

WHAT IS GOVERNANCE?

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Currently there is no single definition of governance. To review this point, this section is divided in two parts. First, governance definitions proposed by scholars and specialists are reviewed. The paper then describes how governance is conceptualized by international organizations.

From an academic perspective, Peters notes that the origin of the word governance stems from the root understanding of leading or managing a boat. According to this author, all societies suffer from collective action problems, such as security or the scarcity of resources, and government plays a central role in resolving these issues. Thus governance can be understood as “the ability of the State to direct and control society and the market” (Peters, 2012: 19).

Second, Fukuyama argues that governance is “the ability of the State to exercise authority and provide public goods” (Fukuyama, 2013: 3). For him, it is necessary to measure the capacity of government, the bureaucratic procedures, the products and services it provides, as well as the bureaucratic autonomy of governmental institutions. Further on, Fukuyama notes that while the international trend is to create national indicators, governance varies by region, level of government and function. In other words, the measurement of governance changes depending on the structure being analyzed, such as, the European Union, a Ministry of Agriculture, local governments, etc.

Other scholars like Rothstein and Teorell built a definition of governance based on the notion of quality of government (Rothstein, 2013). Under this perspective, the essential characteristic of quality of government is “impartiality in the exercise of political authority” (Rothstein, 2012). Such impartiality occurs “when laws and policies are interpreted and public officials do not consider anything on the citizen or event which has not been previously stipulated by law or policy” (Stromberg in Rothstein, 2013: 16).

POLITICAL
SCIENCE
DEFINITION

PUBLIC
ADMINISTRATION
DEFINITION

QUALITY OF
GOVERNMENT
DEFINITION

CONTEXTUAL DEFINITIONS

Lastly, other theorists argue that governance is not a static concept, but rather it changes continuously. Bevir (2010: 11) states that governance refers to “the contingent and constantly changing nature of political activity”; similarly, Rhodes (2012: 33) argues that governance are “the new processes of governing; or [...] new methods by which society is governed.”

Regarding international organizations, the World Bank created in 1996 the “Worldwide Governance Indicators” (WGI). These indicators are built by grouping various indicators related to aspects of the political system, government effectiveness, rule of law and corruption. In this sense, Kaufmann, Kraay and Mastuzzi (2010) define governance as:

The traditions and institutions by which authority in a country is exercised. This includes (a) the process by which governments are selected, monitored and replaced; (b) the capacity of the government to effectively formulate and implement sound policies; and (c) the respect of citizens and the State for the institutions that govern economic and social interactions among them.

For its part, the Organization for Economic Co-operation and Development defines governance as “the exercise of political, economic and administrative authority” (OECD, 2013: 192). OECD’s *Government at a Glance* uses indicators that allow comparing the results from different institutional designs and policies. Some of the aspects included are related to trust in government, finance, economics and procurement, budgetary practices, employment in government, gender equality, open and inclusive government, as well as access and quality of public services.

United Nations Development Programme defines governance as:

The system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions –achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance [...] operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe (UNDP, 2000).

WORLD BANK DEFINITION

OECD DEFINITION

UNDP DEFINITION

