

ASEAN Executive Governance Program

Governance and the ASEAN Blue Print

Coverage of Today's Presentation

1. Governance and Good Governance: Varying Definitions
2. A Five Pillar Framework for Governance
3. Scope and Coverage of Governance
4. Levels of (Good) Governance
5. Brainstorming

1. Governance (a)

“Governance is the act of governing. It relates to decisions that define expectations, grant power, or verify performance. It consists of either a separate process or part of decision-making or leadership processes. In modern nation-states, these processes and systems are typically administered by a government.” – (www.wikipedia.com)

“The act, process, or power of governing; government; and/or The state of being governed.” – (www.freedictionary.com)

1. Governance (b)

“The traditions and institutions by which authority in a country is exercised” – Kaufman et al (World Bank)

The way “ ... power is exercised through a country’s economic, political, and social institutions.” – the World Bank’s Handbook.

“The exercise of economic, political, and administrative authority to manage a country’s affairs at all levels. It comprises mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences.” – UNDP.

1. Dimensions of Governance

“Fundamental aspects of governance” are: graft, rule of law, and government effectiveness. Other dimensions are: voice and accountability, political instability and violence, and regulatory burden. – Kaufmann, Kraay and Zoido-Lobaton 1999 (World Bank).

Property rights and rule-based governance; the quality of budgetary & financial management; the efficiency of revenue mobilization; the efficiency of public expenditures; and transparency, accountability and corruption. – *Multilateral Development Bank assessments for performance based concessional development finance allocation*

1. Good Governance (a)

- It is “... among other things participatory, transparent and accountable. It is also effective and equitable. And it promotes the rule of law.” – United Nations Development Program
- It “... encompasses the role of public authorities in establishing the environment in which economic operators function and in determining the distribution of benefits as well as the relationship between the ruler and the ruled.” – OECD (www.oecd.org/dac/)

1. Good Governance (b)

- It is “... epitomized by predictable, open and enlightened policy making; a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law.” – *Governance: The World Bank’s Experience*.

Mechanisms for assuring good governance have three key elements: ***Internal rules and restraints*** (for example, internal accounting and auditing systems, independence of the judiciary and the central bank, civil service and budgeting rules); ***“Voice” and partnership*** (for example, public-private deliberation councils, and service delivery surveys to solicit client feedback); and ***Competition*** (for example, competitive social service delivery, private participation in infrastructure, alternative dispute resolution mechanisms, and outright privatization of certain market-driven activities). – World Development Report 1997.

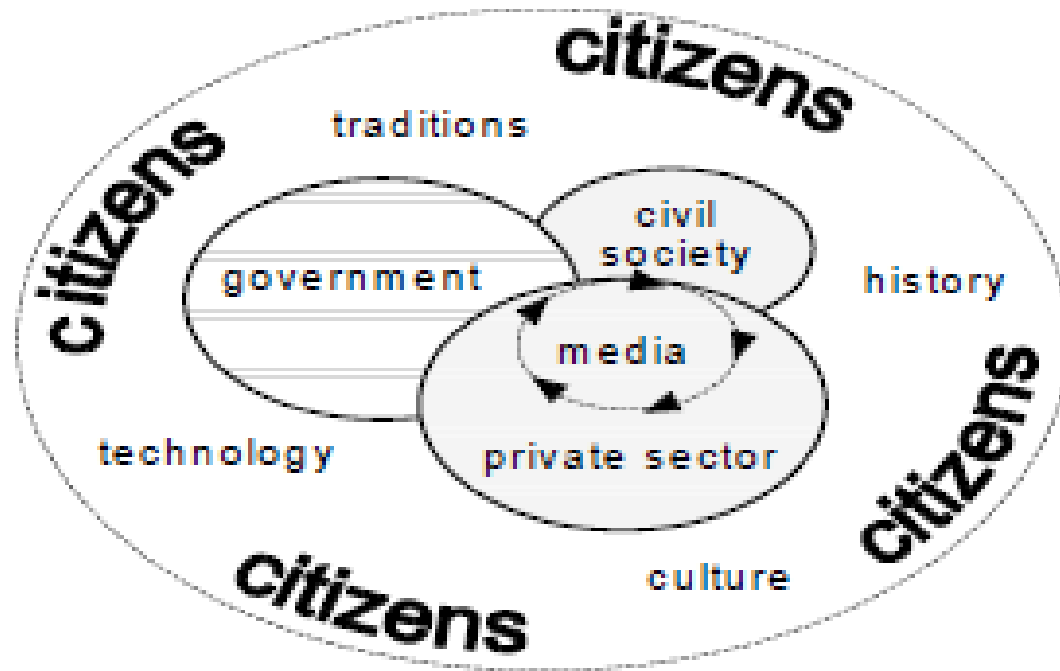
However, important to remember that

..... Governance is not synonymous with government. This confusion of terms can have unfortunate consequences. A public policy issue where the heart of the matter is a problem of "governance" becomes defined implicitly as a problem of "government", with the corollary that the onus for "fixing" it necessarily rests with government – *Institute on Governance, Canada (see attached policy brief)*

..... Therefore, because governance is more than just about government, there is some merit into thinking about what is the universe of governance within which to think about governance

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2. The governance space and key actors



Source: Principles for Good Governance in the 21st Century – Policy Brief by the Institute of Governance, Canada

2. Five Functional Areas within the Governance Space

- **Performance** based public sector management
- **Competitive** private sector
- **Efficient and dynamic** structure of government (with a high bandwidth)
- **Active** civil society participation and **real** voice
- **meaningful** political accountability

Box 1: Five Principles of Good Governance

The Five Good Governance Principles	The UNDP Principles and related UNDP text on which they are based
1. Legitimacy and Voice	<p>Participation – all men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their intention. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.</p> <p>Consensus orientation – good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures.</p>
2. Direction	<p>Strategic vision – leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.</p>
3. Performance	<p>Responsiveness – institutions and processes try to serve all stakeholders.</p> <p>Effectiveness and efficiency – processes and institutions produce results that meet needs while making the best use of resources.</p>
4. Accountability	<p>Accountability – decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external.</p> <p>Transparency – transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.</p>
5. Fairness	<p>Equity – all men and women have opportunities to improve or maintain their well-being.</p> <p>Rule of Law – legal frameworks should be fair and enforced impartially, particularly the laws on human rights.</p>

3. Scope and Coverage of Governance

Considering the functional areas and principles for good governance, the following scope and coverage for governance seems to come to light:

- Governance is about collective action between Government, private sector, civil society, international organizations, media, and citizens. This means there is:
 - Shared responsibility
 - Mutual ownership
 - Collaborative problem solving
 - Accountability and rule of law
 - Peer monitoring and joint policing of the agreed “rules of the game”

4. Levels of (Good) Governance

- **Global Bodies**
 - International organizations that are cooperatives of individual countries (the UN System, Bretton-Woods Institutions, Regional Development Banks, the OECD, etc.)
- **Regional**
 - EU, ASEAN, SADC, EAC, SAARC, AU, Specialized issue specific organizations like FATF etc
- **Country Level**
 - Including all stakeholders (as presented in Slide 9)
- **International NGOs**
 - Transparency International, Open Budget Index, etc

Key Point: There are different actors in the global governance structure that support good governance

Group Brainstorming

- What does governance mean for individual countries within ASEAN and for the regional block as a whole – the blue print is largely silent on specifics but enshrines good principles?
- Is there some aspect of the Governance pillars that resonate more than others for ASEAN members?
- What does Governance mean for the ASEAN Economic Community 2015 project?
- Is it a good idea to establish a permanent Governance Community of Practice for ASEAN (comprising of this group) to provide leadership on “Governance in ASEAN”