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In Search of Development and Governance: Practice and Challenges in a Globalized World

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Abstract

The idea of development was recognized as a tool for helping countries to achieve progress in establishing and sustaining economic and political systems and improving living conditions for citizens. For several decades, scholars and practitioners were optimistic of the success of the tool and some progress was achieved in some areas. A serious assessment of development revealed that it has not met the high expectations and, in fact, contributed to worse conditions for certain groups of people across the developing world. Several changes in the world system and the advent of globalization, in particular, distorted the outcome of many development efforts. Uneven results and disillusionment with development led analysts to consider the potentials of good governance that could contribute to the improvement of conditions by emphasizing a number of values such as accountability, transparency, adherence to rule of law, equity and efficiency. However, it is unrealistic to expect one single model of development or a prescribed strategy for attaining good governance in a globalized world. The article argues that it is time to recognize the inherent diversities across political, economic and social systems and recognize differences to build on strengths derived from indigenous traditions, cultures and practices.

Keywords

Development, governance, globalization

Introduction

Since the conclusion of the Second World War, the strategy of development became prominent as the panacea for problems affecting the progress of mankind in the developing world. The idea dominated the literature for several decades, and there were high expectations among nations and their leaders. Eventually, development was recognized as a mixed blessing with piecemeal progress in some areas while escalating inequity in society. Later, the emer-

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gence of the concept of governance was greeted with the same degree of enthusiasm, and was expected to contribute to the improvement of living conditions across the world. The contributions of emphasis on good governance are yet to be fully assessed and understood.

Uneven results and disillusionment with both development and governance have opened the scope for a comprehensive review of the origin, progress, practice and outcomes of these ideals. The wave of globalization facilitated the spread of practices across countries and revealed the challenges involved in the process. Diversities across political, economic and social systems reiterate the need for recognizing differences and allowing each nation to develop and flourish based on strengths derived from indigenous traditions, cultures and practices. Based on an extensive review of the relevant literature, this article argues that both development and governance have suffered due to diverse interpretations of the concepts and achieved mixed success. The advent of globalization has contributed to further complexities as it appears to be yet another tool for exploiting the developing world.

Development: Concept and Approaches

Development is defined in many ways. Generally, it is considered a desired strategy that results in a number of positive outcomes. The most common aims of development are poverty reduction, provision of basic needs, social progress, health and education, establishing and sustaining economic and political institutions and protecting the environment. According to the World Development Report: "The challenge of development… is to improve the quality of life…better education, higher standards of health and nutrition, less poverty, a cleaner environment, more equality of opportunity, greater individual freedom, and a richer cultural life." The idea is that improvements in specific sectors will provide an aggregate outcome of overall development. While many countries have achieved some progress in specific areas, several issues remain unresolved and new problems have emerged to add to the complexities (World Bank, 1991a).

The literature on development presents a variety of views. Alfred Diamant stated that a "political system is said to be developing when there is an increase in its ability to sustain successfully and continuously new types of social goals and the creation of new types of organization" (1966, pp. 26-27). According to Dudley Seers (1969), development results in a reduction or elimination of poverty, inequality and unemployment. Almost two decades later, Edgar Owens (1987) pointed to the importance of development of people or 'human development'.

The spirit of development has existed since ancient times. Rulers devoted their lives to ensuring justice and improving living conditions of the residents in their kingdoms. This was partly due to the goodness of human nature but was also intended to help monarchs hold on to power by keeping the population appeased. In the process, ancient rulers facilitated arrangements for security and assisted the public to work and live under a stable environment. "However, the state of the world in ancient times did not provide scope for such ideas to travel across countries and continents and the efforts were contained within specific localities or regions" (Huque, 2009, p. 2).

The modern approach to development can be traced to the inaugural address delivered by President Harry Truman of the United States in 1949. In the speech, President Truman pledged to start a new program for making available the benefits of scientific advancements and industrial progress achieved in the West for the improvement and growth of undeveloped or underdeveloped areas. He stated that all countries "will greatly benefit from a constant progress of the better use of the world's human and natural resources," and added that "Democracy alone can supply the vitalizing force to stir the peoples of the world into triumphant action, not only against their human oppressor, but also against their ancient enemies – hunger, misery and despair" (*Public Papers of the Presidents, January 20, 1950, pp. 114-15; as cited in Rist, 2006*).

Modernization Theory

The modernization theory of development is a product of the behavioural revolution in the social sciences in the United States in the late 1940s and persisted until the 1960s (Rapley, 2002). The theory derives from the evolutionary ideas of Charles Darwin (1859) and Herbert Spencer (Freeman, 2000), and was influenced by economic ideas propagated by Adam Smith (1778) and John Maynard Keynes (Toye, 2006). The basis was Social Darwinism, according to which societies went through the sequential stages of birth, maturation and decay. According to Reyes (2001), a combination of four factors influenced the emergence of the modernization theory: (a) the rise of the United States as a global power to finance the reconstruction of devastated Western Europe; (b) the rise and spread of communism under the leadership of the Soviet Union; (c) the fall of the European colonial empires in Asia, Africa and Latin America; and (d) the birth of new nation states that were in search of models for economic development.

Interestingly, these ideas also adhered to some kind of an international division of labour based on certain presumed qualities possessed by inhabitants of the various regions of the world. Inhabitants of the tropics were presumed to be naturally "docile, indolent and superstitious," and had to be led, educated and administered by those of the temperate zone who were presumed to be "industrious, creative, and culturally superior" (Kidd, 1898). The message was that the countries of the Western world have attained high levels of civilization, progress and skills, and the rest of the countries must emulate them.

Early thinking on development focused on democracy and the driving force of laissez-faire economic system. Walt Whitman Rostow (1960) suggested that development occurred in five distinct phases – the traditional, the take-off, the drive to maturity, mass consumption, and post-mass consumption. In other words, there was a clear line of progression from the traditional agrarian system to a modern industrial one. In addition, Gabriel Almond and Sydney Verba (1963) stressed the value of a 'civic culture' embodying democratic ideals. Daniel Lerner (1958) focused on the adoption of a 'modern personality' that embraced science, democracy, and laissez-faire capitalism.

Some proponents of modernization theory found a connection between democracy and economic prosperity. Neo-classical economists argued that the post-war recovery of Western Europe through the Marshall Plan could be replicated with similar plans elsewhere. Accordingly, the Colombo Plan was devised in 1951 to ensure post-war recovery in Asia. The Plan called for massive infusion of capital into the region through grants, aid and direct investments to revitalize free enterprise and, more particularly, to rebuild the rural and agrarian infrastructure of the Asian economy (Oakman, 2010). By the early 1970s, the failure of development strategies formulated by modernization theorists became obvious. They were actually exacerbating rather than reducing poverty.

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Dependency Theory

The dependency theory emerged largely in response to the failure of modernization theory in explaining development. Instead of the split between traditional/modern and agricultural/industrial societies, this approach viewed the world as divided into core or metropolitan and periphery or satellite. The two groups represented those with power, resources and control, and those without. According to dependency theorists, instead of assisting the development of the periphery nations or developing countries, the core or developed nations engaged in exploitation of whatever surplus might have accumulated in the periphery. Unequal terms of trade made the periphery a source of raw materials while the core became an exporter of manufactured goods. Thus, the developing states were not autonomous of external control.

Much of Asia, Africa and Latin America were regarded as a vast market for capitalist products and also a source of raw materials and cheap labour. Another consequence of this arrangement was the institutionalization of exploitation through various mechanisms of neo-colonial control, such as, aid, trade and investments. This would result in confining the developing countries to a perpetual state of agricultural and pre-industrial status.

Neo-Marxists explained development in terms of the expansionary character of capitalism. As this ideology expanded beyond European boundaries, the economies of the colonial areas were reshaped in a manner that rendered them subordinate to the demands of capital. This resulted in an international division of labour in which the capitalist countries of Europe and North America could monopolize the industries as well as the capital needed to sustain them. It was also argued that development should aim at changing the world and revolutionary movements were the most effective instruments for this purpose. The assumption was that the impediments to development are the self-serving interests of the core countries and their collaborators in the peripheral countries.

Another approach was to adapt socialist movements and parties to a pluralist political framework in which they find themselves. This allows them to operate by essentially the same rules as other political groups and parties that are of non-Socialist orientation. For instance, Socialist parties in Great Britain, France and Italy have obviously found a way to reconcile their existence with Marxist thought and practice. In Nicaragua, the Sandinista movement attained state power and allowed pluralism to prevail, and unfortunately, that led to its own ouster from power.

The goals of poverty reduction and the achievement of economic growth dominated the debates on development in the early years.

Poverty Reduction: During the 1940s to 1960s, poverty reduction was more implicit than explicit in development policy. States placed primary emphasis on raising GDP per capita through economic growth. It was assumed that poverty reduction would follow from growth. Raising output was emphasized, in particular raising overall productivity (output per person) by shifting labour from sectors where its productivity was low to sectors where it would be high. This resulted in a concentration on industrialization which was viewed as a dynamic sector. For many development policymakers, agriculture appeared to be hopelessly backward and unproductive. Thus, industrialization and urbanization became synonymous with development in the minds of many policy makers during the early years. These ideas were reinforced by the successful example of the Soviet Union which achieved massive industrialization from the 1930s. Aid donors enthusiastically supported large infrastructure projects, especially when these benefitted their own suppliers of capital equipment and expertise.

Per capita income is the average measure of a country's living standard, and there can be wide variations around this mean. This variation or inequality of income shows substantial difference across countries, and reflect differences in the distribution of wealth (land, property, finance), and human capital (people's skills and capabilities, which are products of their education and make them more productive). The differences, in turn, reflect country-specific histories of colonization, war and policy decisions. For example, South Africa's extreme inequality in income and wealth is a legacy of the colonial policy of apartheid. It should be recognized that there is an ethical dimension to inequality and discrimination, and it can be socially destabilizing.

Economic growth, too, will have a smaller benefit in reducing absolute poverty when a society starts from a position of high inequality. The rich will gain much more from any percentage point of GDP growth than the poor when the rich command substantial income and wealth to begin with. A great deal of growth in economic output will be required before averages begin to rise. Thus, highly unequal societies need to grow a lot faster to achieve the same amount of annual poverty reduction. There may be substantial differences in degree of poverty among countries experiencing similar levels of per capita income. For example, while Niger and Tanzania have similar average incomes, the former has twice the percentage of its population living under the poverty line. Similar differences can be noticed between Nigeria and Senegal, and Nicaragua and Vietnam (Chandy, 2015).

External capital flows, including foreign aid, can be helpful to poor countries. But many developing countries need to do more to mobilize additional domestic resources to finance increased public spending for pro-poor programs. This requires effective state organizations to mobilize revenue and spend it wisely. It also requires economic growth to expand the tax base.

Therefore, poverty reduction has become a more explicit objective of development policy, while economic growth is seen as a means to an end, rather than an end in itself. The effectiveness of economic growth in achieving poverty reduction lies in understanding how poor people make their livelihoods, whether they have a share in the economic growth, and how revenues generated by growth are used.

Economic Growth: Economic growth can take place in many ways. Population growth adds to the number of workers and output in a country. Labour productivity rises through accumulation of capital equipment together with the advantages of technical progress. The implications of growth for poverty reduction depend on whether it involves expanding the output and income that the poor derive from self-employment or their opportunities for wage-employment.

The nature of growth also determines whether its environmental impact is benign or destructive. Agricultural growth may result from a careful treatment of 'natural capital' on which livelihoods depend. Alternatively, these renewable resources may be depleted to levels that threaten their existence. Early development strategies ignored this dimension. The methods of achieving economic growth in a more environmentally sustainable way have now emerged as a major issue.

The economic role of the state is one of the central issues dividing opinion on development strategy. Debates are related to the ability of the market to produce socially desirable outcomes, as well as the effectiveness of the state in correcting undesirable market outcomes. Views on the role of the state have changed over the years. Earlier, the emphasis was on state-led development since the nongovernment sectors in most developing countries were weak or underdeveloped. This approach was subsequently challenged by the proponents of a market-liberal view, leading to widespread economic liberalization.

Many countries were driven by the failure of past development strategies due to policy conditionality attached to aid, and the need to attract private capital and Foreign Direct Investment. Consequently, these countries engaged in economic reforms to achieve these objectives. This was done mainly because market liberalization is easier to achieve then reforming the state.

Economic growth can achieve some poverty reduction, but pro-poor policies are essential for maximizing benefits for the poor. In many countries, social policies were neglected as states strived to achieve higher economic growth and impress citizens with modern infrastructure. Much later, the issue of human development was recognized to recognize the need for policies to promote strategies and facilities to contribute to a dignified existence for citizens.

Poverty reduction does not simply produce higher incomes; it also improves human development indicators. This implies the delivery of pro-poor services, particularly in basic health care, safe water and sanitation, and primary education (with emphasis on delivery to non-urban areas), and gender equity. It is agreed that the formation of human capital through better health and education is not only good for poverty reduction, but also contributes to economic growth, especially as countries attempt to move beyond exporting primary products to selling skill-intensive manufactured goods and services.

The market has a role to play in driving development. There is less support for the idea that the state should directly run manufacturing enterprises or farms, and a greater recognition of the private sector's strengths. But there is no consensus on whether utilities such as power, water and transport infrastructure should be in private or public ownership. Regardless, fiscal crises have driven many governments in developing countries to privatize state utilities. Developing countries are now keen to attract private capital flows, mainly because of the decline in official grants. But private capital remains concentrated on a few countries where the investment climate is relatively stable.

Development Strategies and Outcomes

Many developing countries have faltered in the path to development. Decisions to take the capitalist path of fast-paced industrialization or a market-based economic system often backfired. Market failures, then, had to be addressed by state intervention. On the other hand, the socialist approach adopted by some countries prevented private enterprise from prospering and contributing to the economy.

Politically, democracy was relegated to the background in most of these nations. Many post-colonial nationalist leaders opted for an authoritarian approach, and China and Vietnam succeeded in "lifting people out of poverty" (Tran, 2011). This was adopted in the name of nation-building purposes despite demands for greater representation of the people in national and local politics. Economic development was controlled by the state, and stringent regulations governed social and economic relations.

A totalitarian approach in China and strategy of bureaucratic-authoritarianism in South Korea, Taiwan and Singapore were successful in laying strong foundations of economic growth. These factors helped open up their economies and participate effectively in the global market. On the other hand, India adopted a democratic approach immediately after independence, and adhered to a socialist path to development. As a result, political institutionalization was relatively easier to obtain and the resultant political culture that helped sustain democratic rule.

In the context of global changes since the 1990s, classical approaches to development retreated to the background. Instead, the neoliberal agenda became popular and was increasingly adopted to steer states toward development (Herrera, 2006). These policies changed the way countries interacted with one another to boost competitiveness and secure comparative advantages in international commerce.

This changed the way in which individuals, groups and states think and act to achieve development and social progress.

Earlier, the goals of development were easier to identify because they were assessed with reference to measurable indicators such as increase in per capita income, gross domestic product, rate of literacy, availability of health care services and facilities. As civilization progressed and technology began to alter life patterns of citizens, additional and more complicated metrics were included within the scope of development. Gradually, issues of gender and human rights acquired prominence in the literature. More recently, new issues of global warming, environmental protection, global financial system management, international and domestic migration, intellectual property rights, cyber security, and unexpected health risks have received attention in the development literature. The pandemic of 'novel coronavirus' reiterated the importance of global health as a prerequisite of development. A noticeable shift in strategies of development has been the emphasis on sustainability along with growth and redistribution of benefits.

Initially, the process of development was intended to help countries eliminate poverty and exploitation and improve the quality of life for citizens. There was a fair amount of enthusiasm in achieving these goals, and a number of programs were initiated to provide food aid and technical assistance by the wealthier countries. Interestingly, following the conclusion of the Second World War, development emerged as a tool in the hands of developed countries to win over supporters and clients to their economic and political ideologies.

The "Free" or "First World", led by the United States of America, sought to ensure entrenchment of western liberal democratic political systems on the basis of a capitalist ideology. The other superpower of the time, the Union of Soviet Socialist Republics was eager to recruit countries within the socialist block or "Second World." These countries were expected to adopt a socialist ideology with controlled economy. In fact, these efforts can be viewed as strategies to strengthen each block by drawing countries from the "Third World" to join the two superpowers that would be able to continue exploiting them.

A third group of "non-aligned" countries was formed under the leadership of Prime Minister Nehru of India, President Tito of Yugoslavia, and President Nasser of Egypt (Khilnani, 1987). However, this block was not powerful or wealthy enough to shape ideologies or economies of developing countries and compete with the two superpowers. Since financial and technical aid was needed by the developing countries, the ideological aspect remained prominent and fuelled much of the competition during the Cold War. The divide between socialist and free-market economy was prominent for some time. It became obsolete with shifts within communist and socialist countries, who embraced the free-market model, even if partially.

After the Second World War, borders were redrawn, new states formed, and old states refashioned. The ideological divide between capitalism and communism became stark, and the two superpowers engaged in constant competition to win the support of states in the developing world. They offered development aid, reconstruction services and technological assistance to countries in this effort. Thus, the Cold War between the capitalist and socialist forces had a strong influence on the way new nations planned and managed their social, political and economic life. Cammack and Tordoff (1993) found that these countries adopted strategies of 'nationalism' or 'developmentalism' to find a 'third way' to avoid an "unconditional alliance with either bloc, or the adoption of borrowed models of economic and political development". The strategy was commendable but did not succeed in most cases on account of resource scarcity, corruption or political instability.

The discourse on development reflects the context and shifting interests of scholars. Earlier, it was viewed as the movement of a country from agricultural to industrial, and traditional to modern society. Traditionally, development implied stable political systems, a sound economy, a general consensus of values among all participating groups, a responsive electorate, well developed political and civil institutions, and effective machineries to help with formulating and implementing decisions (Heady, 2001).

At one time, development was considered largely synonymous with industrialization and economic growth. Its ultimate goal was to raise income and give poor people access to a range of goods and services that was widespread in developed societies (Rapley, 2007, p. 1). Apparently, it was believed that only industrialization could lead to development, regardless of the degree of affluence a country attained through agricultural productivity. As the world faced new and diverse problems, more complex issues emerged.

In practice, development of a country involves a move from an unsatisfactory, social, economic and political condition to one that is more humane, relatively prosperous, environmentally safer, and politically more inclusive (Zafarullah & Huque, 2012, pp. 43-44). It is a multidimensional concept that cannot be understood and analyzed in absolute terms. In the context of the contemporary world, the process of development was expected to:

(1) Increase the availability and widen the distribution of self-sustaining goods such as food shelter, health and protection;

(2) Improve standards of living; this would include - in addition to higher incomes - the provision of more jobs, better education and greater attention to cultural and human values, all of which will serve not only to enhance material well-being but also to generate greater individual and national selfesteem; and

(3) To expand the range of economic and social choices available to individuals and nations by freeing them from servitude and dependence not only in relation to other people and nation-states but also to the forces of ignorance and human misery (Todaro & Smith, 2009). Unfortunately, global political and economic turmoil affected the progress to the extent that attention shifted to the practice of governance as a preferred objective.

Governance: Concept and Approaches

As disappointment with development efforts became evident, the idea of governance emerged as a potential tool for solving the problems of developing countries. It was realized that development can contribute to the generation of wealth and modernization of countries. However, it was not the best vehicle for redistribution of wealth and benefits and ensuring participation of citizens in the process of governing. Much of the benefits of development did not reach the marginal and disadvantaged population; only a small and privileged section reaped the rewards. Therefore, the emergence of governance generated a sense of optimism; it was expected to go beyond the boundaries of development and create sustainable institutions and practices for improving life in developing countries.

Proponents of governance emphasize a democratic approach with special attention to participation, inclusiveness, equity, and a number of features that eluded governments in their march toward development. This could ensure the benefits of development in terms of prosperity, better infrastructure and facilities along with the rights of citizens to participate in decision-making that could promote equity. Since developing countries have lagged behind in achieving these objectives, they are currently under pressure to achieve the twin goals of development and governance at the same time.

Governance represents a mixture of every conceivable positive value that can bring about improvements in developing countries. It emphasizes the exercise of democratic authority and the effective use of the institutional and procedural mechanisms for citizens to realize their interests and rights, carry out their obligations, and negotiate mutual differences. Governance depends on interactions among structures, processes and traditions that determine how power is exercised, decisions are taken, and citizens and other stakeholders can have a voice.

Governance is a concept that, similar to development, is difficult to define. In general terms, governance is the way in which a society organizes itself to make and implement decisions by achieving mutual understanding and agreement on strategies and actions. Citizens and groups can articulate their interests, mediate differences and exercise legal rights and obligations. Governance draws upon the values of democracy, networks, interaction, accountability, equity, fairness, transparency, empowerment, mediation, and conflict resolution. These values are supported through the application of rule of law, equity, effectiveness, inclusiveness, and responsiveness.

"Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them" (World Bank, 2018). Schacter (2000, p.3) explains the concept by drawing upon the definition developed by the Institute of Governance: "Governance is the art of steering societies and organizations. Governance occurs through interactions among structures, processes and traditions that determine how power is exercised, how decisions are taken, and how citizens and other stakeholders have their say. Governance is about power, relationships, and accountability: who has influence, who decides, and how decision makers are held accountable."

According to the United Nations Development Program (1997), governance is the exercise of a nation's political, economic, and administrative powers or authorities at various levels, and it covers the institutional and procedural mechanisms for citizens to realize their interests and rights, carry out their obligations, and negotiate the mutual differences. The Kennedy School of Government publishes the Index of African Governance by measuring safety and security; rule of law, transparency, and corruption; participation and human rights; sustainable economic opportunity; and human development.

The World Governance Index employs a six point measure that includes voice and accountability; political stability or absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption as the six criteria on which countries are assessed for their progress in establishing good governance. Other analysts have proposed different frameworks for measuring governance (World Bank, 2018).

The Asian Development Bank (1997) uses accountability, transparency, predictability and participation. The African Development Bank (2002) emphasizes combating corruption and a sound legal and judicial system. The United Nations Development Program (1997) adds responsiveness, consensus orientation, equity, effectiveness and efficiency, and strategic vision to the criteria for governance.

Three areas stand out in these definitions: (1) the processes by which governments are selected, held accountable, monitored, and replaced; (2) the capacity of governments to manage resources efficiently and formulate, implement and enforce sound policies and regulations; and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them.

Thus, there is consensus on the importance of governance, but the concept is viewed in many different ways. In the literature, governance is described as traditions and institutions; the exercise of power; a specific set of conditions in a country; a series of actions by governments and societies; a process; patterns of relationships; and some other views that are too abstract to be explained and implemented. It is about power, relationships, and accountability. Governance seeks to understand who has influence, who decides, and how decision makers are held accountable. Thus, a well-developed political system that operates according to established rules and regulations with predictable patterns of behavior of the stakeholders is critical for establishing and sustaining governance.

Development and Governance Challenges

The literature on development and governance is vast, and these studies examine issues related to the definition, interpretation, importance, implications and benefits, as well as challenges and outcomes. In addition, there are studies that explore the state of development and government in various countries. These studies are valuable for understanding the nature and operation of political systems and governing modern states. However, they reflect inconsistencies, confusion and the expected outcomes are not always achieved in most cases. Several assumptions contributed to the problem. They include a mistaken belief that all societies follow a linear path to the same level of development and governance. It is also assumed that these results primarily from endogenous factors and that the state is a reflection of a community-wide consensus. There is a tendency to ignore conflictual processes and little attention is paid to the alienation and disaffection of a large segment of the population from the political system.

Another reason could be a lack of consensus on the concepts, contents, processes and outcomes of development and governance. A search of the literature reveals diverse, often contradictory, views. A major consequence has been an overly flexible approach in which researchers select and interpret the concepts and argue for their application to suit their convenience. This can be a source of confusion for analysts, governments, the policy community, bureaucracies, practitioners and all stakeholders who have the good intention of promoting development and governance for improving conditions in a country.

Developing countries are under pressure to perform several tasks demanded by the global community to combat terrorism, money laundering, human rights violation, environmental degradation, and standardize practices across nations to address global concerns. Ironically, most developing countries do not have the resources and capacity to fulfill these requirements. Therefore, they have to seek support and assistance from the developed countries and international donor community, often under terms and conditions that go against their interest.

Earlier, the emphasis was mainly on industrialization, construction of infrastructure, and economic development. Consequently, the issue of what was described as lop-sided development emerged, with increases in the degrees of disparity, inequity, and poverty. Social policies were neglected as states strived states strived to achieve higher economic growth and impress citizens with modern infrastructure. Much later, the issue of human development was recognized to focus on the need for policies to contribute to a dignified existence for citizens.

How do countries respond to these challenges? The most common approach is state-led initiatives to promote economic growth, create opportunities, provide public services, and generally promote quality of life. Increasingly, this is done by strengthening the private sector to assist with these tasks. A common pattern is to forge a combination of efforts by the state, non-state and external actors and institutions. In practice, it is often difficult to create the right combination. Over half a century of efforts at development has not helped much, particularly as global political and economic turmoil affected most of the progress achieved in this area.

Initially, the process of development was intended to help countries eliminate poverty and exploitation, and improve the quality of life for citizens. There was a fair amount of enthusiasm, and a number of programs were initiated to provide food aid and technical assistance by the wealthier countries. Interestingly, following the conclusion of the Second World War, development emerged as a tool in the hands of developed countries to win over supporters and clients to their economic and political ideologies.

An overview of living conditions in the contemporary world indicates that the quality of life has declined - even in developed countries - for the majority of people. In the developing world, poverty and war have resulted in misery for a much larger number of people. There are reports of limited improvements in reducing poverty, availability of better health facilities, increase in per capita income, and growth in domestic product. However, new challenges have emerged in the form of war, crime, terrorism, major health risks. Therefore, the overall situation is hardly better than it was sixty years ago.

A key problem with development was its perception as a one-way process in which the developed world contributes resources, suggests strategies, offers technical assistance, and introduces implied ideologies to guide developing countries. It was argued that lack of development results in poverty, exploitation, disparity, discrimination and violation of human rights. Eventually, this one-dimensional view has shifted, and development emerged as a multidimensional phenomenon that involves transactions between and within developed and developing countries.

The idea of good governance is associated with a number of desirable features that can improve living conditions in a country. Governments, citizens, civil societies, non-governmental organizations and academics are enthusiastic about the potential power of governance to amend past errors and inadequacies in the social, economic and political system as well to ensure continuous improvement.

The World Governance Index 2018 states that governance "consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them."

Stoker (1998) noted that governance involves establishing rules for a community, making allocative decisions for the community as a whole, settling conflicts over the rules, and mediating disputes between individuals and groups. The United Nations Development Program (1997) views governance as the exercise of a nation's political, economic, and administrative powers or authorities at various levels, and it covers the institutional and procedural mechanisms for citizens to realize their interests and rights, carry out their obligations, and negotiate the mutual differences.

Governance is "the exercise of political accountability, bureaucratic transparency, the exercise of legitimate power, freedom of association and participation, freedom of information and expression, sound fiscal management and public financial accountability, respect for the rule of law, a predictable legal framework encompassing an interdependent and credible justice system, respect for human rights, an active legislature, enhanced opportunities for the development of pluralistic forces including civil society, and capacity development" (Hope, 2006, pp. 591-592).

The Institute of Governance describes it as the art of steering societies and organizations. It occurs through interactions among structures, processes and traditions that determine how power is exercised, how decisions are taken, and how citizens and other stakeholders have their say. Governance is about power, relationships, and accountability: who has influence, who decides, and how decision makers are held accountable. Thus, a well-developed political system that operates according to established rules and regulations with predictable patterns of behavior of the stakeholders is critical for establishing and sustaining governance.

There is consensus on the importance of governance, but the concept is viewed in many different ways. In the literature, governance has been described as traditions and institutions; the exercise of power; a specific set of conditions in a country; a series of actions by governments and societies; a process; patterns of relationships; and some other views that are too abstract to be explained and implemented.

In spite of efforts toward achieving progress, the gap between the rich and poor has widened across the globe. The impacts of the integrated global economic system and the accumulating burden of debt was caused by massive borrowing for financing welfare and development programs, enormous trade deficits in developing countries, and rapidly declining foreign currency reserves.

It is not easy to correlate economic growth with poverty reduction. Economic change may not have a significant impact upon inequality. Amartya Sen (1999) thinks that "economic growth cannot be sensibly treated as an end in itself. Development has to be more concerned with enhancing the lives we lead and the freedoms we enjoy." Therefore, poverty alleviation strategies need to focus on social exclusion issues in addition to economic deprivation.

Differences in wealth, income and working conditions are quantifiable, but that is not the case for human development divergence. In fact, they have much stronger impacts, and deserve greater attention. Disparities are evident in life expectancy, infant mortality, nutrition intake, employment, education, health care, housing, gender opportunities, access to public services and information, choice and citizenship. Social inequalities are multiple and many of its dimensions are connected to income inequality.

The Emergence of Globalization

Modern states have been impacted by the phenomenon of globalization. The worldwide movement toward economic, financial, trade and commerce, and communication integration has significant implications. Globalization implies the opening of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world. It influences the way in which countries across the world interact and integrate, and resulted in increased movement of people, ideas, capital, technology and goods across national borders.

There are many implications of globalization that impact development and governance. At present, there is a clear division of labour between developed and developing countries. For example, the skilled, highly paid decision-making, research and managerial occupations are generally located at headquarters of transnational corporations and are concentrated in developed countries. On the other hand, the unskilled and poorly paid assembly operations are located in developing countries that incur lower costs. Earlier, manufacturing jobs were concentrated in the industrialized economies. Strategies of transnational corporations have resulted in their relocation to developing countries that are able to perform these tasks at much lower costs. Unfortunately, there have not been corresponding increases for unskilled or low-skilled workers.

Therefore, globalization has opened up more opportunities for employment in developing countries, and they bring in valuable foreign currencies to the local economy. Earnings from these sources can be used to deliver public services, education, health and infrastructure, and contribute to development. Advanced research and development practices help acquire the capacity to introduce new methods of work for enhancing quality and productivity. In this way, a more skilled workforce is created through transfer of technology to developing countries.

Globalization facilitates the promotion of free trade and helps remove barriers between countries. Interestingly, it also helps spread the culture of dominating countries across the world through global marketing of film, television, internet, newspapers and magazines (Tomlinson, 2006). More importantly, the process encourages democratic values, spread of capitalism and other Western political ideals.

There are several positive consequences of globalization. It increases awareness of change and developments across the world. Citizens get to know about critical global issues such as threats to human health, rights and obligations, deforestation, environmental degradation, and global warming. In this way, globalization draws attention to, and promotes, the need for sustainability.

Globalization also has negative impacts on development and governance. The most prominent feature of globalization is the rapid rise and proliferation of trans-national corporations. They can get into direct competition with local enterprises and drive them out of business. The economy may experience sudden turbulence if the operations are moved to another country that offers more profit at less cost. There are issues with exploitation of labour forces who may not be allowed to unionize. Weak legal frameworks in many developing countries allow the large corporations to take advantage of slack labour laws. They are alleged to contribute to environmental degradation through indiscriminate exploitation of resources and emission through operations that disregard international standards. The activities of transnational corporations may result in loss of agricultural land and destruction of wildlife and habitats.

Generally, transnational corporations prefer to set up industries and operations in urban regions. This practice results in rapid and unplanned urbanization in host countries. Workers are forced to migrate to the cities from rural areas. The number of working age population in the rural communities drops, with an increase in the percentage of elderly population. Interestingly, this can also have an impact on employment in developed countries. For example, jobs were lost in the textile sector in the United Kingdom as manufacturing was transferred to developing countries.

However, there is no guarantee that investments by transnational corporations will benefit the local community. Profit generated from their operations is generally repatriated to developed countries as many host countries allow this under generous terms and conditions for attracting the corporations. Globalisation is also viewed as a threat to the world's cultural diversity as there is the risk of local economies, traditions and languages getting overwhelmed by the more powerful nations.

Development, Governance and Globalization

The idea of both development and governance gave rise to expectations of improvements in developing countries. So far, the results have not been impressive. Well-meaning state initiatives did not succeed due to various reasons such as unstable political system, weak economy, bureaucratic obstacles, resistance from interest groups, corruption, and absence of leadership with a broad vision, mandate, expertise and resources. However, modest increases in standards of living may have been influenced more by progress in knowledge, science and technology rather than the result of planned strategies by governments. The advent of globalization added new dimensions of complexities and additional challenges.

This article draws attention to a number of unresolved debates. They are related to the understanding and interpretation of the concepts of development and governance, indicators of measurement, and strategies for achieving them. The other aspect is related to competition between capitalist and socialist approaches, and problems with extreme strategies such as controlled versus free economies. As a result, many countries settle for a hybrid approach of mixed economy and became victims of confusing strategies.

In this context, globalization has arrived both as a threat and as an opportunity. It creates pressure on countries for standardized values and practices across countries. It can be disruptive to locally established frameworks of governing as the influence of nation states has diminished in many areas. On the other hand, globalization is an opportunity to identify problems by comparing with international standards. This can help to adapt good practices to strengthen development and governance frameworks.

Development goals are aimed at improving living standards as well as reducing dependence on external assistance. The objectives of good governance are to ensure participation, accountability, transparency, equity and similar values in the process of governing. Globalization facilitates some of these objectives by creating pressure to comply with international standards. At the same time, it disrupts the indigenous practices and traditions on which communities and nations have been built and operated on the basis of rules and practices that are suitable for them. Taking into consideration the progress made so far, globalization is more an impediment to development and governance as its impacts appear to uphold the interests of powerful nations at the expense of the weaker states.

It is important to interpret and apply the concepts of development and governance with reference to the context in which they are practised. Often, they are viewed as ultimate goals while, at other times, they are depicted as tools for facilitating the operation of a system that has improvement as the real objective. There should be linkages between the evolution of the state and these ideals because each influences the other, and it will be impossible to ensure effective development and governance without taking into consideration the context, nature of the state, and needs and demands of the citizens. These factors may differ across societies, and thus there is no universal standard for identifying the best system. The impact exerted by globalization over decades will also need rethinking as the most recent pandemic of novel coronavirus forced states to close down borders and isolate themselves. Eventually the world economy will likely lean towards attaining self-sufficiency instead of adopting a global approach that has resulted in a high degree of interdependence among states..

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