

Towards Good Governance

A decision making concept

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Learning about attributes of good governance for the proper functioning of the government, society and its people

Good governance as expressed through factors like reliability, predictability and accountability is increasingly seen as a key factor in ensuring national prosperity. Systems of governance affect the performance of the state in executing its core functions and through this, the performance of countries in meeting their major economic and social goals. Recent economic and social developments have increased attention given to the role that good governance plays in achieving social and economic development. Through this paper an attempt is made to trace out the most workable definition of governance and the attributes of good governance. The significance of promoting good governance for making positive contribution towards development of the nations is highlighted in the paper along with various norms of good governance and the means to put them in reality.

INTRODUCTION

The concept of "governance" is not new. It is as old as human civilization. "Governance" simply means the process of decision-making and the process by which decisions are implemented (or not implemented). Governance is now being used in several contexts such as Corporate Governance, International Governance, National Governance and Local Governance.

The word "governance" is derived from the Greek verb "kubernáo" which means "to steer". It later passed on to

Latin and many other languages. The World Bank defines governance as the exercise of political authority and the use of institutional resources to manage society's problems and affairs. In its Worldwide Governance Indicators project, World Bank defines governance 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 policies and the state of the institutions that govern economic and social interactions among them.

According to the United Nations Development Programme's (UNDP's) Regional Project on Local Governance for Latin America, Governance is defined as the rules of the political system to solve conflicts between actors and adopt decision (legality). It has been used to describe the "proper functioning of institutions and their acceptance by the public" (legitimacy). It has also been used to invoke the efficacy of government and the achievement of consensus by democratic means (participation).

The Human Development Report describes governance as "the exercise of power or authority - political, economic, administrative or otherwise - to manage a country's resources and affairs. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal

rights, meet their obligations and mediate their differences”.

In short, Governance can be summarized as an art of public leadership with three distinct dimensions:

- Form of political regime;
- Process by which authority is exercised in the management of a country's economic and social resources; and
- Capacity of governments to design, formulates, and implements policies and discharge functions.

A working definition of governance could be the “processes, systems and structures that guide the social, economic and political relationships”. The relationships can be between government and market, government and citizen, government and private sector and voluntary organizations, elected and appointed officials, levels of governments (Union, state and local), and between legislative and executive structures.

GOOD GOVERNANCE

The terms governance and good governance are increasingly being used in development literature. Governance describes the process of decision-making and the process by which decisions are implemented (or not implemented). Hereby, public institutions conduct public affairs, manage public resources and guarantee the realization of human rights. Good governance accomplishes this in a manner essentially free of abuse and corruption and with due regard for the rule of law.

According to United Nations Committee for Development Planning, Good Governance includes an array of issues in the sociopolitical and economic order of a country. It includes effective government policies and administration, respect for the rule of

law, protection of human rights and an effective civil society. However, it is imperative to point out that it is not confined only to socio economic and political issues but also includes transparency, efficiency and accountability. In this broad definition of good governance, sustainable development especially in relation the utilization of natural resources and environmental management is also included.

At the political level democratic practices, including transparency in policy making and administration, are important aspects of good governance. Good governance is said to be more easily achieved and guaranteed in a multi-party system than in a mono-party system. It also means holding of regular free and fair elections and applying the principle of universal franchise.

Good governance is widely regarded as one of the key ingredients for poverty reduction and sustainable development. It can be achieved in an enabling economic environment responsive to the basic needs of the people and requires sound economic management and sustainable use of resources as well as the promotion of economic and social rights.

“Processes, systems and structures that guide the social, economic and political relationship”

The criteria that constitute Good Governance include:

- *legitimacy* of government (degree of “democratization”)
- *accountability* of political and official elements of government (media freedom, transparency of decision-making, accountability mechanisms)
- *competence* of governments to formulate policies and deliver services
- *Respect* for human rights and rule of law (individual and group rights and security, framework for economic and social activity, participation).

ATTRIBUTES OF GOOD URBAN GOVERNANCE

According to United Nations Global Campaign on Urban Governance, Good Urban Governance is characterized by sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security. These norms are interdependent and mutually reinforcing.

Sustainability in all dimensions of urban development

Cities must balance the social, econom-

“Proper functioning of institutions and their acceptance by the public”

ic and environmental needs of present and future generations with a commitment to urban poverty reduction. Leaders of all sections of urban society must have a long-term, strategic vision of sustainable human development and the ability to resolve different interests for the common good. This can be done through —

- Undertaking consultations with stakeholders within communities to agree on a broad-based, mission-statement and long-term strategic vision for the city, using tools such as city development strategies;
- Engaging in consultative processes such as environmental planning and management (EPM) or Local Agenda 21s, that are geared to reach agreement on acceptable levels of resource use, applying the precautionary principle in situations where human activity may adversely affect the well-being of present and/or future generations;
- Integrating urban poverty reduction strategies into local development planning;
- Increase green cover and preserve historical and cultural heritage;
- Ensuring financial viability by

promoting economic activity through the participation of all citizens in the economic life of the city;

Subsidiarity of authority and resources to the closest appropriate level

Responsibility for service provision to be allocated on the basis of the principle of subsidiarity i.e. at the closest appropriate level consistent with efficient and cost-effective delivery of services. Decentralization and local democracy will improve the responsiveness of policies and initiatives to the priorities and needs of citizens. Civic authorities should be empowered with sufficient resources and autonomy to meet their responsibilities. This can be done through —

- Consultation with local authorities, develop clear constitutional frameworks for assigning and delegating responsibilities and corresponding powers and resources from the national to the city level and/or from the city level to the neighbourhood level;
- Adopt local legislation to translate constitutional amendments in support of subsidiarity into practical means to empower civil

society to participate effectively in city affairs and which promote the responsiveness of local authorities to their communities;

- Creating transparent and predictable intergovernmental fiscal transfers and central government support for the development of administrative, technical and managerial capacities at the city level;
- Protecting financially weaker local authorities through systems of vertical and horizontal financial equalization agreed to in full consultation with local authorities and all stakeholders;

Equity of access to decision-making processes and the basic necessities of urban life

A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. People must participate in all urban decision-making, priority-setting and resource allocation processes. Comprehensive cities must provide everyone with equitable access to nutrition, education, employment and livelihood, health care, shelter, safe drinking water, sanitation and other basic services. This can be done through —

- Ensuring that women and men have equal access to decision-making processes, resources and basic services;
- Establish quotas for women representatives in local authorities and encourage their promotion to higher management positions within municipalities;
- Ensure bye-laws and economic development policies support the informal sector;
- Promote equal inheritance rights for land and property;

- Establishing equitable principles for prioritizing infrastructure development and pricing urban services;
- Removing unnecessary barriers to secure tenure and to the supply of finance;

Efficiency in the delivery of public services and in promoting local economic development

Cities must be financially sound and cost-effective in their management of revenue sources and expenditures, the administration and delivery of services and must involve the private sector and communities to contribute formally or informally to the urban economy. This can be done through —

- Delivery and regulation of public services through partnerships with the private and civil society sectors;
- Promote equitable user-pay principles for municipal services and infrastructure
- Encourage municipal departments to find innovative means of delivering public goods and services through management contracts;
- Promote integrated, inter-sectoral planning and management;
- Improving the effectiveness and efficiency of local revenue collection;

Transparency and Accountability of decision-makers and all stakeholders

Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement.

The accountability of local authorities to their citizens is a fundamental principle of good governance. Not only

governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to who varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law. This can be done through —

- Regular, organized and open consultations of citizens on city financial matters and other important issues, through such mechanisms as the participatory budget; transparent tendering and procurement procedures and the use of monitoring mechanisms in the process; internal independent audit capacity and annual external audit reports that are publicly disseminated and debated;
- Establishing codes of conduct and provision for regular disclosure of assets of public officials and elected representatives;
- Creating public feedback mechanisms such as hotlines,

complaint offices, citizen report cards and procedures for public petitioning and/or public interest litigation;

- Promoting the public's right of access to city information;

Civic Engagement and Citizenship

People are the principal wealth of cities; the object and the means of sustainable human development. Civic engagement not only means living together in cities but it also includes people's contribution to the common good. Citizens, especially women, must be empowered to participate effectively in decision-making processes either directly or indirectly through legitimate institutions or representatives. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. This can only result from an understanding of the historical, cultural and social contexts of a given society or community. This can be done through —

- Promoting strong local democracies through free and fair municipal elections and

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participatory decision-making processes;

- Establishing the legal authority for civil society to participate effectively through such mechanisms as development councils and neighbourhood advisory committees;
- Promoting an ethic of civic responsibility among citizens through such mechanisms as “City Watch” groups;
- Making use of mechanisms such as public hearings and surveys, town hall meetings, citizen’s forums, city consultations and participatory strategy development, including issue-specific working groups;

Security of individuals and their living environment

Every individual has the indisputable right to life, liberty and the security of person. Insecurity has a disproportionate impact in marginalizing poor communities. Cities must strive to avoid human conflicts and natural disasters by involving all stakeholders in crime and conflict prevention and disaster preparedness. Cities should also work with social mediation and conflict reduction agencies and encourage the

cooperation between enforcement agencies. This can be done through

- Creating a culture of peace and encouraging tolerance of diversity, through public awareness campaigns;
- Promoting security of livelihoods, particularly for the urban poor, through appropriate legislation and access to employment, education and training;
- Creating safety and security through consultative processes based on rule of law, solidarity and prevention, and supporting appropriate indigenous institutions that promote security;
- Address the specific needs of vulnerable groups such as women and youth through women’s safety audits and youth training programmes;
- Raising awareness about the risk of disasters and formulating local emergency management plans, based on reduction of risk, readiness, response and recovery, for natural and human-made disasters and, where necessary, relocating residents of disaster-prone areas;
- Integrating emergency

management among municipal departments and with national plans;

Recent social and economic developments have increased attention given to the role that Good Governance plays in achieving social and economic development. Good Governance has to be built on the quality of organizations so that development is based on this rather than simply relying only on political will, personal will of a strong leader and state power, which may not be sustainable over the longer term.

Having skilled staff is not sufficient if the government organizations do not have the capacity to make good use of these skills. Capacity of government organizations is a key factor in the provision of many important services and in creating conditions for economic progress and social cohesion.

Systems of governance affect the performance of the state in executing its core functions and through this, the performance of countries in meeting their major economic and social goals.

- Governments create the conditions for functioning of markets, operation of private firms, strength of civil society, and welfare of communities and individuals.
- The quality of governance is recognized as fundamental to ensuring the quality of life of citizens.
- In its own right, Good Governance is important as a determinant of the sustainability and strength of democracies.

Various developing countries which are quite comparable in terms of their natural resources (land, water, soil, minerals, climate etc.) and social structures have over the past thirty years shown strikingly differing records of economic and social progress. Measured by

the criteria of child mortality, life expectancy and literacy – the key indicators of quality of life – some countries have made considerably greater progress than others, even though they all operate in the same world economic environment and have comparable colonial pasts. This shows that historical burdens, adverse international economic conditions such as falling raw material prices or other external factors, though important, do not have a decisive impact on the achievement of a higher quality of life in the countries concerned. In light of this fact, coupled with the uneasiness caused by irresponsible rulers in a number of countries, the matter of “governance” has come to the forefront of the debate over development policy.

Governments that shoulders responsibility for sustainable development and ensure its people have security, solidarity, order and continuity that creates an environment in which its citizens can exercise their productive, political and cultural abilities. Economic growth is a critical but not the sole requirement for success in the fight against poverty. It is equally important to have a social policy that places particular emphasis on meeting basic human needs.

“Good governance” puts people into the center of development. “Where people grow, profits grow”: this well-tried business rule is applicable to development policy as well.

In a society where there is long-term investment in people’s health and education, where both men and women, regardless of their social status, have access to the necessary means of production, extension and credits, they can take their fate in their own hands and make use of opportunities to improve their quality of life has been put into effect, has led to impressive

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economic success from which the lowest income groups have also benefited. Countries with socio-economic ambience of such quality have been more successful than others with respect to the ecological sustainability of their development policy.

A widely prevalent perception of state of governance in India has been summarized as “Those in the government, continue to feel that that they are doing a fine job and nothing could be better. The citizen clearly feels otherwise. This mismatch in the perceptions of the people and the government is made worse by the credibility gap that exists between the citizen and the government. By now, the general feeling outside the government is that the government is huge, it lacks direction, it is unmanageable, is wasteful and it is uncaring of the citizen. The government on its part keeps on reasserting itself with new policy prescriptions from time to time in a bid to ‘win friends and influence people’”

From the above discussion, it should be clear that Good Governance is an ideal which is difficult to achieve in its totality. Very few countries and societies have come close to achieving Good Governance in its totality. How-

ever, to ensure sustainable human development, actions must be taken to work towards this ideal with the aim of making it a reality.

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