Good governance: a framework for successful government

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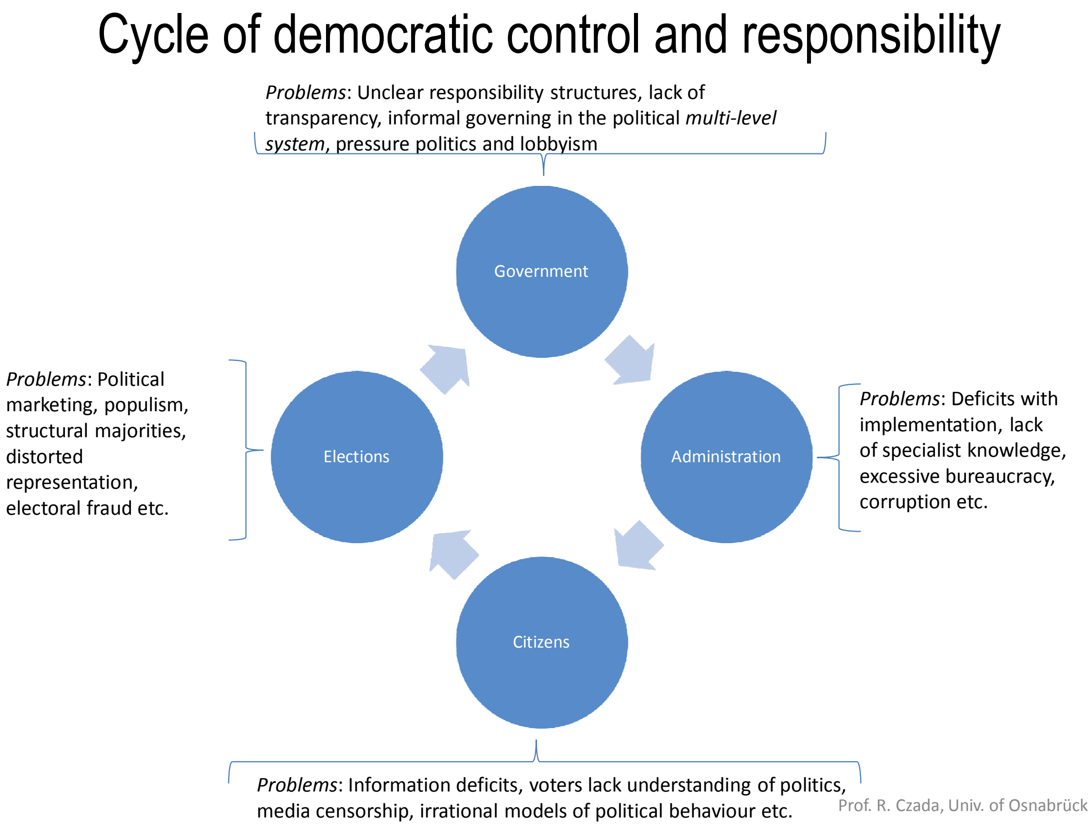
The pillars of good governance consist of institutionally embedded values and guidelines for how to govern. They primarily include democracy and the rule of law, transparency, accountable and effective government, the fight against corruption and the protection and fulfilment of human rights. When these goals are incorporated into the law and into administrative practice, cooperation between and supervision of state authorities is promoted, civil society strengthened and citizens' rights and freedoms are protected. Good governance criteria are also key to a country's prosperity and welfare. Their implementation requires a clear political will supported by a democratic mandate, as well as the relevant political and administrative knowledge and skills.

Anyone who works in the field of political and social development and transformation processes is bound to come across the term "good governance", which is referred to as "Gute Regierungsführung" in German and "гарне керівництво" in Ukrainian. However, the standard translations of this English-language term can often be misleading. Good governance does not refer to "good leadership", as its translation might suggest, but rather to the establishment of controls on those who govern us in order to prevent them from engaging in irresponsible or illegal behaviour and corruption. Accordingly, the term has more to do with the quality of a political system than with the qualifications of our political leaders.

For many years, democracy was regarded as sufficient in itself to reliably guarantee good governance. It was thought that once electorates can reward good governments by re-electing them and punish bad ones by voting them out of office, bad governments would sooner or later be replaced by alternatives from the opposition. Sadly, the reality can often be all too different – when, for instance, the electorate is poorly informed or there is widespread political apathy; when an incompetent public administration fails to properly implement good government policies; when public opinion and voting behaviour are manipulated by wealthy lobbyists; and when corruption and a lack of transparency prevent open political debate. In all of these situations, democratic competition is distorted and the cycle of democratic control and responsibility is broken.

Illustration:



When several different authorities are involved in the political process, it can become particularly difficult to make a realistic assessment of a government's performance. It is hard to know whether to reward or punish a government at the ballot box if it is not clear where, when and by whom different decisions have been taken. The problem is exacerbated when there is a coalition government, when several different sub-national and supranational political entities have a say in government or when other independent actors such as a central bank or constitutional court also exert an influence on the political process. This is why the term "governance", which refers to the process of governing, now tends to be preferred to the term "government", which denotes a majority regime with sole responsibility for governing.

Under a governance system, no single government rules on its own. Instead, the act of governing is shared across several different authorities that work together to solve problems and exercise mutual control over each other. Numerous political authorities and actors cooperate to perform public services in a complex process that takes place at the global, national, regional and local levels and involves elected politicians, specialised civil servants, officials from various associations and representatives of civil society. Germany, for instance, is not governed solely by the Federal Government elected by the Bundestag. The 16 state governments, elected by the regional parliaments, also play a part in public administration and are included in the legislative process through the Bundesrat, a special body representing the federal states. In addition, the organs of the European Union, the European Central Bank and the Federal Constitutional Court all have a say in government, whilst Germany's active and pluralistic society also influences the political process.

Governance thus describes a form of governing involving the interaction of various semi-independent entities, both within a given country and at a supranational and global level. Good governance occurs when this interaction follows generally accepted rules and is characterised by mutual responsibility. This includes complying with the law and sub-statutory rules and regulations, the freedom to organise and participate politically, respect for human rights, combating corruption and, above all, proactive and accountable policies. Further principles that can be derived from these standards are set out in the good governance criteria of the World Bank, OECD, EU and Germany's Federal Ministry for Economic Cooperation and Development (BMZ), for instance a sound budgetary and fiscal policy, decentralisation, gender justice, etc.

Good governance as a development and transformation strategy

What role does good governance play in a country's welfare and development? For many years, financial and technical resources and support were regarded as the most important requirements for economic progress. It was thought that they could bring about rapid industrialisation and a rapid rise in prosperity. However, the notion that sustainable growth and prosperity can be achieved solely through financial assistance, e.g. investment in infrastructure and industry, has frequently proven to be an illusion. Indeed, in some cases, experiences with exclusively economically and technically oriented policies have been nothing short of demoralising. Newly-built factories have turned out not to be competitive, become obsolete and decayed into industrial ruins, investment aid has disappeared down black holes, radio stations have been used to broadcast hate speech and the services provided to the public have got worse, not better. Over the decades, it has become clear that a development and transformation strategy dominated by economics and technology is doomed to failure. The reason it could never succeed is that industrial plants, water and sewerage systems, communications networks and other facilities have all been built without the necessary *governance institutions* - in other words, without favourable property, economic and trade legislation, without tax laws that promote efficiency and resource conservation, without independent regulatory authorities, without proper land registry administration, without strong economic governance, without media watchdogs and without stakeholder participation. It was only during the 1990s that people began to focus more on these institutional, political, administrative and social requirements for sustainable economic development.

A study published by the World Bank in 1989 marked the starting point for the debate on good governance, a debate that continues to this day. The study came to the conclusion that economic aid will fail to deliver its goals if it is not managed and controlled by well-functioning public institutions. This debate subsequently led to the formulation of good governance criteria that became a pre-condition for receiving international aid. Broadly speaking, these constitute a set of standards that seek to improve the effectiveness and reliability of government by tying aid to compliance with specific rules and expectations concerning the conduct of those who govern.

It has long been held as a self-evident truth that social welfare requires an effective system of government and public administration. Indeed, the modern state that has emerged in recent European history can be seen as a product of this realisation. It begs the question of why international development cooperation did not turn its attention to good governance until the 1990s. The reason has to do with the Cold War and the bloc mentality that subdivided everything into the First, Second and Third Worlds. Development policy was ruled by the imperatives of the battle between the competing systems of the capitalist West and the socialist world, led by the Soviet Union and China. The good guys, who deserved to be helped, were distinguished from the bad guys, who had to be fought, based on patterns of perception determined by ideology and power politics. It was only once the conflict between the two systems came to an end that other criteria could be employed. The good governance criteria that have been discussed ever since constitute an attempt to improve the way nations are governed.

Good governance criteria and practice

The practical focus of the good governance approach can be seen in the abundance of governance indicators that have been adopted both for the purpose of benchmarking and for the political guidance and governance of all the world's nations. The World Bank publishes two key rankings, one of which forms the basis of its aid policy and programme evaluation. Germany's *Bertelsmann Stiftung* has also become one of the foremost players in this field. Its Transformation Index (BTI) and Sustainable Governance Index (SGI) rate alongside the World Bank indices as the most comprehensive good governance rankings that are accompanied by qualitative expert reports (http://www.sgi-network.org).

The World Bank sets out the following key requirements for the government and public administration systems of countries that receive economic aid (http://info.worldbank.org/governance/wgi/index.aspx):

- voice and accountability
- political atability - no violence
- government effectiveness
- regulatory quality
- rule of law
- corruption control

German development cooperation, meanwhile, uses the following set of guidelines known as the BMZ criteria
(http://www.bmz.de/en/what_we_do/issues/goodgovernance/guteregierung/hintergrund/index.html):

- pro-poor, sustainable policy design
- respect for, protection and fulfilment of all human rights
- democracy and the rule of law
- effective and transparent state
- cooperative behaviour within the international community

Accordingly, German development cooperation projects are required to attach particular priority to the following quantifiable deliverables: freedom of opinion and the media, gender equality, administrative reform and decentralisation, sound financial management and transparent government and public administration (e.g. in the fight against corruption in the production and sale of raw materials).

In 2011, the Organisation for Economic Co-operation and Development (OECD) published six key elements of good governance based on the World Bank approach. For the first time, they contained direct principles of conduct for governments (Table 1: Basic aspects of good governance).

Good governance, in addition to being a requirement for receiving German development cooperation assistance, is also a goal that is supported through the provision of advice on government and public administration and the promotion of civil society activities. The BMZ criteria are thus intended to inform all Germany's technical, economic, social and administrative aid projects. Particular support is provided for reforms of the policy and administrative framework in areas such as justice, education and specialised departments (e.g. water authorities, media watchdogs, roads departments, etc.), the development of constitutional and social organisation frameworks (constitutional and government reform, guidance for civil society and semi-public service providers (e.g. charitable organisations, chambers of commerce) and support for political organisations and interest groups (political parties, trade unions, etc.).

A further challenge is how to reliably assess the quality of governance in a particular country without bringing wider economic and geostrategic interests and alliances into play. The good governance approach rests on the principle that governance in the 21st century is founded on power sharing, participation and international cooperation. A policy based on general, globally recognised rules like this can come into conflict with the sovereignty and right to democratic self-determination of individual nations. These tensions can only be mitigated through the principle of voluntary cooperation both within and between countries. The foremost principles of good governance are participation, the rule of law and accountability. Putting them into practice requires a willingness to reach political compromises and reconcile different interests, to comply with the relevant rules by exercising voluntary self-restraint, effective monitoring and, where necessary, sanctions if the rules are broken. It is thus clear that there are many demands that first need to be met before good governance can be achieved. Its implementation requires a clear political will supported by a democratic mandate, as well as the relevant political and administrative knowledge and skills.

Basic aspects of good governance

Accountability: government is able and willing to show the extent to which its actions and decisions are consistent with clearly-defined and agreed-upon objectives.

Transparency: government actions, decisions and decision-making processes are open to an appropriate level of scrutiny by others parts of government, civil society and, in some instances, outside institutions and governments.

Efficiency and effectiveness: government strives to produce quality public outputs, including services delivered to citizens, at the best cost, and ensures that outputs meet the original intentions of policymakers.

Responsiveness: government has the capacity and flexibility to respond rapidly to societal changes, takes into account the expectations of civil society in identifying the general public interest, and is willing to critically re-examine the role of government.

Forward vision: government is able to anticipate future problems and issues based on current data and trends and develop policies that take into account future costs and anticipated changes (e.g. demographic, economic, environmental, etc.).

Rule of law: government enforces equally transparent laws, regulations and codes

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