

# Governance and the impact of the Commonwealth

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## 'Just and Honest Government' 1: Background and conceptual framework

### Improving our impact

Governance – namely the use of public authority for the common good – comprises the processes and institutions through which citizens and groups articulate interests, exercise rights, meet obligations and mediate differences.

Effective, efficient and equitable governance improves the lives of citizens by advancing a fair, democratic society while enabling governments to achieve sustainable development, poverty reduction and economic growth. It does this through building strong institutions that provide well-designed strategies, mobilise national support, secure international backing, and exercise sound management for achieving effective and timely results.

Strengthening governance in its member countries is a key strategic focus for the Commonwealth as stronger governance in member states would not only be of intrinsic merit but would also be instrumental, translating into faster attainment of development goals. With nine low-income and 32 middle-income members, many of the Commonwealth's countries face challenges in achieving national development goals. The Commonwealth believes sustainable development and effective democracy are interrelated and therefore should be promoted together. Both these characteristics are founded on honest, fair and effective government.

These short articles, and others in *Commonwealth Governance Handbook 2012–2013*, are part of an effort to help the Commonwealth improve its impact by achieving three objectives:

1. Consolidating existing knowledge on governance and public service in the member countries in the Commonwealth.<sup>1</sup>
2. Identifying 'best-fit' governance practices appropriate to the very diverse contexts of the membership of the Commonwealth.

3. Facilitating practical solutions for improving governance in ways that deliver deepened democracy and sustainable development.

Political leaders and public service officials must therefore develop and implement strategies for strengthening democratic institutions not just in their own right but also for the purpose of promoting sustainable development and poverty reduction.

Effective public administration at the centre of government – leadership, administrative skills and technical expertise – is needed to achieve co-ordination across overlapping objectives, to set priorities, to allocate resources, to work effectively with the private sector, to deliver services and bolster the democratic legitimacy of the state. Effective public administration can be achieved through individuals recognising themselves as united towards a particular goal in a 'purposive association' – being 'engaged upon the joint enterprise of seeking the satisfaction of some common substantive want'.<sup>2</sup>

Countries seeking to achieve national development objectives and adhere to the values of the Commonwealth therefore foster 'good' governance, defined by the Commonwealth as the combination of the values of democracy, rule of law, human rights and 'Just and Honest Government'.

This final element, 'Just and Honest Government' – a critical dimension for an intergovernmental body – is built on fair and effective public institutions that emerge when an effective state enjoys broad support, is subject to the rule of law and constrained by a strong civil society.

The competent delivery by a professional and non-partisan public service of the vision of the political leadership, such as the national aim of Botswana that *every citizen must strive for prosperity*, determines success or failure in promoting both democracy and development.<sup>3</sup>

Public sector development is promoted in the Commonwealth by the Governance and Institutional Development Division (GIDD) of the Commonwealth Secretariat, and by its key partner organisations and professional and administrative networks, such as the

Commonwealth Local Government Forum (CLGF) and the Commonwealth Association for Public Administration and Management (CAPAM).

## Conceptual framework

*Democracy and development are so fundamentally inseparable, as to be inconceivable apart, and to be so much more effective when brought together.<sup>4</sup>*

*Kamalesh Sharma, Commonwealth Secretary-General*

The Commonwealth has regularly reiterated its commitment to the achievement of good governance. 'Good' governance for the Commonwealth means that it implements and combines the values of the Commonwealth – democracy, rule of law, human rights and 'Just and Honest Government'. The Commonwealth sees 'Just and Honest Government' as essential to building transparent and more effective public administration, recognising that this is a long-term task, and many of its member countries only became independent in the latter half of the 20th century.

## 'Good' governance

Governance, or the exercise of public authority for the common good, means more than 'government'; it captures how society and state are shaped by power relations, influenced by obligations and responsibilities, and dependent on the legitimacy of the institutions of the state and society: 'Good governance is epitomised by predictable, open and enlightened policy-making, a bureaucracy imbued with professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs' (World Bank, 1994).

The origin of the Commonwealth's mandate on governance lies in the shared commitment of member countries to the principles of democracy and sustainable development. In 1991, this was, for the first time, explicitly stated, and Commonwealth Heads of Government agreed that one of the key elements underpinning these principles was 'Just and Honest Government'.

Governance is important for two overarching reasons:

- First, it has its own *intrinsic* value. People aspire to live in an open and free democracy where they can influence the developments in their country.

### Box 1: The Commonwealth's mission and approach

The Singapore Declaration of Commonwealth Principles of 1971 stated that: 'The Commonwealth is a voluntary association of independent sovereign states ... consulting and co-operating in the common interests of their peoples and in the promotion of international understanding and world peace.'

The Commonwealth is a unique membership organisation that is effective because countries of today's Commonwealth share something deeper than having a colonial past. It adds value by operating on the basis of:

- **Equality of members**, thus helping to empower and give voice to smaller, poorer states
- **Consensus**
- **Core principles and values.**

Member states of the Commonwealth co-operate within the framework of common values and goals evolving from that Declaration. These include the promotion of democracy, human rights, good governance, rule of law, individual liberty, egalitarianism, free trade, multilateralism and world peace. While these values are not unique to the Commonwealth, they do form the fundamental character of the Commonwealth family of nations.

A former Secretary-General of the Commonwealth, Don McKinnon, wrote in 2004: 'One of the standard misconceptions about the Commonwealth is that it is merely a "relic of the Empire" – an organisation that fulfils no useful role in the modern world. The truth is that the

Commonwealth is a unique organisation, which provides an international forum where each member country can have its voice heard and increase its weight in world affairs. It is a family of nations, whose members share not only a common identity, but common values and a common sense of purpose.'<sup>\*</sup>

The report, 'Making Democracy Work for Pro-poor Development', published for the 2003 CHOGM, declared that 'the Commonwealth is a unique microcosm of global social and ethnic diversity, and of North and South. Commonwealth countries and institutions are in a strong position to help deepen democracy and support development in member states'.

In 2005, the Malta CHOGM endorsed this view and stated: 'Ours is a network of governments and peoples, nurtured by shared values, institutions and conventions, as well as a common working language and history of collaboration. These attributes provide a platform on which to build and consolidate the foundations of democracy in our societies as well as to redress social and economic disparities in a co-ordinated and effective manner.'

Underpinning the Commonwealth's mission and approach is the common tradition of its membership in civil services in structures, systems, policies and processes.

<sup>\*</sup> *Don McKinnon (2004), 'After Abuja: Africa and the Commonwealth'. Address to the Africa All-Party Parliamentary Group, Tuesday 10 February 2004.*

## Box 2: The Commonwealth's membership

The genuine affinity within the Commonwealth is particularly impressive given its amazingly diverse membership. The organisation represents 2.13 billion people, or 31 per cent of the world's population, spread over almost every corner of the globe.

Commonwealth members constitute over 20 per cent of the Organization of Islamic Countries, more than 25 per cent of the membership of the United Nations, more than 35 per cent of the Organization of American States, nearly 40 per cent of the World Trade Organization and of the African Union, 60 per cent of the South Asian Association for Regional Cooperation and around 90 per cent of the Caribbean Community, and the Pacific Islands Forum.

While member states of the Commonwealth are committed to a set of common values, the results that they have been able to achieve to date are vastly different. The 54 countries of the Commonwealth are still marked more by their differences than commonalities. For example, the UN's Human Development Report ranks countries according to factors such as life expectancy, average income, health care, education and shelter.

Commonwealth countries rank among the best and the worst. Of the 187 countries assessed in 2011, New Zealand, Australia and Canada, for example, were ranked second, fifth and sixth. On the other end of the scale, Malawi, Sierra Leone and Mozambique ranked 171st, 180th and 184th.

### Small states

The membership of the Commonwealth is dominated by small states. Although it includes enormous countries by size, like Canada, and by population, like India, some 32 members are small states – which the Commonwealth defines as containing 1.5 million people or less – representing over 60 per cent of our membership\*. Indeed no fewer than 19 of the 30 smallest states in the world – defined as having a population of less than half a million – are in the Commonwealth; and exactly half – 15 of the 30 sovereign nations in the world with a landmass area less than 1,000 km<sup>2</sup> (386 sq miles) – are in the Commonwealth.

The Commonwealth is the premier small states forum, with a higher proportion of small-state members than any other worldwide political organisation. The work of the Secretariat on behalf of small states seeks to address:

- volatility, vulnerability and natural disasters
- capacity constraints
- issues of transition to the changing global trade regime
- managing new opportunities and challenges presented by globalisation.

### The Commonwealth and poverty reduction

- Out of the 53 Commonwealth states classified by the World Bank\*\* by income level, nine are low-income, 18 are low-middle-income, 14 are high-middle-income, and 12 are high-income.
- Some 63 per cent of world's poor live in Commonwealth countries.\*\*\*
- Developing Commonwealth countries suffer comparatively high rates of poverty, with 47 per cent of their population living in poverty as compared to only 32 per cent in non-Commonwealth countries.\*\*\*\*
- Widespread poverty affects not only the nine 'low-income' Commonwealth countries, but also many of the 32 middle-income countries: globally, 72 per cent of poverty is found in middle-income countries (MICs) – in sharp contrast to 20 years ago when only 7 per cent of the world's poor were living in MICs.\*\*\*\*\*
- Half of the world's estimated 1 billion hungry people live in the Commonwealth.\*\*\*\*\*

These development challenges, with their differential impact on vulnerable groups and gender disparities, put poverty reduction at the centre of the Commonwealth Secretariat's mandate.

\* *The Secretariat list of its small member countries includes some larger countries – Botswana, Jamaica, Lesotho, Namibia and Papua New Guinea – that share many of the same characteristics of small states.*

\*\* *Nauru (upper-middle-income) is not classified by the World Bank Group. The World Bank classifies countries by gross national income (GNI) per capita: low-income (US\$1,025 or less); low-middle-income (\$1,026–US\$4,035); upper-middle-income (\$4,036–US\$12,475); and high-income countries (\$12,476 or more).*

\*\*\* *Calculated from the Human Development Report 2009, based on the most recent available data.*

\*\*\*\* *Calculated from the Human Development Report 2009, based on the most recent available data.*

\*\*\*\*\* *Ravi Kanbur and Andy Sumner (2011). 'Poor Countries or Poor People? Development Assistance and the New Geography of Global Poverty', CEPR Discussion Paper No. 8489.*

\*\*\*\*\* *Perth CHOGM, Perth Declaration on Food Security Principles, 29 October 2011.*

- Second, it is *instrumental* to development outcomes.

'Good' governance can mean different things to different people, depending on different understanding of 'good': to some, it may mean a state with a small government making markets efficient and effective through regulation; to others, an empowering state helping the poor through effective service delivery and decentralisation bringing decision-making closer to the population.

A tradition of effective public institutions emerges when a state is subject to the rule of law and constrained by a strong civil society. It combines effective institutions, clear-sighted and ethical political leadership with a capable and fair public administration that enables a country to:

- Formulate long-term sustainable development policies.
- Implement these policies.
- Create the national political consensus that deepens democracy and aligns the population with development outcomes.

But governance must also be effective at delivering development results. The Commonwealth recognises effective governance as the interconnection between democratic freedom and sustainable development.

Commonwealth countries on average enjoy a comparatively favourable record on governance and democracy. For example, of the 93 countries that became independent from 1945 to 1979, only 15 were 'continuous democracies' a decade later, and 12 of these were Commonwealth members.

Commonwealth countries generally benefit from democratically elected governments and most continue to achieve comparatively positive development gains built on legitimate, accountable, transparent and responsive governance institutions.

## Democracy and development: mutually reinforcing

The Commonwealth's twin goal of democracy and sustainable development is built on the belief that democracy and development should be built concurrently.

This guiding vision was stated in the 1999 Fancourt Commonwealth Declaration, which emphasised the importance of democratic freedoms and good governance and called for the forces of globalisation to be channelled better towards the elimination of poverty and human empowerment. Asserting that 'good governance and economic progress are directly linked', it emphasised the importance of democratic freedoms and good governance, while development processes should be participatory and give a voice to the poor and vulnerable.

In 2002, at Coolumb, Australia, Commonwealth Heads of Government affirmed the links between democracy on the

one hand, and poverty, development and conflict on the other. At the meeting, Heads also called for a high-level expert group to recommend ways in which the Commonwealth could implement the Fancourt Declaration. A Commonwealth Expert Group on Development and Democracy was established. Chaired by Manmohan Singh, later Prime Minister of India, the Expert Group was tasked with addressing how democracies might best be supported in combating poverty. This Expert Group produced a report entitled, 'Making Democracy Work for Pro-Poor Development'.

In the report's foreword, the then Commonwealth Secretary-General, Don McKinnon, noted that 'democracy is

### Box 3: Transparency and accountability

**Transparency** is an essential prerequisite for accountability between states and citizens. According to Transparency International, transparency is a 'characteristic of governments, companies, organisations and individuals of being open in the clear disclosure of information rules, plans, processes and actions'.

**Accountability:** There is an underlying assumption that transparency leads to accountability, as transparent governance signifies 'an openness of the governance system through clear processes and procedures and easy access to public information for citizens [stimulating] ethical awareness in public service through information sharing, which ultimately ensures accountability for the performance of the individuals and organisations handling resources or holding public office'.

Accountability and transparency are therefore interrelated and mutually reinforcing concepts. In order for transparency to lead to accountability, governments must not only provide information, but also ensure that as many citizens as possible have access to this information with the goal of increasing citizen participation.

#### Accountability in service delivery

Accountability in public services between provider and citizen is defined by the World Bank as a set of relationships with five features:

- **Delegating:** explicit or implicit understanding that a service will be supplied.
- **Financing:** providing the resources to enable the service to be provided.
- **Performing:** supplying the actual service.
- **Information about performance:** obtaining relevant information and evaluating performance against expectations and norms.
- **Enforcing:** being able to impose sanctions for inappropriate performance or provide rewards when performance is appropriate.

more than simply a matter of universal suffrage’ and that ‘while development and democracy are goals in their own right, they must be mutually reinforcing’.

This report was discussed at the 2003 Abuja Commonwealth Heads of Government Meeting (CHOGM), where Commonwealth Heads declared: ‘While development and democracy are goals each in its own right, they must be mutually enforcing, with a clear “democratic dividend”, in terms of delivering tangible benefits to people.’

The Heads of Government accordingly committed themselves to making democracy work better for pro-poor development by implementing sustainable development while building democracy – taking national circumstances into account.

So, although democracy and development can progress separately, the Commonwealth believes that they are mutually reinforcing. This insight should be repeated more often, to overcome any suspicions that some member countries advocate democracy as a priority over development, while other member countries prioritise development over democracy.

However, it is impossible to attain either democracy or development, or both without the effective governance that is central to deepening democracy and making development sustainable. This requires a capable well-led public administration backed by accountable, transparent

and legitimate institutions and processes that ensure broad democratic support.

Effective oversight institutions, such as Supreme Audit Institutions or public accounts committees in parliament, provide transparency and accountability. They are the key ‘check and balance’ organisations on power that stop abuses and foster respect for the constitution and the rule of law. Furthermore, they create the enabling environment for a competent public service to deliver well-designed policies and services.

Democratic processes, especially the development of electoral systems, matter. Free and fair elections make it possible to vote out repressive and incompetent leaders, thereby encouraging them to govern more effectively and equitably. But elections can usually achieve little in isolation from broader governance contexts, especially effective public administration.<sup>5</sup> Without effective public administration, progress towards strong democracy and sustainable development remains obstructed by ineffectual state capacity, often compounded by other signs of weak governance, such as poor data, limited access to information, and inadequate public financial management.

The attention to governance in international development exploded with the publication in 1989 of the World Bank report: ‘Sub-Saharan Africa: From crisis to sustainable growth’.<sup>6</sup> It argued that weak governance, as demonstrated by the lack of public accountability, reflected the influx of personal influence, patronage and arbitrary rule, and

#### Box 4: The evolution of Commonwealth Governance Agenda

**1991 – Harare Declaration:** The Commonwealth’s aim of sustainable development and its core intrinsic political values – of democracy, human rights and rule of law – are dependent on a fourth core political value – ‘Just and Honest Government’. The principle of ‘Just and Honest Government’ was first articulated in the 1991 Harare Declaration. The Declaration called for the promotion of the core political values and principles of the Commonwealth, including ‘Just and Honest Government’, and committed the Commonwealth ‘to respond to requests from members for assistance in entrenching the practices of democracy, accountable administration and the rule of law’.

**1995 – The Millbrook Commonwealth Action Programme on the Harare Declaration:** This reaffirmed ‘Just and Honest Government’ as a fundamental political value, and called for ‘support for good government, particularly in the area of public service reform’. This affirmation was reiterated by the Latimer House Principles of 1998 and endorsed at the Malta CHOGM in 2005.

**2003 – Aso Rock, Abuja:** Commonwealth Heads of Government reiterated the centrality of governance in strengthening the democratic ethos among member states,

and underpinning development. Noting that ‘broad-based prosperity creates the stability conducive to the promotion of democracy; and that strong democratic institutions better promote development’, they added the recognition that ‘building democracy is a constantly evolving process’\*. CHOGM explicitly noted the importance of public administration for democracy and development, identifying the Commonwealth’s core governance objectives as:

- A participatory democracy and an independent judiciary
- A well-trained public service
- A transparent and accountable public accounts system
- The right to information.

**2009 – Trinidad and Tobago:** Commonwealth Heads of Government reiterated the importance of good governance, noting their ‘commitment to promote the rule of law, ensure transparency and accountability and root out, both at national and international levels, systemic and systematic corruption’.

\* *Aso Rock Commonwealth Declaration on Development and Democracy, Aso Rock, Abuja, 7–8 December 2003, Paragraph 7.*





Photo: Richard Lewis/Commonwealth Secretariat

Second Commonwealth Global Biennial Conference on Small States, September 2012, Marlborough House, London

underpinned the litany of Africa's development challenges. The report articulated publicly the widespread concern in development circles about the detrimental impact of state capture, rent-seeking and unaccountable political institutions on state capacity and developmental effectiveness.<sup>7</sup>

In many countries, the public sector remains the largest spender and employer. It sets the policy framework within which the rest of society and the economy operate. A weak public sector exacerbates a poor investment climate, not least arising from political instability and weak democratic legitimacy, and results in poor economic growth and insufficient job creation. In developing countries with small

national budgets, a weak public sector gives rise to the inefficient use of national funds for achieving development goals. The Commonwealth sees the strengthening of the public sector as a priority in achieving sustainable development of its membership.

### The Commonwealth's record on governance

Thanks in no small part to the Commonwealth's shared tradition of democracy, common law and public administration, Commonwealth member countries, taking into account their varying levels of development, appear to be doing comparatively better than global or regional counterparts in delivering effective governance. For example, the World Bank's Worldwide Governance Indicators (WGI) find member countries of the Commonwealth enjoy relatively better governance.<sup>8</sup> The Commonwealth collectively scores better than average on all six areas the WGI monitors, including: *Voice and Accountability* and *Political Stability/Absence of Violence*.<sup>9,10,11</sup> Commonwealth governments are generally more effective than their non-Commonwealth counterparts, and have a more consistent rule of law and more effective regulatory capacity. In terms of small island developing states (SIDS), the Commonwealth countries perform better than non-Commonwealth countries on all six indicators,

#### Box 5: Outcomes

##### Governance and development outcomes

There is overwhelming evidence of a strong correlation between effective governance and development outcomes – for example:

- Increased primary education and adult literacy
- Reduced infant and maternal mortality
- Improved economic growth, including through improved investment and productivity.

with Commonwealth SIDS performing best in the following measures: Political Stability/Absence of Violence, and Voice and Accountability. In most categories, Commonwealth SIDS outperform non-Commonwealth SIDS within their own region.<sup>12</sup>

The Commonwealth places a great deal of importance on encouraging its member states to provide a free and democratic space to its citizens. Commonwealth SIDS have impressed with their performance, according to our study. Eight out of the top-ten ranked SIDS in the WGI-2009 Voice and Accountability indicator are Commonwealth countries. Translating policy into action and the creation of an efficient public administration has also seen progress among Commonwealth states. In Government Effectiveness<sup>13</sup>, only one of the top-15 ranked SIDS was not a Commonwealth state. In Regulatory Quality<sup>14</sup>, all top-ten ranked SIDS were Commonwealth states. In Rule of Law<sup>15</sup>, eight out of the top-ten ranked SIDS were Commonwealth states. Nine out of the top-ten ranked SIDS in Control of Corruption<sup>16</sup> were Commonwealth states.

Nine out of the top-ten ranked countries on the Accountability and Corruption category in the Ibrahim Index are Commonwealth countries. Only one country ranked among the last 15 of the index. Only one Commonwealth country was ranked in the last ten in Accountability of Public Officials category.

### Box 6: Strengthening parliaments

#### Strengthening the Sri Lankan and Maldivian parliaments

A Commonwealth Secretariat initiative, the Parliamentary Internship Programme, has developed the capacity of a key democratic institution in Sri Lanka, promoted Commonwealth values, and led to a partnership between the Sri Lankan and Maldivian parliaments.

By sharing Indian practices and procedures on executive accountability, scrutiny of expenditure and the role of the opposition and the media, through short-term attachments to the Indian Parliament and state legislatures, the capacity of a key democratic institution – the Sri Lankan Parliament – has been enhanced.

While the number of officials trained is relatively small (around 50 since 2001), the value is enhanced by South-South learning – the Indian parliamentary system is more accessible and historically and culturally relevant to Sri Lanka's than many other democratic models.

**Impact:** In light of the initiatives success, the Sri Lankan Parliament has decided to partner further with the Secretariat to undertake a similar scheme with the Maldives, aimed at developing the capacity of the Majlis (legislature) of the Maldives through exchanges with the Sri Lankan Parliament.

In the Public Management category of the Ibrahim Index, four of the top-six ranked countries on the Public Management index are Commonwealth countries. No Commonwealth country is ranked in the last ten of the index.

In the Quality of Public Administration category, the top-three countries in this measure are Commonwealth members. No Commonwealth state is ranked in the last 15.

In the Quality of Budget Management category, the Commonwealth boasted the top-three countries in this measure. No Commonwealth state is ranked in the last ten in this category, and only two are ranked in the last 20.

The Commonwealth recognises the contested debate surrounding governance indicators due to the complexity of defining and then measuring governance. As such, these findings are to be viewed as instructive and indicative rather than as definitive.

### Box 7: Trends

#### New trends in governance: linking democracy and taxation

Citizens' tax morale – the inherent willingness to pay taxes – is shaped by many factors, including state legitimacy, economic performance, institutional quality, fair and equitable enforcement, elite and ethnic configuration, income disparity and political alienation, as well as regime types.

The relationship between tax and governance is complex. Historically, how states obtain revenue has affected the quality of their governance. Sound and fair domestic taxation systems appear to promote good governance because it is hard to raise tax without 'bargaining' with citizens. Historically, bargaining between rulers and taxpayers increased the state's capacity to collect and administer taxes, and its accountability to citizen taxpayers. Governments had incentives to promote broad economic prosperity; while debate and negotiation with taxpayers led to better public policy. This experience suggests that if governments are not dependent on taxes for their finance, they may be less accountable and responsive to citizen taxpayers, and have less incentive to build political and organisational capacity to negotiate and collect revenue, and spend it effectively.

**Potential impacts:** Tax reforms can stimulate deeper democracy by governments seeking to be more accountable and responsive to the demands of citizens and civil society, including representative organisations such as business associations. Tax reforms can encourage greater demand for transparency in the way public resources are raised and managed. This in turn can improve government capability, building a more legitimate and effective state.

In 2011, seven Commonwealth members (Mauritius, Botswana, Seychelles, South Africa, Namibia, Ghana and Lesotho) ranked among the top eight African performers. It is also encouraging that the first two recipients of the associated Mo Ibrahim Prize were from Commonwealth Africa – the former presidents Joaquim Chisano and Festus Mogae of Mozambique and Botswana respectively.

Another assessment of the leadership capabilities of African Heads of Government in 2010 concluded that eight of the top-ten leaders were from Commonwealth countries. None of the 19 Commonwealth leaders were rated in the lowest quartile of the 52 African countries assessed.<sup>17</sup> Perhaps associated with this, nine of the ten most peaceful countries in Africa are from the Commonwealth.<sup>18</sup>

## Continuing governance challenges

Despite such positive governance ratings, there is no room for complacency. While few Commonwealth countries are rated by major international development institutions such as the World Bank as ‘fragile’ and none as ‘failed’, many face a variety of development challenges.

The Commonwealth Secretariat has facilitated the development of a community of practice among heads of anti-corruption agencies (ACAs) in Africa. This network aims to strengthen relations between anti-corruption agencies within the Commonwealth and to assist with establishing a Commonwealth Africa body of anti-corruption practitioners to make corruption a high-risk, low-return undertaking. Among the outcomes thus far is a commitment by top officials to implement ‘action plans’ against which progress will be tracked.

Ambitious plans include developing capacity-building programmes for ACA investigators in Commonwealth Africa, increased research into achieving speedier disposals of corruption cases, integrity testing, manual investigations and assistance with data compilation.

Some Commonwealth countries continue to be hampered by poor governance. Ineffective use of government resources, a weak political apparatus, corruption and badly managed public procurement impoverishes citizens, increases political instability, discourages international investors and slows down national economic growth. As a trusted partner, the Commonwealth is determined to provide support to its membership and push through the values of good governance and effective public administration in a joint effort towards achieving development goals.

## Governance and economic growth

All societies appear to structure their economies and policies in order to solve the universal problem of providing powerful individuals with an incentive to be peaceful rather than benefit from their capacity for violence. Economic rents to ‘limited access orders’ balance the distribution of

elite interests within the dominant coalition of power, to preserve peace. ‘Rational’ market reforms may therefore challenge this. Governance and growth strategies through market and political competition will fail if they conflict with the social logic that maintains peace and social order.

No significant difference exists between the rapid-growing and slow-growing developing countries in their scores on key governance indicators. This suggests that different aspects of governance matter for different aspects of economic growth. Some governance capabilities set off growth in poor countries, while other governance capabilities sustain growth. The governance capabilities needed to trigger economic growth may include non-market asset transfers that create incentives for productive investment; capabilities in technology acquisition and learning; and feasible changes in political institutions and organisations that strengthen political stability. ‘Growth enhancing’ institutions address the following specific structural constraints:

- Inherent property rights instability.
- Technological catch-up.
- Maintaining political stability in contexts where patron-client politics is structural and unlikely to change in the short run.

The disparity in performance across the Commonwealth also applies in governance. Despite their commitments to ‘Just and Honest Government’, independent governance assessments have shown Commonwealth member countries have very uneven performance. For instance, the Economist Intelligence Unit’s Democracy Index sees Commonwealth countries spread right across their scale.<sup>19</sup> Similarly, Transparency International’s Corruption Perceptions Index finds the Commonwealth membership distributed right across its different ranks.<sup>20</sup>

Encouragingly, only four Commonwealth countries appear in the bottom quintile of Transparency International’s Corruption Perception Index, but development challenges remain throughout much of the Commonwealth. Much can still be done in our pursuit of achieving transparency in public administration.

## Best fit more than best practice

While requirements for good governance are often defined, tabulated and documented, such normative structures, systems, processes, policies and procedures alone can do little in improving governance without adapting them to the context and circumstances of the organisation. The World Bank 2011 report ‘Better Results from Public Sector Institutions’ confirmed that ‘best fit’ solutions appropriate for local contexts are much more effective than one-size-fits-all ‘best practice’ solutions that ignore history, politics and context.<sup>21</sup>

While the link between effective governance, democracy and development is complex (depending not least on the



quality and context of the attributes of these terms), there is no doubt that weak governance impedes growth and reinforces poverty. Weak governance, revealed by ineffectual policies and inadequate service delivery, has a disproportionate impact on the poor.<sup>22</sup> Though most Commonwealth countries are pushing in the right direction towards democracy and development, there is a long way to go, and institutions that enforce domestic governance must be strengthened to enforce 'good' policy that will ensure countries reach their development goals.

Commonwealth countries need to face this challenge directly and find their own solutions, a sentiment expressed in the Kinyarwanda saying, *Ijya kurisha ihera ku rugo*. On the path towards achieving these solutions, the Commonwealth can be a valuable partner and will promote effective governance in its member states.

## 'Just and Honest Government' 2: Efficiency and effectiveness

*An efficient, accountable, effective and transparent public administration, at both national and international levels, has a key role to play in the implementation of internationally agreed [development] goals.<sup>23</sup>*

### Overview

In today's dynamic and volatile environment, Commonwealth states face enormous challenges in ensuring the basic requirements for democracy and development, and in securing the welfare of their citizens. As noted during the 2011 CHOGM in Perth, these challenges include protecting the environment, addressing climate change, control of communicable diseases, ensuring food security, combating terrorism, providing assessable health care and education, stimulating economic development, and many more. Developing realistic policies to address these priorities, in tune with national contexts and circumstances, requires great wisdom, determination and leadership.

While developing effective responses to the above-noted challenges is important, Commonwealth governments also lament the slow rate of progress in implementing key policy decisions and strategic plans. The challenge of policy implementation rests squarely on the shoulders of public service organisations that have the responsibility of translating policy objectives into timely and measurable results. It has been proven time and again that the development of a state is inextricably linked to the quality, expertise and professionalism of its public service. Strengthening public service excellence remains one of the top priorities of the Commonwealth.

Achievement of national priorities, including the Millennium Development Goals (MDGs), cannot be achieved without

an effective, responsive and well-managed public service<sup>24</sup>. The Commonwealth pays special priority to public sector reform to advance state-society relations and the fair and effective public administration underpinning good governance.

In basic terms, strengthening fair, efficient and effective public administration requires interventions in three strategic areas.

1. **The appropriate structures and systems of government.** This speaks to the formal and informal power structure of government that defines decision-making. It clarifies the division of authority, accountability and responsibility in all aspects of government from the work of the legislature to the mandates of individual ministries and agencies. Although governance structures of member countries have a common root, models across the Commonwealth span a broad spectrum. It is self-evident that what is appropriate for a large developed state would be ineffective for a small island state. Public services are often the largest enterprise of a state, so policy implementation can be mired in unnecessary process complexities. On the other hand, lack of co-ordination may result in duplication and inefficiencies, and inadequate controls could tempt unethical behaviours.
2. **The appropriate administrative policies and processes.** Processes for setting policy goals and strategies, policy-making and implementation are critical. Effective policies for human resource management and financial accountability are just two of the key foundations for excellence in public administration. While 'best practice' models are often highlighted, 'best fit' solutions to public administration reflecting the diversity of contexts and circumstances across the Commonwealth are required to avoid being prescriptive in our approach and be responsive to individual country needs.
3. **The appropriate capabilities and skills.** Governance structures and administrative policies require public servants with the capabilities to implement them. The right people with the right capabilities and attitudes are the lifeblood of the organisation. Developing countries have persistently identified the need for a professional, well-qualified and highly motivated public service as one of their highest priorities.

The experience of Commonwealth states in addressing each of these key pillars is discussed in the text that follows.

### Achieving the appropriate structures and systems of government

Deficiencies in the structures of government often manifest with disorganised implementation of national priorities and lack of support by the bureaucracy for the decision-making

process at the highest levels of government. Infighting among ministries and agencies consume valuable time and resources. Ministers receive little information from a stretched and politicised bureaucracy. Although well-meaning, donor-written strategy documents that are not 'owned' by government often conceal a lack of clarity on what is to be achieved and who is to achieve it. Indications of weak government structures include:

- Departments that lack explicit objectives and knowledge of what they currently deliver.
- Mandates of departments that are unclear, and outputs that are not centrally monitored

- The limited use of planning documents, with unrealistically large numbers of goals and unsupported budget demands.
- Budget allocation processes that are disconnected from the strategic plans of line ministries.

With vested interest in the status quo by some, and the strong personalities at the senior levels of government, restructuring of government, whether incremental or large scale, can be a daunting undertaking.

Often the unbiased advice of a trusted outside organisation is needed to broker a way forward that is acceptable to all. As a trusted partner, the Commonwealth Secretariat has often been able to play this critical role.

## Box 8: The impact of Commonwealth assistance to Sierra Leone

### Supporting the Public Service Commission

The Commonwealth Secretariat has assisted the Sierra Leone Public Service Commission (PSC) assume its constitutional mandate, and become a more effective body with the capacity to oversee the appointments, promotions, control and discipline of the public service. Through carrying out a management and functional review in 2009–2010, the Commonwealth Secretariat has facilitated the PSC to become a more effective body with the capacity to oversee the appointments, promotions and control and discipline of the public service.

While facilitated through a relatively small intervention (£10,000 plus staff inputs), the catalytic effect of this review has been much wider. Notably, its conclusions and recommendations for reform of the PSC have been endorsed by the president, H.E. Dr Ernest Bai Koroma, who has signalled that its implementation is a key national priority. Other development partners have followed up on the review, with the United Nations Development Programme (UNDP) providing a second phase of support including consultancy services for strategic planning. The European Union is also looking to engage. As a result, the PSC today is beginning to turn into an empowered institution with leadership and vision – a situation that seemed unimaginable just a few years ago.

### Supporting decentralisation

Sierra Leone's national development strategy – 'Agenda for Change' – highlights decentralisation as an essential component of the country's peace and state-building agenda.

Despite strong support from donor governments for decentralisation, development of a national decentralisation policy stalled for several years, partly because of the Ministry's lack of capacity and expertise in co-ordinating a complex policy process across government and its inability to effectively articulate and represent the government's interest.

Accordingly, the Commonwealth provided a local government adviser to assist the Ministry of Local Government and Rural Development to provide leadership on the decentralisation process. The adviser has supported donor co-ordination, monitoring of the local authorities, stakeholder consultations, addressing the gender balance, and clarifying the roles of traditional chiefdom administrations and local authorities.

### Supporting online transparency

Transparency in Sierra Leone is supported by the Commonwealth Secretariat through assistance in developing an online gateway: the Transparency Sierra Leone portal.

The portal, launched jointly by the President of Sierra Leone and the Commonwealth Secretariat on 25 January 2012, enables citizens to access key data on efforts to implement the national 'Agenda for Change'.

Assistance provided by the Commonwealth was instrumental in developing and launching the portal. The Secretariat provided funding and technical development services.

Presenting opportunities for direct dialogue with the president, the portal harnesses the full potential of web 2.0 technologies. Blogs, forums and an 'Ideas Centre' allow citizens to submit proposals, feedback and encourage public debate on these efforts. By creating a reliable evidence base covering the full range of government activities, citizens are enabled to act as online 'watchdogs' – ensuring their rights are protected, projects are delivered as promised, and officials are held to account when funds are misspent.

**Impact:** The aim is that the portal will redefine the relationship between the state and citizen, through actively encouraging public participation in the country's national development efforts.

Transparency Sierra Leone is available online at: <http://www.transparencysierraleone.gov.sl>

Despite concerted efforts, there is a natural tendency for government operations to grow in size and complexity. As the Commonwealth 2003 report 'Making Democracy Work for Pro-Poor Development' noted: 'Despite pressures to cut back the size and functions of the state, there remains the crucial task of building effective state administration to help create, implement and monitor pro-poor development strategies.'<sup>25</sup>

But how to achieve the appropriate structure, system and size of public service in any context remains unclear. The World Bank undertook a comprehensive review in 2011 of their approach to supporting Public Service Reform. The report 'Better Results from Public Sector Institutions' found that there is surprisingly little explicit evidence about what matters most in improving public sector performance. There is significant uncertainty about the *institutional forms* that are suited for improving public sector performance in a given context, and even when reforms are implemented, they often do not make the intended difference for development outcomes. This was usually because political economy factors may not be fully evident until the reform process is carried out.<sup>26</sup> Political insight and the capacity to experiment and innovate are therefore needed.

### Working at the politically sensitive 'centre of government'

The impact of governance on development depends on the way political power is exercised to manage a nation's affairs. Development is a political process, and politics is central to effective public administration.

The accountability within bureaucratic systems, and the accountability of elected officials to the public can often be unclear. When systems of accountability are not clearly identifiable, it can hamper the government's ability to enact and implement ambitious and long-term development plans.

Politicians can sometimes feel pressurised in such situations where they have little institutional support and yet need to achieve difficult goals within their terms of office. At the same time, bureaucrats can also feel overburdened by policy objectives and implementation plans that they have little influence over.

Any prospective reform must tackle these political dynamics of governance reforms: 'Civil services in many developing countries... are not dysfunctional primarily because they lack understanding about how to run an efficient bureaucracy. Rather, their governance shortcomings often directly serve the interests of power holders. The lack of meritocracy allows leaders to reward political followers and cement their bases of support. The weakness of the bureaucracy diminishes the risk that an independent source of authority might limit or even threaten the prerogatives of the ruling elite.'<sup>27</sup>

Strengthening the relationship between politicians and public service officials is an essential prerequisite for good

governance. This is an area in which the Commonwealth, as a membership organisation and trusted partner, is uniquely placed to help. Other international organisations and bilateral donors are unwilling or unable to help, for fear of appearing to interfere in the internal affairs of sovereign countries.

For nearly two decades, the Commonwealth Secretariat, at the request of member countries, has carried out considerable politically sensitive development work at the centre of the government. This work has included the following:

- Facilitating retreats and workshops during critical transitions for Cabinet Ministers and Permanent

### Box 9: Preparing to govern

Since 2006, the Commonwealth Secretariat has held annual meetings for Cabinet Secretaries and heads of public services in the Caribbean, each focusing on a different theme. The forums create opportunities for collaboration, networking and sharing of experiences for Cabinet Secretaries to improve procedures and capabilities of the collective decision-making processes they manage. They also have the opportunity to develop a better understanding and management of the changing dynamics of the public service.

The fifth meeting in 2011 focused on leadership for development, and explored issues on new thinking on leadership such as developmental leadership vs. collusive or aggressive leadership, seeing both development and leadership as political processes, and how the values, behaviour and character of a leader inform their choice of goals, methods and means.

Retreats for Cabinets and top officials often help prepare the country's newly elected government to improve the effectiveness of the cabinet. The retreat in St Lucia, which took place in February 2012, saw the Commonwealth bring together Cabinet Ministers and top officials to tackle key issues and challenges facing the new government, such as youth unemployment. There was full recognition that the general public would exert pressure on the new government – to ensure it is honouring its campaign promises. Commonwealth experts from across the public and private sector of the Caribbean provided training and advice to ministers on issues such as protocol, communications, media and interaction skills.

**Impact:** The Commonwealth's ability to organise/convene such a forum, where participants are provided with a safe space to discuss issues that can be sensitive and challenging because of their deeply political nature, highlights the Secretariat's unique role as a trusted partner, and the kind of access it enjoys to member countries' governments, at both the political and administrative levels.

Secretaries to fine-tune leadership and teamwork in the political-administrative interface, particularly in Africa and the Caribbean.

- Consulting regularly with ministers, Cabinet Secretaries and heads of public services to validate emerging priorities that support member needs.
- Giving policy advice to central government and its institutions to inform and guide governance and public administration reforms.
- Building the capacity of central institutions through the placement of long-term experts, to bridge capacity gaps, mentor and advance reforms.

Many small member governments have stated privately that these discreet low-profile but critical interventions by the Commonwealth Secretariat have been essential for allowing other governance reforms and development programmes to happen.

The Commonwealth Secretariat has helped to improve working relations between the political leadership and top officials in the following contexts where poor relationships at the heart of government threatened to undermine development prospects.

- Where a new government is elected following a lengthy period in opposition, there is often a deep sense of distrust of the public service leadership. This is particularly so in small island states where family relationships intersect across political and public service boundaries. Turbulence during such transitions has a dramatic impact

on the operations of government, particularly in small island states.

- Where new governments take office, or a new Cabinet is appointed by a sitting prime minister, unclear role definitions can compound tensions in the relationship between politicians and public servants. Often newly appointed Cabinet Ministers have not been briefed on the role of a minister.<sup>28</sup>
- Where election cycles are relatively short and shortened further by a transition process at the front end of a government's term and election preparedness at the back end. There is a relatively short window for the implementation of the political platform. This resulting short-term horizon of politicians often collides with a perceived or real longer-term view adopted by senior public servants.
- When Permanent Secretaries are challenged by newly appointed governments who wish to move quickly with significant reforms without due diligence or to get involved in ministry-level public service hiring and firing.

### Improving administrative policies and processes

Establishing appropriate 'best fit' structures and systems of government is an essential, but not sufficient, condition for success. The appropriate administrative policies are also needed to define the interactions between organisations and the relationship between line ministries and central

## Box 10: Improving public service excellence in Sri Lanka

After 30 years of civil war, the Sri Lankan Government is faced with unique challenges and opportunities. In 2012, the Commonwealth Secretariat (GIDD) and CAPAM worked with the Sri Lankan Ministry of Public Administration and Home Affairs to facilitate high-level discussions on strategies to strengthen the Sri Lankan public service. More than 120 senior executives representing 32 ministries participated in the symposium. Among the participants were Cabinet Ministers, secretaries, chief executives and other high-ranking government officials. The objectives of the symposium were to:

- Examine the requirements of public service excellence in advancing Sri Lanka's developmental goals and achieving a national objective for social and economic growth.
- Explore opportunities where the Commonwealth Secretariat and CAPAM can be of assistance to the Sri Lanka Government in advancing public service excellence.

Following frank and intense deliberations, it was agreed that the government would address some of the areas, as outlined below.

- Human resource policy and management to ensure an effective and efficient public service workforce.
- Co-ordination of the strategic planning processes linking them to results for Sri Lankans.
- Policy framework and guidelines for public-private partnerships.
- Enhancement of the curriculum of the Sri Lanka Institute of Development Administration.
- Strengthening leadership capacity at all levels of government.

**Potential impact:** The 2008 International Commission on Growth and Development reviewed the evidence and concluded: 'The high-growth economies typically built their prosperity on sturdy political foundations. Their policy-makers understood that growth does not just happen. It must be consciously chosen as an overarching goal by a country's leadership.'<sup>\*</sup>

<sup>\*</sup> *Final Report ('The Growth Report: Strategies for sustained growth and inclusive development')*, Washington, DC: World Bank, p.26.





# Investment opportunities in Sokoto State, Nigeria



Above:  
Executive Governor HE Alh.  
Dr Aliyu Magatakarda Wamakko



Sokoto State covers a total of about 28,000 km<sup>2</sup> and shares borders in the north with the Republic of Niger, to the east with Zamfara State and with Kebbi State in the southwest. The State consists of 23 Local Government Areas.

## Endowments of Sokoto State

The State is endowed with abundant agricultural and natural resources which, if exploited can pave the way for industrial development in the State. The economic potential of both the agricultural and solid mineral sub-sector has remained largely untapped over the years.

## Agricultural resources

### AGRICULTURAL PRODUCTS

Sorghum, millet, maize, wheat, Rice, cowpea, tobacco, sugarcane, gum arabic, sweet potatoes, cassava, neem seeds, kenaf, pepper, mango, cashew nut, locust beans, ground nut, tomatoes, garlic, onions, spices, acacia nilotica, tamarind, castor seed, sesame seed, sheep, cattle, goat, hides and skin, fisheries

### LIVESTOCK PRODUCTION

There are an estimated 15 million heads of livestock - including cattle, camel, sheep and goats - making the state the second largest in Nigeria with regard to livestock production. State government encourages the development of the livestock industry by providing high quality pastures for grazing, modern processing facilities and efficient animal healthcare services.

### AGRO-INDUSTRIAL INDUSTRIES

Agro-industrial industries are prominent in Sokoto State, notably wheat flour processing, wheat handling, tomato processing and textile production. The State is also one of the major suppliers of leather to the international market.



Above:  
Durbar is a parade of decorated horses and camels mounted by traditionally clad riders

**'Adequate incentives have been put in place for investors willing to come to Sokoto state to do business; land is available, security is guaranteed, manpower is in surplus and social amenities for those who come with their families to Sokoto State.'**

*Hon. Commissioner Malam Dahiru Maishanu of the Ministry of Solid Minerals and Natural Resources*



## **The 23 Local Government Areas of Sokoto**

Binji  
Bodinga  
Dange Shuni  
Gada  
Goronyo  
Gudu  
Gwadabawa  
Illela  
Isa  
Kebbe  
Kware  
Rabah  
Sabon Birni  
Shagari  
Silame  
Sokoto North  
Sokoto South  
Tambuwal  
Tangaza  
Tureta  
Wamako  
Wurno  
Yabo

## **Solid mineral resources**

### **SOLID MINERAL DEPOSITS**

Limestone, phosphate, gypsum, kaolin, clay, silica sand, copper ore

## **Incentives to investors**

The State has put in place a package of incentives to attract genuine investors. These incentives are designed to promote investment, employment, sourcing of local raw materials and various other vital issues pertaining to setting up of an industry.

### **THE INCENTIVES ARE:**

- Provision of adequate industrial infrastructure, such as access roads, electricity, water and telecommunications facilities within the industrial layout.
- Ease in land acquisition within the industrial layouts and estates.
- Easy access to available collated information on raw materials endowments in various parts of the State.
- Equity participation through the investment agencies in economically viable industrial projects.
- Assistance towards obtaining permits and licences from Federal Government Agencies.
- Facilitate loans and facilities for the setting up of small and medium Industries.
- Tax holiday for some years.

[www.sokotostate.gov.ng](http://www.sokotostate.gov.ng)



*Above and Top:  
The Sultan of Sokoto's  
palace is located in  
Sokoto Town, the  
capital of Sokoto State*



agencies. Within the perspective of public service organisations, administrative policies deal with the processes by which public institutions are directed, controlled and held to account. This encompasses sound financial management, effective human resource planning, transparency in decision-making, efficient service delivery and excellent stakeholder relations. Policies guide the planning processes, establishment of objectives, and the monitoring and measurement of outcomes.

As is the case for Sri Lanka, there is strong interest across the Commonwealth in strengthening human resource policies and practices. This is especially evident where hiring practices, development strategies and performance incentives are shaped as much by societal culture as by management theory. Nevertheless, refinements in human resource strategies are essential, and the experience and lessons learned by governments in similar stages of reform can be of enormous support.

Administrative policies and processes also ensure transparent and effective management of public resources. Impartial and effective public administration builds trust in markets for an efficient economy, and between the state and citizenry. Trust in government and the resulting legitimacy of the state are not principally created by democracy, the rule of law, or efficiency and effectiveness

but are the outcomes of ‘the impartiality of institutions that exercise government authority’<sup>29</sup>. Indeed, citizens’ perceptions of ethics in public administration shape satisfaction with public services, trust in governmental institutions, and citizens’ perceptions of politics and political leaders.

The function of governments and their public service organisations is to provide services for citizens. This could be in the form of policies that promote trade and economic development, or in the form of direct social services. In both these cases, there is a need to explore new ideas and innovations in tune with emerging needs and opportunities. Unfortunately, with new and unproven innovations, there is always the risk of failure. In a public service environment where the prudent management of public resources is paramount, the need to avoid failure can often outweigh the potential benefits of new ideas. Cultivating a receptive context for innovative ideas, through administrative policies that suitably balance the risks and rewards, is an important element of public service excellence. Established in 1998, CAPAM’s International Innovations Award showcase significant implementation of new ideas and to encourage public service organisations in pursuing innovations.

### Cultivating the required capabilities and skills

Public service organisations may appear as inanimate structures, but they are made up of people who must work diligently to achieve organisational objectives. Public service

#### Box 11: Network

##### Commonwealth Human Resource Network

In 2009, CAPAM convened a conference in Tanzania to address ‘Governance Excellence: Managing human potential’. Over 200 delegates from across the Commonwealth examined key issues in human resource management, including recruitment practices, staff development, human resource planning, and performance management strategies.

A key outcome of the conference was the launch of the Network of Commonwealth Human Resource Executives to share experiences and to provide mutual support in the refinement of human resource policies.

**Planned impact:** This joint initiative by GIDD and CAPAM has the following objectives:

- To promote excellence, integrity and professional standards in the practice of human resource management across the Commonwealth.
- To share knowledge, expertise and best practices in human resource management in the public service in order to improve public sector efficiencies.
- To identify emerging challenges and trends in human resource management.
- To facilitate and promote collaborative efforts to address common human resource management challenges.

#### Box 12: e-Government in Seychelles

As a result of Secretariat assistance, the Seychelles Department of Information and Communication Technology (DICT) has successfully implemented Information Technology Service Management (ITSM) processes – bringing together all the organisation’s ICT assets into a single, effective system. This has enabled the provision of effective and high-quality services to citizens through e-Government, while also reducing administration and infrastructure costs.

By deploying a technical expert within DICT, the Secretariat provided training and assisted in implementing and embedding ITSM processes within a range of ministries and departments, ensuring that the government as a whole bought into the new ITSM system.

**Impact:** Seychelles has successfully applied ITSM principles, helping contribute to major observed improvements in governance information systems, infrastructure, and the integration of thematic services in finance, health and other sectors. This has led to the United Nations Public Administration Network recognising Seychelles as the leading country in Africa in terms of implementing e-Government.

excellence is dependent on having professional, knowledgeable and highly motivated public servants who would tirelessly work at delivering results for citizens. Recruiting the best and the brightest for a career in public service is an essential, but not sufficient, prerequisite. Given the broad scope of government functions, ongoing professional development of public service employees, in all disciplines of public service, is essential.

Of particular interest in public service development is how effective leaders achieve measurable results for national priorities and development objectives. The public service is often the largest enterprise in many states and it operates in a complex environment with multiple priorities, scarce resources, extended stakeholders and overlapping accountabilities.

Effective leadership is especially needed, at all levels of government, to clarify objectives, galvanise support, devise strategies and motivate stakeholders. Cultivating leaders goes beyond the delivery of formal training and must include opportunities to build experiences and wisdom through candid dialogue with peers and role models.

Commonwealth parliamentary tradition established that the role of politicians is to form policies by brokering consensus and balancing the interest of citizens. The role of public servants is to provide 'fearless advice and loyal implementation'. Effective governance can only be built on a solid foundation of mutual trust and respect. However, the relationship between politicians and administrators is a very complex one that, if not properly understood and managed, can lead to conflict and dire consequences for both parties and the country as a whole.

An effective interface assists in improving development outcomes by contributing to the formation of a collaborative policy framework that constitutes joint planning, shared information, generic training and understanding of role differentiation, inter-professional and multi-agency collaboration between and among stakeholders.

### In summary

Fair, efficient and effective public administration is a fundamental requirement for development and democracy. Strong public administration builds trust in government, reinforces democratic values, which in turn stimulates economic activity. Cultivating public service excellence requires:

- appropriate governance structures and systems
- appropriate administrative policies and processes
- appropriate capabilities and skills.

Together, these fundamentals form the legs of the three-legged stool, with each leg dependant on, and supporting, the others. While wobbly at times, this three-legged stool

forms the foundation on which our goals for democracy and development can be built. GIDD and CAPAM are committed to assisting Commonwealth governments in strengthening the fundamental requirements for good governance. They intend to do so by being politically aware, seeking out best-fit solutions, being inclusive of formal and informal organisations, embracing collaboration and seeking out innovations. They believe they are well placed to strengthen public administration in member countries because of the expertise we have developed through the historic relationship, common traditions and deep trust nurtured across decades.

## 'Just and Honest Government' 3: Moving forward together

*I see the future direction of the Commonwealth Secretariat's work to be in linking together our two goals of democracy and development. To achieve that ambition for building 'democratic developmental states', we at the Commonwealth Secretariat will need to focus on promoting political support for development policies and their sustained implementation. In this endeavour our shared tradition of public administration is an enormously valuable asset in achieving development goals.*

*Kamlesh Sharma, Commonwealth Secretary-General*

The Commonwealth is committed to helping member countries strengthen good governance in support of their objectives for democracy and development. Strengthening just, honest, effective and efficient public administration is an area where the Commonwealth, as a membership organisation, and the Commonwealth Secretariat, as a trusted partner, have much to offer.

The Commonwealth Secretariat builds on its member countries' shared tradition of public administration to promote fair and effective public institutions. It does this by sharing knowledge, networks and experience. Success in addressing important governance issues calls for innovation, mixed with diplomacy, understanding of political economy, wider support of national leadership and people, patience and persistence, and tactful planning.

To deliver value-added services, the Commonwealth must focus on its unique selling points to tackle *low-cost, high-impact strategic tasks*, recognising that financially the Commonwealth is a very small player as global official development assistance spending on governance is over US\$10 billion a year. Although small in comparison to other international development agencies, the Commonwealth Secretariat and partner organisations have numerous potential advantages (see the box entitled 'Commonwealth comparative advantages in promoting governance').



The Commonwealth comparative advantages should allow focus on the following:

- **Tackling political sensitivities** that donors and other development agencies cannot address, and prioritising activities where we have comparative advantage, notably in politically sensitive ‘state-building at the centre of government’ reforms.
- **Responding promptly** and professionally to member countries’ concerns and to CHOGM mandates.
- **Nurturing networks:** especially advancing South-South learning of ‘good fit’ – not ‘best practice’ – that are effective in promoting reform.
- **Prioritisation:** for example, on the unique problems of improving governance in the smaller, poorer or more vulnerable countries of the Commonwealth, including small island and landlocked states.
- **Collaboration with others:** governance issues are not just related to public administration, but also to elections, good offices, conflict prevention, rule of law and human rights work. Our focus on ‘Just and Honest Government’ within the broader development agenda enhances the impact of this work.
- **Innovation:** operating in a more politically informed way requires staff expertise in political economy issues, and more innovative, flexible programmes capable of addressing underlying political constraints.

- **Communications demonstrating impact:** developing acceptably rigorous ways of measuring results and persuasive narratives about the value of our work.

The Commonwealth expressly recognises the strategic role of the public sector in promoting both sustainable development and effective democratic institutions. This is because the quality of public administration profoundly affects any government’s policies and their implementation, the effective use of public resources and the provision of public goods and services to citizens. It is also because a fair and effective public sector underpins democratic legitimacy, by delivering accountable public authority and responsive public administration.

Strengthening good governance in public administration is a complex undertaking of restructuring that requires the careful selection of priorities, approval of policies, development of strategies and the allocation of resources. Success in public sector reform is nevertheless often elusive, despite persistent efforts by the World Bank, United Nations (UN), Cultural Industries Development Agency, Department for International Development, Australian Agency for International Development and others. With a comparatively very limited budget, the Commonwealth is simply not funded to undertake major reform initiatives.

In this regard, strategic partnerships with others need to be strengthened to ensure that Commonwealth values and developmental priorities are advanced.

### Box 13: Commonwealth comparative advantages in promoting governance

The unique potential of the Commonwealth as a membership organisation built on a common tradition in public administration and shared values includes the following:

- **Trusted partnership:** the Commonwealth has no vested personal or organisational interests: our development work is paid for by a mutual fund to which all recipients contribute. Hence the Commonwealth promotes genuine country ‘ownership’ and has a strong convening power.
- **The ability to foster communities of practice and South-South learning** through networks between member countries on priority areas such as anti-corruption. This co-operation enables us to focus on ‘best fit’ reforms appropriate for context.
- **Priority to helping small and vulnerable member states** that are neglected by others.
- **Rapid response** in a manner that large aid agencies – both bilateral donors and the international financial institutions – often cannot provide, responding to country needs based on a keen appreciation of the unique nature of Commonwealth nations. Time is often of the essence as political opportunities to act often do not come twice.
- **A willingness to seed-fund good ideas**, which can then be taken up by major funders.
- **The ability to build on member countries’ shared tradition of public administration.**
- **Politics:** Commonwealth organisations and member countries appreciate that change and reform in public administration cannot be achieved solely through technical ‘fixes’ but requires effective political will through leadership and the support of coalitions and networks for progress.
- **Political support:** as a membership organisation we have the potential ability to address politically sensitive issues more easily or readily than other donors or development agencies. Used wisely, this can allow us to facilitate sustainable reform.
- **The capacity to take traditional and informal institutions into account:** important informal institutions and traditional governance continue to provide a source of authority in many Commonwealth countries.

## Box 14: Participatory governance: where all voices are heard

*'If I were asked to name a Commonwealth country that was ruled exclusively by government I would struggle to answer. The hallmark of the way in which Commonwealth countries are run is their governance. By governance I mean the blend of rules, institutions and capacities that combine to shape the lives of citizens. In the Commonwealth, that mix sees governments, the private sector and civil society combine to regulate and enable. We understand that government and governance mean two different things.*

*Civil society is universally recognised as an essential part of this formula. We may not have called the social movements that have shaped our history civil society, but they delivered: the abolition of slavery, the vote for women, and liberation for many Commonwealth states. The phenomenon continues to grow and has directly influenced issues such as: debt cancellation, environmental protection, and education for all.*

*Today, civil society can be defined as what happens outside the realms of the family, the state and the market when people come together to pursue common interests for public good. With this definition in mind, a primary civil society concern will be the ways in which it can participate in order to pursue the public good. In many Commonwealth countries this demand for participation has been matched by governments, which increasingly recognise the value of engaging with civil society in order to tap into its rich social, cultural and material resources. This compact can be described as participatory governance and it lies at the heart of societal well-being.*

*The Commonwealth Foundation, as the Commonwealth's agency for civil society, is concerned with improving that compact – improving participatory governance. The Foundation is ideally suited to the task, situated as it is between governments and civil society. It was established by Commonwealth Heads of Government, making it an intergovernmental organisation. At the same time, it has been given a mandate to support civil society.*

*The Foundation's approach to improving participatory governance focuses on equipping civil society with the knowledge it needs to engage with governments and others. The Foundation will also help governments and institutions so that they can improve the way they respond to the growing demand to participate from civil society. This determination to improve participatory governance stems from a desire to see better development outcomes achieved and to embed a culture of sustainable democracy.*

*It also stems from a belief in the importance of plural and diverse voices and perspectives. Participatory governance does not mean those that shout the loudest are heard*

*while those that are voiceless are ignored. It is easy enough to make policy on the basis of inputs from the well organised and articulate. The real challenge of participatory governance lies in the need to ensure that diverse voices, particularly from the margins of society, are heard and considered.*

*This means building the capacity of groups and organisations from the broadest cross-section of society – including those representing the often excluded from conventional governance systems and processes. At the same time, capacity needs to be built among the policy-makers so that they develop the knowledge, skills and abilities needed to effectively engage with a plurality of stakeholders.*

*However, building capacity on its own will not deliver participatory governance. It also takes policies that encourage the participation of inputs from stakeholders. For example, at a sub-national level, there are several instances of a commitment to participatory budgeting in the Commonwealth, where local people are involved in making decisions on the priorities and spending for a particular public budget. These policies need to be backed up by institutions or agencies that are responsible for bringing stakeholders together – they can sit within government or outside, but they need to be able to convene and facilitate dialogue.*

*Critics might dismiss participatory governance as a whim or obsession of North American and Western European liberal political theory. But what is interesting is the way in which the concept has developed and taken hold in the world's new and vibrant economies – not just in the Commonwealth but across the globe. The first full participatory budgeting process was developed in the city of Porto Alegre, Brazil, in 1989. In India, governance was reformed to institutionalise the concept of the Panchayat – or local assembly – to encourage participation at the local level. In South Africa, the constitution assures rights to development and makes provision for participation, which citizens have used to organise around issues such as HIV and AIDS.*

*These examples show that both governments and citizens are moving towards new models of democracy – not a one-size-fits-all Westminster model, but models that speak to specific national contexts. They acknowledge the importance of citizens' participation and understand that governance is too important and complex to be left to governments alone.*

**Vijay Krishnarayan, Director,  
Commonwealth Foundation**

The important potential of technology to revolutionise governance by increasing levels of transparency, improving government efficiency and fostering citizen participation cannot be underestimated.

The Secretariat will thus look to organisations within the broader Commonwealth family and beyond to be more active and closely involved in working with it going forward. It also intends to strengthen its capacity to broker the support of others to help meet Commonwealth governments’ priority needs. CAPAM, with its mission to promote the practical requirements of good governance, is an important strategic partner, making distinct, practical and measurable contributions to the Commonwealth.

### Identifying priorities

Given that GIDD and CAPAM are comparatively small and have limited resources, what are the activities that should be focused on to best leverage their strengths and capabilities? The answer to that may lie in the answers to the following questions:

- What are the circumstances, contexts and priorities for ‘Just and Honest Government’ in the individual countries of the Commonwealth?

#### Box 15: Principles

##### The principles guiding Commonwealth governance work

- Effective governance is an essential condition for the advancement of sustainable development and democracy, and for the empowerment (‘development as freedom’) of all people.
- The Commonwealth is committed to working with all member countries to facilitate the continuous process of strengthening governance.
- The Commonwealth will engage as a responsive strategic partner in governance-improvement activities that are led and owned by member countries. The Commonwealth respects the sovereign right of states to determine their own democratic development course.
- The Commonwealth will work effectively with partnership organisations to harmonise and streamline aid efforts so that member countries can take advantage of the best that each organisation has to offer.
- The Commonwealth recognises that each country has unique needs and interests that require tailored, incremental ‘best fit’ approaches targeting pragmatic improvements rather than a broad slate of normative ‘best practice’ reforms.

- What public service reform initiatives are member countries implementing, and how can we support these efforts, and learn from them in the process?
- What is the political economy of public administration in member countries, and how can we constructively intervene and support the evolution of the decision-making processes?
- What are the areas of technical expertise that public institutions must possess, and excel at, if they are to make continual progress in good governance and development?
- How can the capacity of key government institutions be strengthened so that it can define challenges and devise solutions for themselves?
- How would these efforts to strengthen good governance complement and support the overall priorities and strategies of the Commonwealth Secretariat?

#### Box 16: CAPAM

##### The Commonwealth Association for Public Administration and Management

Established as a non-profit association in 1994, CAPAM represents members in a professional network that promotes good governance in public administration through knowledge sharing and capacity building in three key areas:

- citizen-centred service delivery
- leadership development and growth
- public management and renewal.

In recent years, CAPAM has delivered learning conferences and programmes in Tanzania, Malaysia, Australia, Trinidad and Tobago, Barbados, Canada, UK, Malta, Kenya, Botswana, India and Sri Lanka.

**Impact:** CAPAM’s objectives are to:

- Ensure the development and growth of ethical and efficient public services across the Commonwealth so that they can better serve citizen needs.
- Grow and foster a common network between public administrators and other professionals to promote and encourage good governance in public administration.
- Promote integrity, ethics and standards of governance and professional conduct in public service.
- Promote the importance of developing public service capacity through professional development and training, drawing on the knowledge and experiences from across the Commonwealth.

- How can the resources of international development agencies be leveraged so that the efforts of GIDD and CAPAM can have maximum impact?

A starting point is to examine the successes and failures of the past. A study by the Carnegie Endowment entitled 'Aiding Governance in Developing Countries' offers some important conclusions, including the following:

- Governance deficiencies are not usually the result of ignorance or lack of funding, but of politics, and cannot be resolved through technical assistance alone.
- Despite the intuitive appeal of governance best practices, concentrating on locally determined 'best fit' may be more productive.
- Informal/traditional institutions are a central part of the governance puzzle.

## Political will

The findings given above are encouraging for the Commonwealth Secretariat, CLGF and CAPAM. Recognising that the Commonwealth has limited financial resources but considerable political influence, Commonwealth organisations are well placed to address the challenge. If governance deficiencies are not primarily the result of inadequate funding but a lack of 'political will', public sector reform can rarely be implemented through technical assistance alone.

The Commonwealth can make a significant difference to development outcomes by facilitating the political determination to build an effective public sector appropriate for its context that is 'best fit' to local conditions. By addressing essential but politically sensitive processes and reforms that major bilateral aid donors and the international financial institutions are unwilling and/or unable to undertake, the Commonwealth can make a difference, and at limited cost.

The Commonwealth also has a special role to facilitate South-South learning across the developing countries of the Commonwealth to find 'best fit' solutions appropriate to local governance problems, and by responding rapidly to member country needs.

## Conclusion: operationalising 'Just and Honest Government'

The Commonwealth believes that democracy and development do not just co-exist, but that they reinforce each other. Hence, member states invest in institutions and promote processes that facilitate both democracy and development.

However, democracy and development require effective governance. The state that can deliver both democracy and development requires democratic legitimacy, effective public authority and responsive public administration that together promote sustainable development, political stability and economic growth. Economic, social and political

development processes reinforce each other. Fair economic competition and fair political competition are closely related. Sustainable development including free markets depends on open public debates and discussions and participation that are guaranteed by democratic institutions. Democracies allow citizens to peacefully oust inept, inefficient and corrupt governments while rewarding efficient, successful regimes thereby making the quality of development higher in the long run.

The current Secretary-General, Kamallesh Sharma, summed up the Commonwealth perspective on governance in November 2011: 'Good governance embraces values and principles that are fundamental to the vision of the Commonwealth – and to the practical action we take collectively so that the lives of citizens in all our member countries continue to be changed for the better.'

## Acknowledgement

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## Endnotes

- 1 This paper uses 'public service' to mean the main focus of our work on the civil service, but includes other national and local government organisations such as the police and state owned enterprises. The term 'public administration' can have colonial connotations in some contexts.
- 2 Oakeshott, M. (1975). *On Human Conduct*. Oxford, UK: Clarendon Press, p.201.
- 3 Botswana's 'Vision 2016' is a broad-based strategy, adopted in 1996 at the 50th anniversary of its independence, that addresses the four national principles of Botswana: Democracy, Development, Self-Reliance and Unity, and *Botho* – the concept of well-rounded people, well-mannered, courteous and disciplined, who achieve their full potential as individuals and as a part of their community.
- 4 'The Commonwealth and Africa': 2010 Nelson Mandela Africa Lecture by Kamallesh Sharma, Commonwealth Secretary-General Royal United Services Institute for Defence and Security Studies London, UK, 22 July 2010.
- 5 Chesterman, S. (2004). *You, the People: The UN, Transitional Administration, and State Building*. Oxford: Oxford University Press.
- 6 *Sub-Saharan Africa: From crisis to sustainable growth*. International Bank for Reconstruction and Development, Washington, DC: The World Bank, 1989.
- 7 Fritz, V. and Menocal, A. (2006). '(Re)building Developmental States: From theory to practice'. *Working Paper No. 274*, Overseas Development Institute.
- 8 The WGI consist of six composite indicators of broad dimensions of governance covering over 200 countries since 1996: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory.
- 9 Voice and Accountability represents 'the extent to which a country's citizens participate in seeing their government as well as freedom of expression, freedom of association, and a free media'. Kaufmann, Daniel, Aart Kraay and Massimo Mastruzzi. 'Policy Research Working Paper 4978 – Governance



- Matters VIII: Aggregate and individual governance indicators 1996–2008'. The World Bank Development Research Group Macroeconomics and Growth Team, June 2009.
- 10 Political Stability/Absence of Violence represents 'the likelihood that government will be destabilized or overthrown by unconstitutional or violent means' (Kaufmann et al. 2009).
  - 11 Curmi, L. (2011). Governance and Small States. *Small States Digest* 2(2011), pp.15–25. Available online: [http://www.brookings.edu/reports/2010/09\\_wgi\\_kaufmann.aspx](http://www.brookings.edu/reports/2010/09_wgi_kaufmann.aspx) (accessed 1 January 2012).
  - 12 There are 38 small island developing states in the world, 25 of which are Commonwealth members.
  - 13 The World Bank defines this as 'perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the government's commitment to such policies'.
  - 14 '[T]he ability of the government to formulate and implement sound policies and regulations that promote private sector development.'
  - 15 '[T]he extent to which agents have confidence in and abide by the rules of society and the quality of contact enforcement, property rights, and the courts, as well as the likelihood of crime and violence.'
  - 16 '[T]he extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.'
  - 17 *The East African Magazine*, 27 December 2010.
  - 18 The top ten countries apart from Burkina Faso include: Botswana, Malawi, Ghana, Mozambique, Zambia, Tanzania, Sierra Leone, Gambia and Swaziland. See *Methodology, Results and Findings: Global Peace Index: 2011*. Institute for Economics and Peace. Available online: <http://www.visionofhumanity.org/wp-content/uploads/2011/05/2011-GPI-Results-Report-Final.pdf> (accessed 4 March 2012).
  - 19 No significant difference exists between the rapid-growing and slow-growing developing countries in their scores on key governance indicators. This suggests that different aspects of governance matter for different aspects of economic growth.
- Some governance capabilities set off growth in poor countries, and other governance capabilities sustain growth. The governance capabilities needed to trigger economic growth may include non-market asset transfers that create incentives for productive investment; capabilities in technology acquisition and learning; feasible changes in political institutions and organisation that strengthen political stability. 'Growth-enhancing' institutions address specific structural constraints: inherent property rights instability; technological catch up; maintaining political stability in contexts where patron-client politics is structural and unlikely to change in the short run.
- 20 Transparency International. Corruption Perceptions Index.
  - 21 *Better Results from Public Sector Institutions* (2011).
  - 22 *Poverty Task Force for Vietnam: the World Bank, Asia Development Bank and UNDP in 2000*.
  - 23 The United Nations General Assembly Resolution on Public Administration and Development Resolution 57/277, cited in UNDP (2003) *Public Administration Reform Practice Note*. New York: UNDP.
  - 24 The MDGs include: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; develop a global partnership for development.
  - 25 Commonwealth Secretariat (2003). 'Making Democracy Work for pro-Poor Development'.
  - 26 Available online: <http://siteresources.worldbank.org/PUBLICSECTORANDGOVERNANCE/Resources/285741-1287520109339/PSMAApproachFinal.pdf>.
  - 27 *Aiding Governance in Developing Countries: Progress amid uncertainties*, Carnegie Endowment in 2011.
  - 28 'Summary of Workshop Proceedings'. The Commonwealth Secretariat and the Mauritius Institute of Public Management; Port Louis, Mauritius, 5–7 October 1998.
  - 29 Rothstein, B. and Teorell, J. (2008). 'What Is Quality of Government? A Theory of Impartial Government Institutions'. *Governance* 21 (2), pp.165–190.