



Governance & Public Policy

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Basic Concept of Governance

Chapter 1

- Origin & History
- The concept of Governance is as old as human civilization
- Governance Vs. Government
- Govt. one of the actors of Governance
- What are other actors?
- Political parties , Military , Civil Society.....
- Governance & the World Bank

Governance, Origin & Definition

- “The manner in which power is exercised in the management of a county's economic and social resources for development”(Source WB, 2004)
 - History – Bretton Woods Institutions July 1944
 - Other Bretton Woods Institution ?
- The process of decision-making and the process by which decisions are implemented (or not implemented) UNO

Governance – Defined

- Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector
- It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations
- Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe
- Source – UNDP Strategy Note on Governance for Human Development (2004)

Good Governance

- The United Nations' Commission on Human Rights identifies transparency, responsibility, accountability, participation, and responsiveness as key attributes of good governance
- The exercise of power in an effective, equitable, honest, transparent, and accountable way (The Canadian International Development Agency)
- Good governance is increasingly seen as essential for ensuring national prosperity by increasing the accountability, reliability, and predictability of decision making in governments, corporations, and nongovernmental organizations

Characteristics of Good Governance

1. Participation
 2. Rule of law
 3. Transparency
 4. Responsiveness
 5. Equity
 6. Effectiveness and Efficiency
 7. Accountability
 8. Strategic Vision
- The UN Development Program (1997)



Characteristics of Good Governance

1. Participation

- What is Participation?
- Inclusiveness & Pluralism
- Minorities---- voices of the Unheard
- Participation across Sex, Class, Race
- Organizations that encourage participation
- Sacrificing some decision making authority by empowering other actors
- Rights of freedom of association and expression
- To participate in organized civil society without fear of retribution or the stigma of being labeled unfairly as a “special interest” group

Characteristics of Good Governance

2. Rule of Law

- Good governance requires fair legal frameworks that are enforced impartially
- Good governance means that a country's legal environment should be conducive to development
- Where the rule of law exists, it is easier to manage potential conflicts during a crisis
- An effective rule of law can also support reforms or adaptation processes within state government performance
- Organizations must work within legal frameworks
- The rule of law must prevail and be overseen by an independent judiciary and an incorruptible police force
- Protection of human rights, particularly those of minorities

Characteristics of Good Governance

3. Transparency

- 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
- It also means that enough information is provided and that it is provided in easily understandable forms and media
- Transparency in decision-making processes so that interested parties can understand the bases of decisions and monitor progress
 - Article 19(A)- of the Constitution of the Islamic Republic of Pakistan 1973
 - The Right of Access to Information Act- 2017

Characteristics of Good Governance

4. Responsiveness

- Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe
- Good governance is about building trust and ensuring that all stakeholders are treated fairly
- To achieve these goals, organizations must have the technical and managerial competence to respond in a timely manner



Characteristics of Good Governance

5. Equity

- 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
- This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being
- Sustainable human development and fairness of outcomes
- Spirit of cooperation and mediation to ensure that organizations must treat all stakeholders consistently and fairly



Characteristics of Good Governance

6. Effectiveness and Efficiency

- **Effectiveness** is the degree to which an institution's objectives are achieved
- **Efficiency** is the ratio of produced outputs (or what has been achieved) to the resources used to create them (money, time, labour, etc.)
- Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal
- The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment

Characteristics of Good Governance

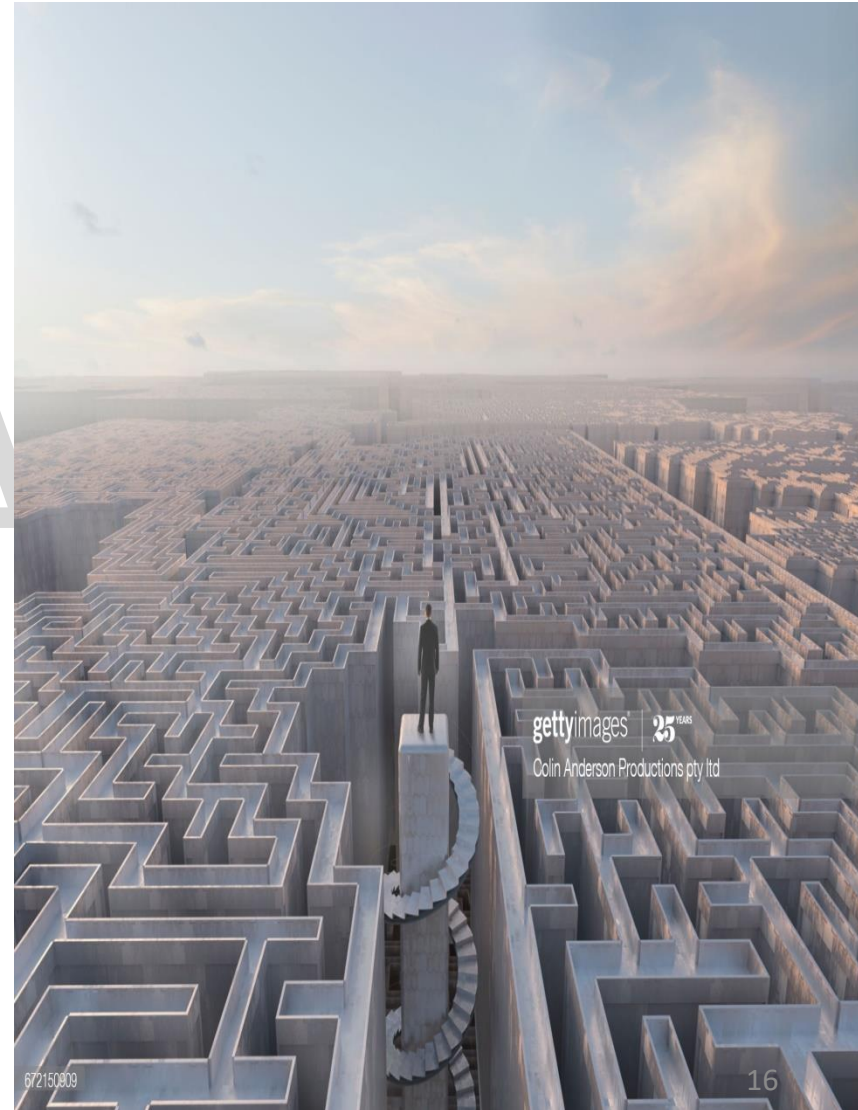
7. Accountability

- Accountability is a key requirement of good governance
- Organizations must be accountable to the stakeholders they serve
- Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders
- Organizations should be accountable to those affected by the entire range of decisions or actions made and implemented by an organization
- 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.

Characteristics of Good Governance

8. Strategic Vision

- Good governance is about stewardship
- Good governance requires that all decisions be made within a framework that is outward looking and future-oriented
- Decisionmakers should have a broad and long-term vision on how to improve the processes of governance to ensure continued economic and social development
- Processes must be in place to ensure the most productive use of resources



Collapse / Failure of Governance

- During times of crises, the resilience of nations is manifest in their ability to anticipate and prepare for shocks and effectively manage crises – **Failure to anticipate & prepare**
- The ability of governments to design and implement the right combination of short- and long-term policy measures is critical for progress – **the inability to design & implement short & long term measures**
- Lack of specific **technical capacities** in the organizations and institutions at the front lines of the crisis response- **lack of technical capacities**
- Failure due to the overall dysfunction of country systems and institutional qualities, including skewed decision-making processes and absence of consensus building among key stakeholders, the broader political economy dynamics, and weak governance structures that largely shape to institutions – **Dysfunctional systems**

Collapse / Failure of Governance

- Absence of **Institutional qualities** like
- (a)performance, (b)adaptability, and (c) stability
- A) **Institutional performance** is the state's capacity to function and fulfil its obligations towards its citizens
- Institutional performance is the foundation of the state's capacity to manage its **executive, legislative and judiciary functions**, to administer the **economy**, to deliver **social services**, to use **natural resources sustainably**, to ensure protection of **human, economic and social**, and **political rights**, and to provide **security** (UNDP 2010)

Collapse / Failure of Governance

- **B) Lack of Adaptability** — In times of crisis, countries need institutions with the capacity to anticipate, adapt and respond to **changing needs and shifting priorities** -
 - Adaptability is an ability to perform in future conditions and to innovate to meet future needs (UNDP 2010)- **No adaptability**
 - Adaptable institutions are flexible and able to continuously invest in endogenous improvements, while anticipating and responding to crises with innovative solutions (UNDP 2010 and Killick 1995) – **Inflexibility**
- **C) Stability** — Stability is the degree to which an institution can decrease volatility of performance through institutionalization of good practices and norms - MoF
 - An institution can identify and mitigate internal and external risks – **instability**

Indicators of Collapse / Failure of Governance

1. Absence of a capable Civil Service (CS)

- The major institution that is mobilized to respond to a crisis, the **civil service** at the national and local levels is a **key system** which is deployed by the state to fulfil its **obligations towards its citizens**
- To function effectively and reach its development agenda, a country must prioritize **investments in a professional, merit based civil service** – politicized CS- failure

2. Absence of local governments (LGs) LGs are responsible for overseeing or delivering basic social services, especially to the poor and other vulnerable groups – No Delegation of power

3. Absence of Research The capacity of institutions to provide **evidence based analysis** of the situation and sound policy options to address the crisis is critical – No Research

- In other words, the lack of a **predictable, coherent and functioning** bureaucracy / CS undermines the ability of developing countries to respond to crises (**The Challenge of 21st Century Development: Building Capability-Enhancing States**, UNDP, 17–19 March 2010)

Collapse / Failure of Governance

- Summary / To sum up/ In a nutshell / To conclude
 - Absence of the main **governance principles** i.e. participation / inclusion, non discrimination/ equality and rule of law/accountability lead to failure
 - Weakness of the key country systems that are involved in a crisis response, such as the civil service, procurement mechanisms, public financial management systems and monitoring and evaluation systems results in collapse

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