DEVELOPMENT THROUGH GOOD GOVERNANCE: LESSONS FOR DEVELOPING COUNTRIES

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Abstract
Since the 1990s the concept 'good governance' has become one of the most widely used in debates in development, public policy and international relations. Despite its recent prominence the concept 'good governance' has frequently used in different meanings and implications. Following an introduction, which includes a historiographic note on development discourse, the first part of this paper is intended to be an overview of diverse definitions, interpretations and measuring problems of good governance. The purport of the second part of this paper is to focus on whether good governance matters in development or not, the performance of good governance in South Asia. This paper has argued that good governance is indispensable in South Asia, especially Bangladesh, because misgovernance is a great hindrance and predicament to development. The politicization of bureaucracy, judiciary, appointment, transfer and promotion in all most all offices, lack of voice and accountability, inefficiency and satisfying the vested interest fall within the purview of misgovernance.

Introduction
Development is a global phenomenon. The term development in every sense: to charm, to fascinate and to set dreaming (Rist 1997:1). The earliest modern theory of development had emerged at the end of the Second World War. President Harry S. Truman's Inaugural Address on 20 January 1949 was very important internationally to the formation of this new paradigm of development. Point Four in his speech inaugurated the 'development age', because development characterized by 'scientific advance', 'industrial progress', 'technical knowledge', 'capital investment' and 'greater production' (ibid, 71-72, 249-254). Neoclassical development economists further elaborated Truman's speech what would become the meaning of development (Friman 2002: 105). The approach was highly emphasized on economic growth and development was considered as the synonymous with economic growth. Until the end of the 1960s development was seen as an evolutionary process in which 'underdeveloped' nations became modern through an identified stages of economic growth (Rostow 1960: 4-7). The Western ideology of development assuming that the problems of underdeveloped countries such as poverty, inadequate social services and low levels of industrial production were amenable by the application of superior Western technology, institutions, modes of production and values (Turner and Hulme 1997: 5-6). But in a short time the achievement of development goals had proved elusive, and a major part of the world had experienced poverty, indebtedness, political repression, economic stagnation etc.(ibid, 6). The neo-Marxists rejected the modernizations school's explanations, and one group of scholars, called dependency thinkers, opined that the global economic structure was not favorable to the underdeveloped nations rather it was an exploitative system which generated and nurtured ‘the development of under development’ in nations of periphery (see for example, Prebisch 1950, Frank 1969, Baran 1957). So, altered relationships in the world’s economic structure i.e., self-sufficiency, substantial even total isolation from world economy and socialist revolution could only occur development.

In the 1980s neo-liberal economic policy package, known as Washington Consensus became a trend word in the development discourse. Fiscal austerity, Privatization and Market liberalization are the three pillars of Washington Consensus (Stiglitz 2002:53). In the 1990s the concept 'good governance' became the catchword in the development discourse. It is not a coincidence that the concept gained popularity when market-oriented structural adjustment programs pushed by the international financial institution in the developing world were increasingly under public
criticism. Good governance agenda is basically deeply embedded in the neo-liberal Washington Consensus, pushed by the leading powerful multilateral institutions. In the recent years, both nationally and internationally, good governance has come the cornerstone in any discussion on development, cooperation and aid.

In this paper, we will try to explore:
(a) diverse definitions and interpretations of the concept of good governance;
(b) (i) measuring problems of good governance; (ii) does good governance matter in development?
(b) good governance and development: the case of Brazil;
(c) the performance of good governance in South Asia.

Diverse Definitions and Interpretations of the Concept of Good Governance

The term 'good governance' is a relatively recent fashion. As it is mentioned earlier, it has emerged from virtual obscurity in the last decade of the twentieth century, and takes a central place in the development discourse, carrying the thought that it is 'good governance' that leads to development. In general terms, 'good governance' means developing institutions and processes that are more responsive to the ordinary citizens, including the poor. It implies the promotion of participation, accountability and effectiveness at all levels. Practicians, development workers and international development agencies have taken up the concept as a new way of thinking about public sector, political and administrative structures of developing countries. The IMF, World Bank and United Nations have taken an extensive campaign for promoting good governance as the new reform objective in the Third world (see, for example, Pierre and Peters 2000: 50, Turner and Hulme 1997: 229). Now Western bilateral donors not limit their activities mere projects and policies rather they play vital role for reformulation of the framework in the recipient countries. It is argued that fundamental changes in political and administrative structures are the essential components for development (Turner and Hulme 1997: 229).

But despite that the concept of governance has gained popularity in the development debate throughout the world at different levels - among political leaders, donors, developers, reformists, experts etc. - the interpretation of the concept of 'good governance' still differs between development agencies, i.e. there does not exist an unambiguous and operational definition of the concept.

Simply to be put, from one side governance means the process of decision-making and from another side the process by which decisions are implemented (Singh 2003: 4). So the concept good governance just denotes the qualitative dimension of governance. Marie Besancon defines governance as the delivery of political goods – beginning with security – to the citizens of nation-states. Good governance then according to her, results when nation-states provide a high order of certain political goods – when the nation states perform effectively and well on behalf of their citizens (Besancon 2003:1).

Carlos Santiso writes The World Bank definition of good governance by the following way:

“Good governance puts requirements on the process of decision making and public policy formulation. It extends beyond the public sector to the rules that create a legitimate, effective, and efficient framework for the conduct of public policy. It implies managing public affairs in a transparent, accountable, participatory and equitable manner. It entails effective participation in public policy making, the prevalence of the rule of law and an independent judiciary, institutional checks and balances through horizontal and vertical separation of powers, and effective oversight agencies” (Santiso 2001: 1-23).

International Development agencies and Western governments define ‘good governance’ as a necessary component of effective
economic modernization. World Bank and the International Monetary Fund (IMF) emphasize the importance of sound macro-economic policies and the fight against corruption, while some bilateral donors and non-governmental organizations (NGOs) put more stress on democratization and human rights. The World Bank, for example, a leading promoter of good governance since late 1980s, defines the concept as the “manner in which power is exercised in the management of a country’s economic and social resources for development” (World Bank, 1992). World Bank definition of the concept touches best upon the multiple essences of the term, combining the core notions of the definitions of ‘good governance’ of the many international organizations, and providing a wider reaching and broader definition of the term. As ‘good governance’ is a concept with mutual aspects, it is vital for the actual policy makers to have the concrete definitions.

The World Bank identifies four major aspects of good governance:

1. “Public sector management: government must manage its financial and personal resources effectively through appropriate budgeting, accounting and reporting systems and by rooting out inefficiency particularly in the parastatal sector.

2. Accountability: public officials must be held responsible for their actions. This involves effective accounting and auditing, decentralization, micro-level accountability to consumers and a role for non-governmental organizations.

3. The legal framework for development: there must be a set of rules known in advance, these must be enforced, conflicts must be resolved by independent judicial bodies and there must be mechanisms for amending rules when they no longer serve their purpose.

4. Information and transparency: there are three main areas for improvement, (a) information on economic efficiency; (b) transparency as a means of preventing corruption; and (c) publicity available information for policy analysis and debate” (World Bank 1992).

Organization for Economic Cooperation and Development (OECD) on the other hand limits ‘good governance’ clearly only to the level of public sector, stating, “Good governance is established when public institutions act efficiently, providing an enabling environment for economic growth and development. Good governance requires the improvement of accountability and transparency of public sector agencies, concomitant with the effective fight against corruption. The effective performance of democratic institutions, including legislatures, and the fight against corruption, are central elements of good governance” (OECD, Country and Regional Programmes, Latin America).

Paul O’Neill U.S. Treasury Secretary has defined the term similarly by referring to ruling justly i.e. also transparently, establishing rights and combating corruption. According to him, “Good governance means ruling justly, enforcing laws and contracts fairly, respecting human and property rights and fighting corruption” (O’Neill 2002).

Promoting good governance is a prime objective of the UK’s Overseas Development Administration (ODA). ODA has recognized four components that underpin the concept:

1. “The legitimacy of government: government, which depends on the existence of participatory processes and the consent of those who are governed;

2. The accountability of both the political and official elements of government for their actions, depending on the availability of information, freedom of the media, transparency of decision making and the existence of mechanisms to call individuals and institutions to account;

3. The competence of government to formulate appropriate policies, make timely decisions, implement them effectively and deliver services;

4. Respect for human rights and rule of law, to guarantee individual and group rights and security, to provide a framework for economic and social activity and to allow and encourage all individuals to participate” (ODA 1993).
Transparency, rights and the rule of law are also central in G8, Final Communiqué from 2001 Genoa summit stating on good governance: “Open, democratic and accountable systems of governance, based on respect for human rights and the rule of law, are preconditions for sustainable development and robust growth. Thus, we shall help developing countries promote:

1. accountability and transparency in the public sector;
2. legal frameworks and corporate governance regimes to fight corruption;
3. safeguards against the misappropriation of public funds and their diversion into non-productive uses;
4. access to legal systems for all citizens, independence of the judiciary, and legal provisions enabling private sector activity;
5. active involvement of civil society and Non Governmental Organisations (NGOs); and
6. Freedom of economic activities” (G8, Genoa summit 2001).

Commission of the European Communities has identified five principles that promote good governance: openness, participation, accountability, effectiveness and coherence. Each principle, according to commission, is important for establishing democracy and rule of law (European Governance 2001: 10).

So far, we have discussed how political leaders, intellectuals and international institutions see the concept good governance. From this discussion we can easily notice that the different definitions and views of that concept existing in the political and academic debate. However, we see voice and accountability, government effectiveness, rule of law, controlling corruption and independent judiciary are the prime components of good governance.

**Measuring Problems of Good Governance**

Measuring good governance is a complicated issue due to the absence of it’s among its proponents, but of course it is not impossible. Simply, governance, as mentioned earlier, was defined as nation states delivering certain political goods to its citizens (Besancon 2003:1). And good governance referred to the qualitative aspects of governance. Good governance is always performance oriented. As these political goods refer to the nation state providing concrete lists of goods like democracy, health care, rule of law etc., it should be possible to measure the extent to which the nation states are doing or failing in doing their governing i.e. delivering these political goods. Once it is possible to measure governance, it is also possible to analyze the impact of other variables on governance, what role does governance in development, economic growth?

Different methodologies and tools have been developed to measure good governance, depending on the purpose of measurement, for example, to analyze the overall situation or general trends within a country, to determine the degree to which a specific government is respecting its obligations in principle, or to determine the practical situation on the ground. But according to University of Essex study, there are few uncontroversial tools of measurement we have to measure good governance (Landman and Hauserman 2003: 7). This University of Essex study stating that in general there are always trade-offs between the different types of indicators. Those that achieve global coverage tend to have a higher level of abstraction and may not provide the kind of differentiation required for policy analysis or policy decision-making, and those indicators that provide highly detailed event counts are on the contrary again difficult to produce across a large global sample of countries (ibid, 9). The above mentioned study, with the aim of mapping indicators on democracy and good governance, identified five types of measures of good governance, including: (1) civil and political liberties or political freedoms as proxy measures for the rule of law, (2) the frequency of political violence as an inverse measure of good governance, (3) expert assessments and opinion of good governance for investment, (4) objective indicators such as ‘contract intensive money’ as a measure of individual confidence in the domestic financial institutions or the ‘economic rate of return’ of governmental projects, and (5) mixed measures.
that combine aggregate data, scales, and expert opinion (ibid, 28). Each of the mentioned initiative however has its own strengths and weaknesses. For measuring ‘good governance’, the most widely used indicator used by scholars was the Freedom House measure of the rule of law, but now many have criticized its validity on the grounds that whether or not it is a measure of individual freedom (ibid, 30). Followed also from the above discussion on “good governance as the concept of multiple angles”, focusing only on the rule of law is a way too narrow measurement of the concept.

Among the most recent prominence in the literature on good governance, correcting also the “narrow measurement problem” is the combined measures of Kaufmann, Kraay, and Zoido-Lobaton (KKZ). Todd Landman and Julia Häuserman’s study group however has two main methodological criticisms to KKZ method: first, the 300 indicators do not cover all the countries in the global sample such that different indicators cover different groups of countries (to be called the ‘data issue’), and second, the indices that are produced are point estimates with associated standard errors or confidence intervals (to be called the ‘muddling issue’) (ibid, 31). KKZ method has organized the indicators into separate clusters each of which has one underlying common basic concept of governance. Thereby, due to the numerosness of the indicators, if a country happens to miss data on some of those indicators, the other indicators being present in the same cluster, and bearing the same underlying principle do compensate for the missing ones. To the problem of the ‘muddling issue’ it has to be said however, that in carrying out large statistical analysis, the ‘muddling issue’ can nullify at some stages, as to the logic would follow that if such studies produce some recognizable findings – it is great, but only if this is not the case, then the reason could be caused by the ‘muddling issue’. Despite the above-mentioned weaknesses, the KKKZ method is unique by combining 300 different indicators producing the combined indices across six aspects of good governance. This method still increases the validity as well as the reliability of the indices, reducing simultaneously the chances for systematic measurement error (ibid, 31).

Kaufmann, Kraay and Mastruzzi (KKM) governance indicators are an update and expansion of the same team’s (KKZ) earlier work. Their good governance measure seeks to maximise the use of a broad range of available indicators on good governance through a data reduction technique called ‘unobserved components model’ (a variant of factor analysis). The greatest strength of this method, due to the multiplicity of indicators being used, is in an increased validity and reliability of those indices, and in the ability to reduce simultaneously the chances for systematic measurement error (Kaufmann 2003). Their indicators are perfectly suitable, as according to the authors, they are potentially informative about changes in countries’ relative positions over time (ibid, 11).

KKM research presents estimates of six dimensions of governance covering 199 countries and territories of four time periods: 1996, 1998, 2000 and 2002. The indicators are based on several hundred individual variables, measuring perceptions of governance, drawn from 25 separate data sources, constructed by 18 different organizations. The KKM team has constructed six aggregate governance indicators, motivated by a broad definition of governance, as the traditions and institutions by which authority in a country is exercised. These include: 1) the process by which governments are selected, monitored and replaced, 2) the capacity of the government to effectively formulate and implement sound policies, and 3) the respect of citizens and the state for the institutions that govern economic and social interactions among them. These separate six indices, having an equal value and virtually lying between -2.5 and +2.5, with the higher scores corresponding to better outcomes in a respective category, include: (1) voice and accountability, (2) political stability, (3) government effectiveness, (4) regulatory quality, (5) rule of law, and (6) control of corruption (ibid, 2-4).

Does Good Governance Matter in Development?
Currently, as it is noted earlier, the international multilateral agencies have profoundly been given importance on good governance in the developing countries. According to donors good
governance is closely associated with economic development. Strong argument have been put forward that without 'good governance' structures the poor and the developing nations cannot reduce poverty. And contrarily bad governance is being viewed as the main cause behind the ills confronting these societies.

In 1991, U.S. Agency for International Development (USAID) released a detailed democracy and governance policy paper stating that:

"Open political system (s'), respect for basic human rights, and an appropriate and efficiently administered legal and regulatory system based on due process of law, encourage(s) peaceful resolution of social conflict, (and) stimulate(s) individual initiative....and thus support(s) economic and social development....Political development is central to sustained economic and social development" (in Windsor 2001: 143).

The Clinton administration even further strengthened the conditions of democracy and governance in U.S. aid flows, and the 1995 USAID development strategy argued that the successful achievement of the larger development agenda was impossible, without attention to politics, and that “success in the other core areas of sustainable development is inextricably related to democratization and good governance” (ibid, 145).

The Bush administration has not only continued but also even expanded the previous administration’s policy of integrating good governance and democracy into development approaches. The 2002 U.S. National Security Strategy states:

“The United States will deliver greater development assistance through the New Millennium Challenge Account to nations that govern justly, invest in their people, and encourage economic freedom” (The National Security Strategy of the United States of America 2002: 5).

Elsewhere President George W. Bush has also said: “Good governance is the essential condition in development, and therefore the U.S. would reward nations that root out corruption, respect human rights, and adhere to the rule of law” (in Windsor 2001: 145).

By looking at the U.S. foreign aid policies, we have identified that starting from early 1990s when the issue of 'good governance' gained popularity up to the present day, the U.S. has always emphasized the importance of good governance as a condition in giving aid.

Democracy, in this context, is valuable if it provides legitimation for good governance. Paul Hirst argues that “multi-party competition and free elections are valuable in preventing cronyism and corruption and in building public support for development strategies, but only if parties eschew extremism and political game by appropriate liberal rules” (Hirst 2000:14).

However, if the above arguments are valid, how have Japan, Korea, Taiwan, Malaysia and Thailand achieved rapid economic growth and development through poor accountability (in terms of western yardstick), low level of transparency, convoluted legal frameworks that do not nurture rule of law? Red tapism and centralization of power also common among these countries. Their democracy is between non-existent and guided or corrupt (Turner and Hulme 1997:233). Notwithstanding, we could not deny the importance of good governance.

It is obviously true that poverty, poor health, low life expectancy and inequality based on income and wealth are endemic a major part of the world. Some countries have very low or negative growth rates. Even some countries have precious natural resources (e.g. Zambia) but they have poor growth records or low per capita incomes. According to Rose-Ackerman,

“One root of the problem is dysfunctional public and private institutions. Poorly functioning governments’ mean that out-side assistance will not be used effectively. Low-income countries and those with weak growth records are often in difficulty because they are unable to use their human and material resources” (Rose-Ackerman 1999:1).
Kaufmann and associates mention that, not surprisingly good governance is strongly correlated with better development. In their research they found a large causal effect running from improved governance to better development outcomes. An improvement of one standard deviation in the rule of law from the low level prevalent in Russia to the “middling” level in the Czech Republic or, alternatively, a reduction in corruption from the very high level prevalent in Indonesia to the lower level in Korea leads to between a two and fourfold increase in per capita incomes, a decline in infant mortality of similar magnitude, an improvement of 15-25% points in literacy levels.

They examined the beneficial impact of improved rule of law on per capita income, for a sample of 166 countries and using data for the late 1990s. These large causal effects suggest that good governance should be given a high priority on the development and poverty reduction agendas (Kaufmann 2000).

By using data on 97 countries over the period from 1974 to 1989, Keefer and Knack examined the impact of government institutions on investment and growth. They measure quality of government by combining five separate indices: corruption, expropriation risk, rule of law, risk of contract repudiation by the government, and the quality of the bureaucracy. The authors depicted that measures of the quality of government institutions do at least as well as in explaining investment and growth as measures of political freedoms, civil liberties and the frequency of political violence (Keefer and Knack 1995: 207-227).

Paolo Mauro (1998) indicates that high levels of corruption are correlated with lower levels of investment as a share of Gross Domestic Product (GDP). The indices of corruption are extremely associated with other measures of bureaucratic efficiency, such as the quality of the judiciary and the level of red tape.

Putting the separate indices together in a measure of bureaucratic efficiency (that ranges from one to ten, according to Mauro, “if Bangladesh [with a score of 4.7] were to improve the integrity and efficiency of its bureaucracy to the level of that of Uruguay [score 6.8]... its investment rate would rise by almost five percentage points and its yearly GDP growth rate would rise by over half a percentage point” (Mauro 1998: 263-279).

Corrupt high-level officials support too much unproductive public investment and under-maintain past investments. Tanzi and Davoodi in their paper, Corruption, Public Investment and Growth, show that corruption reduces total investment and limits foreign direct investment (FDI), but instigates excessive public infrastructure investment (Tanzi and Davoodi 1997).

Recently, United Nations Development Programme (UNDP) entitled ‘Corruption and Governance’ also pointed out, bureaucratic corruption and inefficiency have taken a heavy toll on the Bangladesh economy, causing hundred of millions of dollars worth of loss in terms of unrealized investment and income (Mustafa 1997).

In 2000 The World Bank in a paper ‘Corruption in Bangladesh: Costs and Cures’, suggested that by containing corruption Bangladesh could add to its annual per capita growth something between 2.1 and 2.9 percent and could also lower the poverty level by some 25 percentage points. The Bank said per capita income in a corruption free Bangladesh could have nearly doubled to USS 700 instead of 350 reflects the harmful impact of bribery, kickbacks and similar under-the-table payments on investment levels and misallocated resources (Asian Affairs 2000: 58).

In a nut-shell we can say international development agencies, policy makers and development scholars now come to diagnosis that development is not merely a matter of creating free markets, promoting investment and implementing macro-economic policies rather institutions (e.g., appropriate laws, social institutions and values etc.) matter for driving development and a dynamic economy. Hence we need good governance for “creating an effective political framework conducive to private economic action-
stable regimes, the rule of law, efficient state administration adapted to the roles that governments can actually perform, and a strong civil society independent of the state” (Hirst 2000: 14).

**Good Governance and Development: The Case of Brazil**

Here we can depict an example from a developing country, Brazil, for thinking differently about public-sector reform through good governance.

In 1987, before starting of the preventive health program in Ceara, a province in Brazil, access to health services and indicators of health were in the worst situation in Latin America. At that time, the rate of infant mortality was 102 per 1000, which was double that for all of Brazil. Vaccination coverage for measles and polio was only 25 percent. Among the state’s municipios only 30 percent had a nurse, or a doctor or health clinic. At best, mayors in their homes kept an ambulance and a small dispensary. The mayors typically distributed medicines from small dispensary and gave facilities to their friends and relatives for ambulance rides. They also help the needy voters as their client in return for political loyalty.

But in 1988, the new Brazilian constitution announced the mayors’ access to revenues for health expenditures by increasing the share of federal transfers to the municipios. It gave them greater taxing power and mandating that 10 percent of those new revenues be spent on health. But, many mayors spent less than the mandated amount on health, because the mechanisms for enforcement were not strong enough.

Only after five years practice, in 1999, the new preventive health program—named the Health Agent Program—which was initiated by the state Department of Health—changed this surprisingly. Infant mortality had declined by 36 percent to 65 per 1000, vaccination coverage for measles and polio reached to 90 percent of the population and all the state’s 178 municipios had a nurse and a public health program. Every month the health personnel’s were visiting 850000 families in their homes—which approximately covered 65 percent of the state’s population. They gave health care and advice in many basic areas of health such as, oral rehydration therapy, vaccination, prenatal care, breastfeeding, growth monitoring etc. They also collected data for the monitoring of health. The success of the program was widely spreaded nationally and internationally. Various state governments became encouraged by this program and wanted to imitate it. Ceara won the UNICEF Maurice Pate Prize for child support programs in 1993, for all these success and drastic change in health care.

But how this magical change had occurred? This case might be seen as a success in decentralization of public service from state to municipal government. Actually, the success had happened for the central government. The state took the matter very strongly and kept an iron hand on hiring, training and socialization of an essentially municipal labor force.

The planners of Ceara’s new preventive health program took the new mandates of decentralization and tried to avoid the clientelism associated with municipal health spending. The state hired many new public workers in three ways-

1. The workers were hired by temporary contracts.
2. During the program’s infancy stage, the state kept the funds for health-agent salaries not only out of the hands of the municipios, but away from the Department of Health. These funds remained in an account in the office of the governor.
3. The most remarkable thing to the decentralization issue, the Department of Health appropriated to itself the responsibility for hiring the health agents, while leaving to each municipio the responsibility for hiring and paying one or two half time nurse supervisors.

The state nurtured an inclination toward public-serving behavior among its workers and monitored the whole program in the community. The state entangled the health workers in that
community through intimate relationships of respect and trust with their clients. Ultimate the state developed the rural Ceara’s health condition.

If we see the whole change in the health sector of Ceara, we can easily notice that good governance have played vital role for this magical change.

Firstly, Because of the appreciation and effectiveness of government, the government workers demonstrated unusual dedication to their jobs. The workers have felt appreciated and recognized, not only by the superiors but also by their clients and the communities where they have worked.

Secondly, the government created a strong sense of “calling” and mission for the program and reformation among the workers. The government did this through public information campaigns, Prizes for good performance, public-screening methods for new recruits, orientation programs and campaign through the media about its successes. So here we see, government created voice and accountability among the workers and client and changed the whole scenario.

Thirdly, the government controlled graft, bribery and other malfeasances by two mechanisms- (1) hemming civil servants in with new pressures to be accountable (2) worked in the opposite direction. In this case, on the one hand, workers wanted to perform better in order to keep the new trust placed in them by their clients and citizens. On the other hand, the state’s publicity campaigns and messages stimulated the citizens about their rights to better government. Here, government played a powerful role in monitoring, but it did so indirectly by greater accountability and transparency (Tendler 1997: 14-45).

Performance of Good Governance in South Asia

The concept of good governance is ‘performance oriented’. Under performance of governance is omnipresent in South Asian societies. Although except Nepal, Pakistan and Bhutan all other

South Asian countries i.e., Bangladesh, India, Sri Lanka and Maldives have democratic system in operation but the democracy and democratic institution do not work properly. India has been a democracy for last fifty years right from independence in 1997. But intimidation and vote buying, minority repression also happens in India. As we know, democracy reborns in Bangladesh in 1991 with the fall of H.M Ershad’s militaristic rule in December 1990. During this time we have seen three free and fair elections but also seen the following unexpected events:

(a) Hartal (Strike)- a sad experience of our decade democracy, both of our major parties promise one thing but while in the opposition do totally reverse. Hartal has continued to plague our democracy and confrontation between two major parties has remained the order of day.

(b) The dysfunctional parliament - each of these three parliaments the opposition party has boycotted the parliament for a good part of their tenure.

(c) Politicization of public institutions - each of these three governments has politicized the administrations, universities and even civil service; and

(d) Control over media - although newspapers are free from the control of government but we cannot claim that journalists do not face some sort of govt. humiliation. Each of these three governments has used radio, TV as own spokesman (Uddin 2004: 8-9).

Infact, political instability and disorder, lack of voice and accountability are common in most of the South Asian countries. Obviously, all these are detrimental to promote development.

The legal system of these societies is also obsolete; people do not get equal treatment from court. In Bangladesh, special power Act of 1974 allows for persons to be kept in detention indefinitely. The public safety Act of 2000 and now RAB have proved a
repressive instrument, for example in its partisan use against opposition leaders and other political activities.

The court system offers a fair hearing to accessed persons, but the lack of effective legal aid means many cannot afford legal representation. Bail decisions are frequently arbitrary and subject to corruption. There is widespread distrust of the criminal justice system, and the cost and delays in civil litigation make alternative dispute resolution by traditional village leaders popular in rural communities. Like Bangladesh, these events are also omnipresent in India, Pakistan, Sri Lanka and Nepal.

Although, an honest judicial system is essential for the development of a country. According to Rose-Ackerman, “judicial decisions help determine the distribution of wealth and power, judges can exploit their position for private gain. A corrupt or politically dependent judiciary can facilitate high-level corruption, undermine reforms, and override legal norms. When the judiciary is part of the corrupt system, the wealthy and the corrupt operate with impunity, confident that a well-placed pay off will deal with any legal problems. The impact extends beyond the public sector to purely private disputes over contracts and property. Business deals may be structured inefficiently to avoid encounters with the judicial system, and ordinary people may be systematically taken advantage of because they lack access to an impartial system of dispute resolution. Bidding was may develop in which parties on opposing sides compete in making pay offs” (Rose-Ackerman 1999: 150). We also keep in mind, if a judiciary system is corrupt, it is costly for democracy because it cannot authentically perform the role of watchdog on constitutional values or monitor the honesty of the other branches of government (ibid, 150-156).

Corruption is a universal phenomenon. It is almost omnipresent in all South Asian societies. Corruption happens across every sphere of life and it affects every one. Hoogvelt depicts nicely, “in hospital patients offer bribes to nurses to persuade them to pass on a bed-pan, traffic rule breakers give bribes to police officers for waiving the penalty; tax collectors adding their personal increment to the inland revenue exactions; educational officers give govt. scholarships to their relatives; and political leaders buying the votes by using black money (Hoogvelt 1978 : 128-29). Gunnar Myrdal in his book, The Challenge of
World Poverty, through writing on South Asia, stresses the common ill of corruption in all developing countries. He treats corruption as ‘taboo’ and insists that the ‘taboo’ should be broken (Myrdal 1970: 239).

Rose-Ackerman depicts nicely, “a country is poorer overall if corruption levels are high. It may be caught in a corruption trap where corruption breeds more corruption and discourages legitimate business investment” (Rose-Ackerman 1999:3).

Corruption is all pervasive in Bangladesh. Politicians, civil servants and businessmen are involved in rampant corruption. Payoff benefits from corrupt practices including money, jobs, luxury gifts, building supplies, overseas travel and the payment of foreign tuition bills, foreign medical bills, overseas hotel and restaurant bills and personal liabilities (Kochanek 1993: 258).

Aminuzzaman conducted an opinion survey on household heads in Dhaka city and revealed that 68.25% of respondents paid bribes to concerned officials to obtain services. The results of the study directed that members of law enforcing agencies, customs and income tax departments were involved in administrative corruption (in Khan 2003: 18).

Recently, the Bangladesh Unnayan Parishad (BUP) conducted a survey of 2197 individuals. They were randomly selected from sixty districts. This opinion survey highlighted that 95% of respondents felt that the police department was most corrupt while 82% told that the secretariat (where most ministries/divisions are located) and the judicial system were most corrupt. The customs department came in the second position in the corruption indicator and 91% of respondents considering custom officials extremely corrupt. In the third position the officials of the Taxation Department were placed and 90% of the respondents felt they were highly corrupt (ibid, 190).

It is agreed that like cancer, the public life of India has been poisoned by corruption. Corruption has invaded all sectors such as administrative or political or economic sectors. There are number of reasons behind this. According to Padhay (1986), from all political shades the political actors, including ministers, legislators, office-bearers of political parties and other political office-holders are engaged in corruption. Members of the public bureaucracy are also involved in corruption. A number of measures, for example, forming of inquiry commission has taken to fight against corruption, but they have failed because of disinterestedness and lack of seriousness of successive governments (ibid, 14).

**Conclusion**

Good governance agenda is an emerging priority for the international community. It can be considered more pragmatic for meeting the public demands, promoting efficiency and development of a country. Although some observers, policy makers and administrators question these new interest by international organizations, stating that an unacceptable attempt to impose ‘Western values not being compatible with our culture’.

But we think that good governance is very important in the context of South Asia, especially Bangladesh. Because misgovernance is evident in every sphere of our national life. Without improving the key indicators of good governance, like rule of law, voice and democratic accountability, stable political regimes, government effectiveness and control of corruption it is not possible to achieve rapid per capita income and improve other social indicators. A modest growth in income cannot guarantee better rule of law or improved voice and accountability. Misgovernance has serious implications such as unattainability of growth path, suffering of pro poor strategies, lack of foreign investment, unstable political regimes etc (The Daily Star, October 10, 2004). Good governance may extremely complex but it is essential for curbing corruption, reducing poverty and to ensure a dynamic economy and development.

For achieving good governance, on the one hand, we need strong accountable and effective political institutions, patriotism and, on the other hand, aid agencies such as, IMF, UNDP, World Bank etc. should have a long-term commitment of funds and expertise to support governance reform projects.
NOTES


