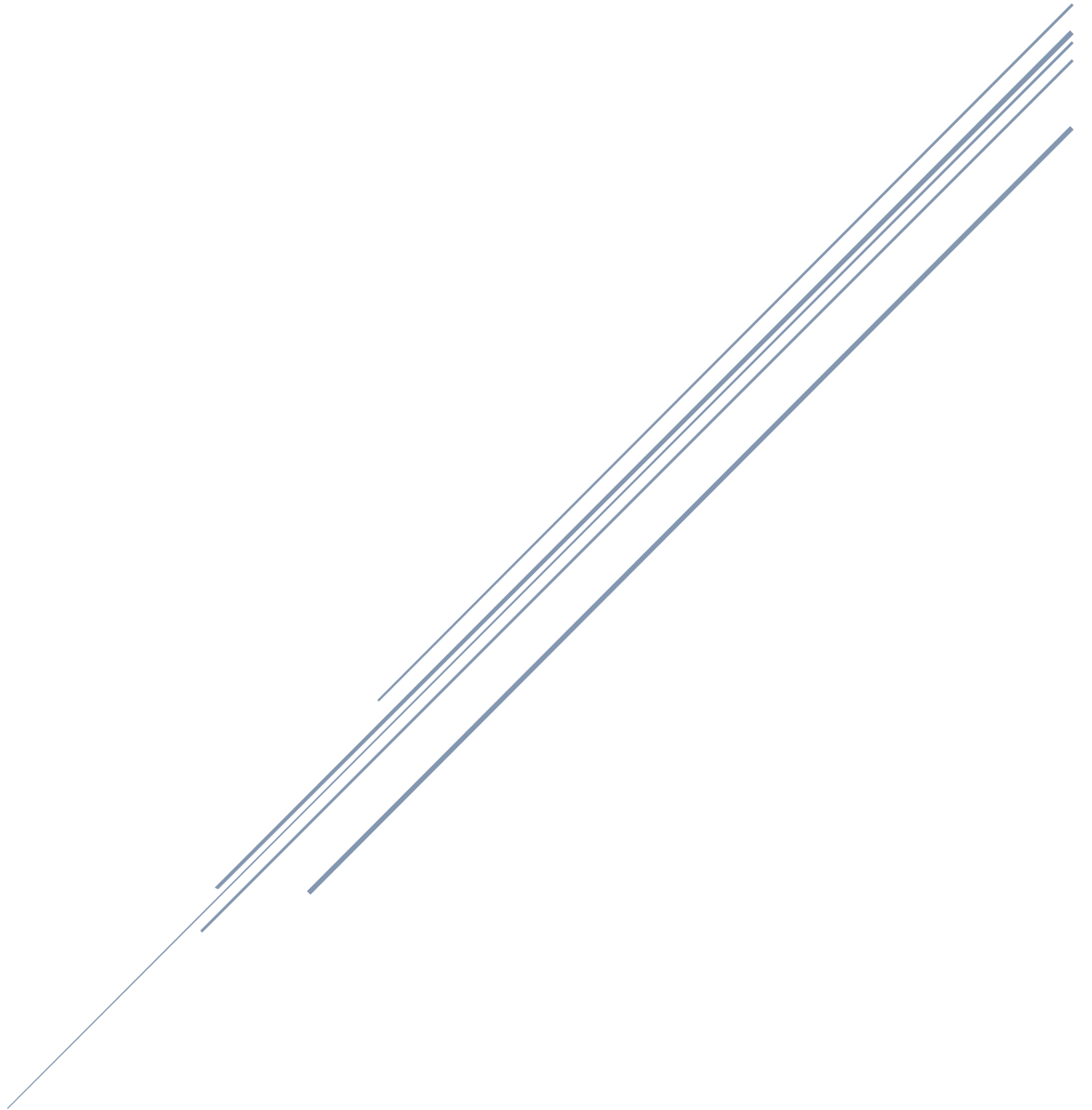


RESTORING TRUST IN GOVERNMENT

White Paper



Authors: Felicia Linch & James Coke

Restoring Trust in Government

Introduction

What is Governance?

The United Nations Development Programme (UNDP) defines Governance as:

"The exercise of economic, political, and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences."

The World Bank (WB) defined 'good Governance' as:

"The manner in which power is exercised in the management of a country's economic and social resources for development."¹

The WB see Governance as the mechanism for changing the "...relationship between government, civil society, and the market in recipient states." It is "...concerned with the distribution of power and resources." It is a 'political' concept.

What is Government?

The Collins dictionary defines Government as:

"the exercise of political authority over the actions, affairs, etc, of a political unit, people, etc, as well as the performance of certain functions for this unit or body; the action of governing; political rule and administration"

These definitions blur the line between Governance and Government by accepting both as being focused primarily on power, authority and mechanisms of control. If true, then Governance is an institutional idea. This supports the widely-held belief that Western-style, institutionalized democracy is the only way to achieve good Governance.

Yet we find in many countries strong 'democratic' institutions that nevertheless reflect poorly the ideal of good Governance. For example, the Caribbean region has many examples of functioning Parliamentary democracies that exhibit poor Governance. The 2021 Commission of Inquiry into the Government of the British Virgin Islands (a UK Overseas Territory) is but a recent example.²

The belief that Western-style democracy is the only way to achieve good Governance means this approach is often applied to Peoples and Nations despite being incompatible with their values and culture. Critics see this as intentionally protecting a status quo in which Western nations retain power or influence over smaller developing countries. Girvan, for example, argues that keeping the UK's Westminster Parliamentary model of Government in Caribbean Nations effectively neutralizes their independence from colonialism.³

¹ Quoted in Miller-Adams, *The World Bank: New Agendas in a Changing World*, p.100.

² The Guardian, "BVI inquiry hears claims of systemic corruption and jury intimidation", <https://www.theguardian.com/world/2021/oct/24/bvi-inquiry-hears-claims-systemic-corruption-jury-intimidation> [accessed 24/10/2021]

³ Girvan, N, (2015) "Assessing Westminster in the Caribbean: then and now", *Commonwealth & Comparative Politics*, Vol 53, Issue 1, pp 95-107, <https://www.tandfonline.com/doi/full/10.1080/14662043.2014.993162> [accessed 28/10/2021]

The Current Levers for effecting good Governance

International Development donors and other stakeholders typically focus on the levers of:

- Democratic Government
- Independent Judiciary
- Public Sector Reform
- Independent Institutions for Regulation, Public Integrity, and Audit
- Robust legal framework for Financial Management and procurement
- Budgetary oversight

This approach reflects the bias that good Governance requires the same western-style governing institutions adopted by the stakeholders themselves. Governance as power reflects the prevailing State governance model ordered by centralised and affiliated local/provincial authorities.

An alternative definition

We believe that Governance is based on principles that are not inherently institutional. Governance at its heart is:

Principles to enable society to live in peace and carry out economic activity that facilitates decent livelihoods for all its members.

Governance as principles gives Citizens the freedom to adopt Governance arrangements compatible with their values and culture and separates it from an institutional implementation. This then allows for alternative definitions of the 'State Governance Model' itself.

States are 'political bodies' and 'countries'. They are geographically bounded and organised based on any of an ethnic nation, sovereign city, or voluntary federation. We are cultured to believe that governing institutions represent the highest evolution of social order. But the modern State is a relatively recent development, following as it did tribal and feudal traditions based on implicit security arrangements between a local strongman, a class of elite resource owners, and peasant-citizens. These arrangements were a response to the challenges faced by ancient local clans who sought out unclaimed land suitable for hunting and agriculture and had little ability to defend themselves from marauders.

States are also judicial in nature, maintaining their legitimacy through the rule of laws. Some central governments use the legal regime *in extremis* to enforce control on the Citizenry that enforces State monopoly on power. This may be considered good Governance in an institutional sense, but most Citizens would agree it is an utter failure of principle. In many cultures a council of elders or clerical authorities decides on social issues rather than an institutional judiciary. They often do a better job addressing the gray areas of underlying social need than those seeking to enforce explicit rules of behavior.

In many countries, the State regulates significant aspects of cultural life. For example, a specific religious faith is often preferred, funded with state subsidy, and accorded special protections. The State plays a role in ensuring that religious expression supports the legitimacy of the State. Citizens are discouraged or prohibited from affiliating with competing religions because they may instill values that conflict with preferred norms. As a result, State-sponsored religions are governed in a formal, often civic model.

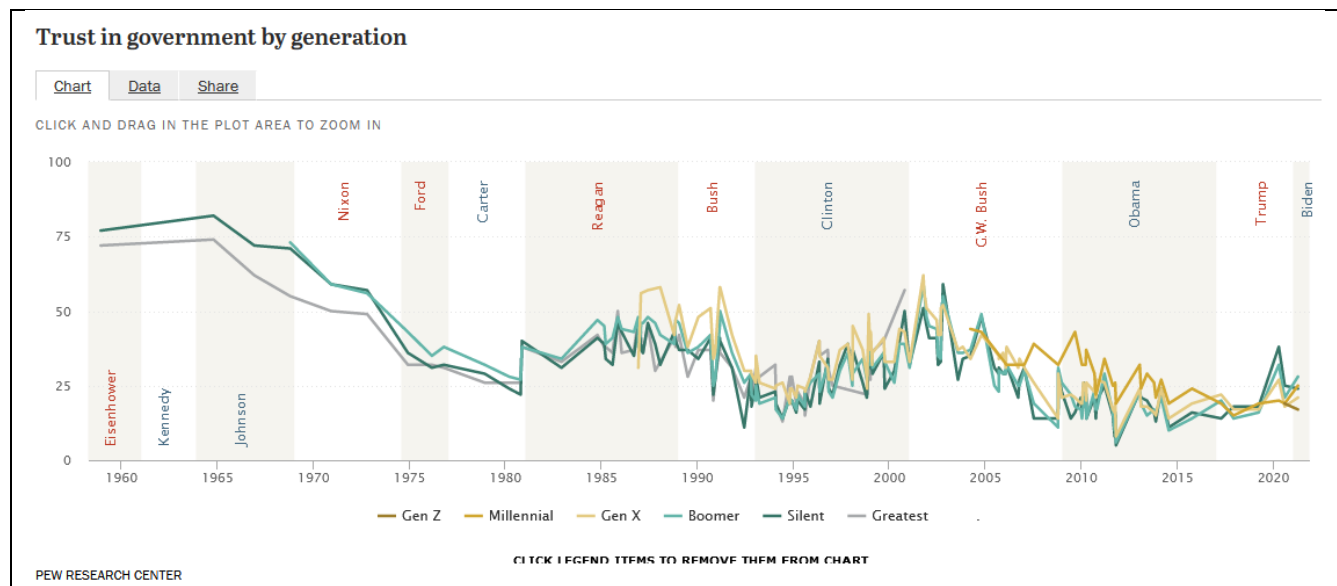
Governance improvement efforts typically begin from the premise that the existing State Governance Model is appropriate. The international institutions where we vest power and resource for change almost always attribute Governance issues and their resolution to poor institutional form or use. They acknowledge leadership corruption and decry the lack of appropriate accountability structures but rarely consider whether the institution itself is optimal for serving society. However, underlying changes in Citizen beliefs and values, cultural pressures, and technology all play a role in changing social expectations. All aspects of life become subject to eventual change, and the structure and function of Government is no different.

Nothing in the laws of nature dictates the inevitability of specific styles of civic or commercial organization. We often believe what we do out of sheer cultural inertia that accepts certain aspects of social life as given, and beliefs are powerful when widely held. Citizens can be reminded that these such institutional beliefs are a product of social agreement. And these can and should be changed when society's institutions cease to serve a socially useful role. Rather than starting from the premise that failing State governments are sacrosanct, we properly start by understanding the underlying social changes that have led to a crisis of trust in its institutions.

We advocate that Governance improvement efforts begin with social agreement that the civic or commercial status quo has failed. Influential leaders, almost always different from the Elites who administer the institutions, galvanise social energy for change and facilitate group vision of an alternative. This vision for a principled Governance model is called a 'Social Contract'. It can be implicit or explicit, but it encapsulates the design for a broadly acceptable way of making decisions, resolving conflict, delivering shared services, allocating scarce resources, and protecting the community. A good social contract is appropriate to the time and culture and derived from shared beliefs and values. Importantly, it is a practical tool that is manifest through specific policies and a legal framework. These define how Governance is established in a mutually agreeable way.

Trust

Governments of all types globally face a crisis of credibility and trust, which are an important part of sustaining functional Governance. The following illustrates this long-term trend from a US perspective where Pew research finds trust in Government presently averaging 20%, with little variation by generation.⁴



Trust is not won overnight and has suffered from slippage over time. Governments in particular need to earn trust consistently. It remains elusive so long as individuals feel a lack of ownership in the controlling institutions, where institutional leaders are perceived as being rewarded for defending the status quo and systems of patronage. Developing countries with weak Governance may use force rather than engagement to protect their claim on taxation, conscription, and other economic rents; or to centrally mandate a locally unacceptable social contract. This further expands the trust gap with their Citizens.

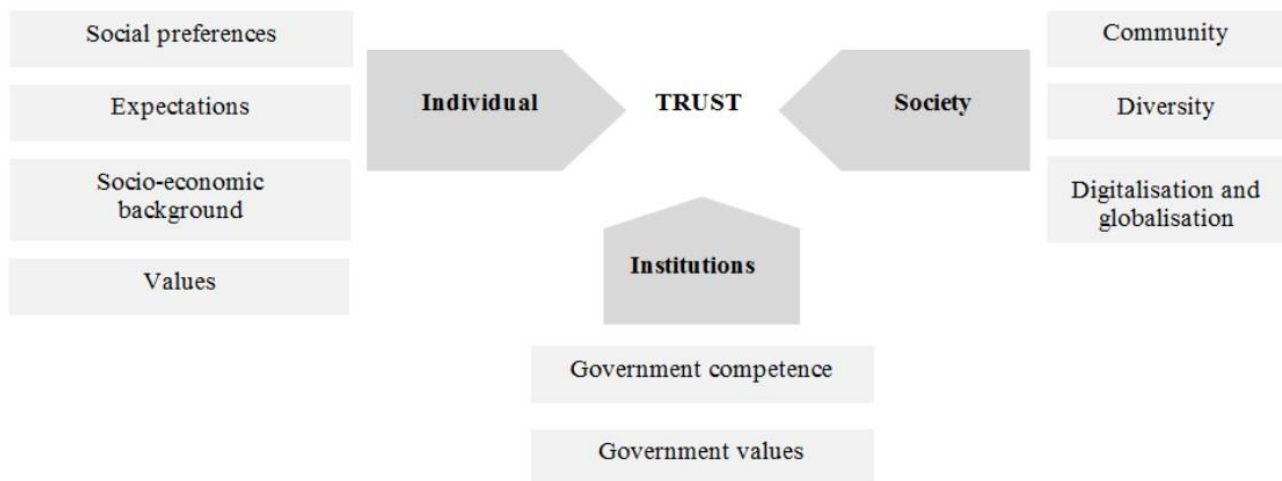
⁴ Pew Research; “Public Trust in Government: 1958-2021”; [<https://www.pewresearch.org/politics/2021/05/17/public-trust-in-government-1958-2021/>], accessed 2021-11-16

Failures to implement sustainable governance arrangements and solutions that help build trust between the governors and the governed have partly arisen because of a tendency towards 'best practice' rather than 'best fit' approaches. Traditional linear problem analysis that reflects the cause-effect 'best practice' culture of Western democracy is often a less appropriate tool than complexity analysis (i.e., systems, behavioural, network/relational, dynamic) in working with developing countries.⁵

The best practice approach assumes that better governance results from imposing on developing nations such methods as Results-based budgeting, limiting access to procurement tenders, and disqualifying influential public leaders from elections (e.g., the 'Washington Consensus'). This repeatedly fails in countries with strong Communities and social values that inherently conflict with Western notions of Democratic Governance.

Trust is typically defined as “*A person's belief that another person or institution will act consistently with their expectations of positive behavior.*” The Organization for Economic Co-operation and Development (OECD) undertook an experiment called 'The Trust Lab'⁶ to explore determinants of an individual's trust in other persons, institutions, and society generally. This is illustrated in the following conceptual framework:

Figure 2.1. Conceptual framework of the determinants of trust



The evidence showed that there are two aspects to *political* trust; (i) Trust in the Institutions of Government, and (ii) Trust in the character of civil servants (politicians, government officials, judiciary, police, etc.).

Trust in Institutions is based on both competence and values. Using technology to improve efficiency and effectiveness (e.g., reducing transaction times, eliminating duplication, reducing costs, etc.) will contribute to a Citizen's perception of Government competence. However, if the user experience does not meet expectations, then one-time improvement projects triggered by a specific event will not have the desired impact. Governments need to adopt an Adaptive culture of Customer Service Excellence and Continuous Improvement to guard against continually increasing Citizen expectations.

Trust also requires that Governments both articulate and demonstrate values based on integrity. Citizens must see these values manifest in their interactions with all government systems and processes. For example, if the Government says it values transparency and accountability, it must open itself up to scrutiny. This is the essence

⁵ Ramalingam, B., Miguel L., and Primrose, J. “From best practice to best fit: Understanding and navigating wicked problems in international development”, ODI Working Paper, 2014, [<https://assets.publishing.service.gov.uk/media/57a089b3ed915d622c000363/61065-BestPracticetoBestFit.pdf>], accessed 2021-09-21]

⁶ OECD (2018) ‘Trust and its determinants: Evidence from the Trustlab experiment’, Working Paper No.89.

of open Government, in which Citizens have a right to access documents and proceedings so that they can have oversight of what Government does. Likewise, Governments claiming to be democratic need to demonstrate they value engagement and participation, including involving Citizens in policy development and developing solutions and services that address challenges.

Social Contract Theory

What is a social contract? Because it is usually implicit or explicitly re-defined as institutional law imposed on society, it rarely has its own standalone expression. Yet it underpins everything about how society works, and governance becomes difficult when it is not universally agreed, or multiple social contracts appear in parallel.

There are various notions about the social contract, what it addresses, and what parties are included. Barry (1995), Gauthier (1986), Harsanyi (1976), Rawls (1996 & 1999), Scanlon (1982), and others offer varying definitions. It is related to 'contractualism', which Scanlon describes as; "...any set of principles for the general regulation of behavior that no one could reasonably reject as a basis for informed, unforced, general agreement".⁷

In some definitions, it is the set of shared rules that allow a group of individuals to become a new community. Others pre-suppose the community exists and scope the social contract to an agreed exchange of individual rights for general protection. Rawls (1972) extends social contract theory to include the legitimacy of all social and political institutions. He argued that people would not agree to subject themselves to political authority unless certain conditions were in place, ensuring their basic freedom and equality.⁸ In other words, Rawls' contract includes only the norms to which everyone can agree, not the broader set of Scanlon's norms that people would not reasonably reject. Bentham's (1789) 'utilitarianism' suggests the social contract includes only those that the majority (in some cases plurality) consider proper to achieve happiness.

For our purposes herein, we use 'social contract' to describe community rules for living generally, including shared culture, private commerce and public services. Because not all Citizens will agree to every rule, those rules that bind all the community must be determined by the majority's agreement. We also concede the art in social work; there may be special contracts required for some that assure protection against the majority's tyranny. In all cases, however, the community must agree to its own set of rules, and the minority can reject those adopted by the majority if community stability is maintained.

Two corollaries bear on our approach to working with weak States. First, top-down rules imposed by institutional entities without an organic community origin are much less likely to be embraced by Citizens. Using force to ensure compliance rapidly degrades institutional trust. Second, creating an acceptable social contract requires negotiating complex community-based group processes. Representatives of all Citizen groups must be included and strong leadership that all stakeholders respect. It takes skill to help a group overcome specific concerns by appealing to a foundation of generally held beliefs.

Healthy States and societies rest on Citizen trust. Trust requires agreement on what constitutes competence, character, and other values and norms considered desirable by the community. This agreement is contained in the social contract and operationalised as policies, laws, and practices. Making the implicit explicit through group process allows Citizens to set their expectations realistically as part of the human propensity to group bias. A cohesive community sharing a common vision for itself provides the focused energy needed to overcome inertia and radically reform institutional entities. The process of working together to gain a common understanding breaks down social walls and associated bigotry. Representative Stakeholder Groups can be created to rationalise existing institutions. Still, they may not command the trust of an indigenously formed Social Partnership focused on the needs of society at large.

⁷ Scanlon, T. M., "What We Owe to Each Other", Harvard University Press, 1998, p.153

⁸ CPRC Working Paper No. 216; Hickey, Sam. "The Politics of Social Protection: What do we get from a 'social contract' approach?"; July 2011, p.6

At least three scenarios benefit from engaging communities in the social contract discussion. Each intervention point is discussed in the sections that follow.

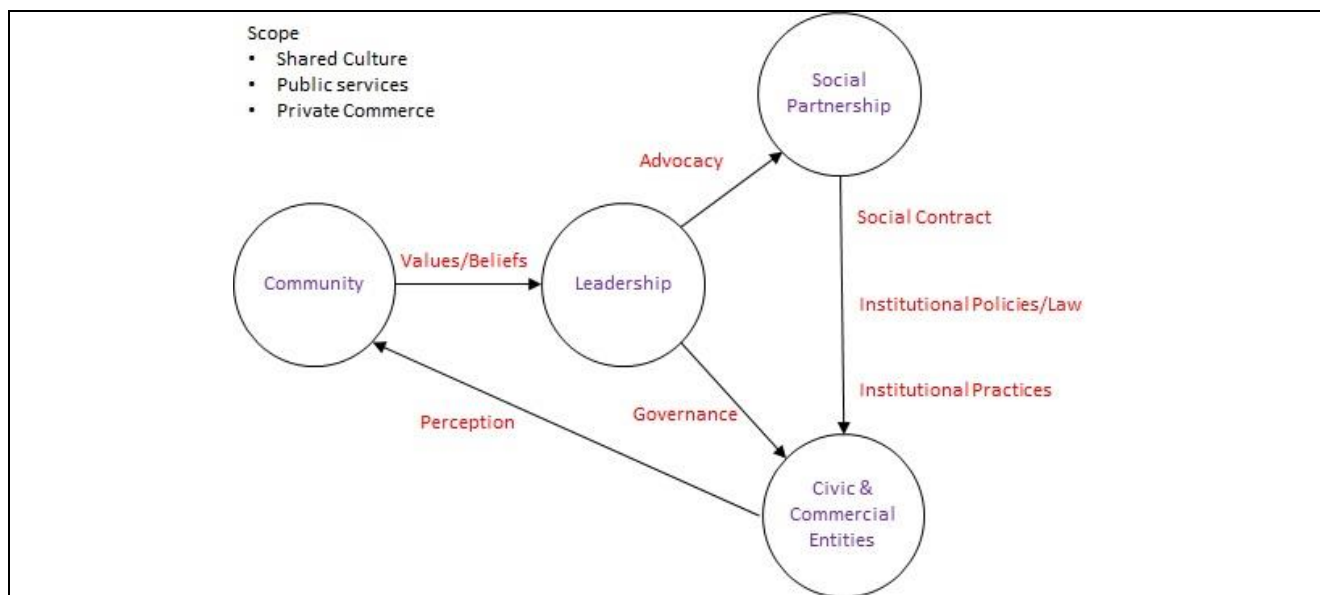
- Reform failed Governance.
- Redesign public service delivery to fit society's transition to participative digitalisation.
- Stabilise society by bringing more resources to bear via mutualised economic development.

An Alternative Approach: The Social Governance Framework

Before suggesting a non-traditional approach to intervening with weak governments and governing institutions, it will be helpful to offer a framework that provides context. The framework is intentionally generalisable to all domains of social life that lend themselves to group organisation, and therefore group governance. At minimum, this includes the following domains with examples of each:

- Shared Culture (living together)
 - Arts
 - Faith
 - Generational care
- Public Services
 - Foreign relations (diplomatic, trade)
 - Utilities (registers, public works, healthcare, education)
 - Conflict resolution (courts)
 - Protection (military/militia)
 - Resource allocation (taxation, trade protectionism)
- Private Commerce
 - Community banks
 - Farmer/manufacturer trade associations
 - Technical training schools

The framework is diagrammed below, with pathways generally read from left to right. The bubbles depict real-world entities, while the arrow labels document collective ideas and actions.



Each part of the diagram is described below with examples of each:

- Community
 - Self-identified population united by common physical need, characteristics, and values/beliefs

- Generally shares contiguous geography
- Values & Beliefs
 - Natural rights & personal responsibilities
 - Religious standards and practices
 - Sources of fulfilment (e.g., physical needs, relationship, wealth, technology, shared experience)
 - Cooperation and competition
 - Generational sustainability (economic, environmental, social)
- Leadership (advocacy and Governance)
 - Respected & trusted (competent, actions reflect values)
 - Succession (self-organised, facilitated by affiliation groups)
- Social Partnership (similar to a scaled-up Mutual Aid Network)
 - A forum representing all interested stakeholders (individuals, academic, commercial, Government)
 - Wide range of roles (thought leaders, activists, implementers, elites)
 - Gains community agreement formalising Values & Beliefs into shared practices
- Social Contract (foundations of trusted relationship)
 - Power distribution & contestability (elections, patronage)
 - Rights protection & delegation (personal vs state responsibilities)
 - Resource allocation (land rights, privatized/socialized extraction)
- Institutional Policies/Law (structures)
 - Formalisation of aspects of the social contract that can be measured and controlled
 - Requires common acceptance of the rule of law
- Institutional Practices (execution)
 - Aligned with values
 - Bounded authority
 - Efficient & effective
 - Reliable & predictable
 - Inclusive & cooperative
 - Responsive & agile
 - Transparent & accountable
- Civic & Commercial Entities
 - Cooperatives
 - Companies
 - Government (central & provincial)
 - Academia
 - Political parties
 - Trade associations
- Perception (informs Citizen trust of, and response to, governing entities)
 - Competence
 - Values

An entity must perform some action or be identified by some idea; Governments and Companies operate according to institutional practices. Leaders serve either as advocates for ideas or administrators of institutional entities. The Community is defined by its values and beliefs.

There is a logical progression of [community values > social contract > institutional policies/law > institutional practices]. There is good traceability and causality from accepted social norms to respected governing entities when this is followed. Shortcutting the process by imposing outside policies or practices risks losing the voice of the Citizen and alienating the governed. This holds true both in the civic and commercial domains. It should be clear from the framework that governance interventions must be strategic and inclusive to gain broad acceptance.

The hinge point of the framework is the social contract, which requires a broadly represented Social Partnership to achieve a negotiated and acceptable outcome. Gathering the right representation into a forum requires influential leadership from within the Community having the vision and energy to drive change. Finding, cultivating, and supporting this leadership is a key objective of development practitioners. Institutional entity leadership may not support changes to a social contract that was imposed previously to benefit leadership Elites. However, most of these leaders are also members of the Community and ultimately influenced by its aggregate will and values.