

GOOD GOVERNANCE

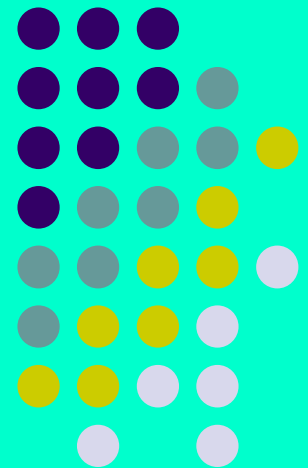
**CONCEPT, POLICY, PRACTICE
WITHOUT BOUNDARIES**

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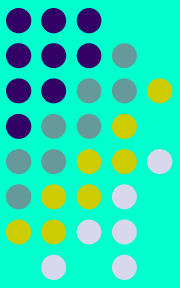
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What is governance?

- 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>

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

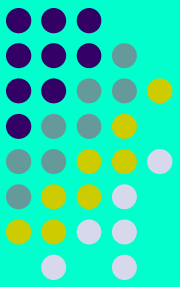
- Political pressure for award of contracts, appointments
- Politicized transfers (South Asia)

❖ 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

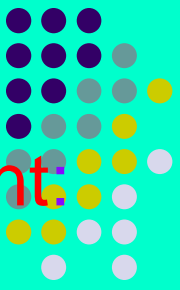
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- **The new public management:** market-driven approach, effective management, social disappointments

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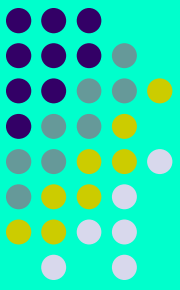
- **Good governance:** new synthesis and maturity - aimed to reach sustainable growth and public sector efficiency , as well as citizens satisfaction and social welfare

The collapse of welfare state and Bureaucratic Public Management



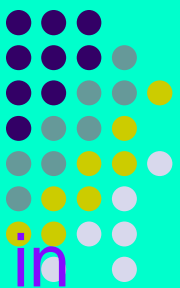
- Traditional bureaucratic public management:
Shortcomings in changing world:
- Monopoly power;
- Extra Income seeking politicians and bureaucrats;
- Inefficient government and
- public sector undertakings and
- Government Programs or Schemes.
- The welfare state was collapsed because governments were 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



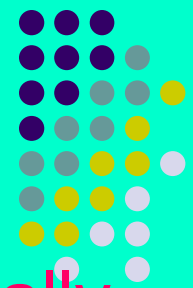
- A) New Economic and political consensus:
First- growth and personal welfare,
Second– social welfare through government redistribution and social programmes.
- B) Dichotomy faced: efficient private and inefficient public sector in 70-80 ies. It creates great pressure for changes
- The emergence of **New Public Management(NPM)** concept-mixture of market approach practices from many countries (late 80-ies)

The NPM as concept and policy

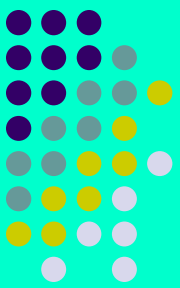


- Main goals of the **NPM** –increase efficiency in all government activities (value for taxpayers money)
- NPM model: squeezing the size of government, privatizing government enterprises;
- transferring the supply of public goods to private companies;
- introducing competition where it is possible; 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



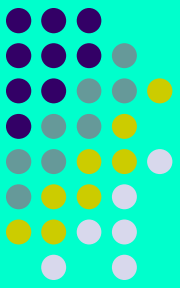
- Positive outputs: government institutions really became more efficient !
- The companies got more space for market adjustment(deregulation).
- Increasing part of public services have been delivered by private companies;
- Citizens matter more!Government management became more professional
- Negative outputs: public institutions became more commercialized ! Many people suffered from cutting social programmes;The bureaucrats kept their extra income; PPP create some corruption practices ;NGO-s were not real partners;



The NPM as concept and policy

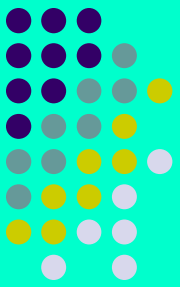
- General impression- market driven changes contributed for more efficiency, but created dissatisfaction for many social groups (**Pareto inefficiency**) *is a state of allocation of resources in which it is impossible to make any one individual better off without making at least one individual worse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



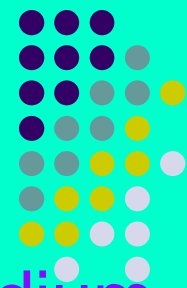
- In searching the more adequate profile: governments reject the bureaucracy, but also the market, as a main driving force for public sector management
- D. Osburn, T. Gaebler: Re-inventing government (1992) – the book which challenged and changed the understanding of modern government

The change of concept : Re-inventing government



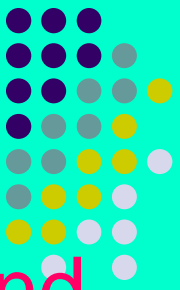
- Re-thinking the old questions: what government should do, how and for whom ? The debate is not for large or small state, but for a bad or good management of government !
- Good government requires good governance. It is a managerial approach, aimed to reach efficiency, sustainable growth and better 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



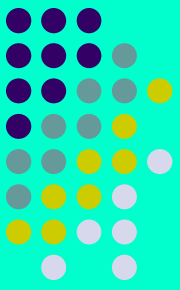
- Catalytic government: steering (policy and regulation) rather than rowing (service delivery) ;
- Community-owned government: empowering rather than serving ;
- Competitive government: injecting competition into service delivery ;
- Mission-driven government: transforming rule-driven organizations ;
- 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 !

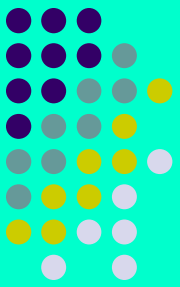


From concept to policy: principles of good governance



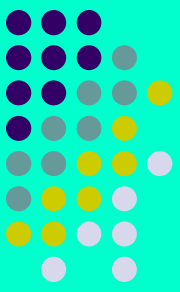
- Rule of the law
- Openness and transparency
- Efficiency: results should reflect mission and goals?
- Effectiveness: inputs/outputs
- Citizens as clients of government
- Accountability (how we used taxpayers money)
- Predictability and reliability
- Partnership with concerned parties
- Coherency in 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



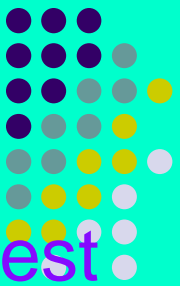
- **Strategic management:** mission, vision, strategy, action plans, innovations and changes
- Government organizational structure, based on the principle-agent model (clear roles of all institutions)
- **Building up capacity to manage according to the principles (the new vision for public administration)**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

Good governance : main policy aspects



- Improvement of regulatory policies for business development (OECD book: Regulatory governance, 2002, www.oecd.org)
- 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



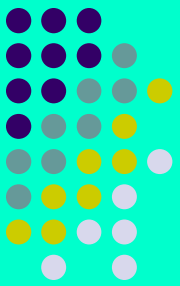
- International dimensions: learn the best practices from advanced countries: UK,USA, Danmark,Estonia and others !
- Key factors for success:
 - A) Political decisiveness for changes: require educated and inteligent politicians
 - B) Professional,not politically manipulated, administration.
 - C) Dialog 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



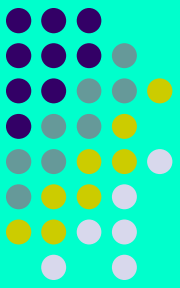
- Countervailing power was a term coined by Galbraith (1952) to describe the ability of large buyers in concentrated downstream markets to extract price concessions from suppliers.
- Galbraith saw countervailing power as an important force offsetting suppliers' increased market power arising from the 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



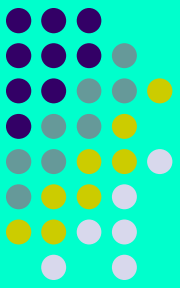
- Good governance- now it is a dominant policy and practice in developed democratic countries
- Good governance role : through education, better business regulation and rational social policy, to contribute for sustainable economic growth and social welfare of citizens !
- Good governance : it is not 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



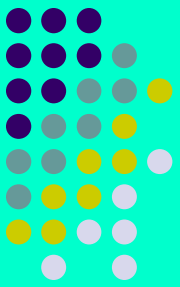
- Good governance in a global context: it is a concept, policy and practice without boundaries !
- Specific experience-China, introduce almost the same concept and policy : the role of government-to create harmonious society ! Adjustment of global concept to local Chinese conditions and development plans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

Good governance in global context



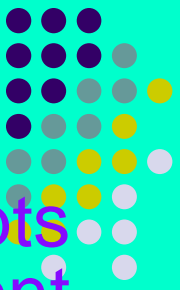
- UN ,The Department of Economic and Social Affairs , Division for Public Administration and Development Management
- Making public administration and governance more responsive to the needs of citizens is one of the most important aims of the United Nations’ “Reinventing Government” programme !

Good governance in global context

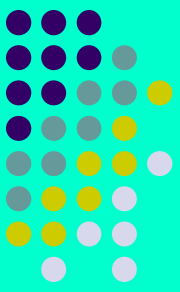


- Every 2 years: Global Forum on Reinventing Government ; international gathering of policy makers and experts;The forum is worldwide laboratory for sharing new ideas and policy development
- The 7th Global forum ,June 2007,Vienna: dealing with strengthening trust, accountability and participation in 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



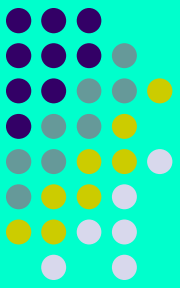
- The new, rational social ideas and concepts have led to innovative changes in government policies ;
- **Global impact:** when new practices testified its efficiency, they became guidelines for changes in other countries ;
- The Good Governance as a policy options is based on the concept for re-inventing government,real policy changes and number of good practices in most developed countries (UK, USA, Danmark,NI and etc)
- From the begining of 21stcentury 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, NGO-s from many countries
- The role of youth meetings like this: learning today, implement tomorrow!

Thank you for your attention !



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