



# **Towards Democratic Governance**

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## **Introduction**

The concept of “governance” is now days part of the political and economic vocabulary and “good governance” has become one of the main conditionalities imposed by the World Bank, IMF, and ADB on countries soliciting their assistance. The “good governance” criterion has become even more important in the context of “poverty reduction” programs, such as the “poverty reduction strategy papers (PKSPs)”. The emphasis on governance is linked to the belief, true or false, that the lack of “good governance” has been one of the factors explaining the poor economic and social results recorded by Senegal and other African countries, since their independency in the early 1960s.

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In particular, the lack of "good governance" is believed to have played an important role in the failure of the structural adjustment programs implemented on the continent since the early 1980s. This view is notably expressed by the World Bank in report published in 1989<sup>2</sup>. For many observers, the Report contributed to putting the governance issue on the international agenda. Since then, it has become one of the key criteria in assessing the economic and social performance of African countries.

### **Good Governance or Democratic Governance?**

The failure of the policies in Africa and elsewhere in the World compelled the international financial institutions to face up the reality: the State and the other public institutions are indispensable and indisputable instruments in any development process, a fact largely confirmed by the historical experience of developed countries. In 1997, the World Bank's World Development Report<sup>3</sup> confirmed the shift made by this institution under the prodding of Joseph Stiglitz who was at the time its chief Economist. The report, titled "The State in a Changing World" explicitly recognized the indisputable role of the state in the development process, while limiting it only to establishing institutions able to implement liberalization and privatization policies.

Therefore, in a way, the interest manifested in "governance" is linked to the failure of structural adjustment programs and more generally to the failure of the "Washington Consensus", a catalogue of neoliberal recipes imposed on indebted countries since the early 1980s and which are responsible for widespread poverty, misery and the increase

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<sup>2</sup> World Bank (1989) "Sub-Saharan Africa: From Crisis to Sustainable Growth" Washington, D.C., USA, 1989.

<sup>3</sup> World Bank (1997) "World Development Report, The State in a Changing World." New York, USA: Oxford University Press, 1997.

in inequalities world wide. However, the conception of governance advocated by the World Bank is far from breaking with the policies associated with that "Consensus". Quite the contrary, this conception of governance aims to perpetuate such policies by bringing back the state in the game with the view to putting in place a set of policies aimed at creating a more favorable environment for the functioning of the market economy.

With regards to the "Washington Consensus", an outstanding economist J.K. Galbraith in 1999 wrote<sup>4</sup> "The crisis of the Washington Consensus is visible to everybody. But not everybody is willing to admit it. Indeed, as bad policies produced policy failures, those committed to the policies developed a defense mechanism. This is the argument that treats every unwelcome case as an unfortunate exception. Mexico was an exception—there was a revolt in Chiapas, an assassination in Tijuana. Then Korea, Thailand, Indonesia became exception: corruption, crony capitalism on an unimaginably massive scale, was discovered, but after the crisis hit. And then there came the Russian exception. In Russia, we are told, Dostoyevskian criminality welled up from the concept of Soviet communism to overcome the efficiencies and incentives of free markets.

But when the exceptions outnumber the examples, there must be trouble with the rules. Where are the continuing success stories of liberalization, privatization, deregulation, sound money and balanced budgets? Where are the emerging markets that have emerged, the developing countries that have developed, the transition economies that have truly completed a successful and happy transition? Look closely. Look hard. They do not exist".

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<sup>4</sup> James K. Galbraith (1999) "*The Crisis of Globalization*" in *Dissent*, Summer 1999, Volume 46, No. 3.

Therefore, instead the concept of “good governance” which treats governance reform as asset of mechanism of management, to be engineered through policy interventions by donors, governance should be understood as a system of managing public power defined by class society and embodying the philosophy and principles that the dominant class upholds. Thus, governance is fundamentally about politics, public power and the exercise of human rights in society, and is therefore a dynamic process that evolves in decades or even much more.

Instead of “good” or “bad”, the governance debate is essentially about democracy and the process of building or struggling for democracy against off forms of monopoly, of monopoly capital and of its partner compradors and landlords in the South. In its 2002 Human Development Report<sup>5</sup>, the UNDP defines governance as a culturally and country-specific democratic means, both process and institutions, for the exercise of people’s right, which ensure equity, promote social solidarity and sustainable livelihoods. Unlike the technocratic approach of the World Bank and many donors, focusing on administrative efficiency, processes of governance within a rights framework takes account of unequal power relations within a society and globally, including gender relations.

Democratic governance implies that key features are essential to the running of public or state power: participation, transparency, accountability and equity. These issues are strongly contested between governments, corporations, local elites, social movements and multilateral organizations. While the good governance discourse takes a limited, instrumentalist approach to the question of transparency and accountability, it pays scant attention to participation and

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<sup>5</sup> United Nations Development Program (UNDP) (2002) “*Human Development Report 2002: Deepening democracy in a fragmented World*”. New York, USA: Oxford University Press, 2002.

equity. To be genuinely democratic, governance must be a people's governance in the true liberal democratic tradition of a government of, by and for the people. More generally, democratic governance is a concept that can be brought to bear as the foundation for alternative ways of addressing the current crises. Its role should be thought of in terms of the process of developing peoples power, as well as the crystallisation of that power in the form of lived alternatives. However, this democratic governance is a normative issue that is subject to much debate and an objective of social movements.

### **Conclusion**

Good governance recipes handed down by the economic powers and demanded by multinational corporations carefully avoid raising questions about the nature and realm of development, the politics of the dominant economic growth paradigm, and the forces that control such development in their own self-interest.

In the final analysis, the heart of the good governance debate lies in the issue of responsibility. The responsibility for creating the problems, the responsibility for solving them. The two aspects cannot be separated, lest the people that caused the problem, now came back with a manual on how to fit it. Looking in 1997 at the record of post-independence African, the Ugandan political scientist Yash Tandon asked<sup>6</sup>: "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 leader," people who just wait for the government to give them jobs and to feed them". "Bad governments," say the World Bank and the transnationals,

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<sup>6</sup> 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.

"government that has 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 there four possible explanations", Tandon continues, "it is the World Bank-TNCs analysis and prescriptions that dominate the ideological realm". After all, the factis, Tandon is right.[]



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