Key Issues in Good Governance for Developing Countries

- “to live by the seasons” is to live a subsistence existence
  - subject to the ravages of nature
  - little prospect of generating savings or development
  - high morbidity rates, short life spans
  - subject to warlords and strongmen

- to escape subsistence requires organisation, urbanisation, specialisation and leadership coming together in some form of government

- there are many necessary conditions and no one single condition to achieve good governance, they including:
  - rule of law – predictability in economic and social relationships
  - accountability for politicians and public servants (incl police)
  - transparency of decision making and in public spending
  - service delivery, especially education, health and infrastructure
  - involvement of civil society in policy deliberations (but problem of uncivil society – vigilantism, militia, mafia)
  - free media as an interface between the governors and the governed
  - market system and competent macro economic policies
  - security both domestically and, as far as possible, internationally

- Democracy is a key component of a sustainable political system
  - consent of the governed confers legitimacy, at home and abroad
  - elections make leaders sensitive to people’s needs (Amartya Sen)
  - “the quality of a democracy greatly affects the quality of development” (Jagdish Bhagwati)
  - political dialogue in a democracy allows a society to learn and progress
  - electoral democracy must be complemented by liberal democracy in which human rights are respected

- Security services do not stand above the system but must find ways of fitting into it. Special responsibility because the state has a monopoly on the
legitimate use of force. Requires specific oversight mechanisms including principle of primacy of civilian leadership, rule of law and mechanisms to investigate complaints.

Three Case Studies (2 bad, 1 good)

Eritrea – approaching ‘failed state’ status:

History similar to East Timor; swallowed into Ethiopian empire in 1962, 30 years of armed struggle, collapse of Ethiopian leadership in 1991 and successful independence referendum in 1993, population of 4 million. Upon independence Eritrea was the ‘darling’ of the international community. Today:

- in 10 years population below poverty line rises from 33% to 76%
- long border war with Ethiopia and now tension with Sudan
- military expenditure at 50% of GDP
- <50% of children have primary education, many forcibly conscripted
- bitter disputes with UN and international donors and NGOs
- independence struggle military leaders incompetent in peace time

Papua New Guinea – democracy is disintegrating:

Upon independence in 1975, PNG (pop. 5 million) developed many of the necessary institutions for a modern democracy – parliament, courts, public service, army, free media. Today PNG is a ‘hollow’ state, façades of institutions remain but they lack substance and are not working properly. Why not?

- corruption and money politics have poisoned governance processes
- poor designs (eg electoral system) made institutions vulnerable
- service delivery has broken down; teachers and nurses not being paid
- resource economy did not deliver widespread benefits, led to conflict
- break down in law and order, police ineffective

Samoa – slow but steady progress in development and democracy:

Independence in 1962, population of 200,000, 70% engaged in agriculture. Tourism and fisheries are main income earners plus remittances. Constitutional monarchy with universal adult suffrage but only ‘mattai’ (nobles) may stand for election. Strong growth, low inflation, low crime rate, social tensions minimal:

- combined democracy with custom, system has consent of the governed
- 97% literacy rate, less discrimination against women than in Melanesia
- civilian government, competent policy mix
- good relationship with IMF, ADB, donor and NGO community
- no ‘get rich quick’ schemes (eg pyramid, passport sales, con artists)
- but difficult issues of poverty, youth unemployment, health remain.