

# ADVANCING GOOD GOVERNANCE in International Development

*Peace, Security, and Governance in Goal 16: How Do We Tackle This?*

9 – 10 June 2016

Rhodes House, Oxford

## Breakout: Brookings Institution: The Low Expectations Trap and the Challenge of Governance

The paper presented by Carol Graham from the Brookings Institution discussed low expectations among the poor or disenfranchised and presented evidence using well-being metrics. The results showed that the low expectations and high discount rates that characterize the lives of many low-income individuals, focused on their own daily struggles, can result in adaptation to poor norms of health, crime, corruption and governance. The session explored this 'trap' of low expectations and its implications for governance through qualitative case study research and the usage of well-being metrics in government statistics in a range of settings.

### Key Points from the Session

1. **Social mobility impacts governance.** Social mobility, namely an individual's positive attitude about their own future mobility prospects, is linked with a willingness to invest in the future, and better outcomes across a range of well-being measures including health and income. Those with higher levels of upward mobility prospects and well-being are more likely to support democratic governments and market economies, and to participate politically. The panel raised the question whether taking ownership and becoming politically active can in turn improve well-being.
2. **The psychological trap of poverty.** Individuals with more opportunities in life and more stress-handling capabilities tend to focus on longer-term goals. Those with more limited capacities, due to poverty, political crisis or personal reasons, have a harder time deferring gratification. Constant daily stress to provide basic necessities also discourages poor people from focusing on happiness. In the absence of necessary agency, individuals may adapt to poor norms of governance, perpetuating inferior development outcomes.
3. **Evaluating progress based on status.** Everyone attains progress, however, the rich achieve progress at a much faster rate than the poor. There is concern that economic development will provide the rich with more opportunities and consequentially create greater inequality. Development organisations ought to measure welfare based on wellbeing outcomes, i.e., reducing the real life, day-to-day suffering of people, rather than high-level economic measures.
4. **An expectations game.** The research discussed found that poor individuals in the United States were less likely to believe in the American dream than similarly situated individuals in Latin America. Similarly, within the United States, poor minorities (who in many cases were better off than their parents) were more optimistic about their future prospects than poor whites (who were often worse off). When evaluating the governance of institutions, it is important to keep the relative circumstances of the institution and the goals of the people it is trying to help in perspective.

### Emerging Questions

1. Does happiness have an impact on (1) the ability to mobilize in different communities; (2) the coherence and strength of political parties; (3) the influence of leaders and how leaders use various channels to influence political debates; and (4) the state's capacity to implement policy?

2. How do we include the needs of future generations in our governance, particularly when facing challenges such as climate change?
3. Can the same conclusions be drawn on macro levels? Can the well-being of an entire country affect its place in international politics?
4. Is poor governance driven by people not feeling that they have a stake in their government and society?