue the objectives of intergenerational social mobility and equality of opportunity” (OECD, 2015, p. 49), it is emphasized that “more generally, while effective social protection requires a strong and sustainable resource base, it does not necessarily mean that governments need to push up spending level. Ensuring the tax revenues are used efficiently means that social support measures need to be well targeted and implemented” (p. 49). These positions seem to fit into the rationale of the New Public Management reforms of the public sector that took place at the dawn of Neoliberalism almost thirty years ago.

Last but not least, there is the World Bank with a remarkable instance of its mastery in the art of epistemic management. It takes issue with the “intersectionality” of social exclusion, that is the lack of “recognition”, in the societal relations within different domains, that is social and cultural spheres not only or rather not mainly in the economic field.

And it is here that the specificity of the epistemic policy framework emerges when the World Bank points out: “Understanding that “the poor” are not one homogeneous mass but are rather differentiated on the basis of occupation, ethnicity, place of residence, or race is central to developing effective inclusive policies” (World Bank, 2013, p. 4). It then refines its definition as follows: “social inclusion is also not the same as equality. [...] There are many ways that people can achieve fuller participation and inclusion, even if they lack an equal share of resources. At the same time, even people at the higher end of the income distribution may face social exclusion through political persecution or discrimination based on age, gender, sexual orientation, or disability (p. 4). Thus the economic dimension of inequality is disguised under the broader rubric of “exclusion”. Here in the World Bank seems to refer to politically correctness and even critical awareness in contemporary philosophical and sociological discourse, considering the intertwining of different dimensions of discrimination, cultural, sexual, racial, but also economic which is, we may say, almost disguised in the World Bank discourse. Based on these observations, we can raise here a salient question: to what extent if at all, has the Great Recession had a “revolutionary” impact on the IFIs discourse towards a reconfiguration of this discourse and then towards a

paradigm shift in the policy orientation of the IFIs? Is it at least possible to think of a fundamental reform in the making? According to some authors, what has emerged instead is the resilience of neoliberalism. “What remains of neoliberalism?”, claims Crouch, one of the most important scholars to grapple with the concept of neoliberalism; “the answer must be”, he argues, “virtually everything” (Crouch, 2015, p. 179). In this sense, according to Mirowski, the resilience of neoliberalism can be considered to be the manifestation of “systematic attempts to pump doubt and confusion into the public discourse” (Mirowski, 2014, p. 226). And think tanks, influential scholars, politicians are deemed to be the champions of this kind of epistemic knowledge-management. Above all, neoliberalism and neoliberal governance can viewed as a specific type of “public action” designed to reinforce and re-establish the capitalistic structure of global economy. Variegated neoliberalization processes with their ability to adapt and fit to different policy – and political – contexts, can be regarded as their main endowment (e.g. Moini, 2016). In a Gramscian sense the broadness and adaptability of such a political category of neoliberalism is the main element for accomplishing its aim. A counter-hegemony “counter-movement” then is what new social movements and anti-austerity global protest are eager to “globally” achieve (e.g. dellaPorta, 2015, Gill, 2002).

7. Conclusion

Governance can be considered to be a “paradigm-generating concept”. It has been used to mark the onset of a new era of international politics by identifying the rationale of globalization of macroeconomic policies. Also it has provided the conceptual instruments to designate and describe the watershed transformations of the State in the global age. We have reviewed here the evolution of the concept and the epistemic underpinnings on which it is based. The focus has been in particular on the normative features of good governance, as implied in developmental discourse, which can be considered to be at the same time a pivotal and essentially contested concept. In this sense, we have explained how the concept has been engendered within the episteme of the PostCold War politics, marking a profound change in orientation in defining the relationship between the different social domains. Our analytical focus on the lexicon of institutions has drawn out the main features of the discourse of international financial organizations in defining governance and good governance. The complexity of the concept has emerged, since it is a broad-based signifier with different declinations, as well as overlapping with other concepts such as the State, democracy, participation, market and civil society. The epistemic, normative and political implications of the concept have been explored under the rubric of developmental policies. Within this semantic field, we have striven to assess the impact of the reemergence of the concept of inequality, viewed as a dissonant signifier within the discourse of neoliberal good governance.

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