

Good governance in the era of global neoliberalism: Conflict and depolitisation in Latin America, Eastern Europe, Asia and Africa

Jolle Demmers, Alex E. Fernández Jilberto and Barbara Hogenboom, eds., Routledge, London, 2004, 353 pp. ISBN: 978-0415341165 Hardback

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Good governance in the era of global neoliberalism: Conflict and depolitisation in Latin America, Eastern Europe, Asia and Africa is a compilation of case studies. The authors argue that the very foundation of good governance initiatives may be misguided. The book provides a critique of the theory that economic reforms have failed in many developing countries due to a lack of government transparency, accountability, rule of law and efficiency, amongst other institutional failings.

Demmers, Fernandez Jilberto and Hogenboom are interested in advancing the notion that the focus of international financial institutions on good governance is just a new form of neoliberal economic conditionality, which is inherently a depoliticising force. This argument is presented through 15 chapters in which each contributor highlights a particular case study on the extent to which good governance initiatives have failed, or where more authoritarian governance actually led to greater economic prosperity. While this book was originally published in 2004, and as such may not deal with the most contemporary issues within the good governance sector, it does lay out a rather strong case for a critical approach to good governance policy making. That said, it should be noted that the authors do not delve deeply into existing success stories in which good governance reforms may have partly led to greater economic growth, nor do they make any resounding policy recommendations or suggest alternative approaches. The focus on Africa, despite the book's title, is rather thin and disappointing.

The book is essentially sectioned into regional case studies. The Latin American chapters centre on the economic consequences of structural adjustment programmes (SAPs) and conditional loans which led to good governance reforms and, consequently, economic crises. Chapter one establishes the rise of good governance policies as a reaction to the failure of SAPs. Demmers, Fernández Jilberto and Hogenboom argue that good governance policies are at best vague in definition and serve to perpetuate a market-based development approach centred around democratisation as a means of establishing free markets and blaming country leaders for past developmental failures (pp. 2–37). The discussion then proceeds with chapter two, in which Fernández Jilberto depicts the nature of Latin American (and especially Chilean) neoliberal regimes as actually achieving relative success only through a process of depoliticising economic policies, increasing inequality and failing to consolidate true democratic systems (pp. 38–65). This is followed by chapters three and four, which examine the Argentinian and Mexican contexts of neoliberal restructuring

(under the auspices of good governance), which is blamed for economic crises, inequality and civil society tensions (pp. 66–90; 91–115). In chapter five, Van der Borgh argues that, contrary to widely held views, the post-conflict peace-building process in El Salvador did not attempt to synthesise economic reforms, political democratisation and good governance initiatives. Instead, the process focused on economic liberalisation at the expense of true democratic and peaceful consolidation (pp. 116–133).

The book then turns to the Eastern European region in chapters six to nine. The common themes here are corrupt and rent-seeking practices which have defined much of the Russian, Ukrainian and Bosnian-Herzegovinian economic and political trajectories, and are argued to have been allowed to flourish under new liberal market systems (pp. 134–160; 161–179; 180–202; 203–223). These systems are presented as being perpetuated by various international financial institutions following the collapse of the Soviet Union and the civil war in Bosnia-Herzegovina, and include increased privatisation, decentralisation, liberalisation, and rule of law emphases, as defined under good governance policies. Van Zon predicts that a decreased standard of living and a disenfranchised civil society as a consequence of these reforms might manifest in ‘questions about the future cohesion and stability of Ukrainian society’ (p. 200), which is interesting given recent events in the region. Ukrainian separatist movements, as well as the annexation of Crimea in March 2014, may stem from some of these regional economic inequalities which have partly emerged in recent decades.

The last section of the book is concerned with the Asian and African regions, and the idea of development as driven by what many would define as bad governance. For instance, in chapter ten, Ngo introduces the Taiwanese state as unequal, rent-seeking and authoritarian, despite being hailed as an economic example for other countries to follow (pp. 224–245). Similarly, chapter 11 examines the structural adjustment policies and distinct cronyism of Indonesia, which did create some economic growth before plunging the country into economic and political crises (pp. 246–264). Chapter 13 also looks at the growth of violence and declining standards of living following the Indonesian crisis, which is blamed on SAPs (pp. 287–305). Houweling continues the discussion through China’s transition to a market-based economy (chapter 12), which is argued to have increased its economic viability without traditionally defined good governance policies and reforms (pp. 265–286). Finally, in the one chapter which concentrates on Africa, Cameroon’s privatisation reforms, as required under IMF and World Bank-imposed SAPs, are argued to have actually skirted the democratic process and created regional conflict despite being promoted as a means to enhance democratic consolidation and growth (pp. 306–330). Konings, the author, also presents the country as achieving success prior to the crisis and during SAPs, through growth driven by state-owned enterprises (p. 309).

The book concludes with a chapter which attempts to draw connections between neoliberal reform policies and increased levels of violence brought on by rising inequality levels around the world (pp. 331–341). Demmers asserts in this chapter that, while good governance rhetoric is a vehicle for these reforms, they have

changed little from Washington Consensus policies which, in turn, have repressed civil society and placed 'governance above government' (p. 334).

This book is a compelling work on the motivations and outcomes of good governance initiatives in developing economies. It is persuasive to a certain extent, especially when examining the often disastrous effects which occurred when donor organisations interfered with country leadership in the hopes of establishing pro-market reformers, under the guise of promoting good governance. This is evident in several Latin American countries, Taiwan and Indonesia, where, ironically, these good governance initiatives actually had a depoliticising and destabilising effect and perhaps, 'bad governance' had more relative 'success'. The central theme, that good governance promotion by donor organisations has actually fuelled a more covert neoliberalism which has undermined political development and promulgated conflict, is presented clearly and concisely with a variety of well-researched cases.

However, there are some important gaps in this work. While it is valid to cite growing inequality and continuing corruption as detrimental to economic vibrancy and growth, many authors glossed over large-scale poverty reduction which was also brought on by some of these good governance-promoting initiatives. There are also few instances where a clear alternative approach is suggested or where policy recommendations are made, which undermines the purpose of the work to a certain extent. Furthermore, especially in regard to ill-fated SAPs, there is an overt portrayal of the IMF and the World Bank as the 'bad guys' which, at times, is overbearing and fails to address the complexity of the issue. As the reviews of *Millennium development goals: Looking beyond 2015* (Glendinning, 2013) and *Microfinance: Perils and prospects* (Nerverson, 2013) show, regardless of the technical sector, there are always many actors at play who can affect the relative success of programmes. With that context in mind, *Good governance in the era of global neoliberalism: Conflict and depolitisation in Latin America, Eastern Europe, Asia and Africa* is still a very intriguing and broad-based read for anyone interested in governance and development, which could only benefit from a few additions from the African context.

About the reviewer

Jennifer Seward graduated from Willamette University in Salem, Oregon, USA at the end of 2011 with a degree in International Studies and a minor in economics. She then spent a year working in India as a consultant and recently completed her MSc degree in Poverty and Development at the University of Manchester in the Institute for Development Policy and Management with a distinction. Her dissertation focused on the effects of migrant remittances on individual and community poverty levels in rural Mexico. She now resides in the United States and can be contacted at seward.jenny@gmail.com

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