

# FOREWORD

What is the relationship between economic and political development—or to use the dominant ideology of our times, between economic liberalization and democracy? These tenets are a large part of the current conception of good governance, and it is a common assumption that the two are related. For some, the connection is causal, though the debate continues over which one should come first. For others, the two must go hand in hand, suggesting that they may be complements: democracy makes it easier to have a market economy, say some; others argue the converse. The theoretical connection between them takes multiple forms, perhaps as many as there are people who think about the problem, but the idea that these two facets of governance are linked drives much of the policy of donors, international agencies, community groups, non-governmental organizations, and most important, governments. Democracy, or at least the trappings of it, is often considered a precondition for trade and aid, though there are glaring exceptions. In Iraq, the United States is gambling that the establishment of a democracy will lead to improvements in other arenas. International human rights norms, on which many NGOs base their efforts, are grounded in notions of political and legal representation alongside equitable prosperity. But how have these ideas played out? What has happened when states implement reforms?

The experience of some states suggests that the link between democracy and economic development may not be one of cause or condition so much as one of balance. Faced with financial hardship and populations grumbling about their lack of representation, East Asian governments have ceded some political power to their people to ease the pain of economic reforms. The experience of other states, however, suggests that there may not be a link at all. Iran's relative political loosening has not been accompanied by redistribution of wealth; Mozambique has seen economic growth without equity or meaningful political participation. For Turkey, political and economic conditions acted more as barriers to reform, a situation exacerbated by the demands of international actors. Hemmed in on every side, the government could do little to prevent crisis, and has had trouble recovering from it.

Many governments share the experience of political and economic factors acting as insurmountable constraints to progress. Those constraints can set the stage for instability, causing the slow disintegration or even the wholesale collapse of regimes, as has happened in Colombia and Indonesia respectively. Other regimes, such as those in Central America, are simply inert, with governments and their people harboring mutual animosity toward each other. In the most afflicted states, political and economic conditions are so dire that governments are powerless to improve them; in the worst cases, governments make an ominous situation even worse. A year after independence, the threats and challenges facing East Timor are as great as ever, and the Democratic Republic of Congo is a place where, according to

reports from Goma, people prefer to brave flowing lava rather than resettle in refugee camps.

Where does this wide variety of sobering experience leave us? While it weakens the theoretical links between political and economic conditions—and perhaps sunders them altogether—it highlights the strong connections between the various actors that play a part in determining those conditions. Governments are capable of both preventing and creating crises; international organizations and businesses are both the catalysts for catastrophes and part of the solution to them. And ordinary people, who are so often underestimated, can be the abject victims of calamitous political and economic circumstances and the sole force that staves off chaos. In Somalia, a place that has been without a functioning government for a decade, some people have found ways to flourish. With such dynamic relationships between governments, businesses, international organizations and civil societies, the cases in this volume suggest that, despite the rather strict rules of governance that all are supposed to follow these days, the actions of one have a way of reverberating throughout the others in ways that the rules are not ready to address. Policies are hard to control: small efforts may have large, unbidden effects, and even with the most able lines of communication between them, it is very difficult to predict how everyone will react, and what the consequences will be. But it is not impossible to prepare.

In putting this issue of the Journal together, our aim was not to provide answers; to do so would be suspicious, even irresponsible. By highlighting the complications of governance—the constraints that policies work under, the ways that policies can create as many (or more) problems than they solve, and the ways those problems can be addressed—we hoped we might question the assumptions, or help reframe the debate about what good governance is. The conception of governance today is motivated a great deal by theory and ideology; meanwhile, the world is a much more vibrant and volatile place than many policy makers give it credit for. We indulge the naïve hope that by showing this, the pieces in this issue might play a small part in the formation of better public policy.

The Editors