

**Foreword: Human rights as the foundation of good governance**

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In examining the experience of those few countries that in recent decades have made a successful transition from low to high income status, one is forced to recognize the critical role played by government - in particular as the agency that transforms political authority in a society into management of public resources. Governance is the term that increasingly began to be used in the development community to underscore the fundamental role of the *quality* of government in this process. The broadening of development objectives to include equity and social justice, civil and other basic human rights thus established a natural linkage between governance on the one hand and development on the other.

A useful way to approach the question of what constitutes good governance might be to refer to a minimal set of characteristics on which there might be broad international agreement. Attempts have been made to link such minimal set of characteristics to the Universal Declaration of Human Rights, as representing the consensus of the international community on some fundamental, broadly held values. Various articles of the Declaration address such concepts as: the will of the people as the basis of government authority and hence the need for the periodic establishment of the legitimacy of governments through elections (Article 21); the safety of citizens and the right to equal protection under the law (Article 7); the availability of information, and freedoms of association and expression (Article 19); the ownership of property (Article 17); and the right to a standard of living adequate for the health and well-being of the individual and his/her family (Article 25). All of these would appear to be essential components of good governance and may well be used as the "raw material" with which to formulate the underlying conceptual framework. There is an emerging international consensus on the core characteristics of good governance.

**Accountability**

The exercise of power must be guided by the need to improve the standard of living and wellbeing of the population. Adequate safeguards must be introduced to prevent the emergence of situations where ruling elites use political power for personal gain rather than public good. Recent trends toward democracy and political pluralism should facilitate this task which, at a minimum, involves the periodic legitimisation of governments through popular choice, making them thus more responsive to the needs of society. The issue of accountability is closely linked to that of participatory development. Unless people feel that they have a say on whom they are ruled by, they cannot be expected to fully support government development strategies and policies. Without such public support, even well-designed plans will in the end amount to very little.

Much is at stake here. Sen, the world's foremost authority on famine, has observed that 'no famine has ever taken place in the history of the world in a functioning democracy, be it economically rich or relatively poor.'<sup>1</sup> They have occurred, however, in ancient kingdoms and contemporary authoritarian societies, in modern technocratic dictatorships and "colonial economies run by imperialists." Democracy and the greater political freedoms that it brings help foster an environment in which early preventive actions can be taken to avoid the emergence of those circumstances which make famine possible. More generally, Sen convincingly argues that those countries in which governments operate in an environment of political legitimacy tend to be much better at allowing the formation of vital understandings and beliefs among the population that directly impinge upon aspects of the development process; for instance, the notion that female education, employment and ownership rights exert powerful influences on women's ability to control her environment and improve her condition.

**Transparency**

At the core of good governance is the willingness of governments to open to public scrutiny the accounts and activities of public institutions and to institute reliable systems of auditing and financial management. Lack of openness, more often than not, does not serve useful public ends but has instead been used to hide unlawful practices and abuse. Transparency is particularly important in the case of the tax system, where, the ability of governments to collect revenues will depend on public perceptions of the fairness of its operation, as much as of the use that is made of public funds. A valuable example of the importance of transparency in public actions concerns efforts in a number of countries—especially in Central and Eastern Europe and the former Soviet Union—to privatise hitherto publicly held assets. The process has at times run into severe difficulties as a result of public perceptions that assets were being liquidated at bargain prices and in ways which unduly favoured certain groups. Sen notes that societies operate better under some presumption of trust and that,

<sup>1</sup> Amartya Sen, *Development as Freedom*, 1999, OUP Oxford; New Ed edition, p16.

therefore, they will benefit from greater openness.<sup>2</sup> The freedom for society's members to deal with one another under 'guarantees of disclosure and honesty' are essential to prevent corruption and other abuses.

### **Consensus and consultation**

Successful and lasting economic development depends on a government's ability to generate a broad consensus for change. A process of consultation whereby the government elicits the views of various sectors of society—trade unions, businesses, professional organizations, NGOs and other organizations of civil society—is likely to result in a greater understanding of and commitment on the part of the population to the often painful measures that accompany the implementation of various economic strategies. Consultation is also likely to result in a more equitable distribution of the costs of adjustment and thereby enhance the chances of sustainable reforms being delivered. The building of consensus through consultation is at the root of participatory development and facilitates transparency and accountability.

In discussing the role of women in social change Sen observes that development programs have thus far tended to see women as passive recipients of help. The strategies underlying these traditional approaches have sought to improve the treatment of women and the objective circumstances surrounding them. Through consultation, however, he argues that it should be possible to see women as agents of change, as 'dynamic promoters of social transformation' that can effect changes in the lives of all members of society. Such an approach is likely to be far more promising in terms of achieving a more widespread involvement of women in the economic, social and political life of the nation, something that he regards as an essential pillar of successful economic development.

### **Justice**

Closely linked to the issue of accountability is the need for the rule of law, the notion that the rules which govern a society—and hence those that regulate economic activity—are applicable to all. There is increasing recognition that without a reasonably objective, efficient, and consistent judicial system and legal framework, accountability will have no legal underpinnings and the goals of good governance will be undermined. As regards the economy in particular, it has long been recognized that the absence of an adequate legal framework and judicial system will increase business costs, discourage investment, and introduce an element of uncertainty into economic activity which will be detrimental to the development process.

From the above discussion, it is clear that these various elements of good governance—accountability, transparency, consultation and justice—are not independent of each other; interactions are inevitable and conflicts could arise in the short run. Participatory processes implemented in an environment of political pluralism and openness may add an element of unpredictability to the decision-making process. It may take much longer to forge the necessary consensus around a particular strategy. But this does not detract from their intrinsic value and the overriding need to pursue them as essential ingredients of good governance; the alternative, a top-down approach that sees developing countries as passive recipients of aid programs formulated abroad has obviously not worked. Only when all parties concerned jointly cooperate to nurture the growth of these key building blocks will the international community be able to contribute in a meaningful way to unleash processes aimed at both improving the welfare of its most needy members and enhancing citizens capacities to manage change.

The potential benefits of an approach to development that seeks to incorporate the above mutually reinforcing elements should not be underestimated. To take an example: in an environment of accountability and political legitimacy, people will be far more likely to become active participants in the economy. A broadly shared sense of entitlement to economic transactions will then become an engine of economic growth. A growing economy will boost private incomes and enable the state to collect taxes out of which it will be able to finance expenditures, including in vitally important social areas. Higher levels of spending on education and health care have been shown to be associated with reductions in infant mortality and reduced birth rates. Female literacy and improved schooling change women's reproductive behaviour and result in widespread implications for the environment, the pressures on which are often linked to rapid population growth. Conversely, it is possible to interpret the heartbreakingly disappointing fruits of economic development during the last half a century in terms of the absence of the above building blocks.

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<sup>2</sup> Sen, *Development as Freedom*, ibid