Does good governance matter to economic development?
Introduction to adaptive approaches to economic development

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Abstract :

Contrary to popular belief that good governance is a requirement for developing countries to foster economic development and reduce poverty; there is now little evidence and more doubts that developing countries' success in implementing governance reforms leads to more rapid and inclusive economic development. This article aims to discuss good governance limitations in enhancing economic development in developing countries and then to analyze the adaptive approaches to development as a new tendency in the development trajectory. The study found that these approaches are gaining a big momentum, but research is still looking carefully for required sources of adaptability.

Keywords: good governance, economic development, developing countries, adaptive approaches to development.

ملخص:

على عكس الاعتقاد السائد بأن الحكم الرشيد هو مطلب ضروري للبلدان النامية لتعزيز التنمية الاقتصادية والحد من الفقر؛ لا يوجد الآن سوى القليل من الأدلة والمزيد من الشكوك بأن نجاح البلدان النامية في إرساء قواعد الحكم الرشيد يؤدي إلى تنمية اقتصادية سريعة وشاملة. تهدف هذه الورقة إلى مناقشة حدود الحكم الرشيد في تعزيز التنمية الاقتصادية في البلدان النامية ثم تحليل المقاربات التكيفية للتنمية باعتبارها مسارا جديدا في مسارات التنمية. وجدت الدراسة أن هذه المقاربات تكتسب زخماً كبيراً، لكن لاتزال هناك حاجة للبحث بعناية عن مصادر القدرة على التكيف لتحقيق التنمية.

الكلمات المفتاحية الحكم الرشيد،النمو الاقتصادي،الدول النامية،المقاربات التكيفية للتنمية.

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1. Introduction

In the eighties, growth and economic development (ED) discussions in developing countries were centered around economic reforms and structural adjustments known as *primary reforms*, related to the transformation of the economy from centralized to the free market system by establishing free-market institutions, i.e. privatizing firms, liberalization of the economy, liberalization of foreign trade, fiscal reform, new financial system,.. Etc.

From the mid-nineties, developing countries' ED is related to what is called *secondary generation reforms*, after it became evident that the liberalizing market reforms from the 1980s would not accelerate ED. The (WorldBank, 1989) report: *Sub-Saharan Africa, from Crisis to Sustainable Growth,* has generally been considered as the first official WB publication which refers explicitly to the *governance* issue (Williams & Young, 1994).

Since then, the focus is on good governance (GG) as a key concept and an important factor for ED. GG has grown rapidly to become an important ingredient in the analyses of what is missing in countries struggling for economic and political development, and it was presumed that such reforms would reduce problems of economic inefficiency and corruption in developing countries. GG was advanced as an alternative institutional conception in authority's policies and becomes a major aspect of development assistance as international organizations increased funding for GG initiatives.

In its 1992 report: *Governance and Development*, the World Bank (WB) set out its definition of GG as *"the manner in which power is exercised in the management of a country's economic and social resources for development"* (WorldBank, 1992). The 2000s United Nations Millennium Declaration identified *GG* as a necessary requirement for countries to stimulate ED and reduce poverty. In his book, *Institutions, Institutional Change and Economic Performance,* (North, 1990) stresses the *institutionalization* in the economy, society and politics as a key to ED in developing countries.

Daniel Kaufmann has been the major actor in the World Bank to promote the policy of GG. He built and introduced a composite index of GG, starting from 1996 which was called KKZ indicators (Kaufmann- Kraay- Zoibo-Lobaton Indicators), as a composite of six aggregate governance indicators (the indicators are detailed in a total of 45 items in 1997 increased to 116 items in 2002). These aggregates were summarized under six headings: *voice and accountability*, *political stability and the absence of violence*, *government effectiveness*, *regulatory quality*, *the rule of law* and *levels of corruption*, on a base that there is a strong correlation between these GG indicators and the ED (Kaufmann & Kraay, 2009).

Also, the existing literature insists that GG and good institutions lead to ED. But, contrary to this popular belief, there is little evidence that success in implementing GG leads to more rapid and inclusive ED. That's why many practitioners, scholars and international organizations are reviewing the effectiveness of GG in fostering growth and ED. Some even believe that GG may have actually undermined the development efforts and waste precious resources in many developing countries.

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GG reforms and standards are judged to be beyond the means of most developing countries to implement, and by following them; developing countries are mimicking developed countries, instead of addressing the issues that are most pressing for their own citizens or appreciating what it has as reality and conditions. What is concluded is that developing countries must search what works and disregard what does not work, what suits every economy according to its specificities, characteristics and features as primary conditions.

This article explores the limitations of GG in enhancing ED as expressed by academics and practitioners and serves as a basic introduction to discuss and analyze adaptive approaches to development as a new tending in development trajectory.

2. Good governance and economic development

2.1 *Critical reading in the idea of good governance*

When attempting to analyze the impact of GG on economic development, the first problem that arises is that of definition: what do we mean by *good governance*? Till now there is no clear definition of GG in both political and economic literature; since GG is a broad and very difficult concept to measure particularly in quantitative figures. We can't measure GG without a better conceptualization of what is it.

The most GG's used definition is that of the World Bank has provided in 2002 and later in 2007. (World Bank, 2002) defined *good governance* as '*The ability of the state to provide those institutions that support growth and poverty reduction-often referred to as good governance- is essential to development*. In (World Bank, 2007) defined *good governance* as '*…the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services'.*

According to (Sundaram & Chowdhury, 2012) by the idea of GG, the World Bank fueled hope that the key to economic progress had been found. But, the focus on GG reform has not proved nearly as effective as promised in fostering growth or development. Leading to his idea that this GG focused approach may have actually undermined development efforts by (1) Complicating the work of governments unnecessarily, (2) wasting so much pressure time for developing countries, (3) with GG reforms as a condition for international aid, developing countries often end up mimicking donor expectations, instead of addressing the issues that are most pressing for their own citizens. (4) The required reforms are so wide-ranging that they are beyond the means of most developing countries to implement.

In her seeking for a reasonable understanding of what can GG deliver to developing countries and what it cannot, to assume more realistic expectations about how much GG can be expected in poor countries; (Grindle & Merilee, 2010) find that the popularity of the idea of GG has far outpaced its capacity to deliver. In its brief life -from the late 1980s to the present times-, the idea of GG has muddied the waters of thinking about the development process. So, (Merilee & Grindle, 2004) propose that we should be aiming for *good enough governance*, by selecting a few imperatives from a long list of

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possibilities, instead of hundreds of GG indicators. *Good enough governance* means accepting a more shading understanding of institutions' evolution and government capacities, determine priorities, learning about what's working in the contextual realities of each country rather than focusing on how governance should be. In fact, "all good things are not necessarily prerequisites to laudable goals such as growth and poverty reduction" (Grindle, 2004, p.533).

According to (Grindle, 2004, p.525), it is very important to stress the fact that *good enough governance* does not seem to directly challenge the mainstream development principles. It simply establishes the fact that GG is deeply problematic as a guide to development". But for (Sundaram & Chowdhury, 2012), in reality, even selecting the most important measures or imperatives indicators will not be easy. Advocates of governance reform have rarely been right about the most effective approach and he ends up to a strict conclusion that: the development agenda should not be overloaded with governance reform.

In his criticism the idea of *a one best way model of effective governance*, (Andrews, 2010) finds that "it has become abundantly clear that the work on governance should move beyond focus on one-size-fits-all forms and models, which provide an unrealistic basis for governance reform that is not easily replicated, and is not necessarily appropriate to the situations in which they have been applied". GG is alike; it means different things in different countries.

In what he calls *the five governance myths*, (Booth D., 2015) mentioned that the large set of ideals like transparency in public affairs, accountability of power holders to citizens, absence of corruption, freedom of enterprise, secure property rights and rule of law are not necessary conditions for development success.

2.2 *Good Governance indicators construction and its correlation to economic development assumption*

Former World Bank staffer (23 years experience), (Levy, 2014) turns the relation between GG and ED in his book '*working with the Grain: Integrating Governance and Growth in Development Strategies,* when he explains that the traditional link between GG and economic development confounds correlation for causation. He puts forward two arguments that: (1) Today's model of development is not working, while the number of democracies doubled in the 1990s, many countries experienced not prosperity but instability. (2) The ensuing good governance policies created unpredictability in an economy, because efforts to promote rule of law, anti-corruption, and accountability can lead to economic instability and political unrest, or it operates by fracturing political power but this can lead to a weak government and strong autocratic factions.

The problem in GG is that in confusing desirable outcomes (low corruption, a good rule of law and accountability...) with the preconditions (institutions of political representation, accountability and market competition...) that are required to achieve political stability and economic development in poor countries. GG can in many contexts result in lost opportunities for meaningful reform or even worse (Gray & Khan, 2010).

In their seek to address the effect of the GG in the ED of the Western Balkan countries, (Kurtz, Marcus, & Schrank, 2007) investigate the impact of GG in the rates of economic growth of GDP, adopting an econometric model based on the examination of a panel – data of GG indicators for Western Balkan countries (Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia) for the period 1996 – 2012.

Statistical analysis shows that there is no significant dependency of the improvement of governance indicators on the economic growth for the analyzed period (1996-2012), the analysis of regression presents a messy dependence of economic growth on the GG level. In some cases the dependence of these indicators is negative), while in some other cases it is not statistically significant, like Croatia with the most modest growth compared to the other countries with the most positive indices in governance

Furthermore, they concluded that not all aspects of GG have the same impact on economic growth and for some of them this impact is faster than others and that some aspects of GG can be better identified for their impact on economic growth when displaced in time. From a general review, this correlation between GG and ED can be only theoretical and there is not enough practical evidence to support it (Kurtz, Marcus, & Schrank, 2007).

In another hand, the World Governance Indicators have received fierce criticism for being guided by certain normative assumptions and preferred institutional models (Christiane, 2006). There are criticisms against the argument whether the calculation of the indicators can be comparable in the same standard, and on the transparency of information sources. There are arguments that it will be almost impossible to set the level of indicators considering the bias for deciding the level. Although these indicators might improve governance, it will be inconceivable to expect a perfect set of indicators.

An extensive literature underlines the problem about the concept or the practical problems arising with the measurement of governance indicators (Arndt and Oman, 2006; Kaufmann and Kraay, 2008; Williams and Siddique, 2008; Langbein and Knack, 2010; Razafindrakoto and Roubaud, 2010). Arguing that Governance indicators especially the World's Bank is atheoretical and biased, (Andrews, Hay, & Myers, 2010) suggest more appropriate governance indicators based on theoretical grounding, focused on specific fields of engagement where countries seem to have governance problems, stressing key contextual differences in comparing countries.

The indicators used by the World Bank made the GG case flawed from the beginning because they were ahistorical and failed to account for country-specific challenges and conditions. The World Bank badly overestimated the impact of governance on economic growth, because of the reliance on cross-country statistical analyses suffering from selection bias and ignoring the inter-linkages among a wide array of variables (Sundaram & Chowdhury, 2012).

As an example given by (Fukuyama, 2013) if we use the measures of China's quality of government, then it becomes clear that existing measures of governance are highly inadequate. These measures treat single sovereign nations as the unit of analysis, when the quality of governance varies enormously within countries: by specific government function, by region and by function. Moreover, one cannot look at governance problems at one level only; because of interactions between levels of governments. For example, a poor national government can reduce the performance of a good local one, and the contrary. In China, it is widely believed that local governments are much more corrupt than higher-level ones (Fukuyama, 2013).

He considered that the Worldwide Governance Indicators rankings of China are strange. China's government performance for the year 2011 (ranked in the 60th percentile) is so low because, in his estimation, the effectiveness of China's national government with regard to macroeconomic management of a hugely complex modernization process over the past three decades has been miraculous. Since the Asian financial crisis, China's performance has been better than that of the United States which nonetheless ranks in the 90th percentile. China was managing an existing set of institutions and also transforming them in a more market-friendly direction (Fukuyama, 2013).

To examine the relationship between GG and EG (Kurtz, Marcus, & Schrank, 2007) ask two questions: (1) How confident are we in our cross-national measures of GG? And (2) How solid are the empirical foundations of the causal linkage between growth and governance? According to their results, dominant measures of governance suffer from perceptual biases, adverse selection in sampling and conceptual conflation with economic policy choices.

What is remarked is in particular case studies of development in poor countries none of these countries achieved significant improvements in GG *before* they began their economic transformations, and economic growth has taken place in many locations around the world while showing few GG characteristics. Like South Korea and Taiwan in the 1960s, Thailand and Malaysia in the 1980s, China in the 1990s and many other examples, where GG is not related to any significant increase in individual incomes.

A major area of dispute concerns the empirical evidence, particularly the econometric models used to support the GG agenda. Econometric approaches cannot show definitively that GG is required for development (Khan & Mushtaq, 2004). Researchers argue that any linear models of a simple relationship between GG and ED are likely to be very limited in context, and the relationships found in many econometric studies could, therefore, be spuriously caused by measurement error, reverse causation, poor model specification and data mining by dedicated researchers looking for combinations of countries and periods which support their theories. Also, econometric studies that question these results are typically ignored.

2.3 *Growth and development may enhance good governance*

Another fact to be taking into consideration is that there are more reasons and evidence today to believe that economic growth and development spur improvements in GG than vice versa. This fact is clear in the history of human progress, from 17th century England to 21st century China and Vietnam, where governance ideals are realized over time thanks to economic progress, not the other way round. Economic gains and human well-being in the last half-century Asia shows that development can be achieved within highly dysfunctional systems (Booth D. , 2015).

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According to (Mamoon & Rabbani, 2017), there is evidence that inequality stifles the capacity of political, economic and social governance by creating an elite class that protects their economic and political interests and undertakes legislation primarily to the benefit of ruling elites. In poor societies, ED empowers the economically and socially excluded groups by giving them more voice in favor of representative policies of issues like corruption or favoritism.

3. Adaptive approaches to development as new tending in economic development

In recent years, Adaptive approaches to development are gaining more importance, many research and works bring rigor to this conversation. There is a conviction that countries can use the institutions they have, working with the grain of its societies and what fits the best, to get the economic development going. Some of the sharpest minds in development policy, for example, Merilee Grindle, Brian Levy, Mick Moore, DaniRodrik and Sue Unswor agree that the *universal best practice* approach to governance for development is bankrupt (Booth & Cammack, 2011).

Adaptive approaches suggest that the critical issues of governance that matter in poor and developing countries with marginally effective states just are not the same that matter in developed societies and countries. It would be better for developing countries and international organizations need to stop projecting its concerns and standards onto places where they just do not feat.

The general idea behind adaptive approaches can be summed up in short: instead of blindly importing global best practices, developing countries need to start with what they have, not with what they want, by exploiting what they have in an innovational and adaptive development unconventional style.

3.1 *Adaptive approaches: examples and ideas*

The appropriate point of departure in developing countries is with the way things actually are on the ground, not some normative visions of how they should be. So the efforts should be focused on working to solve very specific ED problems and not to be preoccupied with longer term reforms of broader systems and processes, where the results are in the long-term and are hard to be determined (Levy, 2014).

In his viewing of the disappointing performance of the GG agenda in Africa, (Kelsall, 2008)find out that better results could be obtained and outside prescriptions only succeed with approaches that attempt to *work with the grain* of African societies, with African ways of doing things. He gives the example of East Asian countries that did not adopt western ways of doing things; rather, they selected certain elements of the western experience then they combined with indigenous strengths, creating distinctive new models of development, with the result of dynamic growth that is undeniably reducing poverty.

In the Africa Power and Politics Programme's synthesis, (Booth & Cammack, 2011) started with the question: should the governance of poor developing countries mimic what works in advanced capitalist democracies? And answered: of course not, because for 20 years *good governance* has meant exactly that. So, Millions of dollars have been spent on programmes that have been mixed at best. They conclude that the universal best practice' approach to governance for development is bankrupt.

In the report's synthesis of the Africa Power and Politics Programme, (Booth D., 2012) concluded that the search for a better approach to governance in Africa must be based more strictly on careful inference from the evidence. Good institutions solve problems arising in specific circumstances, meaning that generic solutions will often miss the point and may even do harm.

There are no institutional models or templates that are valid everywhere and for all stages in a country's development. The right approach to governance for development is *best fit,* not *best practices. Best fit* implies: (1) a real commitment to *working with the grain*: building on existing institutional arrangements that have recognizable benefits. (2) A shift from direct support to facilitating local problem solving (Booth & Cammack, 2011). For African countries, the fact is that some aspects of governance need to change to enable the economic transformation to begin. However, the full set of institutional improvements becomes feasible for countries only after the economic substantial transformation has occurred (Booth D., 2012).

A kind of adaptive approaches is the *rule by law* approach put forward by (Levy, 2014) as an alternative to *rule of law* as a way to manage organizational and institutional complexity when democratic institutions are weak, the reaction should not be to strengthen those institutions but to adapt them to prevailing social conditions. I.e. the aim is not to fix the system but to fix specific problems within that system through narrowly best reforms.

The *rule by law* approach is best illustrated by China and Singapore: following a long term rule by law development way. South Korea transitioned to democracy while governed by a dominant political party, which maintained its institutional development and eventually built the institutional framework for democratization. Even the history of the United States shows rule of law leading to sustainable democracy (Levy, 2014).

In his book *the great escape: health, wealth, and the origins of inequality*, (Deaton, 2013) dismisses people who think they know why countries fail to grow; he goes after economists who make unfounded assertions about economic growth:

"Economists, international organizations, and other commentators are fond of taking a few high-growth countries and looking for some common feature or policy, which is then held up as the "key to growth"—at least until it fails to open the door to growth somewhere else. The same goes for attempts to look at countries that have done badly (the bottom billion) and divine the causes of their failure. These attempts are much like trying to figure out the common characteristics of people who bet on the zero just before it came upon a roulette wheel; they do little but disguise our fundamental ignorance."

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One of the works that bring rigor to this approach is (Yuen, 2016)'s book: *how China escaped the poverty trap,* where she shows how China escaped the poverty trap. Before markets opening in 1978, China was an impoverished planned economy governed by a Maoist bureaucracy. In 1980, China had a GDP of 193$ per capita, lower than Bangladesh, Chad or Malawi. Evolving into the world's second-largest economy in just three decades, with a thirty-fold increase in GDP per capita; considered nowadays *developmental miracle.* China's economic performance is considered better than that of the United States since the Asian financial crisis.

China's transformation has been explained by (Yuen, 2016) using a dynamic framework to understand its development. Her major finding is that: for poor countries, just at the start of their development trajectory, weak institutions can be strong ones. She argued that the weak/strong description is imposed by experts from developed countries assuming that their institutions are the strongest since their countries are the richest. She concludes that development is a co-evolutionary process in which: (1) institutions and markets interact with each other in specific ways according to the context, (2) institutions change over time; the institutions that help to achieve the take-off are not the same as the ones that preserve and consolidate markets later on. So, poor countries can escape the poverty trap by first using weak institutions –like considered experts- to build markets as the first step of development, and then it comes to the stage of quality of institutions that strengthen markets.

China's process of development is unique and therefore it is not replicable because of its particular and unique details, as it is the case for all countries. However, by tracing the steps of economic institutional changes in China from 1978 to 2014, (Yuen, 2016) reveals that development occurs in a sequence of three interactive steps so the Chinese lesson can be applied far beyond China's borders, stressing the fact that we can do development differently, these three steps are:

- ***Normatively weak institutions can be functionally strong***: there are no more good/bad, a strong/weak institution, what really matters is institutional functions over forms.
- ***Building markets is not the same as preserving markets***: the institutions that propel new markets are not the same as those that later on evolve to preserve established markets.
- ***Weak institutions and corruption do not cause growth by themselves***: What matters is how people adapt existing institutions to solve particular problems at hand.

3.2 *Adaptive approaches: readings in the world Development Report 2017*

Recently, the World Development Report (WorldBank, 2017) seems to have attracted attention more than most. This WDR is different because it asks not "what" needs to change for development to happen, but *why* policy and institutional reforms often fail.

the World Development Report (WorldBank, 2017) on Governance and the Law highlights and focus on institutional functions and adaptation rather than forms, by changing the binary view of institutions from *good/bad* to *strong/weak*, calling policymakers to leverage what the poor have in abundance and expand their toolbox: how policymakers can make fuller use of behavioral, technological, and institutional instruments to improve state effectiveness for development.

Drawing on an impressive range of historical examples—from Ancient Greece to modern day-China, Brazil and Somaliland amongst many others—the WDR rehearses some important arguments about the centrality of institutions for development outcomes, growth and equity; the importance of institutional *function over form*, and the critical role that political power plays in shaping the nature and pace of change (WorldBank, 2017) puts forward three institutional functions that are essential for policy effectiveness: (1) *making credible commitments*, (2) *inducing cooperation* and (3) *coordinating beliefs and complementary actions*.

This focus on the institutions' functions over its form put forward the importance of the context as a key principl e in the policy and development outcomes. (WDR, 2017) offers not only some new specificity about the contextual factors that matter in understanding development outcomes, but also considers that *change is possible* when taking in consideration the context uniqueness, the contextual factors and the pre-conditions to be the pivot point and a starting step in policymaking.

Duncan Green wrote in an early commentary titled: 'The World Bank is having a big internal debate about Power and Governance. Here's why it matters': "The conclusion is that reformers should focus on strengthening the enabling environment, rather than pushing specific reforms" (Green, 2016).

The (WorldBank, 2017) highlights that we should move beyond a focus on the *rule of law,* to consider *the role of law* in (1) shaping behavior, (2) ordering power, and (3) providing a tool for contestation. It focuses on how citizens use the law to challenge and contest the exercise of power, promote accountability and foster more equitable bargaining spaces, as non-electoral channels for accountability and contestation and a way to access to justice and legal empowerment.

Nowadays, the world witnesses many legal empowerment initiatives like *Timap for justice* a community-based paralegals program that provides free justice services to people in *Sierra Leone*, *Namati*thataims explicitly to benefit both the poor and the socially disadvantaged by helping them understand and use the law.

3.3*Good Local governance as a focal point in the adaptive approaches*

The adaptive approaches of economic development rise bring rigor to the role of local governments or decentralized governance as a major factor for societies to adapt to ever-evolving challenges. The (WDR, 2017) spotlighted decentralized governance, not because it may be less corrupted. The main argument is that it *empowers local* *agents* and *creates opportunities* for adequate individuals to reach to political leadership, for different social groups to invest in building political parties, or for existing local governments to adopt innovative solutions suitable to local specific context and conditions.

There are many experiences for many cities -especially but not exclusively in Latin America-, where the well being of local citizens increased because good local governance empowered and increased the influence of those facing the most serious life, health, asset and livelihood-threatening risks. In almost all of these experiences, local governments needed clear and substantive responsibilities and to be held accountable, by both their citizens and higher levels of government, in order to achieve its role in providing the incentive for developmental.

Plus, *good local governance* relies on the cooperation of different *local stakeholders,* where Local goals and policy are influenced by local stakeholders, and local leaders are held more accountable by the local population. Many of the successful experiences were the result of local leaders, representative organizations and federations cooperating with the local government, showing what they can offer to work in partnership.

In their book (Booth & Cammack, 2013) argue that effective development requires an *elite bargain* that allows collective action problems to be solved. In the same context, through its research using cross-national data in Africa and a survey of more than 100 *chieftaincies* in Zambia, and in-depth fieldwork, (Baldwin, 2016) shows that in Zambian communities when having effective chiefs they have better public goods and that government initiated development projects work better where there is a collaboration between local politicians and chiefs.

According to (Baldwin, 2016), in places with more democratic competition there is an increased influence of chiefs; not because the chiefs deliver votes, but because in weak states, development projects that produce collective goods can succeed only if the chiefs help mobilize contributions from their own communities, because villagers want the public goods that chiefs help provide.

In her book*, how China escaped the poverty trap,*(Yuen, 2016) makes it clear that Chinese coastal cities didn't escape poverty by establishing private property rights or ending corruption first. Instead, local governments used civil servants' personal relationships as the best resources to use at the time to recruit investors. Officials were rewarded by a personal cut of investments made, while formal salaries were kept low.

By GG norms, it is a case of bad governance, since this strategy led to chaotic unplanned capitalism. Yet, this strategy fitted the goals of rapid growth, and once the economic activity was underway and the markets took off, the state started to do its role by regulating and becoming more interventionist about encouraging complementarily of industries and specialist clusters as the economy progressed.

For (Yuen, 2016) the specific mechanisms at play in the Chinese case are, (1) clear goals the central government sets and communicates; (2) a highly decentralized system where local government officials have a fair degree of autonomy to choose their strategies; (3) the high power incentive provided by the cadre performance management system and (4) finally profit sharing.

In a Synthesis report of The Developmental Regimes in Africa (DRA) project, (Booth d. , 2015) sheds light on how developmental regimes might emerge and be sustained in Africa in the 21**st** century, driven by the will to investigate the causes and implications of a worrying scenario. The scenario that many African countries have experienced sustained economic growth, however, few of them have embarked on the kind of structural change, driven by rising productivity in key sectors that have been responsible for transforming mass living standards in parts of Asia.

Relying on many case studies, the report's main findings are: (1) *sustainable growth regimes had strong ruling parties with consensual traditions, but no significant relation neither with inclusive institutions nor a golden thread. (2)* The governments that made the right policy choices believed in *shared growth* and were based on *growth coalitions* that included peasant farmers; they prioritized the redistribution of income and assets to the poor and to rural areas. (3) *The need to look beyond policy, public agencies can learn from bottom-up cluster performance assessments.* (4) *The politicians need to understand that the way development happens is too important to be settled without primary reference to evidence. (5) Finally, to give the priority to changing the mindsets of African elites.*

4. Conclusion

What can be concluded from all above is that GG reforms are sometimes regarded as a kind of technical problem that is the source of a tendency to mimic best practices and copy the well-governed, prosperous, uncorrupt countries in a fake hope to be just like them. But nations are really much more complicated than that; they are a combination of historical, cultural and social context, inappropriate to be a subject of an imported Danish model expected that is going to work well.

The way to get to GG is to understand that it is not a technocratic process. Technocrats have the easy part, telling what an optimal GG looks like. The hard part is actually building the political and social coalitions, communicating ideals and endpoints to populations to bring them along, that's how improvements can be made.

At this point, the idea of assessing a country's institutions by their distance from the global best practice and ranking them on international standards is being provocative. GG reforms must be gotten way past the idea that the developed countries have the right ideas and the knowledge of how to make developing countries develop.

Thus, many very liberating ideas can be concluded, mainly, nations don't have to be stuck in the poor economies and weak institutions trap. Poor countries can make use of the existing institutions they have to generate inclusive growth and get development going and further impetus for institutional evolution. The secret to development lies within those countries themselves and that the most important models are not rich countries but other poor countries.

Adaptive approaches are gaining momentum as a way of addressing implementation gaps and the political challenges in developing countries because they align closely with the every developing country's specific

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conditions, special context, the existing grains and institutions; they welcome focus on best-fit functions rather than best-practice forms.On this momentum, we can build learning about how to put it into practice to boost development effectiveness, to put adaptive programmes at the center of the governance and development practices and what we should do to move forward with adaptive programming.

This new approach can be considered as an introduction that provides new energy to research and practice to end goals in development, and for a society to adapt to ever-evolving challenges in a very liberating way. As a result, we need to engage more with research looking carefully for sources of adaptability, instead of inconveniently writing off outlier cases such as China, Vietnam, Bangladesh or Cambodia. We should instead unpack how these countries evolved institutional solutions to commitment, cooperation and coordination problems as their economies evolved.

This analytical lens seems to have enormous potential for thinking through the adaptive challenge, to figure out how these countries used the institutions they have, worked with the grain of their societies, how they get development going and the types of growth that are more likely to generate. What is the nature of the conflict process around the goals' setting? The diverse and balanced interests that may give impetus to development and the strong essential institutions for preserving markets.

To promote a kind of south-south learning, where developing countries can look at the experience of other developing countries, or to showcases of successful developing countries fixing their governance problems not as a template, but as a strategic example of how political leadership has operated and how were local actors empowered to experiment and innovate as a possible way forward in their own particular local context.

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