Economic Commission for Africa

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Governance, Peace and Social Stability

— An Issues Note —

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I.   Background

Governance, peace and social stability are interrelated and indivisible issues. Peace and social stability cannot be sustained without good governance. Conversely, sound and good governance cannot be secured or institutionalised without peace and social stability. In the past decade, this nexus of peace, stability and social development has become a central issue on Africa's development agenda. The UNECA, for its part, has been at the forefront of this growing consensus, stressing that peace, good governance and social stability are the primary pre-requisites for economic recovery and sustainable human development.

II.   What is Governance

According to UNDP, governance is 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.

Governance has three main components: economic, political and administrative. Economic governance defines decision-making processes that govern a country's economic activities and its relationships with other economies. Political governance is the process of decision-making to formulate national policies.   Administrative governance comprises the systems of policy implementation. Encompassing all three, good governance defines the processes and structures that guide political and socio-economic relationships.

Governance encompasses the state, but it transcends the state by including the private sector and civil society organisations. The private sector covers private enterprises (manufacturing, trade, banking, co-operatives and so on) and the informal sector in the marketplace. But the private sector influences governance to the extent that it influences social, economic and political policies in ways that creates a more conducive environment for the marketplace and enterprises. Civil society, lying between the individual and the state, comprises individuals and groups (organised or unorganised) inter-acting socially, politically and economically –regulated by formal and informal rules and laws. Civil society organisations are the host of associations around which society voluntarily organises.   They include trade unions; non-governmental organisations; gender, language, cultural and religious groups; charities; business associations; social and sports clubs; co-operatives and community development organisations; environmental groups; professional associations; academic and policy institutions; and media outlets.

The institutions of governance in the three domains (state, civil society and the private sector) must be designed to contribute to peace, social stability and democratic pluralism by establishing the political, legal, economic and social circumstances. Much has been written about the characteristics of efficient government, successful private sector and effective civil society organisations, but the characteristics of good governance defined in societal terms remain elusive.

III. Some Attributes of Good Governance

- *Participation*—Citizens should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such board participation is built on freedom of association and speech, as well as capacities to participation are built on freedom of association and speech, as well as capacities to participate constructively.
- *Rule of law*—Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.
- *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.
- *Responsiveness*—Institutions and processes try to serve all stakeholders.
- *Consensus orientation*—Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.
- *Equity*—all men and women have opportunities to improve or maintain their well being.
- *Effectiveness and efficiency*—Processes and institutions produce results that meet needs while making the best use of resources.
- *Accountability*—Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisation and whether the decision is internal or external to an organisation.
- *Strategic vision*—Leaders and the public have a broad and 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 historical, cultural and social complexities in which that perspective is grounded.

Interrelated, these core characteristics are mutually reinforcing and cannot stand-alone. For example, accessible information means more transparency, broader participation and more effective decision-making. Broad participation contributes both to the exchange of information needed for effective decision-making and for the legitimacy of those decisions. Legitimacy, in turn, means effective implementation and encourages further participation. And responsive institutions must be transparent and function according to the rule of law if they are to be equitable.

These core characteristics represent the ideal—and no society has them all. Even so, societies should aim, through broad-based consensus-building, to define which of the core features are most important to them, what the best balance is between the state, the private sector and civil society.

(a) The state

The state's functions in establishing good governance are manifold—among them, being the focus of the social contract that defines citizenship, being the authority that is mandated to control and exert force, having responsibility for public services and

creating an enabling environment for sustainable human development. The latter means establishing and maintaining stable, effective and fair legal-regulatory frameworks for public and private activity. It means ensuring stability and equity in the political process marketplace. It means mediating interests and conflict for the public good. And it means providing effective and accountable public services.

(b)   *The Private sector*

The state is a big force for good governance—but it is not the only one. Securing and maintaining peace, stability and good governance depends in part on economic opportunities and creating jobs that provide enough income to improve living standards. Most states now recognise that the private sector is the primary source of opportunities for productive employment and economic growth.

Equitable growth, gender balance, environmental preservation, expansion of economic opportunity and effective participation in international commerce cannot be achieved without strong and responsible private sector. The private sector can foster peace, stability and good governance by :

- Maintaining fair and competitive markets
- Ensuring that the poor (especially women) have easy access to economic opportunity, productive employment and credit.
- Nurturing enterprises that generate the most jobs and opportunities.
- Attracting investment and helping to transfer knowledge and technologies, particularly to the poor.
- Playing by the rule of law.
- Providing incentives for human resource development.
- Protecting the environment and natural resources.

(c)   *Civil Society*

Civil society organisations channel people's participation in economic and social activities and organise them into more powerful groups to influence public policies and gain access to public resources, especially for the poor. They can provide checks and balances on government power and monitor social abuses. They also offer opportunities for people to develop their capacities and improve their standards of living—by monitoring the environment, assisting the disadvantaged, developing human resources, helping communication among business people.

More fundamentally, civic networks ease the dilemmas of collective action by institutionalising social interaction, reducing opportunism, fostering trust and making political and economic transactions easier. Well-developed civic networks also amplify flows of information—the basis for reliable political, economic and social collaboration and public participation of civil society members. These relationships and social norms make up a nation's social capital.

(d)   *The global context*

The transformation from command to market-oriented economies, the emergence of democratic political regimes in many parts of the world, the rapid

development and global proliferation of new technologies, the pervasive spread of telecommunications systems, the growing importance of knowledge-based industries and skills and the continuing integration of the world economy through trade and investment –all these have major impact on the changing political and governance landscape.

The trend towards globalisation deserves special attention. It is manifest in the growth of regional blocs that co-operate in such areas as trade and legal frameworks, in the power of inter-governmental bodies such as the World Trade Organization and in the spread of transnational corporations. Globalisation has profound implications for governance: First, is the increasing marginalisation of certain population groups. Those who do not have access to the technological/information revolution are in danger of becoming part of a structural underclass. Second, is the erosion of state sovereignty as transnational bodies increasingly mediate national concerns and press for universal laws. Third, is the increased globalisation of social and economic problems, such as crime, narcotics, infectious diseases and the migration of labour. Finally, international capital and trade are decreasingly accountable to sovereign states.

IV. ECA and Good Governance

ECA has made the promotion of peace and stability an integral component of its programme focus. To this effect, it has established, in collaboration with leading African civil society organizations, *the African Centre for Civil Society*. The newly established Centre will work to promote and strengthen the capacity of African civil society community. It will intensify ECA's ongoing work of facilitating dialogue and co-operation between governments and organizations of civil society and developing and implementing strategies for effective participation of CSO's in peace building, conflicts resolutions and reconciliation efforts.

Over the years, OAU has increased the breadth and frequency of its conflicts resolution and management and has established a fully dedicated division for conflicts prevention, management and resolution. ECA co-operates and works closely with this division and actively supports the organization's efforts to make effective contribution to the cause of peace and security on the continent. In its capacity as co-chair agency of the United Nations Special Initiative for Africa in the area of governance, ECA continues to collaborate with UNDP and other sister agencies in organizing forums, conferences and consultations on the themes of peace, good governance and human development.