GOOD GOVERNANCE

CONCEPT, POLICY, PRACTICE WITHOUT BOUNDARIES

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What is governance?

- To meet the people’s needs through managing whatever resources that are available.
- Gov has to gain the people’s confidence that they would be able to lead them and ensure their needs are met.
- Obama’s presidential campaign 2012: [https://www.youtube.com/watch?v=cAmRqg7i-ZQ](https://www.youtube.com/watch?v=cAmRqg7i-ZQ)
GOOD GOVERNANCE

- Good governance has 8 major characteristics.
- It is participatory,
- Consensus oriented,
- Accountable,
- Transparent,
- Responsive,
- Effective and efficient,
- Equitable and inclusive and follows the rule of law.
- It assures that corruption is minimized,
- The views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making.
- It is also responsive to the present and future needs of society.
How are good governance and human right linked?

Good governance and human rights are mutually reinforcing. Human rights principles provide a set of values to guide the work of governments and other political and social actors.

They also provide a set of performance standards against which these actors can be held accountable.
Governance Problems: Some Examples

- **Grand Corruption: State Capture**
  - Leaders plundering state assets (Mobutu, Abacha)
  - Powerful “oligarchs” buying state officials (CIS)
  - Corrupt leaders colluding with corrupt investors: non-competitive, non-transparent award of contracts (oil & gas)

- **Nepotism and Patronage in Public Service**
  - Political pressure for award of contracts, appointments
  - Politicized transfers (South Asia)

- **Administrative (Petty) Corruption & Inefficiency:**
  - Bribes for licenses, permits, government services
  - Diversion of funds for public programs
  - Inefficient and ineffective service delivery
Public management: evolutions and changes

- The old public management — bureaucratic style, ineffective management
- The new public management: market-driven approach, effective management, social disappointments
- Good governance: new synthesis and maturity - aimed to reach sustainable growth and public sector efficiency, as well as citizens satisfaction and social welfare
The collapse of welfare state and Bureaucratic Public Management

- Traditional bureaucratic public management

**Shortcomings in changing world:**

- Monopoly power;
- Extra income seeking politicians and bureaucrats;
- Inefficient government and public sector undertakings and Government Programs or Schemes.

- The welfare state was collapsed because governments were engaged too much with social problems and re-distribution of Gross National Product (GNP).

- Government required more taxes, more debt and more expenditures without reaching welfare for all! The mission was impossible! As a result:
The collapse of welfare state and Bureaucratic Public Management

A) New Economic and political consensus:
   First- growth and personal welfare,
   Second– social welfare through government redistribution and social programmes.

B) Dichotomy faced: efficient private and inefficient public sector in 70-80 ies. It creates great pressure for changes

- The emergence of New Public Management (NPM) concept-mixture of market approach practices from many countries (late 80-ies)
The NPM as concept and policy

- Main goals of the NPM – increase efficiency in all government activities (value for taxpayers money)
- NPM model: squeezing the size of government, privatizing government enterprises;
- Transferring the supply of public goods to private companies;
- Introducing competition where it is possible; learning from the management of mature large companies (Strategic management, Change management, HRM, Performance appraisal)
- NPM became dominant political philosophy for government management during 90-ies
The NPM as concept and policy

- Positive outputs: government institutions really became more efficient!
- The companies got more space for market adjustment (deregulation).
- Increasing part of public services have been delivered by private companies;
- Citizens matter more! Government management became more professional

- Negative outputs: public institutions became more commercialized! Many people suffered from cutting social programes; The bureaucrats kept their extra income; PPP create some corruption practices; NGO-s were not real partners;
The NPM as concept and policy

- General impression- market driven changes contributed for more efficiency, but created dissatisfaction for many social groups (Pareto inefficiency) is a state of allocation of resources in which it is impossible to make any one individual better off without making at least one individual worse off.

- Main lesson: The gap between governments and citizens did not bridge! People were not satisfied from management of their governments
The change of concept: Re-inventing government

- In searching the more adequate profile: governments reject the bureaucracy, but also the market, as a main driving force for public sector management.

The change of concept: Re-inventing government

• Re-thinking the old questions: what government should do, how and for whom? The debate is not for large or small state, but for a bad or good management of government!

• Good government requires good governance. It is a managerial approach, aimed to reach efficiency, sustainable growth and better satisfaction of citizens' needs.
The change of concept: 
Re-inventing government

- Good governance combines short and medium term policy:
  A) More care and investments for solving the current needs of societies (job, education, health), but also
  B) Coping with common society challenges (lack of resources, ageing population, pollution, climate changes, quality of life, intensive migration and so on)

- Good governance adjust country development towards the changing world: dynamic technological advance, openness of markets, global competition, higher citizens expectations for better life
Re-inventing government: new roles

- **Catalytic government**: steering (policy and regulation) rather than rowing (service delivery);
- **Community-owned government**: empowering rather than serving;
- **Competitive government**: injecting competition into service delivery;
- **Mission-driven government**: transforming rule-driven organizations;
- **Result-oriented government**: meeting the needs of the customer, not the bureaucracy;
Re-inventing government: new roles

- Enterprizing Government: earning rather than spending
- Anticipatory government: prevention rather than cure
- Decentralized government: from hierarchy to participation and teamwork;
- Market-oriented government: leveraging change through the market;
- Good government: combination of all these new roles
- Government vs market: the old dilemma in new light: government as a driving force for society changes, including new opportunities for people participation in social life and competitive business development!
From concept to policy: principles of good governance

- Rule of the law
- Openness and transparency
- Efficiency: results should reflect mission and goals?
- Effectiveness: inputs/outputs
- Citizens as clients of government
- Accountability (how we used taxpayers money)
- Predictability and reliability
- Partnership with concerned parties
- Coherency in all government actions
- Principles are drawn from good practices (evidence based !)
- Principles are guiding rules and benchmarks for good governance for all over the world (compare INDIA with UK, France or USA !)
Good governance: main policy aspects

- **Strategic management**: mission, vision, strategy, action plans, innovations and changes
- Government organizational structure, based on the principle-agent model (clear roles of all institutions)
- Building up capacity to manage according to the principles (the new vision for public administration)
- Professional policy making (public companies, impossible for assessment)
Good governance: main policy aspects

- Better administrative services for citizens
- Public-private partnership (scenario win-win)
- Human resource management
- E-management (centre for-eGovernment.com)
- Innovations, identification and dissemination of good practices (www.benchmarking.gov.uk)
From concept to practice

- **International dimensions**: learn the best practices from advanced countries: UK, USA, Danmark, Estonia and others!

- **Key factors for success:**
  
  A) **Political decisiveness for changes**: require educated and intelligent politicians
  
  B) **Professional, not politically manipulated, administration.**
  
  C) **Dialog and consultations with businesses and NGOs**: Always feedback from partners!
  
  E) **Active role of other stakeholders**: voters, political parties in oppositions, NGO-s, pressure of civil society members! (Galbraith countervailing power)
Galbraith countervailing power

- Countervailing power was a term coined by Galbraith (1952) to describe the ability of large buyers in concentrated downstream markets to extract price concessions from suppliers.

- Galbraith saw countervailing power as an important force offsetting suppliers’ increased market power arising from the general trend of increased concentration in U.S. industries.

- He provided examples such as a nationwide grocery chain extracting wholesale price discounts from food producers and large auto manufacturers extracting price discounts from steel producers.
Good governance-tool for growth and welfare in global world

- Good governance - now it is a dominant policy and practice in developed democratic countries.

- Good governance role: through education, better business regulation and rational social policy, to contribute for sustainable economic growth and social welfare of citizens!

- Good governance: it is not fashion, it is an effective tool to manage country development and to serve citizens in best way!
Good governance-tool for growth and welfare in global world

- Good governance in a global context: it is a concept, policy and practice without boundaries!
- Specific experience-China, introduce almost the same concept and policy: the role of government-to create harmonious society! Adjustment of global concept to local Chinese conditions and development plans!
Good governance in global context

- UN, The Department of Economic and Social Affairs, Division for Public Administration and Development Management

- Making public administration and governance more responsive to the needs of citizens is one of the most important aims of the United Nations’ “Reinventing Government” programme!
Good governance in global context

- Every 2 years: Global Forum on Reinventing Government; international gathering of policymakers and experts; The forum is a worldwide laboratory for sharing new ideas and policy development.
- The 7th Global forum, June 2007, Vienna: dealing with strengthening trust, accountability and participation in government so that it can serve citizens more effectively, efficiently and responsively.
- www.un.org (Division for Public Administration and Development Management-global forum)
Conclusions

- The new, rational social ideas and concepts have led to innovative changes in government policies;
- **Global impact**: when new practices testified its efficiency, they became guidelines for changes in other countries;
- The Good Governance as a policy options is based on the concept for re-inventing government, real policy changes and number of good practices in most developed countries (UK, USA, Danmark, NI and etc)
- From the beginning of 21st century we have intensive dissemination of good governance principles and practices all over the world!
Conclusions

- Today, there is almost full consensus among social stakeholders: modern public management requires implementation of good governance principles.

- Good governance is a policy approach aimed to increase public sector efficiency and citizens satisfaction from having responsible and committed government.

- Good governance in global context: require learning and sharing knowledge and practices among scientists, policymakers, practitioners, NGOs from many countries.

- The role of youth meetings like this: learning today, implement tomorrow!
Thank you for your attention!

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