

Good governance: Conventional and Islamic perspectives

Normala Mohd Adnan*

Introduction

Good governance as a concept introduced by the International Financial Institutions (IFIS) as a condition for granting loans to mostly less developed countries has become popular especially for international donors, international organisations, civil societies, and non-governmental organisations. Although most of them agree that good governance is essential to achieve development in various areas (Kura, 2008; Gonzales and Mendoza, 2004; Doig 1995; Loiu 2007), there is no consensus on what constitutes good governance. “This intrinsic open-ended quality, and inherent lack of specificity,” according to Doornbos (2003:375), generated a good deal of debate prompting multiple efforts to appropriate it and define it in a particular way. This article analyses the concept of good governance and its underlying values from liberal as well as Islamic perspectives. The way forward is perhaps to work on implementation of good governance based on context rather than leaving it for international institutions to decide on aspects of good governance deemed worthy for adoption. The paper argues that good governance principles from either liberal or Islamic perspective need not be abandoned on the ground of cultural diversity. These principles could be modified, altered, and improved to suit particular condition and as long as it promotes goodness to the society.

Historical origin of the concept

Good governance appeared into international arena of aid circles around 1989, when the world was characterised by the “third waves” of global democratic revolution (Deng and Lyons, 1998). It was first initiated as a donor discourse and subsequently received wider attention especially after the end of Cold War with the strong desire to promote democracy and better government in developing countries. At the beginning, there was no condition attached by the donors for granting development aids. However, in the post-cold war era, the donors started to specify how recipient countries should structure their political and administrative organizations before getting financial aids.

Although the World Bank in principle is non-political, its function as a secretariat for donor meetings to decide what condition need to be met before approving loans has placed it in a strategic condition to interfere indirectly into political affairs of other countries. Harrison (2005), Doornbos (2003) and others agree that despite its efforts to

* Assistant Professor, Department of Political Science, International Islamic University Malaysia (IIUM), E-mail: hnormala@iium.edu.my

engage in efficiency and economic growth, World Bank is not politically neutral. Harrison (2005) has shown that the World Bank has been actively engaged in an endeavour to bring in political message into its development plans, most evidently under the slogan of good governance since early 1990s.

Various criticisms notwithstanding, the World Bank has stressed the importance of good governance, in particular such values as accountability, improved auditing system, decentralization, effective anti-corruption plans, participation of NGOs and civil societies, transparency of government policies and plans, a legal framework for private sector development, and independence of judiciary. This initial phase of governance lasted from early 1990s to mid-1990s (Kalshreshtha, 2008). In 1997, World Bank announced that public institution reform and improving governance could reduce poverty and contribute to successful development (The World Bank, 1997). By 2000 many World Bank projects were either concentrated on governance reform in core public sectors or governance reform in specific sectors of recipient countries like social and infrastructure sectors (The World Bank, 2000). The recent programmes concentrate on privatization, deregulation, devaluation of currency and openness to outside market and competition (Ciborra and Navarra, 2005).

Good governance: Conventional perspective

Disagreements exist between the Muslim and non-Muslims on the principles of good governance. The West claims that the lack of tolerance and the rejection of freedom and rational thought in Islam have made it impossible for good governance to be implemented in the Muslim world. For Muslims, western concept of good governance could lead to degradation of values in the society. This according to some Muslim group is caused by detaching religion from life which only leads to material development. The two groups, however, gloss over the similarities in their conception of good governance.

The essence of good governance “can be traced back as far as Aristotle in his *Polity* or even further back to Confucius who was concerned with a wise government that acts meritoriously” (Palmer, 1997). A treatise on governance was found earlier in the *Arthashastra*, associated with Kautilya, the chief minister of India who offered core principles on the art of government highlighting justice, ethics, and benign duties of the king (Boyte, 2005). Muslim scholars have also written treaties on good governance such as al-Mawardi’s *Al-ahkam al-Sultaniyyah* (the principle of Islamic governance), Ibn Taimiyyah’s *as-Siyasah Ash-Syariah*, and also Ibn Khaldun’s *al-Muqadimah*. From Islamic perspective as indicated by most of these books, good governance rests on leadership qualities, ethics, high morality, mutual consultation, justice and equality, wisdom, courage and discipline. There is no direct word to indicate governance in Arabic language. The closest term to governance in Arabic is perhaps *al-hakimiyya* which means judgement.

The recent idea of governance nevertheless, is said to have originated from United States corporate language, which means good quality management (Wood, 1999). Khan (1998) is of the opinion that the term has evolved from traditional public administration concept of “governing”. According to him, the concept originated from descriptive and positivist public management school of thought, which initially intended to give new definition to the traditional role of government by focusing on the effectiveness and efficiency of the outputs and outcomes of governmental action to people. Following its promotion by the World Bank in 1989 nevertheless, the term good governance has been used frequently by various parties to refer to various issues, ideas and policies (Siddiquee, 2005).

The widely used definition however is the one given by the World Bank (1992) as a way or manner in which power is exercised in a management of countries’ economic resources for development. In 1997, this definition somehow changed into the manner in which public officials and institutions acquire and exercise authority to shape public policy and provide public goods. Kaufman (1999) gives much wider perspective of governance as traditions and institutions by which authority in a country is exercised or practiced. This may include the process by which government is selected, monitored, and replaced. It also consists of the capacity of the government to effectively formulate and implement good policy.

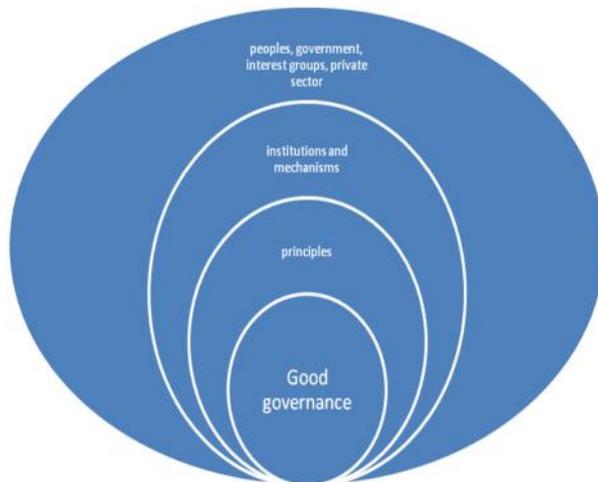
Normally, the tasks in promoting good governance would cover efforts to increase degree of accountability, transparency, and responsiveness, to make policy more effective and to improve the quality of service delivery to people. The World Bank in this regard provides a check list on six elements of good governance. The elements compose of accountability, political stability and absence of violence, government effectiveness, and regulatory quality, rules of laws and control of corruption. Additionally, the UNDP (1997) stresses on the features of governance that comprises the mechanism, process and institutions through which citizens and groups articulate their interest, exercise their right, meet their obligations and mediate conflicts (Boyte, 2005).

Majority of scholars disagree on what constitutes the principles and framework of good governance as presented by the World Bank and UNDP. It has produced major debates and to additional features of good governance. For example, Wood (1999) identified three main but often overlapping principles: participation, accountability and fairness. Participation in this regard includes decision-making process that should involve all parties. Accountability is comprehensive referring to the available line or forms of accountability. Fairness is conceived as having two attributes: the procedural way and the substantive way. Another work on good governance by Lee (2005) also reveals that there are three elements of good governance: the institutionalization of transparent bureaucracy, the institutionalization of effective bureaucracy and the institutionalization of democratic accountability. Institutionalization of transparent bureaucracy means, state officials should be institutionally monitored, follow the rules of law and the availability of internal

and external mechanisms within and outside the organization. Government effectiveness on the contrary, denotes that bureaucracy should provide a better quality of goods and services to the public, private sector and nongovernmental organizations. In this point, Lee stresses on the importance of external body to evaluate the quality of services given by public agencies on a regular basis. The final element in her work is democratic accountability. She feels that government should be responsible and accountable to people rather than to exercise power according to their interest.

Harrison (2005) on the other hand, briefly argues that good governance has two major thrusts. The first thrust signifies the legitimacy of public sphere for example rules of law and legitimate authority. Another thrust is the exercise of officials in power in the management of countries' resources for the betterment of citizen life. He states that good governance is linked to development because of its management and democratic aspects. Brinkerhoff (2005) is of the opinion that good governance requires taking into consideration both demand and supply sides. Demand side operates through a range of functions related to aggregating and expressing societal interest including social integration, social participation, and governance through representation and information dissemination, limiting state authority, generating consent and promoting democratic values. The supply side would confirm the delivery of public goods and services. It needs state capability to come out with appropriate policy and independent from pressure of special interest in the society. Additionally he stresses, state should enforce incentive and sanction as stated by the rules and regulations or constitution which has resulted from the demand side.

Taken together, it is apparent that there are different features of good governance but there are also certain similar elements which forms its core. The core elements of good governance compose of government, people, private sectors and civil societies. Government should represent people's interest and must be effective in serving them. Institutions on the other hand, act as the foundation of governance. They provide: 1) information about public goods and in the process help government regulate well, 2) reduces the likelihood of disputes and help enforce contracts or argument through judicial system, 3) provide clear and transparent mechanism governing business, thus reducing corruption and bureaucratic obstacles, 4) facilitates competition through a good regulatory structures, and 5) ensures through system of rewards and penalties leading to the desired behaviour (Gonzales and Mendoza, 2004). All of these elements are interconnected yet with different functions. As Keohane and Nye (2000) put it good governance in this context involves a processes and institutions, both formal and informal that guide and restrain the collective activities of a group. Governance need not necessarily be conducted exclusively by governments, private firms, associations of firms, non-governmental organizations (NGOs) and associations of NGOs, all engage in it'. Thus, good governance is more than government, it is mainly about these roles and connections and how they ultimately setups the rules of the game in society which specifies each roles and directs the interaction of who gets what, when and how.

Figure 1: Model of Western perspective on good governance

Good governance: Islamic perspective

The principles and framework of good governance provided by the liberal perspective are consistent with Islamic perspective. Islam, however, is unique in the sense that it has linked the world with the hereafter. Similar to the Western perspective of good governance, Islam values justice, equality, transparency, accountability. It prohibits all forms of exploitation and excessive use of power by the government. The main goal is to ensure the well-being of people as a whole which goes beyond just material achievement or development in economic aspect but also covers spiritual side. It combines the unique elements of Tawhid, Shura, and Shariah, to form the core of governance in Islam.

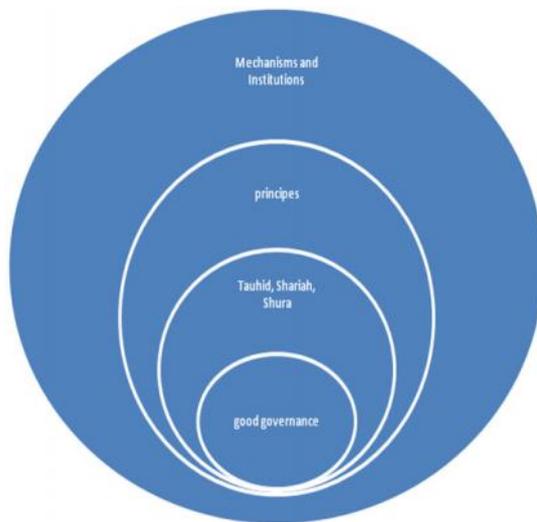
The origin of Islamic value system in governance largely could be found in the Qur'an and the traditions of the Prophet (SAW) and the practices of his companions. The Qur'an and other Islamic sources use such terms as direct, conduct, run, regulate, be in charge, manage well and others to signify governance. Qur'an also has precisely mentioned in detailed some of these values for example how to govern, administration of justice, honesty, integrity, and general principles of consultation. *Tawhid* as the first principle in Islamic governance stresses on the oneness of Allah (SWT) and Prophet Muhammad, as the messenger of Allah (SWT). This includes the unity and equality of man and man as the vicegerent of Allah who should rule based on Allah's will. In Islam, *Tawhid* gives a foundation for governance to be directed only for the sake of Allah (SWT) and they are accountable only to Him as the inner core of governance in Islam. Included in this principle is conduct based on personal ethics and framework of justice. It establishes right, obligations and responsibilities to the network of relationship among people as well as with Allah (SWT).

The *Shari'ah*, in the same way, details the pillars to carry governing affairs and the creation of good and ethical governance. The Qur'an, Sunnah and jurisprudence provide

a comprehensive code of laws on social, moral, political, administrative, economic, criminal civil, religious and ethical issues. The Shariah is quite general and only provide a broad outline so that the detailing of the governing conduct could be done based on circumstances, place, condition and other factors. Thus, Shari'ah is divine and at the same time it is independent and flexible in giving individual the opportunity to interpret and practice according to the needs and demands of the country. In other word, the Islamic value system of governance combines religion, ethics and values. As a result, the separation between governance and religion as well as morality cannot be accepted in Islam.

Another principle of governance is Shura or mutual consultation. Shura requires that no decision can be taken unless people have given their free and frank opinion on the matter. It requires also that the decision be made on the basis of unanimity failing which majority principle may be resorted to. The final decision should be in accordance with Shari'ah to avoid injustice or being biased. The Shura is more to restraining the power of one party over the other as compared to merely a mechanism to achieve decision. The leader needs to do Shura when making decision that affecting public interest when there is no clear direction in the Qur'an and the Sunnah (See Figure 2).

Figure 2: Model of Islamic value system on governance



Government, society, interest groups.

Approaches to good governance

In supporting and arguing good governance principles, scholars have provided an almost exhaustible literature on the concept yet with quite distinct explanation and approach. However in explaining the concept of good governance, scholars either adopt universal approach or cultural relativism. The two approaches can be differentiated based on

several attributes like focus, objectives, aims, the way it works and setting. From the universal approach, Doornbos (2003) argues good governance is more than simply an administration or management, but also covers its relationship with political process in a larger context. Much of the interest of this approach usually focuses on state-market relations and state structures to ensure accountability, due process of law and other regulations as compared to try to understand why things happen. It is therefore, not surprising that the aim of this approach is channelled towards enhancing policy efficiency, effectiveness and preparing the ground for policy intervention especially by the World Bank.

The major aim is to build institutionalized patterns of global governance by asking individual state to comply with the norms set by global institutions. The approach, which is also called one-size fits all, presumes that universal laws, regulations or principles do exist. It offers Unitarian explanations that these laws are applicable around the world and must be uniform to all societies in spite of their differences, like good governance principles. The strong proponents of this approach, like Francis Fukuyama, for example, declare that ideological struggles have resulted in the universalisation of Western liberal democracy as the final form of human government. Because of this, scholars have perceived this form of governance and its principles as the sole way to achieve political superiority and development in the country, thus assuming the position as the global paradigm for good governance. Furthermore, this approach also supports discourses with donors in the sense that it promotes one general notion of governance and every country should abide by its principles. Because of this contention, this approach is mostly favoured by powerful countries in the West, multilateral institutions like the International Monetary Fund (IMF), the United Nation's Development Program (UNDP) and the World Bank. Many scholars have successfully used this approach in their works such as Etcy (2007), Newmayer (2006), Northover (2005), Radin (2007).

Quite the opposite, cultural relativism focuses more on improving understanding on various ways of how institutions relate to states, people and different styles of state and civil society relationship. Unlike the donor directed or universal approach, the academic discourse does not specify the actual decision making area. It can be within the state, within the international organization or other structures. Reliance on this approach most of the time enable us to look into the exercise of political power without any formal boundaries (Doornbos, 2003). Cultural relativism or the cultural uniqueness approach gives more consideration to local conditions or situations which are unique and cannot be judged meaningfully by outsiders or by using the same standard. Many of them deny that universal values or principles do exist at all and claim that these values are merely an expression of local customs and values, which belong to some western countries. There is also the argument that good governance, as promoted by the universal approach, is just an instrument used by dominant powers to expand their interests to other states. According to Jenkins, the universal approach to good governance also tends to create a false

perception of the social, economic, and political aspects. For Philip, the blend of all-inclusiveness in good governance is capable of being seriously misleading. Most of the international organisations, including donor countries working on good governance, for example, do not make any distinction between the social, economic and political aspects to be improved by the state concerned. These principles and recommendations for improvement usually touch all aspects which are based on the experience of Western countries. Thus, they may not be conducive and may even be burdensome to be implemented directly in other states with different contexts. Different countries may have different explanations for it. According to cultural relativism, local institutional factors may play a greater role, such as the political culture, bureaucratic structures, and the nation's historical development. Thus, each country would have different explanations and solutions for its unique conditions or its own form of good governance. There are numerous works associated with this line of thinking for example Hout, (2002), Rothstein and Teorell (2008), Offor (2006) and Ball (2006).

By analysing these two approaches, it becomes clear that Western principles of good governance as promoted by the World Bank are consistent with universal approach. While Islamic principles on the other hand, situated at the middle between these two extremes. This condition has given advantage to Islamic value system in such a way that it could address the weaknesses of these two approaches while at the same time enjoying their advantages. The most important concern of Islamic system is the quality of the governed than it does upon the form of government.

Implications, issues and challenges

In discussing the implications of good governance it is really difficult to ignore some of the encouraging contributions it has made be it from Islamic or Western perspectives. For instance, many studies conducted in 1990s have shown that the good governance concept influenced the economic development of numerous states (Kalshrashta, 2008). Mauro (1995) has shown that rigid bureaucracy, inefficient judicial system, various type of political stability could affect corruption and economic growth. In the same way, Kaufman *et al.* (2008) agree that there is a significant relationship between good governance principles like accountability, political stability, and effective administration with development of a country. Some other works by OECD researchers indicate that many good governance principles have been used by member countries to promote their social, political and economic growth (Liou, 2007).

Some scholars on the other hand, believe that good governance could actually strengthen the state. Although it may come from external party and its effectiveness is doubtful, Hashimi (1997) argues that the objective behind international intervention in domestic affairs like transnational civil societies, World Bank and others in the name of good governance is mainly to produce stronger state which appreciate more liberal democratic principles within a more stable international system. Similarly, Brinkerhoff

(2005) in her article argues that even though there is a scepticism on the capacity of a leader who need to be guided in the way to manage his country, the principles of good governance imposed by the World Bank are very crucial to countries like Tanzania and African continent as a whole. She adds, through this way, the people and their leader could have international interaction that would lead into some progress.

In spite of these impacts, good governance in itself remains as a challenge for liberal perspective. This section compares some of the issues and limitations of good governance concept from liberal and Islamic values.

1. Universality of the concept

Doornbos (2003) believes that the concept of good governance particularly designed by the World Bank could not go very far in term of its universality. Philip (1999) similarly, claims that the universality of good governance is difficult to be obtained due to no value consensus pertaining to key aspects of good governance. According to him, governance itself is a product of balancing conflicting view and interest in the society. What can be achieved in practice may be some democratic principles like respect for human right, free market and rules of law, but to go beyond this by seeking a preferred type of democracy would introduce insurmountable difficulties. He further argues the notion of good governance is largely a matter of debate rather than a consensual search for universality.

In Islam, even though the principles appear to be universal, but the application is flexible as long as it does not contradict the teachings of Qur'an and Sunnah. The concept of Shura for example is unspecified and open. There are some general guidelines of how consultation should be conducted but the details depend so much on the condition, time and context of a particular country. The most important is that, shura must be performed for the decision that can affect the interest of the people as a whole. It intends to add some spiritual and psychological aspects.

Thus, it becomes clear that different contexts require different arrangement of good governance. As a matter of fact, there are various way of how government, people, institution, organization, arrange their relationship and what consider good in one country may not necessarily be the same if apply in different conditions. Almost all of the good governance features are derived from Western standard, therefore, there is a doubt regarding its appropriateness in non-western world or to use the standard to develop judgment for other country whether they are democratic or not. As Beethem (2005) put it 'good governance similar to democracy is a matter of degree not and all or nothing affair, which country either has or does not have'.

2. Implementation of good governance by International institutions

There are numerous criticisms directed at the way World Bank and IMF implement the good governance concept to recipient countries. People especially in poor countries think

that good governance proposed by World Bank and IMF is a new kind of imperialism (Brinkerhoff and Goldsmith, 2005). However, one of the major critics is regarding their political involvement although they claim to be politically neutral (Doornbos, 2003; Harrison, 2005). As Philip (1999) put it “World Bank is not supposed to involve in politics, and it would be hard for them to discuss real world policy dilemma in detail without incurring the suspicion of political involvement”.

Another criticism relates to the failure of various projects implemented by World Bank and IMF. Praveen (2008) has pointed out that the World Bank has not always succeeded in improving governance via its development projects in core areas of government as well as in specific sectors such as the social and infrastructures sectors. She indicates that as discussed in the World Bank’s strategy paper, the bank has not performed very successfully in the past (i.e. before 1990s) in public sector management projects as well as projects where institution building or reform in the client country is needed. Additionally, in African countries for example, Harrison (2005) reveals that World Bank and good governance agenda have missed three important aspects of African politics which directly raise important questions about the prospect of good governance reform in Africa and involvement of the bank.

Wood (1999) on the contrary, questioned the credibility of these institutions. He argues that IMF and the World Bank need to reconsider the ground on which they claim to be universal, representable, and accountable organizations. According to him, a closer look at these organizations shows that the institutions themselves do not altogether live up to these standards. He suggested that they should initiate major reforms in their voting structures, decision-making process, selection criteria and other practices. Other issues pertaining to good governance as implemented by the World Bank such as ambiguity, over demanding agenda, and limited target group are discussed below.

a. Ambiguity

Even though World Bank has come up with brilliant ideas on good governance about administrative practices and reforms, many scholars are sceptical about it. Philips (1999) claims that the notion of good governance promoted by the World Bank is “too idealistic, insufficient, historically specific and overconfident”. In the same way, scholars like Rothstein and Teorell (2008) consider the present attempt to define the concept would at least be experiencing three problems “either they are too broad, suffer from functionalist slant, or they deal only with corruption”. As a result, good governance agenda may serve as a poor guideline for development. For Grindle (2004), the ambiguity of governance concept may not stem from lack of definition of good governance but because of two main reasons. First, there are too many aspects being covered in its scope, from institution to decision-making structures, allocation of resources and to organizations that deal with administrative machinery. Second, there is no specification, it does not set any priority which one is more important than others, or which activities that are easier from those

that are more difficult and lastly on the goal that can be achieved in short period of time from other than will take years.

b. Over demanding agenda

Good governance is said to have too many agendas which make it impossible for some states to undertake. According to Grindle (2004), there are several factors that contribute to such a situation. First, it has evolved through so many studies and researches conducted by scholars. Secondly, it has expanded as a result of advocacy by supporters of democratic government, universal human rights, sustainable development, empowerment of poor, free trade, participatory development and other. Lastly, it was due to the advocacy made by international institutions, multilateral, bilateral donors and international NGOs. As an implication, the good governance agendas have increased extensively from time to time.

Grindle (2004) in her analysis on World Development Reports from 1997 to 2003 found that the aspects covered by good governance agenda such as features, institutions, rules and regulations, policies, services and strategies have developed considerably. She adds, in 1997 alone, “developing countries were expected to consider 45 aspects of good governance, and by 2002 the list has increased into 116 items”. Thus, it can be said that it would be difficult for states which are disadvantaged for example poor, disorganised, vulnerable, lacking legitimacy to implement what is required to have good governance. Philip (1999) indicates that it seems reasonable to claim good governance needs an effective state, but in real circumstances not many states can be categorised under strong and effective state. The questions remains how to create an effective state without having or adopting good governance in the first place and is there anything that can be done for countries lack of necessities to embark on reform to improve their condition?

c. Limited target group

There are many examples of programmes and projects under the slogan of good governance implemented at the bottom but did not reach their objectives. Several reasons are mentioned by Roy and Tisdell (1998). Among the reasons cited by them are insufficient institutional structures and economic resources, inefficient centralized government structures, inadequate decentralized structures and lastly inadequate knowledge about local environment which leads to ineffective policies that have nothing to do with the needs of local people. Many works have been done to analyse this issue. For instance Roy and Tisdell (1995) in researching the impact of technological sector in India found that serious deficiency existed in implementing policies and administering development programs.

Similarly, an evaluation on the “Food for Work” programme revealed that only twenty per cent of the target group benefit from it (Duvvary, 1989). Other research on the impact of the Integrated Rural Development Project (IRDR) found that targeted people

were misclassified and only about three percent manage to achieve the objective of the project (Rath, 1985). In contrast, Minha (2000) feels that this issue arises because in many projects designs by the World Bank and implements from top does not show clearly how the majority of citizen is going to benefit from such program. She argues, the benefit seems to be enjoyed only by small minority citizen in a country for which the program is proposed. Therefore, the tendency to achieve success in implementation would be limited as well.

Islamic value system on the contrary has some unique aspects that make it dynamics which correspond to the particular condition or situation that the country is facing. Unlike the Western principles which are universal but rigid, the Islamic value system is affected by the environment. It is a value system that aims to maximise virtue and high ethical standard which covers every aspect of life be it economic, social, political and other spheres. In economic aspect, for example, Islam encourages business and economic activities but not to be based upon “interest or usury” which would adversely affect the interest of people especially poor and marginalised groups. Corruption also is highly condemned in Islam including cronyism and favouritism. In addition Islam also stress on balancing material wellbeing and spiritual aspects .To neglect one aspect over the other is not accepted as western principle that preach on development of material aspect.

Some other principles like justice, equality, freedom, and cooperation also are emphasised in Islam. All these values even though are widely shared and considered universal yet Islam is unique in that it derived its principles from divine sources, Qur’an and Sunnah. These sources are free from human weaknesses and whims and caprices to solve problems in the society. Although there is no direct injunction or specification to do justice or equality or cooperation, but it must be carried out in any method which the society sees fit. It is open to the discretion of the government to decide as long as it compliers with the principles of Shari’ah. Islamic value system also is suitable to be implemented in different cultures and society. The principles would be easily assimilated to that particular culture or society in the sense that even though the principles are the same, the implementation could be adjusted to the society and their needs. It allows ijthihad to be exercised to the new incident or situation and as long as it is for the benefit of the people especially in governance.

Conclusion

Given the context of good governance at hand, it needs be admitted that there is no single or one best way to good governance in term of defining, categorizing, researching, analysing and implementing it. Blunt (1995) points out that there is no single Unitarian or one best way to issues like development, human right, sound governance and economic management. He is of the opinion that all of these questions are liable to interpretation in the light of different perspectives, cultural institutions, and environmental circumstances. In this regards, the availability of numerous works on good governance by scholars

offering different definitions, views and arguments should not be treated as a challenge rather, it should be perceived as an opportunity to understand different fragments of good governance and to identify the practice which can suit particular context. The different views between Islam and Western concepts are therefore needed to be reconciled. Even though western principles on good governance is widely used and recognised around the world, its limitation however should not be ignored. Islamic values system which is often associated with bad governance and is misunderstood by the West should be given a chance to prove that it has a unique principle to the problem of governance. Pertaining to the implementation of good governance by the World Bank and IMF, it becomes increasingly clear that something has to be done. Based on the comments and suggestion made by scholars, the World Bank is better advised to consider more carefully historical, political, economic, social, cultural context before embarking on any reform programs, project or in granting loan to recipient countries. As an alternative, Islamic value system needs to be considered to overcome the weaknesses of liberal perspective on good governance.

This overview on concepts, frameworks, approaches, history, issues and challenges of good governance has shown that tremendous efforts made by scholars to the notion of good governance has made many progress in this area. Whether it is Western oriented or Islamic value system, both of them contribute in one way or another to better understand the idea of good governance. Although this notion is one of the hardest to grasp and highly contested term, it should not be regarded as a barrier to explore the concept. It is clear by now that good governance has certain fundamental elements and should not be confused with government or management. It appears that good governance is more than government, is much more than efficient management and comprises a multifaceted and intricate relationship among public sector, private organization, civil society and people. What can be suggested from this essay is that, despites some progress that has been made on this issue, much attention is required to look at in-depth practice of good governance by individual state, particularly those which does not conform to the western standard and producing their own good governance approach either by following Islamic value system or other method. This can operate as an encouragement for scholar to further engage in constructive debates, arguments, reflection and reforms in the future. Finally, it is predicted that good governance agenda will continue to gain momentum as long as there is a call for better governance.

References

- Anders, G. (1999) "The Normativity of Numbers: World Bank and IMF Conditionality," *Political and Legal Anthropology Review*, Vol. 31, No. 2.
- Ball, N. (2005). "Strengthening Democratic Governance of the Security Sector in Conflict Affected Countries," *Public Administration and Development*, Vol. 25, No. 38.
- Bardill, J. E. (2000). "Towards a Culture of Good Governance: The Presidential Review Commission and Public Service Forum," *Public Administration and Development*, Vol. 20, No. 2.

- Beetham, D. And Carvalho, E. (2008). *Assessing the Quality of Democracy*, Stockholm: International Institute for Democracy and Electoral Assistance.
- Beetham, D. Diamond, L, and Morlino, L. (2002). "The Quality of Democracy," *CDDDRL Working Paper*, Stanford: Centre on Democracy and Development.
- Beetham, D., "Human Rights and Democracy," Axtmann, R., ed. *Understanding Democratic Politics*, London: Sage Publication.
- Beetham, D., "The State of Democracy Project," *Ten Years of Supporting Democracy World Wide*, Stockholm: International Institute for Democracy and Electoral Assistance.
- Beetham, D. (2002). "Democracy and Human Right: Contrast and Convergence," *Seminar on the Interdependence Between Democracy and Human Right*, 25-26, 2002, Geneva.
- Blunt, P., "Cultural Relativism, Good governance and Sustainable Human Development," *Public Administration and Development*, Vol. 15, No. 1-9.
- Boyte, H. C., "Reframing Democracy: Governance, Civic Agency and Politics," *Public Administration Review*, Vol. 65, No. 5.
- Brinkerhoff, D. W. and Goldsmith, A. A. (2004). "Good Governance, Clientalism and Patrimonialism: New Perspectives on Old Problems," *International Public Management Journal*, Vol. 7, No. 2.
- Brinkerhoff, J. (2005). "Digital Diasporas and Governance in Semi-Authoritarian State: The Case of Egyptian Copts," *Public Administration and Development*.
- Castoriadis, C. (1997). "Democracy as Procedure and Democracy as Regime," *Constellation*, Vol. 4, No. 1.
- Ciborra, C. and Navarra, D. D. (2005). "Good Governance: Development Theory and Aid Policy: Risk and Challenges of E-Government in Jordan," *Information Technology for Development*, Vol. 11, No. 2.
- Diamond, L., and Morlino, L., (2004). "Quality of Democracy". *Journal of Democracy*, Vol. 15, No. 4.
- Doig, A. (1995). "Good Government and Sustainable Anti-Corruption Strategies: A Role for Independent Anti Corruption Agencies," *International Journal of Public Sector Management*, Vol. 15, No. 2.
- Doornbos, M. (2001). "Good Governance: The Rise and Decline of a policy Metaphor," *The Journal of Development Studies*, Vol. 37, No. 6.
- Doornbos, M. (2003). "The Metamorphosis of a Policy Metaphor," *Journal of International Affairs*, Vol. 57, No. 1.
- Duvvury, N. (1989). "Women in Agriculture: A review of the Indian Agriculture," *Economics and Political Weekly*, Vol. 24, No. 3.
- Esty, D. (2007). "Good Governance of the World Trade Organization: Building Foundation for Administrative Law," *Journal of International Economic Law*, Vol. 10, No. 3.
- Gonzales, E. T., and Mendoza, M. L. (2004). "Governance in South East Asia-Issues and Option". *Journal of Development*, Vol.xxxi, No. 1, pp. 135-167.
- Grindle, M. S. (2004). "Good Enough Government: Poverty Reduction and Reform in Developing Countries," *An International Journal of Policy, Administration, and Institutions*.

- Grindle, M. S. (2007). "Good Enough Government Revisited," *Development Policy Review*, Vol. 25, No. 5.
- Hashimi, S. H. (1997). *Introduction in State Sovereignty: Change and Persistence in International Relation*, Pennsylvania: University Press.
- Hout, W. (2002). "Good Governance Aids: Selectivity Criteria in Development Assistance," *Development and Change*, Vol. 33, No. 3.
- Huther, J. and Shah, A. (1998). "Applying a Simple Measure of Good Governance to the Debate on Fiscal Decentralization," *World Bank: Working Paper*.
- Imhanlahim, J. E. (2006). "Public Administration in India: 21st Century Challenges for good Governance," *The Journal of Social, Economic Studies*, Vol. 55, No. 3.
- Kaufman, D. A. (1999). "Aggregating Governance Indicators," *Working Paper No. 2195*, Washington: World Bank.
- Kaufmann, D., Kraay, A. (2008). "Governance Indicators: Where are We, Where Should We be Going", *The World Research Observer*, Vol. 23, No. 1.
- Kaufmann, D., Kraay, A., and Labaton, P. Z. (2000). "Governance Matters," *Policy Research Working Paper*, Washington: World Bank.
- Kaufmann, D., Recanatini, F., and Biletsky, S. (2002). *Assessing Governance: Diagnostic Tools and Applied Methods for Capacity Building and Action Learning*, Washington: World Bank.
- Kaufmann, D. (2003). *Rethinking Governance: Empirical Lessons and Challenge Orthodoxy. Discussion Draft*, Washington: World Bank.
- Keohane, R. O. and Nye, J. S. (2000). 'Introduction' in Nye, J. S. and Donahue, J. D. (eds) *Governance in a Globalized World*, Brookings Institution Press, Washington, D. C.
- Khan, M. M. (1998), "Good governance: The Case of Bangladesh", *African Journal of Public Administration and Management*, Vol. 10, No. 2.
- Lee, C. S. (2007). "Labour Union and Good Governance: A Cross-National Comparative Analysis," *American Sociological Review*, Vol. 72, No. 4.
- Liou, K. T. (2007). "Applying Good Governance Concept to Promote Local Economic Development: Contribution and Challenge," *International Journal of Economic Review*, Vol. 9, No. 1/2.
- Minha, A. (2000). "Good Governance and Development in Tanzania: Some Ethical Issues," *Journal of Social Philosophy*, Vol. 31, No. 4.
- Newmayer, E. (2002). "Is Good Governance Rewarded, A Cross National Analysis of Debt Forgiveness," *World Development*, Vol. 30, No. 6.
- Newmayer, E. (2006). "Self Interest, Foreign Need, and Good Governance: Are Bilateral Investment Treaty Program Similar to Aid Allocation," *Foreign Policy Analysis*, Vol. 2.
- Northover, P. (2005). "Small States and Good governance for Sustainable Development," *The Journal of Social and Economic Studies*, Vol. 54, No. 4.
- Offor, F. (2006). "The Quest for Good Governance in Africa: What Form of Democracy is most Suitable," *The Journal of Social, Political and Economic Studies*, Vol. 31, No. 3.
- Palmer, M. (1997). *Political Development*, Itasca: Peacock Publisher.

- Philip, G. (1999). "The Dilemmas of Good Governance, a Latin American Perspective," *Government and Opposition*, Vol. 34, No. 2.
- Pilay, S. (2004). "Corruption-The Challenge to Good Governance," *International Journal of public Sector Management*, Vol.17, No. 7.
- Praveen, K. (2008). "Public Sector Governance Reform: The World Bank Framework," *International Journal of Public Sector Management*, Vol. 21, No. 5.
- Radin, B. A. (2007). "Performance Measurement and Global Governance: The Experience of the World Bank," *Global Governance*, Vol. 13, No. 1.
- Rath, N. (1985). Can IRDP Do It, *Economics and Political Weekly*, Vol. 20, No. 6.
- Ray, B. (1999). "Good Governance, Administration Reform and Socio-Economic Realities, A South Pasific Perspectives," *International Journal of Social Economic*, Vol. 26, No. 1/2/3.
- Rothstein, B and Teorell. (2008). "What is Quality of Government? A Theory of government Institution," *An International Journal of Policy, Administration and Institution*, Vol. 12, No. 2.
- Roy, I., (2005). "Good Governance and the Dilemma of Development: What Lies Beneath," *Socio-Economic Review*, Vol. 3, No. 1.
- Roy, I., (2007). "Civil Society and Good Governance: Re-Conceptualizing the Interface," *World Development*, Vol. 30, No. 4.
- Roy, K. C. and Tisdell, C. A. (1995). "Gandhi's Concept of Development and Nehru's Centralised Planning", in Roy, K. C., Tisdell, C. A. and Sen, R. K. (Eds), *Economic Development and Environment: A Case Study of India*, Oxford University Press: New Delhi.
- Roy, K. C., and Tisdell, C. A. (1998). "Good Governance in Sustainable Development: The Impact of the Institution," *International Journal of Social Economics*, Vol. 25, No. 6/7/8.
- Siddiquee, N. A. and Mohamed, M.Z., (2007). "Paradox of Public Sector Reforms in Malaysia: A Good Governance Perspective," PAQ.
- Taylor, A. (2007). "The Strategic Impact of Electoral System and the Definition of Good Governance," *British Politics*, Vol. 2.
- Taylor, D. W. (2000). "Fact, Myths and Monsters: Understanding the Principle of good Governance," *The International Journal of Public Sector Management*, Vol. 13, No. 2.
- UNDP. (1997). *Governance for Sustainable Human Development*, New York: UNDP.
- Wagenor, H. J. (2004). "Good Governance, Welfare and Transformation," *The Journal of Comparative Economics*, Vol. 1, No.1.
- Woods, N. (1999). "Good Governance in International Organization," *Global Governance*, Vol. 5, No.1.
- Woods, N. (2000). "The Challenge of Good Governance for the IMF and the World Bank Themselves," *World Development*, Vol. 28, No. 5.
- World Bank. (1997). *World Development Report*, Washington, DC: World Bank. www.worldbank.org/wbi/governance.
- World Bank. (2004). *Reforming Public Institutions and Strengthening Governance*.
- World Bank. (2000). *Reforming Public Institutions and Strengthening Governance: A World Bank Strategy*, Washington, DC: World Bank.