Governance : Past, Present, Future
Setting the governance agenda for the Millennium Declaration

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At the Millennium Summit General Assembly of the United Nations in September 2000, world leaders committed to the Millennium Declaration of the United Nations that set key objectives for the 21st century. The Declaration embodies an unprecedented consensus, outlining a common vision of peace and security, development and poverty eradication, securing human rights, democracy and good governance. It includes quantitative development goals (MDGs) to be achieved by 2015 that focus on seven key areas of human well being, from halving income poverty, to achieving universal primary education, reducing child and maternal mortality, reducing gender disparities and empowering women, arresting the spread of HIV/AIDS, and ensuring environmental sustainability. It also includes a 'partnership goal' that addresses the role of rich countries by increasing official development assistance and opening trade opportunities.

Achieving these objectives will not be possible without concerted action. Analysis of current trends shows that without accelerating the pace of progress, the world would fall short of these development goals.   For example, while the number of hungry people was reduced by some 6 million in the last decade, it would take 130 years to eliminate hunger now affecting 800 million people. Many countries have achieved major gains in human development in the last decades but at present pace of progress some 33 countries would not reach even half of the MDG goals.[2] And as threats of terrorism, war and global instability loom, the third wave of democratization that marked the last two decades seems to be stalled as many new democracies face crises, coups and coup attempts.

What is needed to hasten the pace of progress? Debates abound on whether it is money, technology, macroeconomic policy, or something more difficult to pin down, 'governance'. While controversies rage as to which must come first or which is more important, most would agree that all of these elements are needed, that none of these factors would be effective without improved 'governance' that shapes how these resources are used and who has a say in those decisions.

This paper is about the 'governance' reforms needed to meet the human development challenges of the Millennium Declaration.

Evolving debates on governance – governance for markets or people.

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[1] Sakiko Fukuda-Parr is lead author, and Richard Ponzio is coauthor, of the Human Development Report 2002: Deepening Democracy in a Fragmented World. This paper is based on the HDR2002 and background research done for it. The paper is written by the authors in their personal capacity and is not a statement of UNDP policy.
[2] UNDP, Human Development Report 2002; see also United Nations, Implementation of the United Nations Millennium Declaration, Report of the Secretary-General to the Fifty-seventh session of the General Assembly; Document A/57/270 of 31 July 2002

It has become a truism to say that 'good governance is essential for successful development'. This simply begs the question what is 'good' in good governance and what is 'development'? Governance is about processes, not about ends. It is about the process by which power and authority is exercised in a society by which government, the private sector, citizens' groups articulate their interests, mediate their differences, and exercise their legal rights and obligations.[3] Common definitions of describe governance as a process by which power is exercised without explicitly stating the ends being sought. (Box 1)

Box 1
Governance – common definitions

Definitions of governance by leading institutions and studies converge on the term as referring to a process by which power is exercised.

World Bank: Governance is defined as the manner in which power is exercised in the management of a country's economic and social resources. The World Bank has identified three distinct aspects of governance: (i) the form of political regime; (ii) the process by which authority is exercised in the management of a country's economic and social resources for development; and (iii) the capacity of governments to design, formulate, and implement policies and discharge functions. (World Bank, 1997);

UNDP: Governance is viewed as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. (UNDP 1997);

OECD: The concept of governance denotes the use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development. This broad definition encompasses the role of public authorities in establishing the environment in which economic operators function and in determining the distribution of benefits as well as the nature of the relationship between the ruler and the ruled. (OECD DAC, 1995);

Institute of Governance, Ottawa: Governance comprises the institutions, processes and conventions in a society which determine how power is exercised, how important decisions affecting society are made and how various interests are accorded a place in such decisions. (Institute of governance, 2002); *Commission on Global Governance*: Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest. (Commission on good governance, 1995)

But to guide public policy, governance reforms need to be designed in the context of economic, social and political objectives.   In the 1960s, 70s and into the 80s when development was seen to be state led through a 'planning' framework, strengthening public administration was the focus of what is today called 'governance'.   Today's governance debates grew out of concerns with the implementation of economic reform programmes that were part of an overall economic liberalization agenda in developing countries.

As the macroeconomic reform programmes introduced in the 1980s matured in the 1990s, attention turned to questions of why policy reforms were not implemented, and to obstacles such as lack of adequate legal frameworks for investors, weak institutions in enforcing law, corruption, and ineffective administration.   These "good governance" proponents are preoccupied with creating efficient institutions and rules that promote development by making markets work and ensuring that public services were managed effectively.[4]   The World Bank's World Development Report 2001/2, focused on 'institutions for markets'.   Key aspects of the agenda for governance development and reforms included: rule of law, such as the enforcement of contracts and property rights; eliminating corruption and other rent-seeking activities; transparency in public services to ensure efficiency and effectiveness; reducing uncertainties and instability in the economic and political environment; ensuring efficient public services for basic social services such as schools and healthcare centres.   These priorities are essentially aimed at increasing economic efficiency and growth by setting an environment that is conducive to private investments.

These priorities have been greatly influenced by the writings of new political economy of the 1970s and 1980s.   The new political economy emphasizes political rationality on the part of policy-makers as a variation on the theme of economic rationality stemming from neo-classical economics.   Under this approach, the rational, self-interested choices of politicians, bureaucrats and interest-groups were reinterpreted in terms of various strands of thought: public choice theory, rent seeking behavior, directly unproductive profit-seeking activities, and the new institutional economics.[5]

In many respects, this 'good governance agenda' is too narrow for the purposes of achieving the goals of the Millennium Declaration.   The Millenium Declaration has a broader agenda that covers peace and democracy. On the social and economic front, the agenda is not economic growth but more directly aimed at improving human well being of the poor, in other words, human development.   Economic growth is a means.   It is a priority challenge today as many poor countries where poverty is concentrated have not had adequate growth in the last decades. Over 60 countries had a lower per capita GDP in 2000 than in 1990. But economic growth is clearly not enough because the benefits of growth may not be channeled to the poor, or to expanding their social and economic opportunities. MDGs reflect a development agenda that is for human development, not just economic growth, and for equity not just efficiency.

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[4] World Bank 1992 and 1994 policy papers on governance, OECD DAC 1996, WDR 1997.
[5] Some of the pioneers of this rich debate included Anthony Downs, Mancur Olson, James Buchanan, Gordon Tullock and Douglass North. See: Ronald Findlay, "The New Political Economy: Its Explanatory Power for LDCs" in Politics and Policy Making in Developing Countries, ed., Gerald M. Meier, (San Francisco: ICS Press, 1991), 13.

The 1990s saw another powerful set of ideas emerge from human development advocates. Authors such as Richard Falk and Mahbub ul Haq developed concepts of 'humane governance'. In contrast to the concept of 'good governance', the concept of 'humane governance' was developed by Falk explicitly for the end to make governance more people oriented, focused on human rights and global security, to redress 'inhumane governance' reflected in five persistent global problems; the failure to meet basic needs; discrimination and denial of human rights to women, indigenous people and others; failures to protect the environment and to safeguard the interests of future generations; lack of progress in abolishing war; and failure to achieve the spread of 'transnational democracy'.

Humane governance is a set of social, political, economic and cultural arrangements that is committed to making rapid progress in these areas. Developed in the context of a World Order Models Project, this analysis is oriented primarily to developing governance for a more equitable global order in which the lives of people are necessarily interlinked regardless of the boundaries of nation states.[6]

Another approach to 'humane governance' was developed in the report, Human Development in South Asia, 1999 led by Mahbub ul Haq which was completed and published posthumously. This report developed a policy agenda for human governance dedicated to securing human development along three lines: first, structures and processes that support the creation of a participatory, responsive, and accountable polity (good political governance); second, a competitive, non-discriminatory, and equitable economy (good economic governance); and third, a society in which people are given the ability to self-organize (good civic governance).[7]

Democratic governance for human development – the concept

Building on these ideas, the Human Development Report 2002 elaborated on the concept of 'democratic governance' that is governance that would promote human development.[8] Like the concept of 'good governance', democratic governance seeks efficient institutions, and a predictable economic and political environment necessary for economic growth and effective functioning of public services. But the concept of democratic governance shares with humane governance the concerns with political freedom and human rights, and removal of discrimination as central objectives.   A reform agenda would aim not only at building institutions and rules that are not just efficient but also fair, and that are developed through a democratic process in which all people have a real political voice.   Democratic governance thus incorporates into the notion of good governance for development, democratic processes and institutions, and a concern with the securing of political and civil rights and freedoms as human rights.   (Box 2)

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[6] Richard Falk, *On Humane Governance,* (University Park, PA: The Pennsylvania State University, 1995), 1-2. Professor Falk further writes, "The emergence of humane governance will depend on the dramatic growth of transnational democracy, and on the extension of the primary democratic practices. It will also depend on an evolving sense of allegiance to global civil society and on the plausibility of humane governance as a political priority commitment for women and men from all parts of the world." (p. 2)
[7] Mahbub ul Haq Human Development Centre, *Human Development in South Asia 1999,* (Karachi: Oxford University Press, 1999), pp. 31 and 37.
[8] UNDP, *Human Development Report 2002: Deepening Democracy in a Fragmented World,* New York and Oxford, Oxford University Press, 2002

Box 2
Democratic governance: Good governance from a human development perspective

At its core, *democratic governance means*:

- People's human rights and fundamental freedoms are respected, allowing them to live with dignity.
-People have a say in decisions that affect their lives.
- People can hold decision-makers accountable.
- Inclusive and fair rules, institutions and practices govern social interactions.
- Women are equal partners with men in private and public spheres of life and decision-making.
- People are free from discrimination based on race, ethnicity, class, gender or any other attribute.
- The needs of future generations are reflected in current policies.
- Economic and social policies are responsive to people's needs and aspirations.
- Economic and social policies aim at eradicating poverty and expanding the choices that all people have in their lives.

Source: UNDP, Human Development Report 2002

Democratic governance differs from the concept of 'good governance' in recognizing that political and civil freedoms and participation have intrinsic value as developmental ends in themselves.   They are not just means for achieving socio-economic progress.   .

Democratic governance is built on the concept of human development in its full sense of the term, which is about expanding capabilities people have, to be free and able to lead lives that they would choose to.[9] The capability to be free from threats of violence, and to be able to speak freely is as important as being literate for a full life. While the range of capabilities that people have is huge and almost infinite, several key capabilities are fundamental in human life and are universally valued, not only those in the 'socio-economic sphere' such as health and survival, education and access to knowledge, minimum material means for a decent standard of living, but those in the 'political sphere' such as security from violence, and political freedom and participation. Indeed, these are core elements of human well being reflected in the Millennium Declaration.

Democratic governance needs to be underpinned by a political regime that guarantees civil and political liberties as human rights, and that ensures participation of people and accountability of decision makers.

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[9] The term human development is often misinterpreted as a narrower concept that is focussed on improving education and health. In fact, the term is used in this narrower sense by some including the World Bank. In this paper, human development is used to mean capability expansion as defined in Human Development Reports.

The links between democracy and equitable socio-economic development

Few today would argue against political freedom and socio-economic progress as key elements of human progress. But many wonder if these two elements are compatible, and if 'democratic governance' is a feasible proposition. People fought for and won democracy in the expectation of a 'democracy dividend.' By throwing out corrupt regimes, authoritarian leaders and their arbitrary rule, people had high expectations of that elected leaders would be more responsive to meeting the basic needs of people.   But in most countries this did not materialize, either because economic growth was inadequate or because the pattern of growth meant that the benefits were not widely shared.

The third wave of democratisation in fact coincided with a period of economic stagnation in many countries.   Although a number of countries including China, Vietnam, India achieved rapid economic growth over the last decade, over 60 countries ended the decade poorer than when it began.   Lives of the poor did not improve in many countries, even in those that had achieved economic growth; child immunization began to decline in the 90's in Subsaharan Africa and South Asia; net primary school enrolment declined in the Gambia, Tanzania, Zambia and several other countries; the proportion of people living on less than $1 a day declined a little but their numbers increased in all regions other than Asia. Within many countries, the gap between the poor and the rich grew sharply.   In Eastern and Central Europe and the Former Soviet Union, expanding political and civil liberties in almost all countries was accompanied by rising crime, deteriorating social services, loss of jobs and incomes, and a sharp rise in income inequality.[10]

Not surprisingly, people blame democracy for these economic and social ills. A common refrain heard is 'democracy has failed'.   This idea is not new. For long many have argued that democracy and development are not compatible because democracy can be disorderly and introduce chaos, undermining economic and social development efforts. Recent events such as Presidential elections in Madagascar where candidates contested the results, or pressures in Venezuela for the elected President to resign would give credence to these claims. Others argue that in democracies it is difficult to introduce politically unpopular policies, and that non-democratic states can manage the economy with a firm technocratic hand. They draw on the highly successful growth experiences of countries such as China, Vietnam, and South Korea. Yet empirical evidence does not support these claims that authoritarianism helps accelerate economic growth. For every China, there are several non-democratic regimes that took their countries to ruin as Uganda under Idi Amin or Haiti under Duvalier. In fact, historical evidence shows that authoritarian regimes have dominated both the best and the worst economic growth performances. Without checks on power, authoritarian regimes can be either benevolent or malevolent, highly developmental or arbitrary in economic management. Overall, the relationship between economic growth and type of regime is weak and indirect. Among the many determinants of economic growth, regime type is not a major factor.[11]

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[10] UNDP, Human Development Report 2002: Deepening Democracy in a Fragmented World. 2002. New York, Oxford University Press
[11] Przeworski and others, 2000, Democracy and Development: Political Institutions and Well-being in the world, 1950-1990. New York, Cambridge University Press; Barro, Sources of Economic Growth

But when more than economic growth is considered, democracy can work to put in a political dynamic to respond to the social and economic priorities of people and contribute to reducing poverty and promoting human development.   The free circulation of information and open space for public debates, and the threats of elections that can remove politicians from office, are processes in democracies that can check the abuse of power and protect people from economic and political catastrophes and descents into chaos. As Amartya Sen has shown, famines that were frequent in colonial times have not occurred in India since independence, even in times of food shortage because public pressure obliged governments to act. In contrast famine has claimed an estimated 2 million lives in North Korea since 1995, a staggering 10% of the population, and in China too during 1958-61 nearly 30 million people perished.[12] Democratic institutions can check authoritarian leaders from taking on ruinous policies in other ways.

Democracies also contribute to political stability and thus to human security because open space for political contests allows more peaceful resolution of conflict. Between 1950 and 1990 riots and demonstrations were more frequent in democracies but were much less destabilizing than in dictatorships. Dictatorships are also more prone to war; they experienced war every 12 years compared with every 21 years in democracies. [13]

The lesson from these empirical findings is that while democracy can contribute to equitable socio-economic progress, it is neither a panacea for eradicating poverty nor a luxury for poor countries.

Challenge of strengthening accountability and participation through the spread of democratic institution and democratic politics

But these findings also raise a question – where do the incentives to respond to peoples needs fail in democracies? Why does democracy not have stronger links with equitable expansion of social and economic opportunities for the public at large? Why are social injustices widespread even in long established democracies, such discrimination against ethnic minorities, women, the elderly and others and their chronic under-representation in politics?   Democratic institutions and processes that give voice to people, and hold rulers accountable, as well as the open competition for power make politicians more likely to respond to the needs or ordinary people.

But even in established democracies, these democracy deficits persist. There are two main reasons:
- First, corruption and elite capture subvert democratic institutions.
- Second, inadequate reach of reach of democratic institutions of participation.

Corruption, abuses of power, intimidation by criminal elements—all weaken democratic accountability. Oversight and regulatory agencies may also fail to act when they have been captured by political or special interests. Judicial proceedings can be undermined when they are open to bribes, providing little protection to ordinary people. Women, for example, may well get little justice from male dominated courts.   Money in politics is especially serious because it can

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[12] UNDP, Human Development Report, 2002. New York. Oxford University Press
[13] Przeworski and others, 2000

distort democratic institutions at every level. Electoral processes cannot operate without financing. But where money plays a decisive role in politics, it turns unequal economic power into unequal political advantage and undermines the principle of "one person, one vote".[14]

Even well-functioning formal structures of participation and accountability are at best only blunt instruments. Elections and other formal checks enable citizens only to end the tenure of politicians who abuse their mandates. And joining political parties, seeking to influence their agendas and voting in elections have rarely been enough to safeguard the rights of women, minorities and poor people. Democratic realists say that this is to be expected of representative democracy, which above all is a system of political competition, not one intended exclusively to empower citizens.[15] But that neglects two other features of democracy: participation and accountability.

What needs to be done to breaking the vicious circles of corruption and elite capture. Strengthening the key institutions of democracies is a necessary first step which is by no means a trivial challenge in new democracies. Political parties are far from institutionalized and virtually disappear between elections. Many media bodies are still subject to restrictions or do not have adequate professional capacity. In many new democracies, political reforms have not been consolidated and the executive continues to exercise control over the judiciary and legislature. Or important institutions such as independent electoral bodies have not been established. Thus only 47 of the 81 countries that took steps to democratise in the 1980s and 90s are considered to have completed these reforms.

But strengthening institutions is only part of the solution. Political pressure also has to come from outside formal structures, through the emergence of a more vibrant democratic politics, led by a watchdog media and activist citizens groups. A trend of the past decade is the expansion of democratic politics, with a groundswell of civic activism around the world demanding greater accountability of government and other powerful actors such as private business and multilateral organizations. These civil society actors are using new and innovative approaches to get their messages heard, and expanding their role from watchdogs that monitor to active participants in setting agendas.   Some promising and exciting developments of the last decade have been the expanding role of the civil society, the media and the judiciary in challenging elite capture of political processes. Numerous community organisations, women's groups, labour unions and NGOs are finding new strategies for demanding accountability, many with positive long term impact. For example, a community organisation in Rajastan, India, called Mazdoor Kisan Shakti Sangathan (MKSS) started examining village budgets and finding irregularities. They held public hearings, exposed corruption, and this process led to reforms in budgeting processes to build in citizens' consultation and monitoring. Similar initiatives have spread over the continents and participatory preparation and monitoring of budget processes has developed into a solid tool for empowerment of people. Many civil society initiatives successfully ally with the media, or with the judiciary, and with other national and global NGOs.   Investigative media and judicial activism are other examples of new approaches for public engagement to press for equitable development.

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[14] Anne Marie Goetz and Robert Jenkins, 'Voice, Accountability and Human Development: The Emergence of a New Agenda", 2002, Background paper for HDR2002
[15] Goetz and Jenkins, op.cit.

Global NGO networks have been particularly effective in moving policy on a global scale. The Jubilee 2000 campaign moved rich country policy on debt relief. Over 1,400 NGOs from 90 countries mobilized to raise public awareness and work with governments to press forward on the land mines treaty in record time, negotiated in just one year. Alliances between international NGOs and developing country governments and the private sector, was behind the breakthroughs on agreements on intellectual property at Doha.

Thus the strengthening of democratic institutions and the spread of democratic politics make up two priorities democratic governance priorities for human development and achieving the MDGs. There are two other priorities: first, democratic control of the security forces and second, the democratisation of global institutions and decision making.

The challenge of securing peace and democratic governance of the security sector

All people need to feel safe from threats of violence. All societies need security forces to maintain peace and order. Just as authoritarian leaders often argue that democracies hinder efficient economic management, they also argue that democracies are incompatible with public order and security. But history suggests that when power is not checked, and the security sector is not governed democratically, the supposed guarantors of people can turn into its greatest threats. If the security sector is not democratically governed, security forces can turn against people. With an estimated 170 million people killed by governments in the 20th century, state security forces are linked to heinous human rights violations that fuel regional insecurity.[16] This is far higher than the number of deaths from wars between states. Almost all these deaths occurred under authoritarian regimes, with only two million occurring in democracies.

Yet civil control of the military is not a reality in many countries. In the 1990s, the military intervened in 19 countries, sometimes multiple times. Many new democracies have emerged from military rule. The military are still powerful institutions politically and rulers in fledgling democracies often depend on the military for support to stay in office.   Reform to establish democratic governance of the security sector is therefore a key challenge of democratic governance today.

The challenge of democratic governance at the global level

People having a say in decisions that affect their lives and holding decision makers accountable is no longer a national issue. Global rules and actors affect peoples lives profoundly. Achieving the MDGs will depend not only on governance within national borders alone. Global cooperation today must be improved to do a better job of preventing and managing a host of transnational issues such as violent conflict, expanding opportunities for trade for poor countries, environmental collapse, and the spread of disease.

This cannot rely on 'charity' but on 'policy' on the part of the rich countries, and on global rules and processes for decision making in which poor and small countries have a greater say. For example global trade rules and institutions work against the interests of poor countries.   High

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[16] Rummel 1997.

income OECD countries impose tariffs on imports from developing countries are on average four times the tariffs on imports from other rich countries.   At the same time, OECD countries continue to support their farming sector with subsidies that now total $1 billion a day, six times the expenditures on development assistance to poor countries. Yet more than half the poorest people in the world (living on less than $1 a day) are food producers trying to compete in global markets.

Giving a greater voice to poor people and poor countries will not be easy in the face of huge imbalances in economic and political power among nations. But there is plenty of scope to do better, through two approaches:

- Greater pluralism—expanding the space for non-state actors to influence policies and hold powerful actors accountable.
- More democratic international organizations—increasing representation, transparency and accountability in decision-making.

First, increased pluralism has already contributed to enhancing the voice of poor countries and people in global negotiations.   It plays an important role in shifting public opinion in rich countries. High profile NGO campaigns such as access to HIV/AIDS retrovirals has raised public awareness in rich countries and pressured rich countries to take more pro-developing country views. Trade negotiators' remit is to promote their own countries interest, so shifting public opinion in rich countries is a first step in shifting rich country positions in democratic societies. The media obviously has a major role in this effort.

More pluralistic structures of global dialogue have been tested and proven effective. The World Commission on Dams is a case in point that brought together multiple stakeholders - governments, donors, multilateral lenders, as well as private industry together with the affected people - to develop best practices for dam projects.

Second, international organisations were designed in an earlier era when many developing countries of today were not even independent states, and ideas such as human rights and entitlements, public accountability, and equality of people had not been universally entrenched. These organisations also had much narrower mandates compared with their roles in the 21st century.   It is time to review some of the basic structures of these organisations, from representation on the Boards of the Bretton Woods institutions, the structure of voting rights in the IMF and the World Bank to the veto in the UN Security Council, all of which are heavily tipped in favour of the poor countries..

Decision making depends not only on formal structures but on established practice. In the WTO for example, the structure of one country one vote is highly democratic but the practice of decision making depends on the capacity to negotiate and shape consensus. Greater transparency that would open up to plusralism while efforts to fill capacity deficits of poor countries is greatly needed; some 15 of the 37 African member states do not even have permanent representation.

From good governance to democratic governance: the agenda ahead

To achieve the vision of the Millenium Declaration in the 21st century requires democratic governance.

- Democratic governance that responds to peoples' priorities is about more than people having the right to vote. It must be about strengthening voice and power through democratic politics that make participation and public accountability cut through elite control of institutions.
- Democratic governance that gives priority to poor peoples' economic interests is more than about institutions and rules that promote efficiency but also fairness and social justice.
- Democratic governance in the fast changing global community of the 21st century is more than public management within borders but institutions, rules and practices beyond borders and by actors beyond the state but also civil society groups and private businesses.

While the "good governance" debate was initially cast in the 1980s and early 1990s as the opposite of state-dominated economic and social development of previous decades—calling for the shrinking or jettisoning of state institutions—it is important to recognize that the good governance debate of present day is more about improving and reforming the functioning of democratic institutions, including the "deepening of democracy", strengthening accountability and exploring more active and creative roles for non-state actors. Contrary to the economic liberalization programmes of the 1980s, the political liberalization programmes of the 1990s (with greater emphasis on democracy, human rights, rule of law/access to justice, and basic freedoms) have weakened the arguments of "minimalist state" proponents. At the same time, leaders are now being held more accountable than ever before, and they have to contend with the volatility associated with globalization in all its forms.

International cooperation in support of democratic governance would need to take on a broader agenda. Beginning in the early 1990s, many development assistance providers began shifting away from traditional public sector management concerns (particularly civil service reform) and modest decentralization programmes to dealing with sensitive governance areas such as human rights, legislative support, judicial reform, and corruption. Responding to the growth in transitional democracies, the electoral assistance role played by several multilateral and bilateral agencies has served as a key entry point for undertaking a "new generation of governance projects." Some key factors contributing to the international community's growing involvement in policy and institutional strengthening include: i) the lowering of ideological tensions since the end of the Cold War; ii) the emerging consensus on the need for certain economic and now political reforms; iii) the heightened flows of information from information and communications technology advances; and iv) the frustrations with—and consequent decreases in—traditional forms of development assistance.

The United Nations system can play an important role in the new frontiers of governance policy advice and institutional strengthening, especially in areas that bring political elements into economic and social development. Besides institutional constraints to addressing the broader issues of democratization and human rights—such as enhancing the functioning of parliaments, the media, civil society organizations, and state-citizen relations—the approach to governance by the United Nations organisations will no doubt emphasize partnership rather than conditionality.

Partnerships are at the heart of governance for human development, whether within a country or in co-operation with outside actors. Governance that is both country-driven and reflects the values and aspirations of people is the only type of governance capable of responding to the challenges of the 21st century.