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# Good governance: From different perspective

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## Abstract

Good governance is an important issue over the last three decades. Good governance has become the new paradigm replacing the old one in public administration developed by Max Weber. Such conventional model of public administration of “all about government” has been left and replaced by the new one that involves the cooperation of three elements, that is : government, civil society and business sector. Good governance also has special emphasis on anti-corruption measure. Therefore each countries establish an agency which task in comparative corruption practices in the respected countries. Anti-corruption movement become an important agenda in each country. In addition to those function above reducing poverty and ensuring high economic growth also becomes important goals of a good governance practice. In this regards, civil and business participation become important pillars for maintaining good governance practice in a country.

**Keywords:** Good Governance; Bureaucratic Reform; Civil Society

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## **1. Introduction**

Good governance is an important issue over the last two decades. Good governance has become the new paradigm replacing the old one in public administration developed by Max Weber. Such conventional model of public administration of “all about government” had been left and replaced by the new one that involves the cooperation of three elements, that is: government, civil society and business sector.

## **2. What is “good governance”?**

Good governance, according to World Bank’s definition, entails sound public sector management (e.g. efficiency, effectiveness and economization), accountability, exchange and free flow of information (e.g. transparency), and a legal framework for development (e.g. justice, respect for human rights and liberty), (World Bank, 1993). A more succinct definition of good governance is offered by Hirst (2000) who propounds that it “means creating an effective political framework conducive to private economic action: stable regimes, the rule of law and efficient state administration adapted to the roles that government can actually perform and a strong civil society independent of the state”.

In this regards good governance agenda places special emphasis on anti-corruption measures. In Malaysia, for example, some of the corruption practices involved the civil servants. In 1998 for example, among 300 cases reported by the Anti-Corruption Agency (ACA) 186 cases, or 64 percent, involved civil servants<sup>1)</sup>. However, Malaysia is considered “better of” than other Asian countries if bribing is the indicator of the corrupt practices among bureaucrat personnel. The exclusive focus on corruption in public offices and institutions might fails to chronicle the large scale corruption practices carried out by private individuals and corporations. The involvement of western banks and transnational corporations in many corrupt deals in the poor and developing world is well documented. The extent of corrupt practice involving transnational corporation is so huge that during period of 1994-2001, the US government received reports of 400 International contracts worth US.\$200 billion that involved bribery (Singh, 2005).

At the different side, it seems that transnational corporations have take over the roles of government in allocating and distributing primary goods and services. In collaboration with state officials, the 1998 Southeast Asian crisis witnessed the roles of entrepreneurs who look advantage of the currency depreciation and state subsidy for local currency stabilization by exchanging government funded monetary adjustment loans into foreign currencies and whisking them abroad for private gains.

Decentralization and local self-government constitute another important component of current governance agenda where reforms have been introduced in order to reduce poverty and achieve higher economic growth. Another dimension of good governance pertains to fostering popular participation. Hence, many goals are sets to make government close to public. In other popular words it is called “public-private partnership”. However the society as well as the international donor agencies also has different views on

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<sup>1)</sup> New Strait Times, 4 June 1999; daily newspaper in Malaysia

good governance. The study in four ASEAN countries<sup>1)</sup> suggested that society as well as international donor agencies, which can be represented the private sectors, may have different views on "good governance" than from the government side. The summary of different perceptions on the good governance's target is summarized in Table 1.

**Table 1.** The importance of "good governance" practices as seen from different views

<b>Government/Formal Institution Perceptions</b>	<b>Community/Civil Society Hopes</b>	<b>International Organization/Financial Institution Demands</b>
1. Combating Corruption	1. Better quality of life	1. Downsizing bureaucracy
2. Transparency	2. Equitable distribution of wealth, income and natural resources	2. Privatization of the state-owned companies (SOE)
3. Accountability	3. Full employment	3. Deregulations
4. Participation in decision making process	4. Better access to housing, health and education	4. Decentralization and encouraging local self-governance
5. Rule of Law	5. Restraining privileges of elite in politics as well as in wealth	5. Respecting human and property rights

*Source: Author's own perception based on the research's findings from selected ASEAN's Countries in the period of 2007 – 2008.*

The explanation within the Table 1 does not suggest differences among three actors in the implementation of the "good governance" agenda. It shows in the degree of importance of the so many goals and objectives underlying the practice of good governance, which is sometimes considered as the "second generation reforms" to facilitate the development of market economy<sup>2)</sup>. The reform can facilitate or hinder the creation of new space for government, civil society and donor agencies in implementing the good governance agenda.

Table above also shows the priorities taken by the actors in "good governance" practices. The government and private sectors put more emphasis on the bureaucratic matters. The corruption practices mostly done in the public sector or civil service due to the low salaries for the public servants, therefore governments in these four ASEAN countries had put "combating corruption" as the highest priority to build a "good governance" in their government practice.

<sup>1)</sup> Priyono Tjiptoherijanto and Astrid Meilasari-Sugiana, *Bureaucratic Reforms in Four ASEAN Countries* (Jakarta: Kosa Kata Kita and Universitas Bakrie) Jakarta: 2011.

<sup>2)</sup> The "Second Generation Reforms" refers to re-designing the state and institutions, while the "First Generation Reforms" mostly concerns with economic reforms to cope with globalization process. All of these reforms are in accordance with the "Washington Consensus". The term "Washington Consensus" was first coined by the US economist, John Williamson to refer to policy package pushed by the powerful Washington-based institution, namely, the World Bank, the US Treasury and neoliberal think-tanks. Initially aimed at Latin American countries in the 1980's, "Washington Consensus" was subsequently extended to the rest of the developing world. The important components of the Washington Consensus were fiscal discipline, trade liberalization, tax reforms, liberalization of foreign investment regime, privatization, deregulation, financial liberalization, and capital account liberalization, market based exchange rates, labor reform and protection of property rights.

While the private sectors, represented by International Organization/Financial Institutions more concern on downsizing bureaucracy; since in their mind bottle neck to have a "good governance" in a country depends on the quality of civil servants. The community or ordinary citizens as well a civil society having more realistic hopes for a "good government" practices. They are more concerned on their daily life and more important on their right as citizens of a country. Therefore, they put a "better quality of life" as the first priority in relation to the practice of "good governance" in a country or a government practices.

### 3. Bureaucratic reform in a "good governance"

As for the administrative reform or "governance reform" previously noted, administrative reform was directed towards the "trust deficit". The "trust deficit" can be reduced only by creating a government that is efficient and also just. In the United States, this paradigm has stimulated rethinking about what government is and how it should function. Among the products were two theories of government administration which surfaced under two great presidents. One is the "minimal state" role, a form administrative strategy used by the Reagan Administration, whereas the other involved "reinventing government" during the Clinton Administration.

The minimal state theory is similar to school of thought that have roots in the work of Frederick A. Hayek and Milton Friedman and draw intellectual sustenance from the work of William A. Niskanen, Gordon Tullock, Nobel Laureate James M. Buchanan, and other members from the school of public choice<sup>1</sup>). During the Reagan's Administration, minimalism was implemented through various means that sought diminished expectations of government; budgetary restraints and centralized decision making; a leaner and more responsive political establishment; and a focus on a few objectives of overriding natural importance (Carrol. et.al 1985, p.807).

Reinventing government, on the other hand, takes the inspiration from the experience of practitioners such as David Osborne, a journalist, and a former city manager<sup>2</sup>), Ted Gaebler (1992). Ideas posted by Osborne and Gaebler had the enthusiastic endorsement of President Clinton when in 1993 has requested Vice President Al Gore Jr to review the performance of the federal government of the United States of America. The purpose of the review, as the title of the report that was submitted in the same year indicates, was to create a government that is result oriented, works better and cost less (Gore, 1993). The report notes that only 20 percent of the American people trust the federal government to act rightly most of the time. To reduce this "trust deficit" then becomes an important objective of the administration at that time.

In spite of the strategic differences among the two reform movements, there is a common theme: the urge to de-bureaucratize government administration. Several innovative public programs that have broken free of the constraint of bureaucratic procedures were introduced. In order to understand the de-bureaucratizing

<sup>1</sup>) William A. Niskanen, "Bureaucracy and Representative Government", Chicago: Aldine Atherton, 1971; Gordon Tullock, "The Politics of Bureaucracy" Washington: Public Affairs Press, 1965; and James M. Buchanan and Gordon Tullock, "The Calculus of Consent: Logical Foundation of Constitutional Democracy" The University of Michigan Press, 1962.

<sup>2</sup>) David Osborner and Ted Gaebler, "Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector" Addison-Wesley, 1992.

agenda in these two reform movements, comparison of them with regards to four dimensions of public administration namely: purpose; personnel, organization, and management procedures, is summarized in Table 2 below. These dimensions address the question of why, who, what, and how public administration ought to be conducted<sup>1)</sup>

**Table 2.** Characteristic of the Bureaucratic Paradigm in Two Reform Approaches

No	Characteristic	Bureaucratic Paradigm	Minimal State (Reagan Administration)	Reinventing Government (Clinton Administration)
1.	Purpose of Government	Execution of the will of the state	Provision of public goods and services	Meet citizen expectations
2.	Nature of public servants	Neutrally competent	Rational, self-interested, budget maximizes setting	Entrepreneurs
3.	Management approach	Close supervision; Standard Operating Procedures (SOP)	Cost-minimizing; Consumer-oriented management	Facilitative management; total quality management (TQM)

*Source: Compiled and modified from many resources by the author*

This summary is accomplished, of course, at the risk of over simplifications. Nevertheless, it provides a sense of the potential for and content of debureaucratization agenda. The debureaucratization movement as an administrative reform is more than political act. It is an act of cultural change, reflecting and challenging basic social values. As Wilson (1989), has commented. "The way in which a bureaucracy operates cannot be explained simple by knowing its tasks and the economic and political incentives that it confronts. Culture makes a difference"<sup>2)</sup>

#### 4. Cultural influences

Culture is the reflection of the economy and politics. The dominant and newly emerging forces in the economy and politics also embedded in culture. However, culture is neither simply the ideological reflection of current forces nor the contradistinctions in the economy and politics. It is also the accumulation of notions, customs, habits in current circumstances as long as there are transmitters and they are part of the social and psychological make-up of people within local sites.

The bureaucracy has a structure that breeds its own administrative culture. Incoming political leadership often reacts to the bureaucracy. Its inherits by instituting personnel purges or reorganizing or both, either to cleanse the old system and reorient it to the needs of the new dispensation, or to reshape the administrative culture and values in facilitating targeted policy and program objectives. Consequently, a new political order

<sup>1)</sup> This a modification of the approach used by Hood and Jackson in their study of administrative doctrines. See: Christopher Hood and Michael Jackson, "Administrative Argument" Brookfield, vi: Dartmouth, 1991, p.17 & 179.

<sup>2)</sup> James Q. Wilson, "Bureaucracy : What Government Agencies Do and Why They Do" Basic Book, 1989, pp.203.

carries its own political culture to the regime-bureaucracy relation. As the bureaucracy accommodates and eventually trusts the new regime, an administrative culture supportive of the political leadership ensues.

The biggest hurdle to administrative reforms, however, appears to be the role of politicians in controlling the bureaucracy. Political leaders in a party-run polity are unlikely to appreciate the importance of political neutral civil service. They also may not be adequately restrained from pursuing extraneous goals in and through the bureaucracy. Indulgence by dominant-party politicians has also resulted in wide spread political interference in administrative decision and the politicization of bureaucracy decision making.<sup>1)</sup>

Another factor which contributed to the success of the administrative reform is the role of leaders. The implementation of change in public services require highly persistent and visionary leaders. Therefore, there has to be quality leadership that will provide guidance and inspiration for the whole community, especially in the bureaucracy as the government's machine. Leadership is thus a necessary but insufficient condition for institutionalizing public sector reforms. Leadership is the key element in reforming the office and, in a larger sense, in achieving and engaging and performance driven civil service within a challenging and globalizing world.<sup>2)</sup>

Good governance occurs not only when politicians are honest and accountable, but also when civil servants are efficient and productive. The quality of governance is largely dependent on the quality of people who run it. A government maintained by responsible and highly competent individuals who are motivated by a strong desire and improve the lives of others, can assure a government that truly works for the people. Most illness in government are said to be substantiated by the lack of this basic quality in service. Sadly, the reputation of public officials speaks for itself in almost all of the developing countries.

## 5. Final remarks

Corruption and other bureaucratic practices lead to the conclusion that the problem lies in the weakness in building government mechanisms and institutions. This notion is promoted by the World Bank, which in 1989 explicitly identified as "a crisis of governance" behind the "litany of Africa's development problem<sup>3)</sup>. Since then, the policies and interventions to promote "good governance" have become a central preoccupation in the international donor community. The concept of "good governance", therefore, has some if not all the following effective dimensions, namely: public accountability and transparency, the rule of law, anti-corruption measures, decentralization and local government reform, democratic performance, judicial

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<sup>1)</sup> This kind of politicization in bureaucracy was branded as "bureaucracy polity" in Thailand (See: Fred Riggs, "Thailand: The Modernization of a bureaucracy polity", Honolulu, East West Press, 1996). And "Dominated Bureaucracy" in the Philippines (See: Ledivina V. Carino, "A Dominated Bureaucracy": An Analysis of the Formulation of and Reaction to State Policies in the Philippine Civil Services" Occasional Paper No. 89-4, National College of Public Administration, University of Philippines, 1989),

<sup>2)</sup> The Malaysian Prime Minister's Dr. Mahathir Mohammad had a vision 2020 and establishing a "Malaysian Incorporated", while Prime Minister Thaksin Shinawatra of Thailand introduced the "CEO Manager" style for Thai Civil Service. Since the birth of the Philippine Republic in 1946, civil service reform has been undertaken during the administration of President Roxas, President Quirino, President Magsaysay, President Marcos and President Aquino. In Indonesia the late President Soeharto had reformed the civil service system in 1974. Since then no major changes in public service system occurred in Indonesia.

<sup>3)</sup> See: World Bank (1989), "Sub-Sahara Africa From Crisis to Sustainable Growth", Oxford: Oxford University Press, U-K, 1989, p.60.

reform, social safety nets, a regulatory but lean state apparatus for efficient private markets, civil society participation in development, and overall respect for human rights.

In practice, however, international donors have focused on governance largely through a much more restricted lens of “good governance”. This restricted lens is the technical and non-corrupt management of government resources through effective implementation of macroeconomic and anti-poverty sector policies sought by the donors<sup>1)</sup>. This nature of “good governance” often undermines local traditions and blind to contradictory interests of the elites and donors. Donors mostly take an “Alice in Wonderland” approach to governance, therefore the term means whatever a donor wants it to mean<sup>2)</sup>.

In the final analysis, therefore, the heart of the “good governance” debate lies in the issue of responsibility and leadership; the responsibility for creating the problems, the responsibility for solving them and the capacity and willingness of the leaders to fix the problems.

Looking back in 1997 at the record of post-independence Africa, the Uganda political scientist Yash Tandon (1996, p.28) asked:

*Who has made such a mess of Africa? The corrupt leaders, say the people, leaders who are self-serving and power hungry. Lazy people, say the leaders, people who just wait for the government to give them jobs and to feed them. Bad governments, says the World Bank and the transnationals, governments that have not followed correct fiscal, monetary, pricing and trade policies, and governments that are not accountable to their population. The market, say the left intellectuals (African and non-African), the invisible forces of which work in favour of those who own capital and who exercise state power. Out of these four possible explanations, it is the World Bank-TNC's analyses and prescriptions that dominate the ideological realm. They have so much human as well as financial resources at their command that to challenge them is an uphill struggle. In the battlefield of competing ideas, the playing fields are not level. <sup>3)</sup>.*

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<sup>1)</sup> Paper prepared for the Realign of Aid International Advisor Council by Kavaljit Singh (2003) from Republic Interest Research Group (India): “Aid and Good Governance : Discussion Paper for Reality of Aid”, January 2003, access available at : [\\www.realityoraid.org](http://www.realityoraid.org)

<sup>2)</sup> Lewis Carroll's children novel: “Alice in the Wonderful” has the following exchange: “When I use a word” Humpty Dumpty said in rather a scornful tone: It means just what I choose it to mean. Neither more or less,” The question is, “said Alice”, Whether you can make words mean different thing”. “The questions. “said Humpty Dumpty. “which is to be master...That's all”.

<sup>3)</sup> See: Yash Tandon (1996) “Reclaiming Africa's Agenda” in Yash Tandon (ed), “African Conception of Democracy and Good Governance. International South Group Network: Harare, Uganda. 1996.p.28.

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