



## **Principles of Good Governance**

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"Development cannot flourish where people cannot make their voices heard, human rights are not respected, information does not flow, and civil society and the judiciary are weak," says Paula Dobriansky, Under Secretary of State for Global Affairs. Dobriansky outlines five key principles of good governance that the Bush administration will use to determine which countries will qualify for development assistance under the Millennium Challenge Account: free and fair elections; independent judiciary and the rule of law; freedom of speech and press; absence of corruption; and government investment in basic social services. These principles, she says, constitute the foundations of modern democracy and create the underpinning to establish capital markets and spur foreign and domestic investment.

In March 2002, in Monterrey, Mexico, President George W. Bush announced his goal to increase U.S. development assistance to foreign nations by 50 percent in the next three years - a \$5 billion annual boost over current levels of funding - and to improve the effectiveness of this assistance. Because sound policies are an essential condition of development, the new funds will be held in a Millennium Challenge Account (MCA) and distributed to nations that, in the President's words, "govern justly, invest in their people, and encourage economic freedom." To decide which nations meet these standards, a new Millennium Challenge Corporation will use specific indicators of performance. A crucial indicator will be evidence that a country practices good and just governance.

American foreign policy has always promoted principles of good governance, and President Bush's new initiative reinforces this approach. Through monetary assistance, cooperative ventures and international dialogue, the United States has supported and encouraged nations to enact policies and form their governments so that human dignity and freedom are allowed to flourish. Some of the principles of good governance supported by the United States date back to the time of ancient Greece. Others are principles developed in more recent times, or lessons learned from the United States' own history and that of other countries.

Broadly speaking, good governance promotes fundamental and universal human rights. Because the United States believes political power lies with the people, the MCA is directed towards supporting those principles of governance that allow people to pursue their lives in a just, equitable and democratic society. We want to provide developing nations with the tools they need to educate their citizens and to take part in the opportunities offered by the global economy. We are working to eradicate corruption and create a renewed respect for human rights as well as property rights.

Perhaps the most basic and important principle of good governance is that a nation's political institutions be democratic. In the words of one of America's greatest presidents, Abraham Lincoln, democracy is a

form of government "of the people, by the people, and for the people." This means that the rights and principles of democratic government can and should be universally applied. They are not a uniquely American invention. The right of every person to speak freely about his government is a basic human right, one that arises from every individual's worth as a human being, as has been recognized by nations all over the world.

## FREE AND FAIR ELECTIONS

Good governance dictates that to have a functional democracy, legal safeguards and rights must exist. One of the indicators for MCA eligibility is a country's commitment to citizens' political rights. For instance, it is critical that a nation's elections be free and fair. This means that voters have a choice among candidates and that they have a right to information concerning those candidates' platforms.

Free and fair elections are open and transparent to all people without discrimination based on sex, race or ethnicity, and are unrestricted by government coercion and interference. Moreover, they create the underpinning for greater domestic investment and less capital flight. The right to free and fair elections should be guaranteed by appropriate constitutional or legal safeguards, as only with honest elections can governments be held accountable to their citizens. Voters should be able to participate freely in the political process, whether through political parties or civic organizations. Elections, however, are not the only cornerstone to democracy. Accountable leadership and fulfillment of the will of the people are essential to ensuring that elections are a means to a democratic society, not an end in themselves.

## INDEPENDENT JUDICIARY AND THE RULE OF LAW

Another principle of just democratic governance is the presence of constitutional limits on the extent of government power. Such limits include periodic elections, guarantees of civil rights, and an independent judiciary, which allows citizens to seek protection of their rights and redress against government actions. These limits help make branches of government accountable to each other and to the people. Accountability is another factor that will be considered for MCA eligibility when determining whether a country practices good governance.

An independent judiciary is important for preserving the rule of law, another principle of good governance and one of the MCA criteria. It takes more than strong courts to ensure that a nation's laws are enforced constantly and fairly. All branches of government must be willingly bound by the law. The rule of law also is the basis for business formation and the establishment of capital markets, which underpin economic development. Citizens or their elected representatives should be involved in all levels of lawmaking. Participation in this process gives people a stake in the law and confidence that the law will preserve their personal and property rights.

Not only should the law be enforced, but it should also be enforced fairly and without discrimination. Good governance means equal protection for women and minorities and open and fair access to judicial and administrative systems. Political and civil rights should not be denied to citizens because of their sex, race, or ethnicity. A nation's courts should not be open to only a select few. Government agencies should allow appeals of regulations as well as citizen participation in their decision-making process, and citizens should be granted access to these bodies in a timely and easy manner.

## FREEDOM OF SPEECH AND PRESS

To function properly, a just and democratic society must have a free exchange of information and ideas. This is best realized in the creation of a free and open press and the freedoms of speech and expression,

which form part of the MCA's eligibility criteria of political rights and civil liberties. A free press provides voters with the information they need to make informed decisions. It facilitates the exchange of political discourse, creating a "marketplace of ideas" where no view is stifled and the best are chosen. Free press can also serve as a check on government power ensuring that public officials and institutions remain accountable to the voters. The media's ability to report on business and the economy is also important for preserving public trust in the markets and for attracting foreign and domestic investment. The right of the press to freely publish, to editorialize, to critique, and to inform is a fundamental principle of democracy.

## FIGHTING CORRUPTION

Good governance also means the absence of corruption, and countries will not be eligible for MCA assistance if they are corrupt. To preserve the integrity of democracy, governments must strive to rid themselves of bribery and graft. Corruption damages economic development and reform, impedes the ability of developing countries to attract foreign investment, hinders the growth of democratic institutions, and concentrates power in the hands of a few. The best way to combat corruption is for governments to be open and transparent. While in certain cases governments have a responsibility to retain secrecy and confidentiality, democratic governments must be sensitive to the citizen's right to know. Strong laws against corruption and the presence of law enforcement agencies that work against corruption demonstrate a government's commitment to this principle.

## INVESTING IN PEOPLE

Finally, good governance requires that governments invest in their people and work to preserve the welfare of their citizens, without regard to gender, race or ethnicity. Governments should devote resources to health care, education, and combating poverty. They should strive to create an economic environment where people can find jobs and establish businesses. Along with other measures, a government's ability to provide for its people is considered by the MCA in determining governmental effectiveness. Governments also have a duty to protect their citizens from criminal violence, especially the practice of trafficking of persons. Women and girls are most vulnerable to this illegal trade, which can only be stopped by diligent law enforcement.

## CONCLUSION

Practicing these principles of good and just governance results in a free and open society where people can pursue their hopes and dreams. This will facilitate the creation of robust and open economies, which are trusted by investors and financial institutions. Development cannot flourish where people cannot make their voices heard, human rights are not respected, information does not flow, and civil society and the judiciary are weak. The United Nations Development Program (UNDP) and the World Bank, among others, have come to realize that development assistance that focuses only on economic governance at the expense of democratic governance fails. The proof is in the numbers: 42 of the 49 high human development countries on the UN Development Index are democracies. With just two exceptions, all of the world's richest countries have the world's most democratic regimes.

It is America's hope that by promoting good governance in our foreign policy, particularly through the MCA, the condition of citizens' lives worldwide will be enhanced through the creation of strong democratic nations with prosperous economies and improved standards of living.

Americans have a deep appreciation for the freedoms and opportunities they enjoy and believe the principles that underlie our democratic institutions and vibrant civil society are the best way to achieve

sustainable economic growth. The President's MCA initiative marries the commitment of developing nations that govern justly with the commitment of the United States to support their reform efforts and to help fulfill the dreams of freedom-loving people throughout the world.

SOURCE: <http://usinfo.state.gov/journals/ites/0303/ijee/dobriansky.htm>