

Essay on Good Governance for National Development

Introduction

The term “governance” means different things to different people. It is, therefore, useful for the Bank to clarify, at the very outset, the sense in which it understands the word. Among the many definitions of “governance” that exist, the one that appears the most appropriate from the viewpoint of the Bank is “how power is exercised in the management of a country’s economic and social resources for national development. In the broader sense, good governance relates to transparency, correctness, courtesy in Govt. tasks. Only it can assure a corruption-free society and secure public life. Accountability, responsibility make individuals more earnest in their work. Any nation’s awareness is badly needed to make good governance in their country. The government will ultimately do its duty for the welfare of the common people if good governance is present duly. Without good governance, no nation can develop, and there is no evidence of sound development in any country of the world. China is the glaring example of good governance now. This country, being a third world country, is the number one economical power now. Those who find faults with socialism have become cross-eyed now by seeing the miraculous rise in the Chinese economy. Therefore, good governance is a much-talked term all over the world.

Importance of Good Governance

It has been observed that, while many governments have undertaken broadly similar reform packages, the outcomes have varied significantly across countries. Several factors are underlying these differences, but one is the quality of governance in the countries concerned; in other words, the ability of governments to implement

effectively the policies they have chosen. Hence, “getting policies right” may not, by itself, be sufficient for successful development, if standards of governance are poor. It is for this reason that improving governance, or sound development management is a vital concern for all governments.

Irrespective of the precise set of economic policies that find favor with the government, good governance is required to ensure that those policies have their desired effect. In essence, it concerns norms of behavior that help ensure that governments deliver to their citizens what they say they will deliver. Successful development has taken place in countries with different political systems. However, the common features that stand out in respect of high-performing economies are stability in broad policy directions, flexibility in responding to market signals, and discipline in sticking with measures necessary for meeting long-term objectives despite short-term difficulties, all hallmarks of good governance.

A basic issue that arises about governance is the proper role of government in economic management. The growing consensus among development specialists in this regard is that, with the limited access of governments to information, markets generally allocate resources more efficiently. In market economies, production and consumption decisions are based essentially on the price mechanism. However, even in such economies, governments are expected to perform certain key functions. These include;

- maintaining macroeconomics stability,
- developing infrastructure,
- providing public goods,
- preventing market failures, and
- promoting equity.

By developing infrastructure, governments can create conducive conditions for private investment in commercial activities. However, given the fiscal constraints of most governments, the role of the private sector in infrastructure development is likely to increase. The challenge for governments is to devise a policy and institutional framework that allows wider participation to the private sector in infrastructure development and management while safeguarding the public interest at the same time.

A key responsibility of government is ensuring that the benefits of economic growth are equitably distributed across society. Taxation and expenditure measures are prominent instruments for this purpose. The Income Tax and the Custom Departments are eating up a good portion of the revenue or failing to perform their duties satisfactorily, year after year, leaving behind a huge backlog of accumulated taxes. A certain tax or duty, for instance, which might have been levied or imposed some 5 or 6 years ago and could not be realized due to sheer departmental inefficiency, is promptly replaced by an enhanced set of taxes or duties by successive finance ministers in a much abrasive manner at the first opportunity. This policy of levying fresh taxes and duties in every budget should not continue if good governance is aimed at. Instead, the previous imposed ones should be realized by the NBR.

Again, while taxes should not be excessive (so as not to discourage production and growth), they should be collected effectively to provide adequate revenue for essential services (and help maintain fiscal balance). The latter consideration also requires that public spending avoid excessive debt-service burdens, and subsidies for low priority activities be phased out. This underscores the close relationship between equity and macroeconomic stability.

Recommendations

Good governance is very important for the overall development of a poor country like ours. So, all the major political parties, civil servants, and private sectors should come forward to co-operate with the government in this respect. It is only then when the rights of the poor and the weak will be established in a just and egalitarian society. However, in the light of the above brief discussion, the following recommendations might be considered to ensure good governance. 01. Law and order situation should be improved further. 02. The government should be sincere in removing the political deadlock from the parliament. 03. Political unrest should be removed to attract foreign investors. 04. Poor people should be brought under the safety net program. 05. Measures should be taken to remove, or at least lessen, natural disasters. 06. The size of the government should be reduced. 07. The administration should be kept free from political pressure. 08. The administration should be decentralized making the district the center of development and planning. 09. Employment, as well as promotion at all levels, should be based on merit and quality. 10. Rule of law should be applied strictly. 11. Neutrality should be protected in administration. 12. Strict accountability will be ensured everywhere with real transparency in all dealings, big or small.

Conclusion

Given the role of government as economic development manager, as outlined above, policies that best suit these responsibilities need to be followed. Once those policy choices are made, however, good governance is required to make sure that implementation is effective and consistent. As a development partner, the Bank has a clear and direct interest in the capacity of borrowing governments to fulfill their economic role by implementing the associated policies. More specifically, the success of the Bank's project investments depends crucially on the efficacy of the institutional framework in

DMCs and the consequent capability for purposive implementation. To conclude, there is no alternative to good governance for national development. Again, national development is closely related to bank-based good governance. For example, for the sake of good governance, Bangladesh is still deprived of having a loan for constructing the proposed Padma Bridge from the World Bank; from the Bank authorities an allegation that our ex-Communication Minister Abul Hossain and Moshirur Rahman, the Finance Advisor of the Prime Minister, have tried to give the construction contract of the Bridge to the Canadian SNC Lavalin Company for a handsome amount of bribe, has been posted on. Therefore, to ensure national development we have to ensure good governance first.