



What is good governance ?

Levels of governance we are dealing with



What is good governance ?

The government is just one of the actors in governance
 Other actors involved in governance vary depending on the level of governance that is under discussion.
 What do you think who could be / who are potential actors in.....

National level

- media,
- international donors
- multi-national corporations
- organised crime

Rural areas

- influential landlords,
- associations of rural farmers,
- cooperatives,
- NGOs,
- research institutes,
- religious leaders,
- finance institutions
- political parties,
- the military



WHAT IS GOOD GOVERNANCE?

The concept of good governance is primary used in measuring the effectivity. NEVER ENDING ROAD

How effectively manage a government or governmental body to meet the needs of the entire society /groups against particular interests

Usually through indicators, measuring differences and relative



As good governance compare countries to liberal democracies important to consider local environment

Good governance does not lead to correct decisions, but increase the chance and reducing the risks



What is good governance ?



What defines if it is good (or bad) ?

- ability of state to involve non-state actors
- allocating resources to respond collective problems
- based on a broader consensus
- chance for everybody to participate in the process
- efficiently providing public goods in a necessary quality



What good governance mean for....

World Bank:

addressing economic institutions and public sector management, including transparency and accountability, regulatory reform, and public sector skills and leadership

United Nations, European Commission and OECD:

highlight democratic governance and human rights, aspects of political governance



What good governance programs usually cover....

Election monitoring,

Political party support,

Combating corruption,

Building independent judiciaries,

Security sector reform,

Improved service delivery,

Transparency of government accounts,

Decentralization,

Civil and political rights,

Government responsiveness and “forward vision”,

Stability of the regulatory environment for private sector activities (including price systems, exchange regimes, and banking systems).



Why does good governance important?

- Quality of governance ↔ per capita income
- Good governance ↑ economic performance ↑ (f.e. Singapore's action on corruption)
- Using resources to the widest benefit of the society – different path of countries rich in natural resources (Botswana vs. Saudi Arabia)
- Direct connection in the OECD countries between trust in the national government and life satisfaction, or perceived well being. In the World Happiness Report, good governance is recognized as one of the four pillars of sustainable development since it *"signifies the ability of people to help shape their own lives and to reap the happiness that comes with political participation and freedom."*



PRINCIPLES OF GOOD GOVERNANCE

8 major principles (used by the United Nations)

1. Participatory
2. Follows the rule of law
3. Transparent
4. Responsive
5. Consensus-oriented
6. Equitable and inclusive
7. Effective and efficient
8. Accountable

The 12 principles for good governance at local level (CoE)

1. Fair Conduct of Elections, Representation & Participation
2. Responsive
3. Efficiency and Effectiveness
4. Openness and Transparent
5. Rule of law
6. Ethical conduct
7. Competence and capacity
8. Innovation and openness
9. Sustainability and long-term orientation
10. Sound Financial Management
11. Human rights, Cultural Diversity and Social Cohesion
12. Accountability



PRINCIPLES OF GOOD GOVERNANCE

1. Participation

- Equal access- everybody can participate (minorities, gender)

- Ways
 - Direct
 - Intermediate institutions or representatives

- Requirement: informed and organised ➤ Freedom of expression and association

- **Meaning on a local level:** community members may be provided with information, asked for their opinion, given the opportunity to make recommendations or, in some cases, be part of the actual decision-making process.



PRINCIPLES OF GOOD GOVERNANCE

1. Participation + Fair Conduct of Elections, Representatin(COE)

- Local elections are conducted freely and fairly, according to international standards and national legislation, and without any fraud.
- All men and women can have a voice in decision-making, (directly or through legitimate intermediate bodies). Such broad participation is built on the freedoms of expression, assembly and association.
- All voices, including those of the less privileged and most vulnerable, are heard and taken into account in decision-making, including over the allocation of resources.
- Attempt to mediate between various legitimate interests and to reach consensus on what is in the interest of the whole community and on how this can be achieved.
- Decisions are taken according to the will of the many, while the rights and legitimate interests of the few



PRINCIPLES OF GOOD GOVERNANCE

2. Rule of law

- Independent judiciary system
- Independent, impartial and non-corrupt law enforcement agencies (mainly police)
- **Meaning on a local level:** consistent with relevant legislation or common law and are within the powers of council. Decisions are enforced impartially. (Hungary and the Roma communities)



PRINCIPLES OF GOOD GOVERNANCE

3. Transparency

- Access to information
- Transparent and legally described process of decision-making

Meaning on a local level: Local council should have a clear decision-making process layed down in operational documents or in local or national legislation. Beyond legal it should be understandable. When decision is made council should have a reference on what information, influence, hearings etc. the decision is based on and which laws they have considered/followed. Public access to all information which is not classified for well-specified reasons as provided for by law (such as the protection of privacy or ensuring the fairness of procurement procedures). Information should be available in a way to be able to effectively follow decision-making.



PRINCIPLES OF GOOD GOVERNANCE

4. Responsiveness

- Access to the decision-makers
- Two way communication
- Objectives, rules, structures, and procedures are adapted to the legitimate expectations and needs of citizens.

Meaning on a local level: responds to local needs. Public services are delivered, and requests and complaints are responded to within a reasonable timeframe.



PRINCIPLES OF GOOD GOVERNANCE

5. Consensus oriented

- Majority decision-making is a requirement but not sufficient for good governance
- For a broad consensus on what is in the best interest of the whole community and how this can be achieved good governance requires **mediation**. It also requires a broad and **long-term perspective on sustainable human development** and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.
- **Meaning on a local level:** numerous way through inclusiveness to ensure that for example with public hearings or open local council meetings with devoted time for Q&A. In extreme cases local polling or referendum



PRINCIPLES OF GOOD GOVERNANCE

6. Equitable and inclusive

- Nobody is excluded, especially the most vulnerable are not, including the opportunity to improve their well being through the decisions.
- Social cohesion and the integration of disadvantaged areas are promoted. (different EU solutions)
- Access to essential services is preserved, in particular for the most disadvantaged sections of the population.
- Discrimination on any grounds is combated (Roma schooling)
- Human rights , cultural diversity and social cohesion (from CoE)

- **Meaning on a local level:** all groups, particularly the most vulnerable, should have opportunities to participate in the process → importance of the minority local governments



PRINCIPLES OF GOOD GOVERNANCE

7. Effective and efficient

- Good decision has to be made by the best use of resources at their disposal
- Decisions have to be institutionally sustainable
- Sustainable use of natural resources and the protection of the environment.

Competence and Capacity (from CoE)

- The professional skills of those who deliver governance are continuously maintained and strengthened in order to improve their output and impact
- Those who deliver governance are regularly motivated to improve performance



PRINCIPLES OF GOOD GOVERNANCE

7. Effective and efficient

- **Innovation and Openness to Change (from CoE)**
There is readiness to pilot and experiment new programmes and to learn from the experience of others. Regular trainings and forums for local authorities to share best practices
A climate favourable to change (good sign is if auditing is in practice)
- **Sustainability and Long-term Orientation (from CoE)**
Needs of the future generations, sustainability of community, long-term perspective
- **Meaning on a local level :**
Audits are carried out at regular intervals to assess and improve performance.
Performance management systems make it possible to evaluate and enhance the efficiency and effectiveness of services.
Results meet the agreed objectives → if not adaptation
- **Sound Financial Management (from CoE)**



PRINCIPLES OF GOOD GOVERNANCE

8. Accountable

Key requirement, but pre-requirements: transparency and rule of law

Different type: internal or external - decision or actions

In general an organization or an institution is accountable to those who will be affected by its decisions or actions.

Decisions are reported on, explained and can be sanctioned

Ethical (from CoE): Conflicts of interest are declared in a timely manner and persons involved must abstain from taking part in relevant decisions.

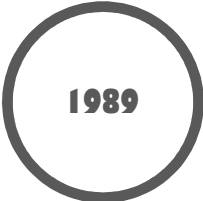
Effective measures to prevent and combat all forms of corruption.

- **Meaning on a local level:** obligation to report and explain decisions , it has to be answerable for the consequences of decisions made behalf of the local community



CASE STUDY OF HUNGARY

Democratic Transition



1989



2004
EU Accession



2010
First Orbán Government with 2/3 majority



2014
Second Orbán government

Hungarian Development

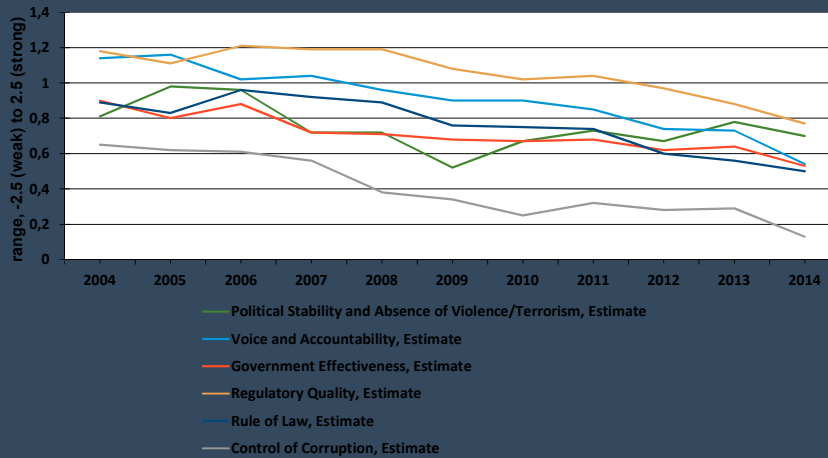


Overall democracy score has gone from 1.96 in 2004, to 3.18 in 2014, with 1 representing the highest level of democratic progress and 7 the lowest.



Each of the 6 indicators from the Worldwide Governance Indicators of the WB worsened in the past decade.

Hungary



Hungarian Development



Voice and accountability (Participation and Accountability)

- Reduced possibilities to run at elections
- Massive difference between the technical aspect and the implementation
- Operation of watchdog institutions- obstacles to access information
- Many cases limited rule of law
- Freedom of assembly prevailed

Hungarian Development



Political stability and absence of violence

- Appearance of paramilitary groups linked to the far-right
- Attacks against Roma in 2008-2009
- Violent protests and unprofessional police in 2006
- Issue of Good governance index

Hungarian Development



Government effectiveness (Effectiveness and efficiency)

- Very conservative approach, especially since 2008
- Centralized systems taking away responsibilities from local governments
- Education system
- Healthcare system

Hungarian Development



Regulatory quality (Effective and efficient)

- 2/3 majority and new Basic Law (Constitution) centralizing regulation
- No voice of opposition or non-state actors
- Overnight laws

Hungarian Development



Rule of law

- Limiting the role of the Constitutional Court
- Political influence at the Supreme Attorney Office
- Supermajority laws (obstacle for the future governments)
- Understaffed and financed court system
- Major mistakes on the police level in politically sensitive cases

Hungarian Development



Control of corruption

- Investigation is extremely limited in government related corruption cases
- Loyal acquaintances, relatives in key positions
- US-Hungarian clashes on corruption issues

