
“Good Governance: The key to economic success”**Ms. Rima Alagh****Asst. Prof. ,Delhi Institute of Rural Development (DIRD), GGSIPU, New Delhi****Abstract**

Good governance is much superior to mere managerial reforms in the straight sense of the term. In fact, it covers much more ground and material than structural reforms. Good governance has much to do with the proper substance of power and must be estimated with reference to specific norms and purposes as may be laid down. Good governance, as a perception, is appropriate to all segments of culture such as the government, the media, the private sector, the corporate sector, the co-operatives, societies.

In this paper focus has been given on the role of government in good governance, the Importance of good governance and the transparency by exclusion of corruption in the economy. The traditions related with the topic have also been discussed.

Key words: Governance, transparency, effectiveness, economic growth.

1. Introduction:

Good governance is an unknown term used in international development fiction to describe how public institutions demeanour public affairs and manage public capitals in order to guarantee the recognition of human rights. Governance pronounces "the process of decision-making and the process by which choices are applied (or not implemented)". The term governance can smear to corporate, international, national, local governance or to the connections between other areas of society.

The thought of "governance" is not new. It is as old as human evolution. Simply put "governance" means: **the procedure of decision-making and the process by which choices are implemented (or not implemented)**. Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.

2. Objective of study

The aim of this paper is to the role of government in good governance, The Importance of good governance and the transparency by exclusion of corruption in the economy. The traditions related with the topic have also been discussed.

3. Research Methodology

The research has been done by secondary Data

4. Literature Review

The concept of "good governance" often arises as a model to compare unsuccessful economies or political bodies with feasible economies and radical bodies. Because the governments frozen in the current world as most "successful" are often liberal democratic states concentrated in Europe and the Americas, those countries' institutions often set the standards by which to compare other states' institutions when talking about governance. Because the term good governance can be intensive on any one form of governance, aid administrations and the experts of developed countries often will focus the meaning of good governance to a set of constraint that conform to the organizations schema, making "good governance" denote many different things in many different contexts. Three institutions can be changed to sponsor good governance: the state, the private sector and civil society. Though, amongst countless cultures, the need and request for reform can vary contingent on the imports of that country's society. A variety of country level initiatives and international activities put stress on various types of governance reform. Each movement for reform launches criteria for what they deliberate good governance based on their own needs and agendas.

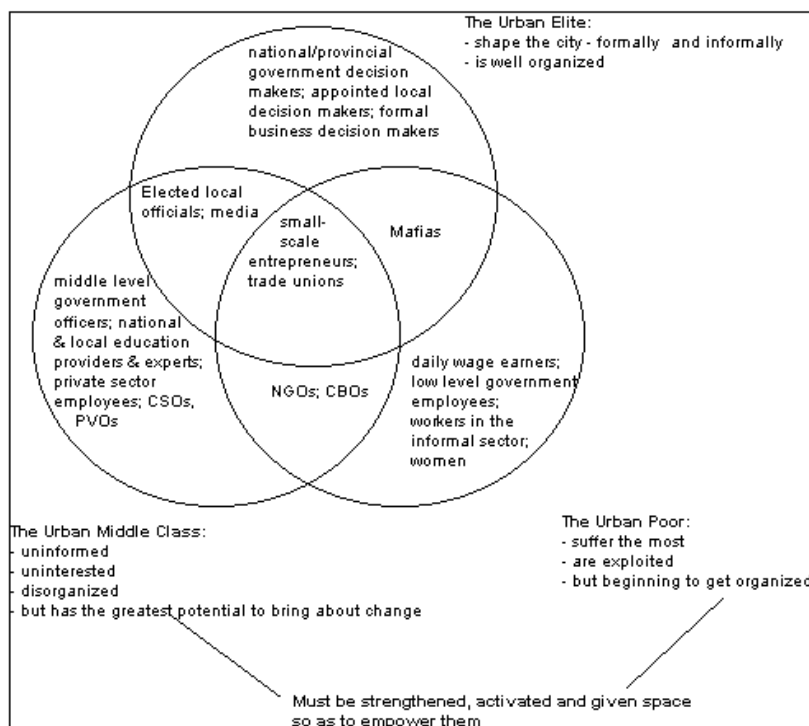
Since governance is the procedure of decision-making and the process by which decisions are applied, an analysis of governance focuses on the official and informal factors complicated in decision-making and applying the decisions made and the official and casual structures that have been set in place to reach at and instrument the decision.

Government is one of the factors in governance. Other factors complicated in governance vary contingent on the level of government that is under debate. In rural areas, for example, other factors may embrace powerful land lords, relations of peasant farmers, cooperatives, NGOs, research institutes, holy leaders, finance institutions partisan parties, the fighting etc. The location in

urban areas is much more multipart. Figure 1 provides the interconnections between issues complex in urban governance. At the national equal, in addition to the above influences, media, lobbyists, international contributors, multi-national corporations, etc. may play a part in decision-making or in manipulating the decision-making process.

All factors other than government and the military are assembled together as part of the "civil society." In some countries in adding to the civil society, organized crime associations also inspiration decision-making, predominantly in urban areas and at the national level.

Similarly formal government constructions are one earnings by which decisions are inwards at and realized. At the national level, relaxed decision-making constructions, such as "kitchen cabinets" or unceremonious advisors may exist. In urban areas, prepared crime syndicates such as the "land Mafia" may inspiration decision-making. In some rural areas nearby powerful families may make or inspiration decision-making. Such, unceremonious decision-making is often the result of unethical practices or indications to corrupt practices.



5. CHARACTERISTICS-GOOD GOVERNANCE

Good governance has 8 major characteristics. It is sharing, harmony oriented, accountable, see-through, responsive, operative and efficient, reasonable and comprehensive and follows the rule of law. It promises that dishonesty is minimized, the views of factions are taken into account and that the speeches of the most susceptible in society are heard in decision-making. It is also receptive to the present and future requirements of society.



Characteristics of good governance

(a)Participation

Participation by both men and women is a key keystone of good governance. Participation might be either direct or over genuine intermediate institutions or councils. It is important to point out that typical democracy does not unavoidably mean that the anxieties of the most weak in society would be taken into thought in decision making. Participation wants to be informed and organized. This means liberty of association and appearance on the one hand and an organized civil culture on the other hand.

(b)Rule of law

Good governance necessitates fair legal frameworks that are enforced impartially. It also requires full defence of human rights, chiefly those of minorities. Impartial implementation of laws requires an independent bench and an impartial and moral police force.

(c)Transparency

Transparency means that conclusions taken and their execution are done in a manner that follows rules and guidelines. It also means that material is freely available and directly reachable to those who will be precious by such decisions and their administration. It also means that enough information is providing and that it is provided in easily comprehensible forms and media.

(d)Responsiveness

Good governance requires that institutions and procedures try to serve all stakeholders within a sensible timeframe.

(e)Consensus oriented

There are several factors and as many lookouts in a given society. Good governance wants intervention of the different interests in society to reach a broad compromise in society on what is in the best interest of the whole common and how this can be attained. It also requires a broad and long-term viewpoint on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an sympathetic of the historical, cultural and social contexts of a given society or community.

(f)Equity and inclusiveness

A society's wellbeing depends on ensuring that all its fellows feel that they have a stake in it and do not feel excepted from the mainstream of society. This requires all groups, but particularly the most susceptible, have chances to improve or sustain their wellbeing.

(g)Effectiveness and efficiency

Good governance means that courses and institutions produce results that meet the wants of society while making the best use of resources at their disposal. The concept of competence in the context of good governance also covers the maintainable use of natural resources and the protection of the environment.

(h)Accountability

Accountability is a key condition of good governance. Not only administrative institutions but also the private sector and civil society administrations must be accountable to the public and to their institutional investors. Who is accountable to who varies liable on whether decisions or actions taken are interior or external to an organization or institution. In general an organization or an institution is responsible to those who will be pretentious by its decisions or actions. Accountability cannot be compulsory without photograph and the rule of law.

An example of good governance standards by prominent organization in the international community.

6. The IMF and Good Governance

The International Monetary Fund (IMF) declared in 1996 that "promoting good governance in all its aspects, plus by ensuring the rule of law, cultivating the effectiveness and accountability of the public sector, and beginning corruption, as indispensable elements of a framework within which economies can prosper." The IMF feels that exploitation within economies is produced by the unsuccessful governance of the economy, either too much regulation or too little regulation. To receive loans from the IMF, republics must have certain good governance policies, as determined by the IMF, in place.

The IMF places great emphasis on endorsing good governance when it provides policy advice, monetary support, and technical assistance to its member countries. The IMF also has strong events in place to guarantee integrity, objectivity, and morality in the discharge of its own professional duties.

7. IMF programs and initiatives that promote good governance

The IMF promotes good governance through specific initiatives that tie in with its investigation, lending, and technical assistance. Several activities involve close collaboration with the World Bank and other administrations.

☐ The IMF inspires member countries to improve accountability by attracting **transparency in the revelation of brochures**, in line with its Transparency Policy.

☐ Together with the World Bank, the IMF assesses member countries' **obedience with international transparency values** in 12 policy areas in the context of its Standards and Codes Initiative, covering government, the financial sector, and the corporate sector.

☐ For fiscal policy and monetary and monetary policies, the IMF has industrialised codes that set out **photograph values**. Particularly significant is the Code of Good Practices on Fiscal Photograph and supplementary manual.

☐ For application in natural resource-rich countries, the Fund issued its Guide on Replacement Revenue to improve the **photo, quality, and suitability of data**, the IMF inspires its members to subscribe to the Special Data Distribution Standard (SDDS) or participate in the General Data Dissemination System (GDDS).

☐ In its work with low-income countries, the IMF emphasizes adequate **systems for tracking public expenditure** related to poverty reduction. It partners with other international financial institutions and donors in the Public Expenditure and Financial Accountability (PEFA) program, which helps countries measure their performance.

☐ The IMF subsidizes the international efforts to contest **money laundering and the financing of terrorism** (AML/CFT). It evaluates members' legal and regulatory frameworks, provides technical assistance, and conducts policy-oriented research. In 2009, the IMF established a multi-donor Topical Trust Fund for capacity building on AML/CFT.

☐ Finally the IMF contributes to various working groups and **international initiatives**, including the Extractive Industries Transparency Initiative, the G20 Anti-Corruption Working Group, the OECD Working Group on Bribery in International Business Transactions, and the Stolen Assets Recovery (Star) initiative

8. Good governance is the key to economic success

Governance is a broad concept covering all aspects of the way a country is governed, including its economic policies and regulatory framework, as well as adherence to the rule of law. Corruption—the abuse of public authority or trust for private benefit—is closely linked: a poor governance environment offers greater incentives and more opportunities for corruption. Corruption undermines the public’s trust in its government. It also threatens market integrity, distorts competition, and endangers economic development. Since poor governance is clearly detrimental to economic activity and welfare, the IMF adopted in 1997 a policy on how to address economic governance, embodied in the Guidance Note “The Role of the IMF in Governance Issues.”

9. Promoting good governance -

The Fund works with its member countries to promote good governance and contest corruption. In the context of its observation, lending, and technical support, the IMF covers economic supremacy issues that fall within its command and expertise, focussed on issues that are likely to have important impact on macroeconomic presentation and the sustainability of sound economic policies. In doing so, the IMF stresses even handedness across its member nations and collaborates closely with other multilateral institutions.

IMF surveillance includes annual appraisals of countries’ economic policies, carried out through the so-called “Article IV consultations.” In the process, the IMF may deliver policy advice, when applicable, on governance-related issues.

Good governance is also promoted through **IMF-supported lending**. When seeking financial support from the IMF, country establishments describe their financial policies in a “Letter of Intent.” When warranted, specific measures to strengthen governance may be included and thus become part of the program’s conditionality. Many of the physical conditions in IMF-supported programs focus on educating governance, including through better fiscal spending control, publication of reviewed accounts of government activities and state initiatives, streamlined and less unrestricted revenue administration, greater slide in the management of natural resources, the publication of checked central bank accounts, and better implementation of banking supervision.

In all of these areas, the IMF also provides **technical assistance** that benefits good governance. In addition, the IMF assists in consolidation countries’ capacity to combat exploitation by advising on suitable anti-corruption legal frameworks

Clearness. A multi-donor Topical Trust Fund hurred in 2011 has enabled the IMF to significantly increase technical assistance in the **management of natural resource wealth**.

10. Conclusion:

The challenge of governance and anticorruption confronting the world today strongly argues against the "business-as-usual" modus operandi. A bolder method is needed, and collective accountability at the global level is called for. The rich world must not only transport on its aid and trade liberalization possibilities, it must also lead by example. OECD countries should ratify and successfully implement the 2003 UN convention against corruption, and take steps (as Switzerland is starting to do) to deport assets looted and hidden abroad by corrupt officials. And transnational corporations should exhortation from bribery and support improving governance practices in host countries. As for the IFIs and donors, there is a need to contend with questions of discrimination and efficiency in aid programs, fastening aid decisions within a governance prism and helping countries build volume to effectively absorb aid. Educating transparency will be the key.

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