According to the UNDP, governance can be seen as the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. Good governance is, among other things, participatory, transparent and accountable. It is also effective and equitable, and it promotes the rule of law. It ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources.

**Characteristics of good governance:**

1. **Participation**
   All men and women, inclusive of the physically challenged, should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capabilities to participate constructively. Participation is a process whereby policy-making, prioritizing issues, accessibility to public goods and services and also allocating resources is influenced by key stakeholders. It varies from one context to another and subject to different projects and visions. Participatory processes in a poverty reduction strategy promote information exchange and transparency in decision-making processes. The World Bank notes that this, in turn, will improve and, as a result, increase the overall governance and economic efficiency of development activities.

   Generally, public involvement includes three elements or ‘pillars’:
   - Public access to information;
   - Public participation in decision-making processes;
   - Public access to judicial and administrative redress often termed ‘access to justice’.

   Access to information can be passive or active. Passive access is where the public will get information upon request to government institutions. Active access is whereby the government is obliged to give and disseminate information. Access to justice is whereby the procedural rights of the public to information are respected and guaranteed. This is because for rights to be effective, there should be a corresponding remedy. The above pillars are also known in environmental law parlance as *third generation human rights* or *environmental rights*. They are also part of the basic tenets of good governance.

   The rationale for public involvement can be discussed from various dimensions. From a human rights dimension, people have the right to know, to be informed and participate in decisions that affect them as well as seeking redress. From a legal, ethical and moral dimension, citizens and government officials are obliged
to ensure good governance. It has been argued that government processes are improved through public involvement.

2. **Rule of Law**
   Laws, regulations and codes of conduct should be fair and enforced impartially, particularly the laws on human rights. One of the effective ways of tackling weak governance is to look at the disconnection between institutions within the broader governance environment including the scope of operation of the society in general. The availability of information is critical to good governance. Access to information and the promotion of procedural rights provide an enabling framework where accountability and improved delivery could enhance institutional changes. Information is critical for the leaders and their constituents to be informed of their problems as well as the solutions. Likewise, it is important to review previous institutional constraints in order to map the future with viable options because a poor governance system serves private interests at the expense of the poor and they suffer in a multiplicity of ways. A correct diagnosis of poor governance is important in that it determines practical strategies that are sustainable and effective in reducing poverty.

3. **Transparency**
   Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them. It promotes openness of government action, decision-making processes, and consultative processes among public sector and all stakeholders. These processes are subject to scrutiny by other government institutions, civil society and external institutions. Lack of transparency, weak accountability, lack of responsiveness and inefficiency also compromise good governance. In a corrupt government, public resources are diverted from meeting the needs of the poor and benefits do not reach the intended beneficiaries. Human security is compromised by corruption. This is because corruption is both a cause and effect of bad governance. The poor are usually disproportionately affected by poor governance because health, education and police services are inaccessible. Their income is usually eroded through payment of bribes.
   Corruption can be classified into two broad categories, state capture and administrative corruption. State capture takes place when a framework of laws and rules has been distorted. This form of corruption is characterized by enactment of laws, policies and regulations that are influenced through illegal and non-transparent ways, as well as serving private interests. Administrative corruption is about distortion of the implementation of these laws and policies. It refers to the “intentional imposition of distortion in the prescribed implementation of existing laws, rules and regulations to provide advantage to either state or non-state actors as a result of illegal transfer or concentration of private gains to public officials.”
4. **Responsiveness**
Institutions and processes try to serve all stakeholders within a reasonable timeframe.

5. **Consensus Orientation**
Good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures. Underlying this characteristic is the theory of consensus and consensus decision-making.

**Consensus**
Consensus has two common meanings. One is a general agreement among the members of a given group or community. The other is as a theory and practice of getting such agreements.
The process of achieving consensus involves serious consideration of every group member’s or stakeholders’ considered opinion. Consensus usually involves collaboration, rather than compromise. Instead of one opinion being adopted by a plurality, stakeholders are brought together until a convergent decision is developed.

**Consensus decision-making**
Consensus decision-making is a decision process that not only seeks the agreement of most participants, but also to resolve or mitigate the objections of the minority to achieve the most agreeable decision. Consensus decision-making is intended to deemphasize the role of factions or parties and promote the expression of individual voices. This method also increases the likelihood of unforeseen or creative solutions by juxtaposing dissimilar ideas.
Consensus decision-making involves identifying and addressing concerns, generating new alternatives, combining elements of multiple alternatives and checking that people understand a proposal or an argument. This empowers minorities, those with objections that are hard to state quickly, and those who are less skilled in debate. Therefore, consensus decision-making can be seen as a form of grassroots democracy.

6. **Equity**
All men and women have opportunities to improve or maintain their well-being.

7. **Effectiveness and efficiency**
Processes and institutions produce results that meet needs while making the best use of resources. This characteristic promotes efficient public delivery systems and quality public outputs. It deals with the amount of public respect the civil service has. One aspect of poor service delivery is corruption. One of the ways of fighting corruption is through competitive salaries and motivating staff through incentives. There is also a need to introduce legislation governing civil service and a code of conduct. This legislation will define the appointments and
promotions of civil servants through merit based processes as well as the organizational structure.

8. Accountability
Decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organization and whether the decision is internal or external to an organization. Central to the principle of accountability is information sharing and transparency which should be promoted by governance structures. Hence, accountability is hard to achieve especially in the absence of access to information. Public accountability is funded on two pillars. The first pillar is related to accountability by the executive and the second pillar is based on institutional change. Accountability can be classified in four categories. These are public, financial, horizontal and vertical. Horizontal accountability is the relationship between the executive, legislature and the judiciary. Vertical accountability is whereby one actor reports to another subject to the interpretation of constitutional provisions. Informal checks on these relationships are reinforced by the civil society and the donor community.

9. Strategic Vision
Leaders and the public have a long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

Good governance leads to a number of positive consequences, including:

- People trust your organization
- You know where you’re going
- Your board is connected to your membership and stakeholders
- You get good decisions; people value your work
- You have the ability to weather crises
- Financial stability

Implications of Good Governance

Sustainable development, social cohesion and environmental management are dependent on governance and efficient public sector management. Hence, good governance is representative of a successful public sector reform programme that promotes equity and sustainable development. A weak governance system compromises the delivery of services and benefits to those who need them most; the influence of powerful interest groups biases policies, programs and spending away from the poor and lack of property rights, police protection and legal services disadvantages the poor and inhibits them from securing their homes and other assets and operating businesses. Poor governance generates and reinforces – and subverts efforts to reduce it, while bad governance acts as
a barrier to economic development to both domestic and foreign direct investment and this leads to the collapse of the nation state.

**Why Public Sector Reform**

The impetus for reforming the public sector is based on several stimuli. Globalisation with its multi-faceted implications is undoubtedly the single most dominating factor. The effects of globalization can be seen in all areas of the business environment. It affects the political, economical, technological and social environs. The concept of public sector reform has evolved from isolated occurrences and is now seen largely as a global movement. The success of reform initiatives has been replicated in a number of territories and this has added momentum to the global revolution. The pressure exerted on developing countries has also contributed to this paradigm shift. Finally, the inefficiencies and ineffective processes in terms of organizational structure, management practices, legislation, political interference, outdated work processes and procedures, redundancy, nepotism, poor utilization of resources – human and materials, poor appraisal systems, lack of rewards and recognition systems, poor working conditions and corruption have all contributed to the internal turmoil that is characteristic of public sector departments.

The implications of good governance coupled with the stimuli impinging upon public sector reform have led to the formalization of goal two: “Firm craftsmen of our fate”: *New Governance for New Times;* from the draft document The National Strategic Plan of Barbados 2005-2025. This goal essentially acknowledges that in order to equip Barbados to function in the global economy will necessitate a transformation of not only the Barbadian society and economy, but also the way we govern ourselves. We will need a new paradigm of governance that speaks not just to the government of the society but also to governance in the society. Furthermore, at the heart of the new arrangement for governance must be greater transparency and accountability, based on a heightened sense of trust, not only in the public sector, but also in the corporate sector and civil society. It notes, that the public service must be a catalyst for change, and it is essential that public sector reform goes far beyond its present scope to embrace a radical overhaul of the administrative machinery of government. Civil society must also be strengthened as a critical part of governance. Non-governmental organizations (NGOs), single interest groups, faith-based organizations and community-based groups will have increasingly important roles to play in the governance of our society which must be characterized by higher levels of self-reliance, less dependence on the state and greater diversity and tolerance.

**Role of Office of Public Sector Reform (OPSR)**

The myth surrounding the Office of Public Sector Reform has permeated the entire public service unchecked for quite some time. It is assumed that the Office has the power and responsibility to enforce public sector reform initiatives. But in reality, the role of the Office of Public Sector Reform is to facilitate the development, co-ordination and implementation of Public Sector Reform Initiatives. The Office takes direction from the
Political Directorate – Prime Minister, Ministers, Permanent Secretaries and other such persons. Any initiatives undertaken must be sanctioned by those in authority. Therefore, in order to ensure the characteristics of good governance are adhered to and to fully realize true public sector reform will entail autonomy of the Office to develop and coordinate reform initiatives. It will also require the power and support to implement and maintain the initiatives that are reminiscent of the objectives set, and the annihilation of the inherent inefficiencies and ineffectiveness plaguing current Public Sector Departments.

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**Creating the Conditions for Good Governance**

Given the characteristics of good governance, its implications and the relevance to public sector reform within small developing nations, governments must create and sustain the conditions necessary for good governance within their respective territories.

**Conditions for good governance**

1. Create and adapt basic legislation and institutions that guarantee political and economic freedoms as well as strive to meet a broader range of basic human needs (food, housing, health and medicare, education, etc.).

2. Relax regulations in order to remove obstacles to economic participation.

3. Improve financial management.

4. Build infrastructure to ensure that organizational capacity is available to handle the growing needs for services, increasing demands for better and more responsive services, and creating conditions for economic progress and social cohesion.

5. Train public officers, business people and entrepreneurs. With the improvements in access to education brings the challenge of rapid changes in many knowledge areas therefore government must institute an ongoing development programme for its human resources to ensure that they are equipped with the necessary skills.

6. Reform public management practices to address issues such as budget deficits, external pressures on competitiveness (globalization), antiquated work procedures, excessive centralization, inflexibility, lack of efficiency and perceived lack of public confidence in government.

7. Freedom from distortionary incentives – through corruption, nepotism, patronage or capture by narrow private interest groups.

8. Accountability of politicians and civil servants to ensure that the power given to them through the laws and regulations they implement, resources they control and
the organizations they manage is used appropriately and in accordance with the public interest.

**Examples of Public Sector Reform Initiatives Promoting Good Governance**

1. **Eliminating Corruption**

   Corruption can manifest itself as individual, organisational or institutional and can be found in both the public and private sectors. In the context of the state, corruption most often refers to criminal or otherwise unlawful conduct by government agencies, or by officials of these organisations acting in the course of their employment.

   In Barbados, the Ombudsman's office was established in 1987. It hears complaints against government offices for alleged injuries or injustices resulting from administrative conduct. The office is proscribed from involving itself in issues involving foreign affairs, immigration questions, and certain other matters.

2. **Public Service code of conduct**

   A public service code of conduct provides guidance on required behaviours within the service and prescribes required standards of integrity and professional conduct. Such codes relate directly to conditions of employment and legally-enforceable regulations.

   In Barbados the public service act is being drafted.

3. **Improving Policy Presentation/Communication**

   The broad purpose of policy presentation strategies is:
   - To create and maintain an informed public;
   - To harness all suitable publicity methods; and
   - To sound out public opinion on policy changes and service developments.

   In Barbados, the Government Information Service (BGIS) is the official communications arm of the Barbados Government. This Department is responsible for the dissemination of public information to the various news media and the general public. Over the years, the Department has evolved from a fledgling information management function to a broad based news and public relations agency of government, impacting on the opinions of the people of Barbados regarding matters of governmental and national importance.
4. **Roles and Responsibilities**

The need to define management roles, the desire for improved support services for decision-makers (politicians) and the quest for meaningful and effective allocation of duties and responsibilities among public officials has all been central and critical to efficient government.

The Barbados Government also utilised a retreat setting to bring together parliamentarians and senior public servants to focus on, among other issues; the appropriate relationships between elected and appointed officials.

5. **Corporatisation**

The strongest form of commercialisation is corporatisation, a structural shift towards a more autonomous business unit, coupled with competitive neutrality.

In Barbados, the government has already corporatised the Barbados Port Authority. The Port of Bridgetown is a general services port, managed and operated by the Barbados Port Inc. as a commercial enterprise geared to market forces through competitive pricing and effective services.

6. **Reforming Financial Management**

The public service is responsible for protecting the value of the physical and financial assets owned by the government.

In 1996, the government has introduced a system of Programme and Performance Based Budgeting (PPBB). PPBB aims to improve the budgetary and financial management systems of the Barbados Government. PPBB lays greater emphasis on the classification of the budget, and is viewed as forward looking. It also places greater emphasis on prior accomplishment and performance indicators.

7. **Estate Management**

The estate is the land, buildings, equipment, and perhaps the infrastructure, owned by the government. This represents in all countries a massive accrued investment.

The Property Management Unit of the Ministry of Housing, Lands and Environment was established in 1980 in recognition of the Ministry’s responsibility for Government offices, land and other property involving the administering of leases, licences and contracts.

8. **External Audits**

The purpose of an external audit in the public sector is to provide assurance to taxpayers as to the integrity of public finances (the financial audit), and also to
ensure that value is being achieved in public spending (the value-for-money audit).

In Barbados, the Audit General’s Office is responsible for carrying out value-for-money audits in all government departments and agencies. The legal mandate to perform this type of audit is listed in section 26(3) of the Financial Administration and Audit Act. This section states that “the Auditor General may carry out examinations into the economical, efficient and effective use of resources of any Ministry or Department or any other entity required to be audited by him.” It is important to recognise that the Audit Office does not have any power to enforce its recommendations. It is the responsibility of the management of the Ministry/Department to ensure that it is utilizing its resources in an efficient manner.

9. **Partnership for Development**

Partnership for development can be defined as an agreement negotiated by the state and social partners, namely private sector institutions and civil society organisations.

The Social Partnership in Barbados was first solidified in 1992, as a response to economic turmoil the country was experiencing. This tripartite partnership among government, labour and the private sector continues to show success. One of the objectives of the social partnership is to increase competitiveness through improved productivity and efficiency in the workplace.

10. **Corporate Missions**

The mission of a public or private sector organisation captures its overall purposes, what it exists for, and what it intends to achieve within its area of operation and responsibility.

In Barbados, the new Performance Review and Development System requires all government agencies taking part in the pilot phase to develop a strategic plan. As you know a mission statement is an integral part of a strategic plan.

11. **Performance Indicators**

Performance indicators are statistics, used as a management tool, which reflect the activities of the public service, and give insight into how well it is functioning. Performance indicators are used to monitor a particular programme or activity, or the performance of an organisational unit, such as a ministry or department.

In Barbados, the new Performance Review and Development System is an organisational approach to improve performance by aligning planning with management. It links corporate planning and budgetary cycles and plans to division, team and individual work planning, training, and reward and recognition.
activities. It promotes a non-blame approach to problem solving, employee empowerment and the development of a performance culture.

12. Capacity-Building

Management development institutes are established in most Commonwealth countries. Their role was to provide training, consultancy and research services to governments. The main target group and recipients of their services were top level, senior and middle managers within the bureaucracy. In addition to building capacity for the public sector, they were also expected to serve as think-tanks through their research into public policy formulation and policy reforms.

The Centre for Management in Barbados, which is an autonomous body within the University of the West Indies, delivers graduate and executive programmes. It recently launched an MBA for public service managers.

13. Efficiency Audits

Efficiency audits are also known as value-for-money audits, and have much in common with efficiency scrutinies.

In Barbados, the Auditor General’s Office performs value-for-money auditing which looks at the economy in acquiring resources, efficiency in the use of resources and the effectiveness of programmes.

14. Performance Appraisal

Performance Appraisal is a system by which an individual is guided towards making an effective contribution to the work of the public service.

Barbados has created a Performance Review and Development System Unit to implement the new appraisal system.

15. Information and communication technology (ICT)

Information and communication technology (ICT) is revolutionizing the way governments operate around the world by enabling them to improve the delivery of services to their customers and to streamline their operations.

The Government of Barbados intends to utilize all available new and emerging technologies to enhance the quality of life of its citizens.