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Paper No. 5
Creating An Environment for Good Governance

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Creating an Environment of Good Governance

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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
THE ACTORS

CIVIL SOCIETY
citizens organized into:
- Community-based organizations
- Non-governmental organizations
- Professional Associations
- Religious groups
- Women’s groups

BUSINESS
- Small / medium / large enterprises
- Multinational Corporations
- Financial institutions
- Stock exchange

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

STATE

CIVIL SOCIETY

BUSINESS
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