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What is Good Governance?
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The term *governance* is increasingly used for a variety of concepts that generally have to do with government administration and decision making, but the concept of governance has a broader, more complex meaning. Governance can be applied to citizens who have legitimized an authority to govern or rule them in specific aspects of their social and economic lives. Governance can also be applied internally to an organization in the way it administers its policies and procedures and how it allocates resources. Governance is also used to describe the administration in other types of organizations such as private companies as in “corporate governance” or nonprofit organizations that use governing boards. In this article, I will use the term in the context of public governance or how the people are governed and how public services are delivered and administered.

**Defining Governance**

A dictionary definition of the word *governance* yields the following: The act, manner, function, or power of government. A little more clarity comes from the definition of the verb *to govern*: 1) to exercise authority over; rule; administer; direct, control, manage, etc., 2) to influence the action or conduct of; guide; sway.[1]

The dictionary identifies government as the venue for governance and focuses on the functions and power of government in administering its designated functions. But the role of government is changing from a direct provider of public services to a facilitator and coordinator of those services. Governance in this environment means the coordination and accountability of public services. Governance is a complex term that means more than the executive administration of government; it includes the idea that governance means direction and control and the efficient use of resources. Governance involves many different activities and a variety of actors rather than a single office or function. It includes stewardship and accountability and the involvement of multiple stakeholders. A review of the uses of the term reveals that governance refers to the legal, administrative, organizational, and political systems that are used in making decisions in the public interest.

**Other Definitions of Governance**

- The planning, influencing and conducting of the policy and affairs of an organization.[2]
- "rules, processes and behaviour that affect the way in which powers are exercised... particularly as regards openness, participation, accountability, effectiveness and coherence"[3]
- The set of authorities, processes, and procedures guiding strategic and key operational decisions made for the enterprise that is state government. It clarifies relationships and responsibilities among the entities making up the enterprise.[4]
- The method or system by which a legal entity is managed and governed.
  - Governance refers to the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, and economic and social development.
  - Governance is a broader notion than government, whose principal elements include the constitution, legislature, executive and judiciary. Governance involves interaction between these formal institutions and those of civil society.
  - Governance has no automatic normative connotation. However, typical criteria for assessing governance in a particular context might include the degree of legitimacy, representativeness, popular accountability and efficiency with which public affairs are conducted.[5]

In nonprofit organizations and government agencies that are designed to provide public services and otherwise operate in the public interest, good governance involves the public good as a value in the provision of public services. Good governance at all levels is influenced by the values embedded in the organization which will change the nature of governance for each organization, but there are some recognized standards of good governance:

- **Participation** - All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on
freedom of association and speech, as well as capacities to participate constructively.

- **Rule of law** - Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.
- **Transparency** - Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.
- **Responsiveness** - Institutions and processes try to serve all stakeholders.
- **Consensus orientation** - Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.
- **Equity** - All men and women have opportunities to improve or maintain their well-being.
- **Effectiveness and efficiency** - Processes and institutions produce results that meet needs while making the best use of resources.
- **Accountability** - Decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organization and whether the decision is internal or external to an organization.
- **Strategic vision** - Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.[6]

Good governance has several characteristics in a variety of applications, but a review of the literature reveals three common themes. 1) Good governance involves the use of legitimate power and authority. 2) Good governance must be conducted with the administrative values of participation, transparency, responsiveness, equity, effectiveness, efficiency, and strategic vision. 3) Good governance must be responsive to the governed through substantive and procedural accountability measures.

**The Authority to Govern**
The earliest need for governance probably came about when a small group of individuals banded together to provide safety in numbers and later to provide other common goods and services in a more efficient way. Some method had to be created to make decisions about how these common goods would be coordinated and organized. Eventually, leaders who could be trusted and depended upon by the larger group would be designated to facilitate the provision of public services. The authority to govern would have been conferred by the people to leaders who would then make decisions on their behalf for the provision of public needs. As the people grew in number, institutions would be established to provide for the needs of the people; rules and laws would be created to codify the services provided and control how the people would be governed. Governance is the use of legitimate authority to provide for the common good including the application of rules and laws intended to regulate the socio-economic behavior of the public. Public institutions like the legislature, courts and executive offices have been established as legitimate authorities to govern the populations under their jurisdiction. Governance includes the functions of these institutions as well as the interaction of these entities with the public to create and implement public policy.

**Governance as Administration**
Governance is not limited to the formal political institutions authorized to make the rules and regulations for society; it also includes how the laws and rules are implemented. As administration, governance would include how those who govern manage the supporting functions of government including the traditional management functions of planning, organizing, directing, staffing, coordinating, reporting and budgeting (PODSCORB). As the role of government evolves toward facilitating the provision of public services through agents such as nonprofit and private sector organizations, the functions of government would also evolve. Governance would include new functions such as contract management and program evaluation as well as new skills like negotiation, mediation and facilitation.

**Accountability and Governance**
With the realm of governance expanding to include all those who are involved in the provision and oversight of public services, the administrative obligation to ensure accountability and transparency are of increasing importance. Accountability in governance is accomplished through several means: compliance with laws; regulations and public policy; clear designation of the chain of responsibility leading ultimately to an elected official; and a clearly defined code of ethics for the executive and legislative branch including a neutral body to review ethical violations. Transparency in governance involves the open operation and administration of
the governing body. Transparency should be the rule for decision making at all levels and in all participating organizations, the methods and resources used in governing, and an open evaluation of the outcomes of public policy in agencies and programs. The governing network should use valid performance measures to demonstrate to the governed their level of efficiency and effectiveness as they evaluate policies and programs.