



ROBUST INCLUSIVE INSTITUTIONS CRITICAL FOR GOOD GOVERNANCE, ACCORDING TO NEW BOOK

MARRAKECH, 12 October 2023 – Why do some countries prosper and others don't? Good governance (or the lack of it) is a major reason according to a book *From Here to Denmark* which was launched today at the 16th Global Meeting of the Emerging Markets Forum (EMF) hosted by the Marrakech-based Policy Center for the New South.

A new flagship of the EMF authored by two development experts Rajat M. Nag and Harinder S. Kohli, the book argues that delivering good governance depends on whether the country has good, inclusive institutions. "Most countries have put formal institutions in place, but many still do not perform effectively. Informal rules such as shared beliefs, social norms, and local cultural contexts greatly influence how well institution's function," says the book.

Nag and Kohli write that in addition to efforts at making the formal institutions work better, the key challenges for any society are to build greater public trust, change peoples' behaviours and influence informal institutions that is crucial for better governance. "This, however, takes patience and time."

The authors note that an educated and healthy population, effective community participation and a sense of harmony between the State, market and civil society are universally key essentials for building robust institutions. Moreover, '*From Here to Denmark*' points to a common lesson learned from other countries: the importance of human capital and an active, empowered civil society.

"It would be naive to think that just because good governance matters, it will happen from the goodness of the heart of the governors. There must be demand for it from the governed [the citizens], says Kohli, Chief Executive of EMF. He said the book has identified 10 mega trends, which will individually and collectively play an important role in creating such demand. They are as follows:

- Widespread growth of education amongst youth
- Exponential growth of the middle-income group
- Surge in urbanization in Asia and Africa
- Rising inequalities within countries
- Challenges posed by climate change
- Accelerating pace of technological progress
- Information sharing and communication revolution
- Civil society as agents of empowerment
- Spread of social media
- Rise of emerging economies



The megatrends suggest that demand for better governance is likely to increase in most societies in the coming decades, perhaps even more explosively in some cases. This will in turn reinforce demand for better, stronger institutions.

“There’s no easy road for this journey. Each country must develop its institutions in its own unique way to achieve good governance. Institutions would vary according to political and social contexts, hence they cannot be transplanted from elsewhere,” says Nag, Distinguished Fellow, EMF.

Nag and Kohli were hopeful that faster progress *From Here to Denmark* is plausible but by no means preordained. Changes cannot be expected to occur quickly, given the complex and multidimensional nature of changes required in societies to achieve sustainable improvements in governance.

For more information visit <https://amzn.eu/d/c85Y0Bg>

About EMF: *The Emerging Markets Forum is a not-for-profit initiative that brings together high-level government and corporate leaders from around the world to engage in dialogue on the key economic, financial and social issues facing emerging market countries. The Forum is committed to bridging the gaps across countries through knowledge sharing, policy debate and private-sector engagement to facilitate their common goal of sustainable growth and development.*

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