WORKING PAPERS

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THE IDEA OF GOOD (ENOUGH) GOVERNANCE. A LOOK FROM COMPLEXITY ECONOMICS

The Idea of Good (Enough) Governance.
A Look from Complexity Economics

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Abstract

Nowadays we observe a consensus in the development literature that the quality of governance matters for economic development. Therefore, many postulate the implementation of good governance principle, however, that very idea is not well defined and conceptualized. This paper offers some insights into the way that concept can be better understood. We do that by applying the conceptual apparatus taken from the complexity economics. What follows is the conclusion that the idea of good governance as seen from the perspective of complexity economics is very similar to the one of good enough governance. Moreover, we present some pragmatic recommendations for both development policies as well as the ways such policies should be prepared.

Keywords:
good governance, good enough governance, complexity economics, economic development

JEL:
H11, O10, B52, D78

1. Introduction

The idea of good governance (GG, henceforth) has a long past, but as a conceptualized concept it has a short history. Its past dates back to the first investigations into the economic role of the state. Its short history began in the 70's of the 20th century with the (limited) rehabilitation of the state in the literature on the economic development (Grindle 2010). However, its popularity started to rapidly grow from the late 80's on when three parallel processes formed the catalyst for its emergence. First, at the end of the 80's a consensus was formed among development practitioners that giving only money to developing countries often does not foster economic growth and that financial assistance must be complemented with regulatory reforms. Second, the collapse of the communist countries, followed by a very rapid transition to a market economy, clearly showed the importance of the institutional framework for the functioning of the market system. That was complemented with the debate over the reasons for success in rapidly growing Asian economies where the role of the state was immense. Third, an important change came from the within of economics, namely a rise of new institutional economics (NIE) with its focus on institutions as the main determinants of long run economic growth. These three processes taken together led to the conclusion that what mostly matters is the quality of the state (its institutions and their credibility) rather than its size only (North 1990).

In the process of the rise of good governance idea rhetoric also proved to be very important. Instead of asking for 'state reforms' or 'social and political change' that would inevitably antagonize governments that are generally quite reluctant to have lenders give advice on questions of internal policy, these institutions, e.g., The World Bank and IMF, preferred to use non-offensive terms like good governance usually couched in technical language (Hewitt de Alcántara 1998, 106-107). That was probably one of the reasons for

relatively imprecise definition of the idea of good governance. That imprecision is still present, e.g., take the following definitions of GG:

IMF (2005): "Ensuring the rule of law, improving the efficiency and accountability of the public sector, and tackling corruption" (1);

UNDP (1997): "Characterized as 'participatory, transparent … accountable … effective and equitable … promotes the rule of law … ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources" (12);

European Commission (2001): "Five principles underpin good governance and the changes proposed in this White Paper: openness, participation, accountability, effectiveness and coherence. Each principle is important for establishing more democratic governance. They underpin democracy and the rule of law in the Member States, but they apply to all levels of government – global, European, national, regional and local" (10);

Kaufmann et al. (2009): "We define governance broadly as the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them. (5).

Although the above definitions differ, they have the common core, namely a strong emphasis on the quality of institutions. Also, they are all quite normative, i.e., they explicitly propose what should be done, and they are all multidimensional and thus quite essentialist (numerous changes described in good governance agenda must be accomplished in order to boost economic development). Moreover, they do not contain time dimension, i.e., there is a desire

to tackle all governance deficits at once. Therefore, numerous authors suggest that there is a danger to overload the development agenda with things that should be done beyond the capacities of most countries (e.g., Rodrik 2003). Finally, many started to claim that good governance concept is a nice idea to describe a great number of "good things", however, at the same time with a limited capacity to deliver. As Grindle (2004) puts it:

"Getting good governance calls for improvements that touch virtually all aspects of the public sector – from institutions that set the rules of the game for economic and political interaction, to decision-making structures that determine priorities among public problems and allocate resources to respond to them, to organizations that manage administrative systems and deliver goods and services to citizens, to human resources that staff government bureaucracies, to the interface of officials and citizens in political and bureaucratic arenas … Not surprisingly, advocating good governance raises a host of questions about <u>what needs to be done</u>, <u>when it needs to be done</u>, <u>and how it needs to be done</u>" [emphasis by LH] (525-526).

The above cited author offers the concept of good enough governance (GEG, henceforth) which he defines in the following way:

"Good enough governance, as a concept, suggests that not all governance deficits need to (or can) be tackled at once, and that institution- and capacity-building are products of time; governance achievements can also be reversed. Good enough governance means that interventions thought to contribute to the ends of economic and political development need to be questioned, prioritized, and made relevant to the conditions of individual countries. They need to be assessed in the light of historical evidence, sequence, and timing, and they should be selected carefully in terms of their contributions to particular ends such as poverty reduction and democracy. I suggested that good enough governance directs attention to considerations of the minimal conditions of governance necessary to allow political and economic development to occur" (Grindle 2007, 554).

Thus, GEG is a time bound idea with a less essentialist approach than GG; also, it is less normative since it takes into consideration the context (specific conditions of a given country)

as well it is more evolutionary in nature: it put emphasis on finding only a few crucial conditions to allow economic development to start. Here lies the motivation for this paper. What we try to do is to look at the very idea of GG from the perspective of complexity economics. Therefore, the goal here is to put GG concept into a more evolutionary perspective. In other words, for us the first and foremost role of GG is to make the socio-economic system to evolve. Thus, the understanding of GG idea here presented is closely related to the concept of GEG.

The paper proceeds as follows. First, we describe the GG idea as a 'mechanistic' and non-evolutionary concept. Next, we give some insights why the static and 'mechanistic' perspective is of a little use while describing the processes aiming at making the governance better. After that, we give an overview of complexity economics with emphasis on self-organized systems and open-ended evolutionary processes. Subsequently, we put the concept of GG into that framework. Conclusions follow.

2. The Idea of GG as a 'Mechanistic' and Non-evolutionary One

Nowadays, following a great effort of the World Bank to conceptualize and operationalize the idea of GG, it is usually presented as a six dimensional concept and these dimensions are the following: democratic state, transparency, accountability, participation, inclusiveness, and finally efficiency and effectiveness (e.g., Kaufman et al. 2003). Other authors also use the notion of dimensions (or areas) while defining GG, e.g.:

Hyden et al. (2004): "[GG] can be measured along five dimensions ('participation, fairness, decency, efficiency, accountability, and transparency') in each of <u>six arenas</u> (civil society, political society, government, bureaucracy, economic society, judiciary)" [emphasis by LH].

USAID (2005): "Democratic governance: 'transparency, pluralism, citizen involvement in decision-making, representation, and accountability; focusing particularly on <u>five areas</u>: legislative strengthening, decentralization and democratic local governance, anti-corruption, civil-military relations, and improving policy implementation" (1) [emphasis by LH].

In the majority of empirical studies one can hardly find any in-depth analysis of the interplay between dimensions, rather these studies take dimensions as explaining variables and usually GDP growth (or GDP per capita) as explained one. Often they do not take all dimensions (precisely: indicators that operationalize them) but only some of them (e.g., Knack and Keefer 1995 analyze the impact of institutions that protect property rights on growth; Brunetti et al. 1997 investigate the role of government credibility in stimulating investment and growth; Friedman et al. 1999 focus on the interplay between corruption and growth; Evans and Rauch 2000 find that Weberian bureaucracies are strongly associated with growth; etc.). If the emphasis is not put on the interplay between the dimensions, then time dimension is also absent – there is no such a thing as a hierarchy of dimensions.

In methodological terms such a method of analysis is described as the one of isolation, "a central method employed in economics" (Mäki 1992, 318) that can be defined as follows: "In an isolation, something, a set X of entities, is 'sealed off' from the involvement or influence of everything else, a set of Y entities; together X and Y comprise the universe" (ibid., 321). In the case of the idea of GG the universe consists of variables describing its six dimensions as well as a set of explained items, most notably GDP. Since the very idea of GG takes its roots from the development literature it is with no surprise that development practitioners put the idea of GG into the realm of 'isolative' modeling. As R. Lucas once said: „one of the functions of theoretical economics is to provide fully articulated, artificial systems that can serve as laboratories in which policies that would be prohibitively expensive to

experiment with in actual economies can be tested out at much lower cost" (Lucas 1980, 696). Therefore, GG thinking was put into the logic of neoclassical economics thus leading to the so-called N-studies trying to find correlations between development and good governance, usually using advanced econometric techniques (Grindle 2007). One of the characteristics of these studies is that they can be seen as a manifestation of the mechanistic world view which was very common in neoclassical economics and in science as such in the 19th. century and in the first half of the 20th. century. In this perspective "the natural world is a machine: a machine in the literal and proper sense of the world, an arrangement of bodily parts designed and put together and set going for a definite purpose" (Collingwood 1945, 3). Here the effects of the movements of machine's parts (here: changes in various dimensions of GG) adds 'mechanically' like vectors, and the effect is an additive 'sum' of these movements (here: e.g., GDP). No place for emergence and novelty here.

3. Towards the Idea of GG as an 'Organic' and Evolutionary One

We have argued above that the idea of GG is quite unclear and even its World Bank's conceptualization using six dimensions is not free from doubts. The very first is that these six dimensions are somehow chosen arbitrary and that the boundaries between them are quite vague. If it is so, then a rational strategy is to assume that theses dimensions interpenetrate each other. Or, in other words, that they combine 'chemically' rather than 'mechanically'. Therefore, even a small change in one aspect of GG can lead to a huge change in another and thus can have an important impact on the quality of governance as such. It seems very probably that one of the important reasons for the rise of 'micro' studies dealing with GG issues was a great complexity of factors responsible for the quality of governance that made large cross-countries studies very difficult. Large N-studies in GG have a big scope and at the same time are quite imprecise in identifying the GG success factors. Also, there is a huge

problem of the endogeneity of variables taken into consideration in such studies. 'Micro' studies, on the contrary, are limited in scope and usually focus only on a given country but they are quite successful in identifying conditions for growth. In that respect such studies can be mentioned as Hausman and Rodrik's (2005) research on El Salvador as well as Rodrik's (2003 and 2007) books. An interesting result of these studies is that the economic growth can be stimulated by a small number of changes rather than by implementing a long list of GG principles. However, these changes must focus on the most important barriers to growth. As Rodrik (2003, 15) claims:

"*The onset of economic growth does not require deep and extensive institutional reform.* This is one of the most important (and encouraging) lessons that emerge from the country narratives. It is also a lesson sharply at variance with conventional wisdom on institutional reforms, which holds that their complementary nature requires a long list of such reforms to be pursued simultaneously" [italics in original].

In such a conceptualization of growth diagnostic, a better governance in a given country is an emergent phenomenon of underlying processes. Often these processes are of a hidden nature. However, even if they are easily visible, then making a link between them and their 'result', precisely a better governed country, is usually impossible, since a better governance has an emergent nature. The term emergence is used here to describe how:

"the higher orders of being are not mere resultants of what went before […] thus the higher is not a mere modification or compilation of the lower but something genuinely and qualitatively new, which must be explained not by reducing it to terms of the lower out of which it grew but according to its own proper principles" (Collingwood 1945, 158-159)

Or, as Hodgson (1998, 157) conceptualizes it, an emergent property may be defined as a characteristic of a complex system that:

"(a) can be described in terms of macro- or aggregate-level concepts, without reference to the attributes of specific micro-level entities, (b) persists for time periods significantly greater than those

required for describing the underlying microinteractions, and (c) is not explicable entirely in terms of the microproperties of elemental components of the system "[1].

Popper, for instance, remarked that: "We live in a universe of emergent novelty" (1974, 281), "[a novelty], which is not completely reducible to any of its preceding stages" (1982, 162). An important feature of emergent properties is that they are very sensitive to changes in initial conditions, namely that a small change on micro level can have a huge effect on the macro one. As Kauffman (2002, 170) puts it: "a small initial change can have large-scale consequences". Here there is a clear link to the chaos theory and the well known Butterfly Effect. Coming back to the issue of GG one can conclude that a small change in one of its dimensions can have a huge effect on the quality of governance. However, the issue at stake here is how to discover this very crucial factor that can serve as a catalyst for making the governance better. We will come back to that question after presenting a basic conceptual framework of complexity economics which will enable us later to look at the idea of GG from evolutionary economics perspective.

4. Using Complexity Economics Apparatus to Model the Mechanism of Evolution

The complexity economics (CE, henceforth) treats "the economy as an evolving, complex system" (Brian Arthur et. al. 1997) which is a form of the adaptive nonlinear network where such patterns as out-of-equilibrium dynamics, perpetual novelty (emergent phenomena), continual adaptations, cross-cutting hierarchical organizations, and no global controller are

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[1] The idea of emergent laws (or properties) is not really new in economics, since it was J. S. Mill who wrote the following: "Again, laws which were themselves generated in the second mode, may generate others in the first. Though there are laws which, like those of chemistry and physiology, owe their existence to a breach of the principle of Composition of Causes, it does not follow that these peculiar, or as they might be termed, heteropathic laws, are not capable of composition with one another. The causes which by one combination have had their laws altered, may carry their new laws with them unaltered into their ulterior combinations. And hence there is no reason to despair of ultimately raising chemistry and physiology to the condition of deductive sciences; for though it is impossible to deduce all chemical and physiological truths from the laws or properties of simple substances or elementary agents, they may possibly be deducible from laws which commence when these elementary agents are brought together into some moderate number of not very complex combinations" (Mill 1843, bk. 3, ch. 6, para. 2).

present. Contrasting CE with the so-called traditional economics[2] one can find important

differences that are presented in the table below.

Table 1. Five ideas that make complexity economics and traditional economics different

|	Complexity Economics	Traditional Economics
Dynamics	Open, dynamic, nonlinear systems, far from equilibrium	Closed static, linear systems in equilibrium
Agents	Modeled individually; use inductive rules of thumb to make decisions; have incomplete information; are subject to errors and biases; learn and adapt over time	Modeled collectively; use complex deductive calculations to make decisions; have complete information; make no errors and have no biases; have no need for learning or adaptation (are already perfect)
Networks	Explicitly model interactions between individual agents; networks of relationships change over time	Assume agents only interact indirectly through market mechanisms (e.g., auctions)
Emergence	No distinction between micro- and macroeconomics; macro patterns ore emergent result of micro-level behaviors and interactions	Micro- and macroeconomics remain separate disciplines
Evolution	The evolutionary process of differentiation, selection, and amplification provides the system with novelty and is responsible for its growth in order and complexity	No mechanism for endogenously creating novelty, or growth in order and complexity

Source: Beinhocker (2006, 97)

In the CE the focus is mainly on dynamic evolutionary processes. Thus an interesting issue is

how these processes can be "modeled". Since we are in the economic realm, we are interested

how economic (or market) evolution can be conceptualize. With no surprise the research

apparatus taken from evolutionary biology is of great help here. As far as this study is

concerned, six ideas presented in Beinhocker's (2006) book are important, i.e., *a schema*

which designs a given entity (in biological evolution that role is played by DNA), *a schema*

reader (in biological realm that is a mechanism that turns DNA, a schema, into living

creatures), *an interactor* which is an entity built by a schema reader (in biology a living

organism built according to a schema that is read by a schema reader), *a fitness function* that

defines how well a given interactor fits with the environment (e.g., a swimming speed of

fishes), *a design space*, i.e., the total number of possible structures (here: interactors) that can

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[2] By traditional economics we understand a neoclassical economics based on the general equilibrium framework.

be built using different schemas (e.g., if a schema consists of just four letters – A, B, C, D, then we have 16 permutations, precisely 16 possible interactors), and finally *a fitness landscape* which shows us visually where good designs in a design space are located. Therefore, and for the sake of simplicity, in a two dimensional design space (here a schema consists of two variables, each can take its values from 0 till 8) the goodness of a given design can be conceptualized as the height of a given point over a two dimensional surface (see Fig. 1).

Figure 1. An example a two dimensional fitness landscape
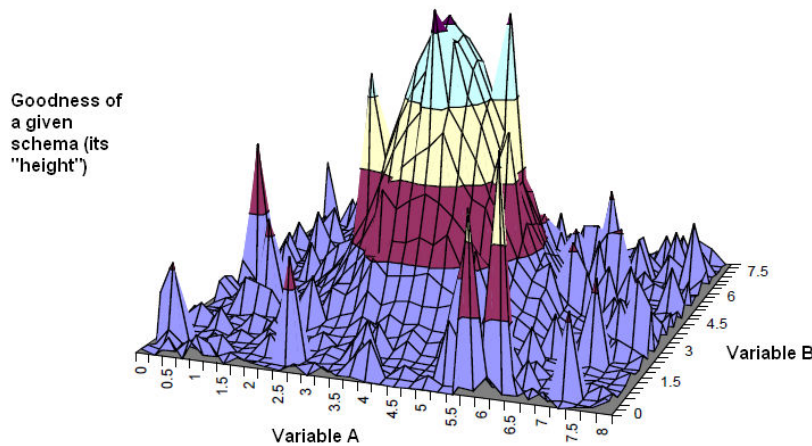


Source: Modified figure from Beinhocker (2006, 256)

So, we have here a fitness function which tells us what is the height of a given pair of A and B over the surface. Also, we see that a schema consists of two modules: A and B. Since we operate on continuous values, there is an infinite number of possible schemas. Our problem is thus to find a schema giving us the highest possible point. Now, following Beinhocker's (2006) conceptualization, we should give the economic counterparts to the above described concepts from evolutionary biology. Therefore, *a schema* is a business plan; *a module* is an element of a business plan (e.g., a strategy, a given organization of production, etc.) that has provided in the past, or could provide in the future, a basis for differential selection between businesses in a competitive environment, *an interactor* is a given business (not a firm as such), a management team is *a schema reader*, *a fitness function* is usually the profit function

which measures the relative success of a given business built upon a given schema. A module is a unit of selection, i.e., a business plan usually consists of modules that proved previously to be the success factors.

It is interesting to notice that we may have very different shapes of fitness landscapes with divers sets of peaks and valleys as well as flat surfaces. What is clear, and what is immediately noticeable from Fig. 1, is that a small change in a schema can lead to a huge change in its corresponding fitness (here: its height). If the players, e.g., business firms, do not know the shape of fitness landscape, then finding the highest point is not a trivial exercise. Different search methods can thus be used. For instance, we can start from the random combination of A and B and in subsequent moves just try to find a neighboring point that is located higher than the previous one. If it is so, we move there and so on. If not, we come back and again we try to find a higher place. That strategy perfectly works in landscapes with only one peak (e.g., Fig 2a with an example of a path to the top), however, in more complex landscapes where there are different peaks there is a risk that using this strategy one can find a peak which is not optimal (or which is only "locally optimal") (e.g., Fig 2b where a peak with a red circle is a suboptimal choice and the one with dark blue circle is an optimal one).

**Figure 2.** Different forms of fitness landscapes

A:
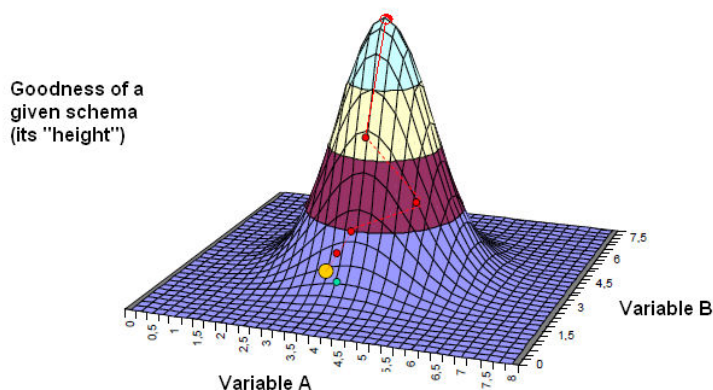
B:
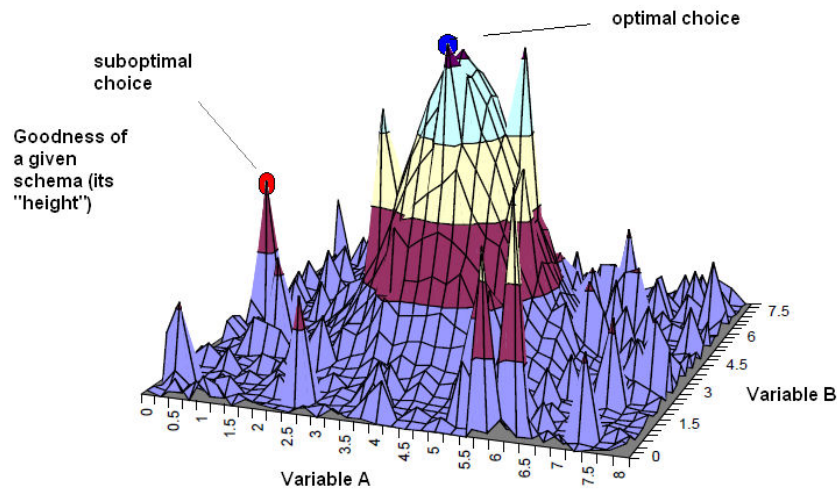
Sources: Own conceptualization based on Beinhocker's ideas

So, an interesting question is how to find an optimal point (i.e., the best possible schema) when the landscape is such as on Fig. 2b. It occurs that an interesting strategy can be an adaptive walk (i.e., take a step in a random direction; if the step led you up, stay there and take another random step. If not, return to where you were before) with random jumps (you just chose a random point and hence there is not risk of getting stuck on a local maximum, however, using this strategy you can also finish in a deep valley). In that mix strategy we somehow combine exploration (random jump) with exploitation (adaptive walk). It is not our goal in this paper to elaborate more on different search strategies, however, there is a straightforward lesson even from a brief discussion just presented – the more efficient the evolutionary mechanism is, the higher probability of arriving at the optimal point. Thus the right question is how to make the socio-economic system evolve better, i.e., how to lower the cost of search, i.e., of penetrating the fitness landscape. We come back to that issue in the next section where we try to use the above described ideas to discuss the concept of GG.

5. The Idea of GG in the Perspective of Complexity of Economics

If our task is to make the socio-economic system to evolve better, then we need a proper GG initiative to make it happen. Earlier in the paper we made a distinction between an essentialist GG strategy where we try to tackle all GG deficits at once and the concept of good enough governance where we focus only on limited GG issues, namely the most important barriers to make governance batter. However, having in mind the emergent nature of good governance as well as the fact that small reforms can have a huge effect on it, it is not so easy to figure out what are the changes that would improve the quality of governance with the most profound effect. As far as the problem we are facing is of a non-decomposable nature, i.e., it has a fitness landscape in which the value of solutions depends on interactions among design choices (here: among modules of a schema) and thus it cannot be reduced to a set of sub-problems (also due to its emergent nature), a special search strategy should be applied (Nickerson and Zenger 2004, 620; cf. Simon 1962). Also, non-decomposable problems are the problems with very rugged landscapes (e.g., the one on Fig. 3).

Figure 3. A typical landscape for a non-decomposable problem (here: the problem of making the governance better)
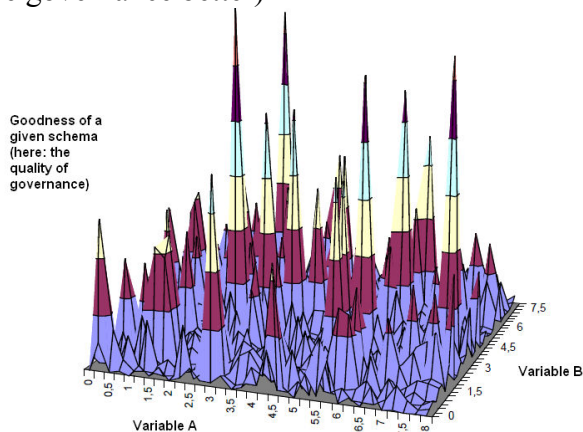
Sources: Own conceptualization based on Beinhocker's ideas

Since the problem of finding an optimal 'mixture' of various kinds of initiatives for making the governance better is of a very complex and non-decomposable nature, then the values of solutions (here: the quality of governance) depend on interactions among design choices, i.e.,

among modules (here: six dimensions of GG). So we have a problem which cannot be divided into subproblems; also while crafting GG initiatives we have very limited possibilities of experimenting, namely of simply using the method of trial and error. In other words, a cognitive search is needed here, precisely "a solution search in which an actor or a group of actors cognitively evaluate the probable consequences of design choices rather than relying solely on feedback after design choices are made" (Nickerson and Zenger 2004, 621). Moreover, trials are selected on the basis of implicit theory of how knowledge sets (here: dimensions of GG) interact. One can treat these representations as a cognitive fitness landscape. In practice, we have usually groups of people trying to solve non-decomposable problems; in our case we may have six groups of experts, each dealing with a given dimension of GG. Although they may develop quite divers conceptualizations of fitness landscapes (including the opinions on the relative importance of each of the dimensions), they should have in mind that "only by developing heuristics that encompasses the knowledge of all actors can the probability of discovering highly valued solutions be enhanced" (ibid.). Therefore, as in the case of building a high speed microprocessor it is hardly imaginable that this task is to be divided into subproblems undertaken by groups of people working separately, also the same holds for solving the GG problem, i.e., it should be solved in a joint corroboration of stakeholders interested in making the governance better. So, one needs an overlapping theory while searching for an efficient strategy of GG implementation. With no surprise such theories are offered by various micro studies on GG, e.g., the conceptual framework for growth diagnostic presented in Rodrik (2007) (see, Fig. 4).

Figure 4. Growth diagnostic by D. Rodrik (2007) as an example of a cognitive representation of a fitness landscape of a typical GG problem
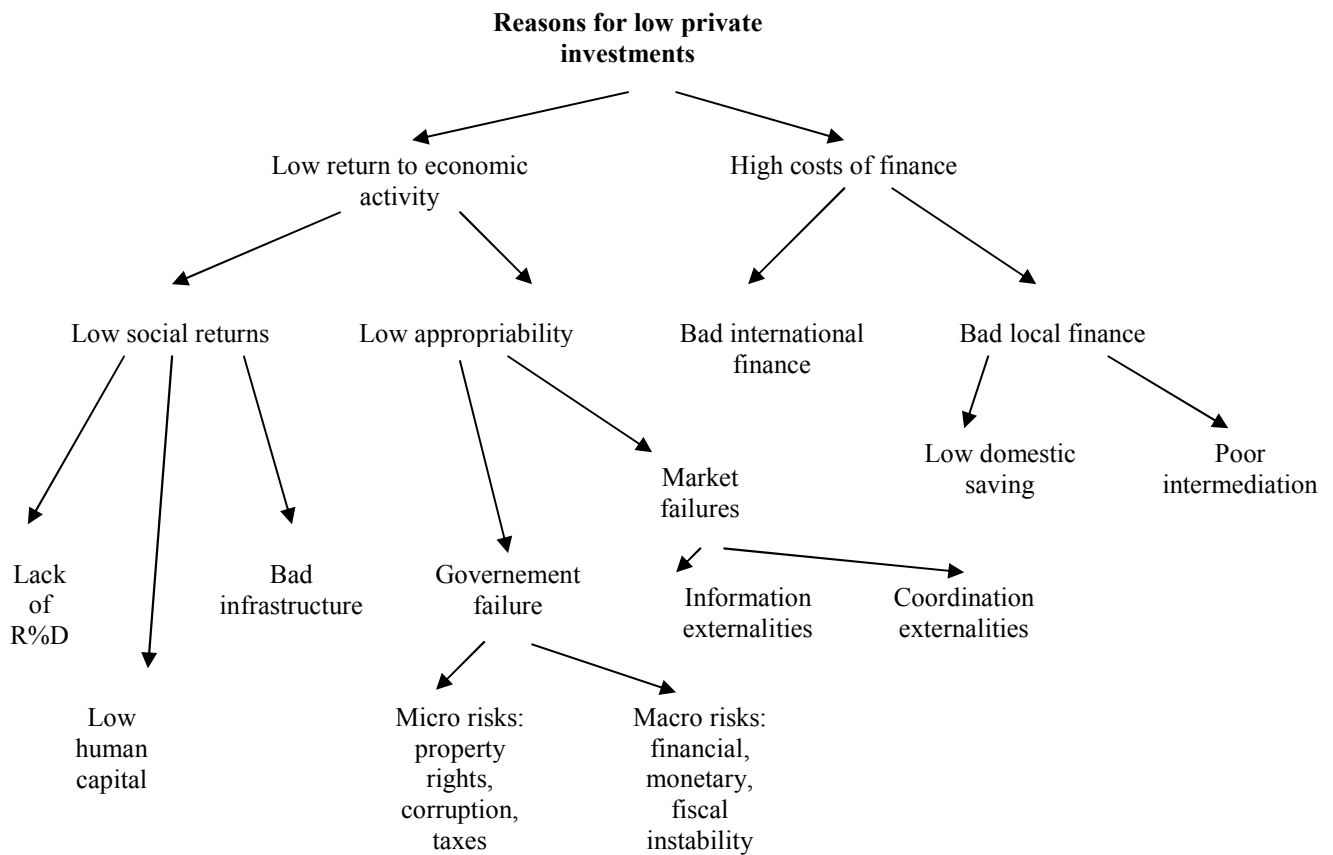
Source: Rodrik (2007)

It is no necessary to explain in details the above cognitive representation of the various interplays between factors responsible for growth. What is important is that even such an easy schema enables cooperation of various groups of researchers working on different factors of economic growth. Coming back to our problem, namely of finding a crucial dimension of GG which has the highest potential of unlocking the process of making the governance better we should conclude that "only by developing heuristics that encompass the knowledge of all actors can the probability of discovering highly valued solutions be enhanced" (Nickerson and Zenger 2004, 621). An important lesson emerges here, namely that strong interactions between experts dealing with various aspects of GG are needed. However, as in every process of group decision making, group heuristics are negotiated beliefs that are shaped not only by the quality of actors' arguments but also by each actor's self-interest and

political position (Walsh and Fahey 1986). A trivial example of such a situation could be an internal conflict over the shape of development assistance program to be implemented by an international organization where we can have a group of experts dealing with one aspect of GG (e.g., the role of free media) which seems to be not the most important one, however, since going abroad for a development mission is usually very well paid they may do everything they can in order to put the free media high on the agenda. Therefore, the process of preparing a GG strategy also should be well crafted, e.g., by including a recommendation that the person who prepares the development strategy should not profit personally from later implementation process, etc. Despite the fact that we cannot give a universal recommendation of which GG dimension should be first implemented, we may give some insights based on the above discussion of how to organize the process of searching for such a path breaking element from GG menu. We do it in the subsequent section.

6. Crafting an appropriate strategy for making governance better. Lessons from CE.
Coming back to the Beinhocker's conceptualization of an evolutionary search process and applying it to the problem of finding an efficient sequence of GG initiatives we may treat each dimension of GG as *a module* in *a schema*, here the strategy of implementing GG. Also, we have *a schema reader*, namely a group of people responsible for putting GG strategy recommendations into practice. Finally, we have *a fitness landscape* describing the values of GG strategies (i.e., combinations of its modules) and that is a really rugged landscape. So, in the first step our goal is to organize a process leading to the identification of that element (political, social, cultural, financial, etc.) of socio-economic system which is to the greatest extent responsible for low quality of governance in a given country. That should be done using the so-called heuristic search method (described in the above section of the paper). In most cases, we will just search for a factor blocking the trade or investment activity of

individuals and firms (see, Fig. 4). If we succeed in eliminating that barrier, then we should observe what is going on in the system and try to identify another one, and so on. Thus, using that approach we should be able to implement good governance ideas, described by its six dimensions, in a step by step manner.

Complexity approach here presented also warns us that it is really difficult to implement the whole agenda of GG at once and even that this can be counterproductive. Therefore, including the countries like Poland, an in-depth growth diagnostic should be done before choosing a right mix of GG initiatives. Unfortunately, in public (and academic) discourse on the need of implementing GG agenda what dominates is a strong call for a broad GG agenda, without a hierarchization of dimensions. Take for example the way the good governance initiative is defined in the Human Capital Operational Program 2007-2013 where planned projects range from investments in better judiciary system to enhanced partnership (not defined what does it mean). That is regrettably coherent with the way various Polish governments formulate development strategies which are always very long documents, covering nearly all aspects of socio-economic system, and that do not have a clear hierarchy of initiatives to be undertaken. That is what should be avoided in the debate on the GG program for Poland. It should not be a long list of projects put under six GG dimensions; rather it should include a growth diagnostic and only then a hierarchy of GG initiatives. What can be seen as a paradox of the current debate on making GG happen is that various stakeholders claim that Polish state is very weak, however, on the other hand, they are proposing the list of the things that should be done in the area of GG that is beyond the capacities of most developed countries. Therefore, the problem is not only what and in which order, but also how it should be delivered.

7. Conclusions

The main message we subscribe to in this article is that tackling all governance deficits at once is impossible in most developed countries. Therefore, the idea of good enough governance seems to be more realistic, especially from the implementation perspective. What follows, and what forms the very message of complexity economics, is that in very complex systems (as e.g., the socio-economic one) small changes in strategies that are implemented can lead to very diverse results. Since it is difficult to make experiments on the nation scale, then what is important is to heuristically search for these elements of GG menu that have the highest potential to make the impact. However, such a search requires a common cognitive map of the interplays between various elements of GG approach responsibles for economic growth. Or, in other words, before implementing (and crafting) a GG initiative an in-depth growth diagnostic should be found. Consequently, instead of a long list of things to be done at once in the area of GG, it is better to have a hierarchical (in a time-bound perspective) list of initiatives that can play the role of a catalyst for better governance.

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