

THE IMPACT OF GOOD NATIONAL GOVERNANCE ON ECONOMIC DEVELOPMENT

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Abstract

This article is on good national governance. The twenty-first century has opened a new chapter in the administration of many countries, especially African countries. Democracy and good national governance have become the panacea or sure remedies that the western donors have prescribed to the ailing continent of Africa. It is generally believed that, good national governance coupled with donor aid or assistance would lead to economic growth of Africa. Consequently, most African governments are trying to major in the art of good (national) governance so as to benefit from conditions of the western economic and financial mandarins in an attempt to please them. However, good governance continues to elude a larger number of ordinary Africans.

Politically, good national governance has been a subject of controversy for some time now. The question as to who, or which institutions or nation sets the parameters within which to measure good governance has been problematic. This is due to the fact that the meaning of good governance has been very subjective, and also influenced by the problems and goals of each country. It is therefore abundantly clear that good national governance has not been fully understood by the various governments and the governed. This is inhibiting the inherent potentials of the countries and citizenry. The effects of bad governance either by governments or corporate institutions can be devastating on a country's economy and development.

The article reviews the fundamental tenets of good governance. This is done by critically reviewing

the different understandings or meanings of good governance. In addition, weaknesses inherent in some of the definitions are examined. Critical pillars of good national governance are discussed vis-à-vis national economic development and growth. In effect, the article analyses good national governance from its essential pillars of corruption; information disclosure; development and individual rights; participation; the judiciary and legislative systems; corporate accountability; and global balance.

Introduction

Development practitioners have always found it difficult to define good national governance. Interpretation of good governance has been influenced by the unique positions of people and the dominant needs that confront a country. However, it has been argued that, humans are rational and capable of comprehending wider common good. Locke (1690) therefore argued that, if people are rational, then the only way to justify imposing government over people is through their consent. Governance, according to Locke is therefore a limited social contract through which people agree to cede some of their powers to government but retain basic rights that the government cannot invade.

Daniel Kaufmann (2002), defined (national) governance as, "the process and institutions by which authority in a country is exercised." By implication, it is the process by which governments are selected, held accountable, monitored, and changed. It deals with the capacity of governments to manage resources efficiently; to formulate, implement, and enforce sound policies and regulations; and consider the respect for the institutions that govern economic and social interactions between government and citizens.

The Development Report states that governance is:

"the exercise of power or authority -- political,

economic, administrative or otherwise -- to manage a country's resources and affairs. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their difference."

Furthermore, Aristotle in his simplified system classified good governments as "... those that best serve the general welfare; and, bad governments are those that subordinate the general good to the good of the individuals in power." In this sense, national governance is more than the operations of Government. It is concerned with the functions and operations of civil society, government, the private sector and all other institutions. The issues of good governance require the involvement of a large number of people, institutions, and civil society organisations in decision making, in creating options, and in implementing country's projects and programmes. Political will and commitment play very fundamental roles in implementing good national governance at all stages. It is therefore imperative for good national governance to have the capacity of measurement, analysis, and review by the public.

Features of Good National Governance

Good national governance is supported by a wide range of pillars. In order to form a good opinion on good governance, it is necessary to have a quick scan of some views from other countries. A Commonwealth Secretariat CIRDAP Workshop (2004), deliberated on various issues of good national governance. The main objective of the workshop was to encourage participating countries to adopt good policies, develop good institutions and good management which will result in equity, efficiency, and empowerment with governance based on values, trust, and transparency. It also emphasised good national governance as a precondition for delivery of services and funds. It stressed the relationship between government and non-governmental

organisations (NGOs), civil society organizations and private organisations which are central in tackling issues of poverty and participation.

The experts who delivered papers at the workshops explained good national governance from different perspectives. In the country papers on Bangladesh, the analysts attempted to demonstrate the relationship between governance and development. They identified problems of public sector management and the role of NGOs in fighting poverty. Experts from India defined good governance in rural development, from rural local government perspective and in decentralised democratic structures. They also discussed quality of governance in reducing poverty and the role of Information Communications Technology (ICT) in ensuring good governance. The authors from Malaysia presented experiences in institutional reforms for improving social service delivery. Peoples Republic of Lao highlighted decentralisation, local administration and people's participation. Governance for rural development was explained in Myanmar report. Pakistan's paper explained good national governance in terms of how to promote private initiatives for governmental Organisations and to how utilise natural resources to benefit the poor. The experts from Filipino in their paper analysed gender mainstreaming towards gender-responsive national governance.

It is clear from the above positions that, good national governance is defined according to the needs and wants of a country and what they perceive as common good for the community. However, characteristics such as rule of law, decentralised decision making, pro-poor economic governance, sound public expenditure management, accountability, transparency, civil liberty, and information disclosure have been identified to be cardinal to good governance. Furthermore, it is agreed that good national governance should be participatory, consensus oriented, responsive, effective and efficient, equitable and inclusive,

pursue the rule of law and respect separation of powers. It must be emphasised that the rules of good governance are not limited to the public sector but also to civil society organisations, private sector, and all others involved in community and national development and protection.

Good governance, therefore, must lead to the empowerment of people in order to enable them to construct genuine freedom and genuine development for themselves and their countries.

Good Governance from Western Donors' Perspective

The supra-national organisations and the western donors, such as the World Bank, International Monetary Fund (IMF), World Trade Organisation (WTO) and the G-8, most often equate good national governance with effective management of economic resources.

The dominant discourse of good governance which is promoted by the World Bank, IMF and other advocates of neo-liberal economic globalisation, focuses primarily on the effective management of economic resources. According to John Samuel (2002), this techno-managerial concept of good governance focuses on 'decentralisation, transparency and report cards as ways to ensure macro-economic management as proposed by the Bretton Woods mandarins. This is largely apolitical in nature. The neo-liberal economic globalisation theorists often seek to restructure governance systems, processes, and practices in such a way that policies and political processes especially in poor countries have the capacity of being controlled by the dominant powers.

The former Tanzanian President, Julius Nyerere, (1998) stated that, to western donors, good governance is a phrase which meant and means "...those countries having multi-party systems of democracy, economies based on the principle of

private ownership and of international free trade and a good record of human rights: again as defined by the industrialised market economy countries of the North." Good governance therefore has been reduced to a simple matter between aid givers and aid seekers.

The above paradigm fails to address the unequal and unjust macroeconomic framework that serves the interests of rich countries (western countries) and the dominant factions within a country. This model inherently perpetuates inequality and poverty. The neo-liberal economic globalisation proponents do not emphasise the notion of freedom and rights. It fails to ensure accountability and transparency of governments to their people but rather to global institutions like the World Bank, IMF, and G-8. By virtue of this concept, some unscrupulous governments are therefore wrongly perceived to have good national governance according to the parameters of the Bretton Woods institutions, though its citizens were and are denied freedom, accountability, transparency and participation. The Bretton Woods institutions either ignore or fail to recognise that in practice, national governance is a position of unequal and often unjust power relations, where power is reinforced through different shapes of marginalisation and oppression.

Rights-Based Approach to Good National Governance

The rights-based approach to good national governance is concerned with power-relationships within and outside institutions and is founded on the notion of accountability, responsibility, and transparency (answerability). For any nation or society that is determined to fight poverty and injustice, the realisation of rights and justice through accountable governance is a prerequisite. Accountable governance is habituated on the premise of people who are empowered to ask questions (information disclosure), seek justice and claim participation.

Consequently, accountable national governance and empowered people especially, the marginalized, are integral to claiming rights and fighting poverty and injustice.

It is imperative that national governance is of critical interest to citizens, because it is the auditorium in which public policies are formulated, legitimised and executed. Furthermore, it presents the institutional platform to claim rights and seek justice through justice delivery systems. It is the podium through which citizens arbitrate and relate with the State and seek accountability. National governance therefore embodies the totality of power relationships within the social, political, economic and administrative arena of a country. The assertion of rights by people, demands a transformation of power relations of governance. A theory and practice of good governance would have to be constructed on the pillars of distributive justice, human rights, public accountability, transparency, peoples' participation, and citizens' legitimacy.

The article will analyse the following pillars of good national governance: Corruption; Information Disclosure; Development and Individual Rights; Participation; the Judiciary and Legislative system; Corporate Accountability; Global Governance

Corruption

According to the former Tanzanian President, Julius Nyerere, "...without good governance, we cannot eradicate poverty; for no corrupt government is interested in the eradication of poverty; on the contrary, and as we have seen in many parts of Africa and elsewhere, widespread corruption in high places breed poverty." President of the World Bank, Paul Wolfowitz affirmed this statement by stating that "...there are more than one billion people worldwide surviving on \$1 a day and corruption threatens their hopes for a better quality of life and a more promising future." It is an axiom that poverty is an enemy of good national

governance, and a persistent poverty is a destabiliser. When poverty is shared in a grossly asymmetrical manner, or is widely seen as being unfairly distributed as the few who are in leadership positions indulge in conspicuous consumption, it makes claptrap of any semblance of good governance. Real or suspected corruption among political leaders often discredits the canon of good national governance. It is even worse when corruption is widely spread in society.

Indeed, corruption and poverty are bedfellows. Development analysts argue that where corruption is so pervasive and insidious in leadership and government institutions, poverty, crime, poor sanitation and diseases are dominant. It can therefore be inferred that crimes, such as frequent spate of armed robbery, drug trafficking, and the presence of preventable diseases such as guinea worm infections among others, may be attributable to the state of corruption and poverty in a country. Corruption is devastating to the growth of nations and prohibits the realisation of the hopes and aspirations of people. It quells their quality of life. It further adds to the cost of transaction of businesses and renders a country unattractive for investment. It is therefore impossible for any government that champions the tenets of good governance to be seen as impotent in tackling corruption, especially when it concerns public office holders.

The public and civil society organisations (CSO) also play very crucial roles in fighting corruption. However, for corruption that bothers on conflicts of interest and abuse of public trust by state officials, the only diagnostic tool of the public is observational facts and allegations. It is a fundamental responsibility of a government which has the investigative tools and legally constituted institutions to call for information disclosure to arrive at the truth. In fact, matters of conflict of interest and abuse of public trust in Ghana require the invocation of articles 278, 284, and 286 of the Constitution by the President.

Information Disclosure

Information disclosure is an act of revealing information that is secret or would normally be confidential. A government which genuinely practices good national governance will appreciate the fact that, to safeguard against conflicts of interest and abuse of public trust by state officials, it is ethical for governments to disclose necessary information to the people who own the sovereignty of the State. Article 1 of the Ghanaian Constitution clearly states that, 'the Sovereignty of Ghana resides in the people of Ghana in whose name and for whose welfare the powers of government are to be exercised in the manner and within the limits laid down by the Constitution.' Article 35 Clause 1 further states that, '...sovereignty resides in the people of Ghana from whom government derives all its powers and authority through this Constitution.'

The foundation of information disclosure in governance is the belief that the government is accountable for its actions and that the public possesses a right to obtain information about those actions. In the United States for example, the Freedom of Information Act (FOIA) 1967, was amended to add strength to the statute in the wake of the Watergate scandal in 1974. The right to information is a fundamental human right which is guaranteed by Article 21 (1) (f) of the Constitution of Ghana. It underpins all other human rights and is essential for good governance, democracy and development. According to the African Regional Coordinator of the Commonwealth Human Rights Initiative (CHRI), Nana Oye Lithur, information disclosure has proven to be an anti-corruptive tool. It is in this light that the promulgation of the right to information bill in Ghana would strengthen democracy, enhance participatory development, and reduce conflict of interests by public officials.

A situation where a government has a persistent attitude of non-answerability and unaccounta-

bility to the citizenry creates the avenue for corruption and threatens the health and quality of a nation's democracy. The attitude of unaccountability and non-answerability is very prejudicial to the national interest. It is the fundamental right of shareholders of corporate Ghana to demand full disclosure of all the necessary information which has the potential to significantly alter the course of their lives and the nation.

Development

It is the responsibility of governments to ensure that their people realise all of their psycho-socio-economic potentials in a country. Creating an environment for people to enjoy freedom from fear and want, and lead a life of dignity is critical to good governance. Knowledge, based on accurate information is crucial to development. Where information from the government is perceived to be saddled with lies by the public, sound decisions and judgments by the public and the business community is compromised. Honesty and truth are fundamental elements of good governance.

Good governance works towards citizens claiming socio-economic rights. Development is not confined to only statistical figures intended to satisfy donors but should reflect in every facet of national life. Genuine development is demonstrated in citizens' welfare and socio-economic expansion and sustainability. Achieving this goal require greater attention to the plight of the citizens (rural farmers, the marginalised and the poor), whose subsistence is directly linked to the natural resources around them. It is therefore necessary to ensure and support local production and expansion. It is in this regard that the Millennium Declaration and Millennium Development Goals (MDGs) become important policy pledges that assist citizens to seek accountability from power holders in governance. However, the situation where governments commit nations to bilateral and multi-lateral agreements that seek to destroy critical areas of their countries' produc-

tion and economy must be carefully examined. The Millennium Challenge Account (MCA), which the government of Ghana has agreed to, and the controversial European Union –ACP agreement being proposed on the corridors of ECOWAS must be subject to public debate and scrutiny as they have the potential of debilitating the whole or large sections of the African economy.

Furthermore, the allocation or distribution of national budgets should have the capacity of being measured in regional and district terms. Budget tracking is important to discover the regions and districts that have been deprived of equitable budget distribution resources. Good national governance is undermined where it is generally perceived that national programmes and development projects are allocated on the basis of political party loyalty and support to the neglect of national interest and relevance.

Individual Rights

The situation where citizens' rights are abused violently or through the manipulation of the legal structures and systems such as the judiciary, and persistent demonstration of deception under guise of politics and state security inhibit informed choices and decisions by public. These undermine individual rights and national development. A judiciary that is seen to be firm and fair is critical to good national governance. The judiciary should be seen to be above politics and must be dedicated to safeguarding the rights of all individuals irrespective of the person's political colouring, ethnic and social class.

The rights-based approach to national governance requires the monitoring of the judicial delivery system and the executive. Monitoring institutions of national governance such as the legislature, executive, judiciary and the media are crucial in asserting and advancing rights by reinforcing accountability. The legal system should not be used as a tool to persecute political opponents and

to deprive citizens of their political, social, and economic rights. The property or economic rights of citizens must be protected at all costs under good national governance.

Participation

The monitoring of national governance is dependent on citizens' active participation in governance, policymaking, and influencing socio-political and economic processes. Primarily, participation must result in power sharing and the ability to influence the process and outcome of national decision-making. For political participation to be effective, it requires socio-political mobilisation, knowledge, and capacity to monitor governance. It must be rooted in knowledge-based activism and grassroots mobilisation.

For the governance structures to be effective, they must subsist on a politically conscious, active, organized, and alert civil society. It is necessary for civil society to possess a good understanding of the existence and functions of the different political institutions, their powers, and the constitutional limits to their powers. Most African leaders, both dictators and democratic governments, generally prefer an uninformed and passive citizen, as they are easily prone to manipulation. The political manipulated results of the activities and decisions of such ignorant citizens are then displayed as peoples participation to win the approval of the donor community.

The objectivity of the media is paramount. Unfortunately, the present media landscape in Ghana and in most African countries cannot be said to be commendable. In Ghana for example, the media fought and continue to fight each other as a section is seen to be compromised by the government. The section of media that is perceived to be critical of government or opposed to some government decisions is tagged as anti-

government and opposition paper. Furthermore, critical national discussions on some electronic media have been and continue to be lopsided. These developments have significant negative impact on the political landscape of the country. A Vibrant and unbiased media is crucial to participation in governance and knowledge capacity building of the citizenry. Good national governance is defeated when the public has the least suspicion of government monetarily influencing some sections of the media to peddle lies and also as a propaganda machine to attain parochial political interests. The media, which is the fourth estate of the realm, must be allowed to operate in an environment devoid of intimidation. Government has the responsibility to protect and promote free speech and free expression of opinions

The opposition political parties have also been inept in educating the populace on pertinent socio-political and economic issues. However, they have resorted to petty partisan politics and defensive press conferences which have not helped the citizenry in making rational political choices and decisions. There has not been sustained education of the public on socio-political and economic issues that affect the country at all levels from the opposition parties.

Democracy is much more than casting votes after every year. Indeed, balloting is only a canticle in the orchestra of democratic governance. Unfortunately, this seems to be the trump card for Western donors. The tenets of democracy entail attitude of tolerance, and willingness to consider the views of others and to cooperate with others on terms of equality. An Essential ingredient in the bowl of democracy is the equality of all people and applying all the laws of the land to all without exception. The constitution which provides methods by which people can without recourse to violence control the government must be respected. Amendments of a country's constitution and laws should go through thorough consultation, deliberation, and consensus so as to

engender national cohesion and growth.

Corporate Accountability

Multi-National Corporations (MNCs) increasingly influence economic governance. In an effort to attract Foreign Direct Investments (FDI) into developing economies, economic governance is gradually assuming primacy over socio-political governance. The foremost movers and designers of economic governance are however the unaccountable and non-transparent multinational corporations. MNCs control or greatly influence the market and the media. Most flourish on unaccountable and unjust governance systems. Unjust governance systems result in stakeholders (shareholders, consumers, communities and employees) of these MNCs getting marginalised and are unable to seek accountability from such Corporations. Unjust national governance therefore condones bad corporate governance. A system that seeks accountability, monitoring, and governance of the big corporations will challenge their influence on institutions of governance within the State and also force accountability within the market. These MNCs thrive on malleable trade unions and therefore influence governments or government officials to weaken the power of trade unions.

The recent allegation that some oil companies paid huge sums of money to the government of Nigeria to suppress people of the Delta region who are fighting for their socio-political and economic rights undermines good governance in Africa. In Ghana for instance, a number of abuses by the mining sector of employees, communities, water bodies (environment) etc. are hurriedly suppressed by the government or the media.

Global Governance

The emergence of international institutions that wield more power than governments in the developing world since 1980s require critical examination. Institutions such as the IMF, World

Bank, World Trade Organisation (WTO) and various regional banks and institutions such as the African Development Bank tend to seek accountability from national governments for the economic and particular political conditions they imposed on them. Conditions imposed on national governments by these 'supranational governments' directly alter the course of nations and directly impact on the lives of citizens. Nevertheless, these supranational institutions are inherently unaccountable and undemocratic in character and therefore are unanswerable to the citizens of the host countries.

The conundrum is that, when undemocratic and unaccountable institutions, like the World Bank, IMF etc., seek accountability and good governance from national governments, they advance unequal and unjust power relations which are patriarchal. Any unequal and unjust relations undermine good governance and perpetuate poverty. Between 2005 and 2006, the World Bank investigated 400 fraud and corruption cases involving bank financed projects. The bank sanctioned over 100 entities for engaging in wrong doing. However, since 1999, the World Bank is reported to have sanctioned 338 firms and individuals. Where the fraud and corruption is as a result of staff misconduct, the Bank's Sanctions Board and the Human Resource Services take appropriate actions. However, government officials involved in the fraud and corruption are referred to "authorities of relevant member countries."

The fact however remains that, in most cases, governments of member countries have never taken any legal actions against government officials. Such corrupt officials remain at post to perpetuate their crime. The debt which as a result of corruption was not used for the project intended to alleviate poverty of the marginalised, continue to be serviced by the taxes of the poor thereby perpetuating poverty and bad governance. Democratisation and accountability of supranational institutions should be a precondition for

fighting unjust governance and poverty.

Conclusions

A strong state is attainable through the full consent of at least the majority of its people. That full consent, whichever form it takes, is a true democracy. Every true democracy is subject to the constitution which is the supreme law of the land. In that case, all heads of state swear to honour and protect the constitution. A conscientious reverence for the constitution is the basis of the principle of the rule of law. Unfortunately, presidents and members of governments, as soon as they are sworn into office seek to amend or interpret the constitution in their own favour, despite the fact that they have sworn to honour the provisions of the constitution.

At present, Africa is littered with many presidents who have lengthened the number of their terms after being democratically elected, despite the limit laid down in the constitution which they swore to uphold. It undermines the very essence of the constitution and cheapens the constitution as the supreme law of the land. It is impossible and impracticable to claim to have reverence for the ordinary laws of the country when the constitution under which those laws are promulgated is undermined. No Respect for the Constitution leads to No Basis for the Rule of Law.

The situation where external institutions which do not have the mandate of the people, and ruling executive governments set the rules and monopolise the parameters of measurement, undermine the very tenets of good governance. It is necessary for people to examine and measure the activities of their governments in areas such as accountability; political stability; absence of intimidation and violence; quality regulatory framework; effective and efficient government; control of corruption; and, rule of law, separation of powers, etc.

Governments all over the world do not freely render good governance until it is demanded by their citizens. It is therefore imperative for citizens to demand good governance from those they have elected into government to administer the affairs of the country on their behalf. Indeed it is an obligation for governments to offer good governance. It is therefore out of place for any ruling administration or government to exclusively set the parameters within which to measure good governance. It is the people who must measure the performance of their governments and to determine whether an executive government is rendering good governance.

Unfortunately, in Africa for example, it is difficult for some sections of the community to demand good governance. The culture of most African countries does not create room to openly criticise and demand accountability from leaders. The deification and the notion of the infallibility of the 'King' are so ingrained in the minds of the African that, anyone who stands up to an autocratic and bad leader rather becomes the culprit who must be incarcerated. This has led to even "democratically" elected governments running the affairs of Africa as chieftaincies. This endemic mind-set has, over the years, produced very wicked, selfish, and incompetent governments and thereby diminished the socio-political and economic growth of Ghana and Africa as a whole.

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