

Introduction

Good governance as a prerequisite for democracy and development

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There is growing recognition of the need to place governance reforms – particularly the development of strong and effective public institutions – at the heart of aid effectiveness. As argued by Betts and Wedgwood: ‘States can only manage development properly, and achieve the sorts of results intended, when they are underpinned by effective and accountable institutions and systems.’¹ This is borne out by the Commonwealth’s own experiences and reinforced by the ongoing discussions around the post-2015 development agenda, which have drawn a clear correlation between democratic development (engendering human rights, citizen empowerment, etc.), good governance and the attainment of sustainable, equitable and inclusive socio-economic development.

As highlighted in the original 1989 World Bank report ‘Sub-Saharan Africa: From crisis to sustainable growth’, poor governance – in particular arbitrary rule, state capture, rent-seeking and a lack of public accountability – is a key factor underpinning many of Africa’s development challenges.² Furthermore, within many developing countries the public sector is the largest employer, a key source of public demand and the primary provider of vital public services and infrastructure. A weak public sector can therefore significantly hamper economic growth and job creation.

Conversely, good governance – defined within the Commonwealth context as ‘enabling the development of public value by promoting the principles of accountability, transparency, predictability, capacity and participation throughout the institutions and processes that regulate the public realm’³ – is positively associated with i) increasing primary education and adult literacy; ii) reductions in infant mortality; and iii) economic growth, including improved investment and productivity.⁴ Good governance helps build trust between the state and citizens through impartial, non-biased and fair public administration, while transparency, accountability and respect for the rule of law (particularly regarding contracts and private property), coupled with an absence of arbitrary political interference, help reinforce the confidence of markets and investors in a country.

Good governance and democracy are part of the intrinsic core values that help bind the Commonwealth together. Despite the recent popularity of the ‘authoritarian development’ concept, we believe that democracy is key in realising the good governance on which sustainable, equitable and inclusive development depends. A range of indicators show the generally poor economic performance of non-democratic states over time, with 95 per cent of the worst economic performances in the last 40 years having taken place in non-democratic countries. Furthermore, people in low-income democracies have a life expectancy, on average, eight to 12 years longer than those in economically comparable autocracies.⁵

Good governance is therefore critical in two key respects: first, as a means to an end, given its role as a crucial enabling factor for economic development outcomes, and second, as an end in itself, as citizens aspire to live in an open and free society with an effective, transparent and honest government.

The Commonwealth Secretariat’s Public Administration programme

The Commonwealth has long appreciated the enabling role played by good governance in facilitating both democracy and development, with the Secretariat’s approach built upon the fundamental belief that good governance is an essential precondition for sustainable development and democracy. Most recently, Commonwealth Heads of Government reaffirmed their commitment to the post-2015 development agenda through the adoption of the Colombo Declaration on Sustainable, Inclusive and Equitable Development at the Sri Lanka Commonwealth Heads of Government Meeting (CHOGM) in November 2013. During CHOGM the heads stated that ‘achieving growth with equity and promoting sustainable development ... could be achieved through strengthening public administration and institutions and reinforcing accountability’.

Effective public administration is central to good governance. Governments cannot deliver either democracy or development without an efficient, effective and equitable public administration. This is not simply a matter of having an efficient and professional civil service – it also requires impartial, fair and transparent systems and institutions to guarantee the effective delivery of public services and ensure that citizens retain trust and confidence in their government.

Effective, efficient and equitable public administration – in particular at the centre of government – is essential in ensuring that there is co-ordination, rather than competition, between the various institutions and arms of government. Effective public administration is therefore crucial in enabling a country to develop, agree and implement a realistic and achievable long-term development strategy, including delivering on economic growth and investment.

It is with this in mind that Commonwealth member governments adopted a new four-year Strategic Plan for the Secretariat in June 2013. The 2013–17 plan includes the adoption of a more narrowly focused work programme in order to sharpen the impact of the Secretariat’s work, as mandated by leaders at the 2011 CHOGM.

The new Strategic Plan reinforces the Secretariat’s commitment towards ‘more effective, efficient and equitable public governance’,



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recognising that a well-performing public administration built upon strong institutions is critical for establishing and sustaining democracy, good governance and development. The new Strategic Plan includes a Public Administration programme which builds upon the Secretariat's track record of strengthening key public institutions through context-sensitive technical and peer-to-peer support.

Based on our members' shared history and tradition in public administration and their common challenges, particularly among the small states of the Commonwealth, the Secretariat's Public Administration programme focuses on:

- Supporting and strengthening the political and bureaucratic environment at the centre of government, to enable reform and development, through strengthening key institutions and the interface between the political and administrative actors in government
- Establishing, developing and nurturing regional and pan-Commonwealth thematic networks in the areas of anti-corruption and public procurement
- Strengthening key institutions to improve democratic oversight of public finances
- Supporting and enabling small states to identify, adopt and apply comparative experiences and 'best fit' solutions for improved public administration

The adoption of this new Public Administration programme has enabled a redeployment of the Secretariat's resources towards these key areas in which the organisation is recognised as having a

clear and demonstrable comparative advantage. This move has involved the scaling down of Secretariat support in other areas where our comparative advantage is less clear; where there are other, much larger development actors active; and where it has been difficult to clearly demonstrate impact.

The role of PPPs in the Public Administration programme

As is evident from the rich and diverse contributions to *Commonwealth Governance and Growth 2014*, a number of Commonwealth countries have embarked on Public-Private Partnership (PPP) initiatives in recent years as a means to achieving some of their development objectives.

The surge in popularity of PPPs in recent years is largely due to the perceived benefits which these offer over traditional public sector-oriented means of delivery. These potential benefits include:

- Lowering the initial capital outlay by governments for infrastructure development and delivery of public services, as the significant financial constraints faced by some governments mean that many projects would not be feasible without private sector involvement
- Relieving the pressure upon government budgets over the longer term by providing better value for money through greater efficiencies and competitiveness
- Sharing the risks associated with such projects with the private sector

However, as elaborated through *Commonwealth Governance and Growth 2014*, and in detail in the Secretariat's 2010 *PPP Reference Guide*⁶, there are also many risks associated with PPP. These include:

- Market risks – is there sufficient demand for the infrastructure/services?
- Development/planning risks – is the proposed project actually feasible?
- Project risks – will the project be delivered on time and on-budget? Will the infrastructure/services provided be delivered to an acceptable standard?
- Political risks – will the political environment remain stable over the lifetime of the project?
- Regulatory risks – is there a sufficiently robust and independent regulatory framework in place?
- Financial risks – will there be sufficient access to credit over the lifetime of the project? Will exchange rate fluctuations impact costs/revenues?

An independent evaluation of the Secretariat's support to members in PPP was conducted in 2012.⁷ As the evaluation highlights (in common with several of the contributors to *Commonwealth Governance and Growth 2014*), the success of PPP initiatives is dependent upon effective, equitable and accountable public administration being in place. Given the considerable risks that PPP initiatives can entail, strong public administration and functioning institutions are crucial to enabling governments to effectively manage these risks and reap the potential benefits of PPP initiatives, as well as other service delivery reforms. Without strong institutions, there is, as Ian MacDonald states, a 'danger that we produce a system that results in the privatisation of profits and the socialisation of costs' (see page 30). In line with the findings and recommendations of this evaluation, and the new priorities and structure set out under the 2013–17 Strategic Plan, the Secretariat is transitioning its support in this area towards strengthening one of the three key 'P's in PPP – public administration and key public institutions.

The evaluation also made clear that a number of other, much larger, international and regional development organisations are providing direct support to governments through PPPs and that they have their own distinct advantages in this field. Our renewed focus on public administration makes more effective use of the Commonwealth's own comparative advantages – our trusted partner status, our members' shared history of public administration and our ability to identify 'best fit' solutions.

The trust the Commonwealth enjoys from its members allows us to access and assist in politically sensitive areas of government – such as at the centre of government, at the political-administrative interface and in supporting the democratic oversight of public finances. This strategic position enables the Commonwealth to influence political leadership and to create the political will necessary to design, facilitate and oversee a common national vision and development agenda.

The Secretariat remains committed to providing its members with high-quality assistance and technical support with an aim to strengthen public administration. We believe that our approach – of focusing our efforts towards helping members strengthen the key institutions at the centre of government, such as the Office of the Prime Minister, the Cabinet Office and the Head of Public Service, as well as key oversight institutions such as anti-corruption commissions, national procurement agencies and supreme audit institutions – has a unique and valuable contribution to make to improving public administration in our member states. Through it we will strengthen our members' governance infrastructure overall and, ultimately, contribute more directly towards the achievement of our members' national development objectives.

ENDNOTES

- 1 Betts, J. and Wedgwood, H. (2011) 'Effective Institutions and Good Governance for Development: Evidence on progress and the role of aid'. *Evaluation Insights*, 4. Available at: www.oecd.org/derec/unitedkingdom/50313780.pdf.
- 2 The International Bank for Reconstruction and Development. (1989) *Sub-Saharan Africa: from crisis to sustainable growth*. Washington DC: The World Bank.
- 3 From the Commonwealth Ministers Forum on public sector development: Promoting good governance and policy for effective public service, Malta, 20–21 October 2010.
- 4 The International Bank for Reconstruction and Development. (2008) *The Growth Report: Strategies for Sustained Growth and Inclusive Development*. Washington DC: The World Bank.
- 5 Halperin, M., Siegle, J. and Weinstein, M. (2004) *The Democracy Advantage: How Democracies Promote Prosperity and Peace*. Washington DC: Routledge Press, Ch. 1.
- 6 Yong, H. K. (2010) *Public-private Partnerships Policy and Practice: A Reference Guide*. London: Commonwealth Secretariat.
- 7 Veldman, B. (2012) 'Evaluation of the Commonwealth Secretariat's Public Private Partnership Programme' [PDF] Commonwealth Secretariat. Available at: http://secretariat.thecommonwealth.org/files/251574/FileName/ComSec_PPPEvaluationReport_Final.pdf.