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<td><strong>Author(s)</strong></td>
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Paper No. 5
Creating An Environment for Good Governance

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Malaysia
Creating an Environment of Good Governance

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AMIC

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Presentation Overview

- Defining Governance
- Who’s Who? Governance Actors and Their Interface
- Functions of Governance Actors
- POPIS Framework
- Features of Good Governance
- Challenges for All Actors
Governance - A Broader concept than government

- Governance is concerned with steering. It is defined as the institutions, processes and traditions related to issues of public concern which determine:
  - how power is exercised
  - how decisions are taken
  - how citizens have their say

- The responsible and responsive exercise of power on matters of public concern

The Institute On Governance, Ottawa Canada
Citizens organized into:

- Community-based organizations
- Non-governmental organizations
- Professional associations
- Religious groups
- Women's groups

THE ACTORS

CIVIL
SOCIETY

Business

STATE

- Executive
- Judiciary
- Legislature
- Public service
- Military
- Police

Small / medium / large enterprises
Multinational corporations
Financial institutions
Stock exchange
THE FUNCTIONS

STATE
Law and order
Security
Public policies and programs
Regulatory and incentive structures for investment
Collection and redistribution of tax revenue

CIVIL SOCIETY
Collective representation/action
Delivery of community services
Civic duties & responsibilities

BUSINESS
Production of commodities/services
Job creation
Creation of wealth
POPIS

**Physical Capital**
*Financial, technological, material resources*

**Organizational Capital**
*Core team, membership, structure, process, leadership, training, management skills*

**Political Capital**
*Power, authority, influence, legitimacy*

**Intellectual Capital**
*Knowledge or know-how*

**Socio-cultural Capital**
*Feeling/spirit of trust, friendship and willingness to collaborate, community ideals, values, bonds*
FEATURES OF SOUND GOVERNANCE:

- Information
- Accountability
- Participation
- Legitimacy
- Legal frameworks
- Transparency
- Efficiency
- Security
- Cooperation

BUSINESS

CIVIL SOCIETY

STATE
Challenges for all Actors

- strategic thinking/action (understand change and context)
- redefine roles and functions
- capacity to carry out functions effectively
- working in partnership with other sectors in society
- achieve ‘sound’ governance
Challenges for Governments

- come to grips with global/regional economic, political environmental context and challenges
- balance tensions between forces of globalization and people's quest for identity and voice (challenge of leadership)
- move from control and "doing" to decentralization and creating an enabling environment for social well-being and economic growth
- define/find new ways of dealing with social elements of development, under pressures for reduction of government spending
Challenges for Civil Society

- moving beyond emphasis on advocacy, to increased program and policy activity
- learning how to articulate demand -- design and formulate alternative approaches to service delivery
- garnering resources to take on responsibilities shed by governments
- learning to understand and work with government and private sector in addressing development challenges -- finding common ground
- changing roles of academics: expanding on research to also engage in action-research which feeds into policy dialogue, and program design and implementation
Challenges for Business

- business institutions to apply “sound” governance to their own operations
- assess context and make strategic investments
- work effectively with governments and NGOs to develop the human and social capital needed for global competition
- develop intermediate institutions to facilitate evolution of micro-enterprise, create tax base, etc.
Challenges for Media

- Identify issues of most concern to audience
- Report accurate and balanced information from all sides
- Facilitate problem solving
- Create awareness
- Hold people and government accountable