

## **GOVERNANCE**

### Field Statement of Current Programming (October 2003)

#### **Background**

At the Ford Foundation, governance represents the exercise of democratic authority over matters of public concern – equity, security, peace and social justice. In democratic polities, authority derives from structures of the State that protect basic human needs and enforce the rule of law, while legitimacy derives from structures of citizen participation that express collective aspirations and hold public power to account. All systems of governance must balance the demands of authority and legitimacy in ways appropriate to the context, and the Ford Foundation's role is to help in this process by supporting actors across society to address the challenges of long-term institutional development and relationship-building in the civic and political arena.

In recent years this process has become more complex, as authority has moved down the political system to sub-national units, up the political system to supra-national institutions, and away from state monopolies to non-state actors, both for-profit and not-for-profit.<sup>1</sup> These trends have been driven by worldwide forces favoring decentralization, privatization and global integration that challenge traditional notions of identity, citizenship, sovereignty, and democracy, and call for new responses that link public to private actors, local to global arenas, and direct to representative politics in the institutions and processes of governance. They have added yet more layers to more basic questions of governance that still confront fledgling democracies, autocratic regimes and "failed states", but they pose fundamental issues for stable democracies too. The Ford Foundation situates itself at the heart of these powerful debates by promoting governance-based solutions to problems of peace and social justice at all levels of the world system.

All political systems are dynamic, and democratic journeys are turbulent, unpredictable, and always subject to reverse. The details of democratic development vary greatly from one context to another. Grant making at the Ford Foundation acknowledges this diversity, while sharing a common set of values and principles and a pluralistic approach to governance reform across many different contexts. These principles include:

- the peaceful resolution of differences within and between societies
- equal participation and representation in local, national and international politics

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<sup>1</sup>The involvement of for-profit institutions in governance is not included in the current Governance field, though it may emerge as part of collaborative work on markets and globalization in the future.

- cooperative and multilateral approaches to political problem solving
- non-discrimination in the processes and institutions of governance
- the promotion of synergy between a strong and legitimate State and a strong and inclusive civil society
- the need to link problems and solutions together at different levels of the world system

This last principle represents an effort to integrate the fields of governance and international cooperation. For example, building the negotiating capacity of Southern governments and regional blocs in the international system goes hand in hand with strengthening democratic national and local polities that help to insure that these capacities are used for progressive ends; strengthening the processes of local and national governance goes hand in hand with attempts to change the policies of regional and global institutions in favor of diverse approaches, and away from the universal dogmas of privatization and state retrenchment.

In our experience, these principles are mutually reinforcing – peace and democracy, inclusion and legitimacy, democracy within states and democracy between them. Democratic politics offer non-violent ways of resolving conflicts, within and between countries, while conflict prevention through effective governance promotes the equity and stability that development requires. Stability requires a legitimate State, and legitimacy rests on transparency, accountability, performance (both at home and as a good global citizen), and a level of public participation that gives everyone a stake and a share in success.

In most cases, decentralized, democratic governance provides the best framework for people to exercise their citizenship rights over the power of social prejudice and the market, **so long as** it is nested within similar systems that protect universal rights and entitlements at the national and global levels. As genuine participation in politics grows, so does the legitimacy and effectiveness of State authority, providing a strong hand to protect against exclusion, regulate the privatization of public functions, and negotiate on behalf of citizens in the international arena. Experience with decentralization demonstrates that such policies work best when supported by a strong and democratic State that can insure that the benefits of reform are shared equally across society and not captured by elites.

Worldwide, we work on building both the demand for and the supply of effective, democratic governance, with the balance between these strategies depending on the country context. In our conceptual framework, both the State – as the legal bearer of rights and responsibilities in the national and international arenas – and civil society – as the wellspring of democratic practice and a check on the abuse of State authority – remain central. We also recognize the importance of building strong links between civil society and political life.

The Ford Foundation has had a commitment to strengthening democratic institutions from its initial mission statement in the 1950s. Early grant-making sought to pave the way for free and fair elections, strengthen public administration, further government adherence to international human rights standards and respect for the rule of law, and remove barriers to political participation for voters excluded from the system. Since the 1980s, the Foundation has responded to the worldwide decentralization of public functions by supporting projects that promote innovation in government, strengthen citizen participation in local governance and the budget process, and build local government capacities. In the late 1990s, work began on the reform of national political systems (through participatory constitution making and political equality), and in 2002, much of the Foundation's work on international cooperation was integrated into Governance and Civil Society, generating new opportunities to harness the "means" of governance to the "ends" of international security, conflict-prevention, economic development and multilateralism in foreign policy.

These changes have presented the Foundation with an unprecedented opportunity to nurture and strengthen democratic institutions in every country in which we work, and now at the regional and international levels too. We do so, both because we believe democratic governance best expresses the wishes and needs of the people governed and because it is most likely to produce a just, peaceful and equitable world.

### **Goals**

The overall goal of PSJ's work in this field is to "**promote institutions and practices of governance that are transparent, accountable, responsive and effective in promoting peace and social justice outcomes at all levels of the world system.**" Within this overarching goal, the Foundation has identified three sub-goals for its work:

- To strengthen the institutions and processes of democratic global governance, especially in the areas of international economics, conflict and security
- To strengthen the democratic reform and reconstruction of national State institutions, especially their capacity to secure peace and social justice outcomes
- To strengthen the capacity and responsiveness of sub-national governments, especially the involvement of citizens in promoting local government transparency, performance, and accountability

Program Officers around the world support work at each of these levels and also initiatives that link these different sub-goals together.

Current and Future Grant making in Governance.**1. Strengthening the institutions and processes of democratic global governance, especially in the areas of international economics, conflict and security.**

The increasing importance of global institutions in the governance of social and economic development, security, and conflict requires the Foundation to be active in promoting democratic politics between nations as well as within them. Sometimes this is pursued by strengthening Southern voices and transnational civil society engagement in global regimes and debates about global governance – for example, reinvigorating development economics by incorporating a wider range of positions and perspectives, supporting Southern Governments' analytical capacities so that they can participate effectively in global negotiations, promoting innovative solutions - like the World Commission on Dams - to the dilemmas of decision-making over global public goods, and bringing alternative perspectives from Africa, Asia, Latin America and the Middle East into global debates on conflict-prevention, sovereignty and intervention.

Elsewhere, grants are made to initiatives that undertake research and build support for new ways of strengthening global trading, financial and security regimes that reduce inequality, address the particular needs of low-income countries and groups within them, and ameliorate the threat of war, especially conflicts that involve the potential use of weapons of mass destruction. For example, support has been provided to a high-level panel of Southern experts on reforming the international financial system, to organizations like CEPAL and SAARC which promote the virtues of regional approaches to problem-solving, and to promote new research and thinking on non-traditional security issues in Asia that helps put people at the center of security issues and broadens the engagement of different groups in society in preventing and resolving conflicts.

Elsewhere, we support dialogues between security analysts and emerging leaders in the nuclear powers, especially China, North Korea, India, Pakistan and the United States; while in Russia, grants have been made to research and advocacy on strengthening nuclear nonproliferation and export controls. A new global portfolio on Peace and Conflict will enable the Foundation to expand its work on strengthening multilateral solutions to intra-state and regional conflicts and promoting innovative approaches to peace-building. This will include continued work on gender and conflict, support to regional peacekeeping activities in West Africa and to Africa-wide work on peace and conflict, a major program of work on conflict-resolution in Colombia, and ongoing support to "Track Two negotiations" between Israel and Palestine, India and Pakistan, and North Korea and the USA.

In response to renewed debates about the role of the US in the world, work on US foreign policy is being expanded via a cross-program task force designed to build support for multilateralism, especially in the United States. Grants are made to activities that develop innovative policy alternatives, communicate these ideas more effectively to specialized audiences and the general public, and deepen domestic constituencies for their support. The task force includes representation from Foundation offices outside the US who work on foreign policy issues both domestically (for example, by training diplomats and strengthening the field of International Relations in Egypt, China and Vietnam) and internationally - by feeding ideas into the debate on US foreign policy and its consequences, and by promoting South-South cooperation in order to encourage the development of counterweights to the US and the European Union in a multi-polar world.

Another new line of work aims to strengthen linkages between global, national and sub-national institutions in order to promote accountability and close the gap that has emerged between citizens, their elected representatives, and international decision-making processes. In the USA, for example, support is provided to grantees who work with members of state legislatures to improve their understanding of global trade policy and the role of World Trade Organization; while in Brazil, a new initiative will deepen understanding of how global trade rules affect local communities and how local actors can influence the shape of those rules in the future.

## **2. Strengthening the democratic reform and reconstruction of national State institutions, especially the mechanisms available to states to secure peace and social justice outcomes.**

Despite the increasing importance of global institutions to effective, democratic governance, nation states continue to play a crucial role in securing peace and social justice outcomes, both as duty-bearers of their international obligations and as guarantors of human security within their own borders. In the last ten years, however, worldwide trends toward state retrenchment and the privatization of public functions have weakened governments' ability and/or willingness to use their powers to promote equity, social protection, and the full achievement of human rights. Reversing these trends is a priority for the Governance field.

In some contexts, this goal is pursued through reforms in national political systems including the constitution, election laws, and the promotion of political equality in representative institutions in order to insure the engagement of the entire citizenry in democratic processes. In the USA, such work focuses on removing barriers to voting (such as felon disenfranchisement), diversifying the pipeline of future political leaders, and "reclaiming politics for the public"-meaning campaign finance reform, clean election laws and other measures that improve the responsiveness of political systems to the public interest. Similar work is developing outside the US, including electoral reform and the political integration of Muslim communities in the Middle East.

Elsewhere (for example in Nigeria, India and Uganda), the focus of this work is on support to political arrangements that respond constructively to the challenges of pluralism, including the development or reconstruction of state institutions after periods of conflict. In China, a new initiative aims to strengthen the role of the State in securing basic human needs through effective fiscal policies, social safety nets and labor market regulation. A similar initiative is under development in India. In Brazil and Indonesia, on the other hand, priority is given to the security apparatus of the State and the importance of promoting effective civilian oversight of the police, work which is carried out in close collaboration with colleagues in the Human Rights Unit.

Underlying these interventions is the continuing need to promote new research, thinking and debate about State roles and responsibilities that includes a diverse range of voices and positions from different national and regional contexts. This includes support to an Africa-wide network of scholars on the ‘Changing State’, university-based research and convening in the Middle East on “redefining the role of the State”, and support to international meetings designed to challenge the “Washington Consensus” on State retrenchment (such as the Global Development Network). Program Officers who work on these issues are linked together in a global learning circle on The Changing State.

### **3. Strengthening the capacity and responsiveness of sub-national governments, especially the involvement of a broad cross-section of citizens in promoting local government transparency, performance and accountability.**

Although it is no longer true that “all politics are local”, worldwide trends toward political decentralization have greatly increased the importance of the Foundation’s work on democratic local governance. Such work now forms the core of the Governance field in many of the countries in which we work, with a particular focus on promoting greater citizen engagement and participation. In China, the Philippines, South Africa, East Africa, Chile, Peru, Brazil, Mexico and the United States, the Foundation supports awards programs that shine a light on particularly successful experiences in this field and thereby promote innovation in government institutions and, more broadly, in democratic governance. Since 2002, these programs have been linked together through the Getulio Vargas Foundation in Brazil in order to promote mutual learning, and now also participate in a growing international network on innovation in democratic governance facilitated by a major Ford Foundation endowment grant to Harvard’s John F. Kennedy School of Government.

Elsewhere, the focus is on encouraging more open, informed and participatory budget and revenue processes by building analytical and oversight capacity among civil society organizations. The State Fiscal Analysis Initiative supports such budget groups in 22 states in the US, backed by the specialist expertise of

the Center on Budget Policy Priorities (CBPP) in Washington DC. Similar work is underway in many other countries including Brazil, India, South Africa, Egypt and Indonesia. The Foundation remains a core supporter of the International Budget Project (also based at CBPP), which links civil society groups across the world in this increasingly important and influential field, provides training and capacity-building services in budget analysis, and disseminates information on cutting-edge research and best practices. The Africa Budget Project (based at IDASA in South Africa) performs a similar set of functions across that continent. Increasingly, budget work is linked to broader work on promoting local government accountability, including experimental 'scorecards' in India, support to civil society organizations that monitor government policy and performance in Brazil, Chile and the United States, and work on e-government in the Middle East.

A large proportion of the Foundation's resources in local governance are devoted to strengthening the capacity of citizens and their organizations to participate effectively in local processes and institutions as the opportunities provided by decentralization continue to expand. In Kenya, for example, the "Uwongozi Institute" trains new generations of leaders from civil society, while another expanding line of work supports concrete innovation, research and experience-sharing about citizen participation in village elections in China, India, Indonesia and elsewhere. Key issues here include the impact of "non-party" politics at the local level and the increasing participation of women as candidates and elected leaders. Since it goes well beyond local governance, the Foundation's broader support for citizens' groups is described in the Civil Society Field Statement.

Finally, because decentralization has both costs and benefits, we support a growing body of research, critical thinking and networking on citizen participation in local governance at the national, regional and international levels. At the national level, examples include the ongoing evaluation of the "Panchayati Raj" system in India, and the changing nature of local politics in Indonesia. At the international level, these activities are coordinated by the Participation Group at the Institute for Development Studies in Sussex (IDS), on behalf of LOGO – the Foundation's "Learning Group on Local Governance." Working with an expanding network of local institutions around the world called "LOGO-Link", IDS facilitates exchange visits, research projects, conferences and a website that provides access to a global database of information and cutting-edge practice in this field. Another group of Program Officers facilitates research and the exchange of experiences around the issues of gender and governance.

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