

The governance debate

What is good governance?

Good governance is associated with the concepts of accountability and transparency, as well as anti-corruption. The actual meaning goes beyond these concepts and can be defined as good practices created to decrease mismanagement and abuse of scarce resources.

Good governance practices enable responsible and responsive government. Good governance simply refers to the processes of making and implementing decisions. If properly utilised, they help leaders make the right decisions with the most effective outcomes.

The History of Good Governance

The term 'good governance' can be traced to many sources. In the developing world it can be traced to a 1989 report by the World Bank on Sub-Saharan Africa, which found that Africa's development problems were related to "a crisis of governance". Problems identified by international organisations such as World Bank and International Monetary Fund in African and Latin American countries were similar to 'governance' problems in the rest of the developing world.

Donors were finding that the activity for which the funds were given had not been achieved – the funds were either not utilised properly or utilised for other activities. In

some cases, the project had yet to commence, was deferred, or carried out in increments. Organisations began promot-

as Australia, New Zealand, and Britain, and also for managing a nation's resources at community and national levels.

kin. However, this is classified as nepotism - a bad governance non-transparent practice. The giving of gifts is a

governance. It was not seen as compatible to culture and many felt it would not bring much benefit. The struggle to understand these new concepts was compounded by the fact that it was also new to Pacific academics and civil society organisations. However, a few widely publicised cases of corruption and financial mismanagement saw a bigger interest in these concepts.

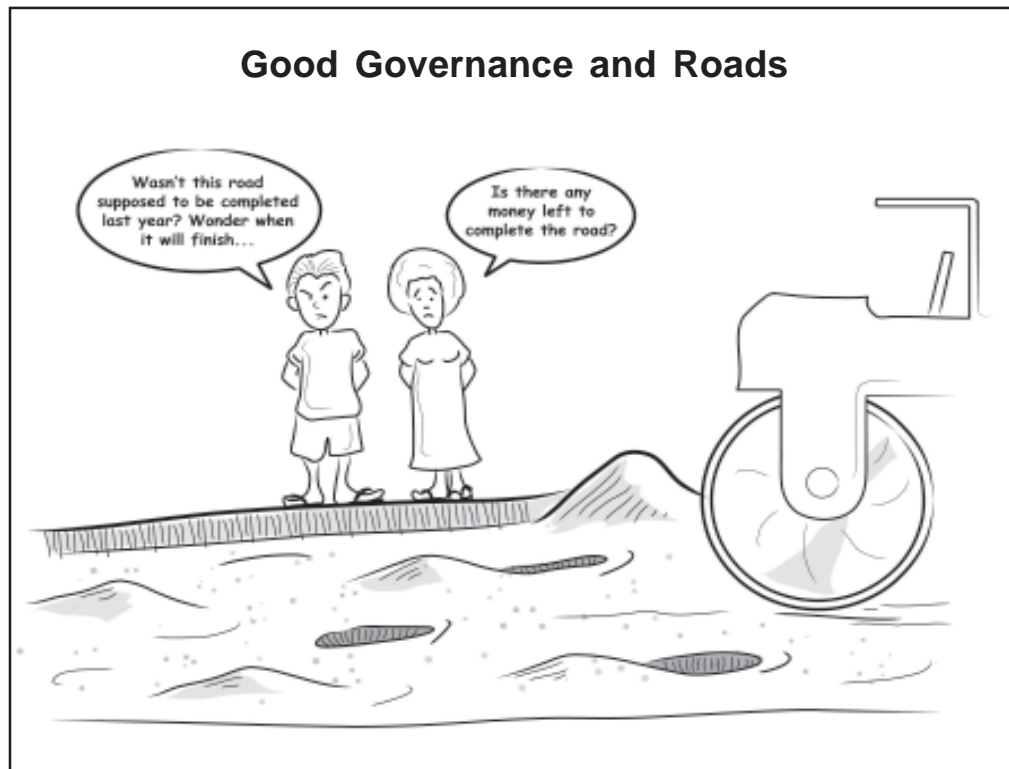
Subsequent Fiji governments have attempted to introduce good governance through measures such as the introduction of Public Enterprise Reforms, and the introduction of the Financial Management Reform (FMR) programme.

Conclusion

At the heart of the governance debate lies the issue of accountability for use of limited finances and resources, normally derived from taxpayers or donors. It reminds us that the world does not have an abundant supply of resources that can be dispensed without good reason. It reminds us that resources are scarce and taxpayers need an explanation that their money is being spent efficiently.

The world was rocked by cases of corruption, financial mismanagement and misuse of resources over the past decade. For these reasons, good governance principles, although initially greeted with suspicion, have now found acceptance amongst many people.

- by *Mosmi Bhim*



Roads Case Study - Examples from Auditor General's (AG's) Reports

Efficient - Taveuni Coastal Road Project, due for completion by December 2002, was substantially completed in 2001, within budgetary allocation (AG's report, 2002).

Inefficient - Kings and Lodon Roads were only 5% complete with the elapse of the contract time of 38%. Also, for Sawani/Serea Road, construction costs almost doubled the appraisal estimates (AG's report 2002). Ratu Dovi Road construction incurred 82% overexpenditure (AG's report, 2006).

ing good governance to improve the effectiveness of aid programmes, by introducing transparency and accountability mechanisms.

The Pacific context

In the South Pacific, good governance has been promoted as an essential requirement when receiving aid from donors such

Pacific islands have often showed a reluctance to introduce 'good governance' on the rationale that it is not compatible with their cultures. For instance, the appointment of relatives and fellow villagers to jobs has been a common practice in many parts of the Pacific and is regarded as a natural cultural obligation to one's

common ritual in many parts of the Pacific. However, such rituals can be abused by those in authority with gift giving becoming an obligation to elicit favours. This is the bad governance practice of bribery.

The Fiji situation

In Fiji, leaders in the 1990s struggled to understand good

What is good governance?

This question was posed to people passing by in a Suva street, and their answers are given below.



Suli Waqa, 23
Youth Advocate, Vatuwaqa
Good governance is about being transparent and accountable for the decisions a leader makes.



Payal Lingam, 24
Receptionist, Lautoka
I have no idea what good governance means. I have never heard of this concept but I would like to learn of it.



Gabriel Sanawa, 21
Admin Assistant, Samabula
To me good governance means about good leaders and the correct process of decision making.



Asilika Naduva, 21, Lami
For me good governance means making fair judgments and being loyal to the people who elect you, regardless of being an organization leader or a government leader.



Stephen Suraj, 44
Farmer, Sigatoka
It simply means how any leader in an organization, at home or in a country makes decisions that pass through proper channels, meaning that people are consulted.

8 Good Governance Principles - for leaders and institutions

1. Accountable

Public officials must be answerable for government behaviour, and responsive.

2. Transparent

Information needs to be made available to the general public for clarity on government decisions. Transparency can help inhibit corruption.

3. Responsive

Institutions and processes should try to serve all stakeholders within a reasonable timeframe.

4. Effective and Efficient

Processes and institutions need to produce results that meet the needs of society, while making the best use of resources.

5. Equitable and Inclusive

People should not feel excluded from the mainstream of society and everyone should have opportunities to improve their well-being.

6. Follows the Rule of Law

There needs to be fair legal frameworks that are enforced impartially, fully protecting human rights and rights of minorities.

7. Participatory

Citizens, both men and women, need to be involved in the development process. People need to participate so that the government can make informed choices.

8. Consensus-oriented

Different interests and viewpoints need to be mediated to reach a broad consensus on what is in the best interest of the whole community.

2009 Corruption Index

10 most corrupt countries

Somalia
Afghanistan
Burma
Sudan
Iraq
Chad
Uzbekistan
Turkmenistan
Iran
Haiti

10 least corrupt countries

New Zealand
Denmark
Singapore
Sweden
Switzerland
Finland
Netherlands
Australia
Canada
Iceland

Note: Fiji was rated as #55 in the 2006 Corruption Index. No data was available for Fiji in 2009.

Source: Transparency International

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Bad governance practices

Around the world large-scale financial, economic, health, environmental and political disasters resulting in losses of millions of dollars, have been caused by bad governance practices. Some of these national and international scale disasters were preventable. Below are some examples. Such bad governance practices affect all people.

China baby milk scandal - In 2008, over 300,000 infants were taken ill in China after being fed milk powder tainted with the industrial chemical melamine. Six children died. Two people were executed and 19 sent to prison in 2009. The problem was attributed to an inadequate regulatory system and companies failing to test the purity of milk.

National Bank of Fiji (NBF) crisis - The NBF crisis maybe the biggest financial scandal in Fiji. In mid-1990s, the state-owned bank was running bad and doubtful debts rising to \$220 million or eight per cent of Fiji's GDP. The courts were unsuccessful in convicting the manager or senior government officials.

French Nuclear Nightmare - An investigative documentary revealed in October 2009 that radioactive materials from nuclear power plants were stored in containers in a Siberian open air parking lot. The company, Electricite De France (EDF), sent the materials there, but disowned responsibility for disposing it in such manner.

Fiji Agriculture Scam - This took place in the lead up to the August 2001 elections. Ministers gave away farming and gardening equipment, using money allocated to an Affirmative Action Farming Assistance scheme. A former permanent secretary was sentenced to four years in jail on November 15 2006. It is believed the total misused funds amount to over FJ\$18million.