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## **Role of good governance in the development of a commune within a sub-region**

**Abstract.** Topic of good governance is an issue of great importance to quality of governance, understood as the manner and effects of governance, which basically amounts to administrative action. Recently the terms 'governance' and 'good governance' are being increasingly used in the literature. Bad governance is being increasingly regarded as one of the root causes of all bad things within communities and public administration on the local as well as on the national level. That is why the paper shows the main role of good governance in the functioning of a commune in a sub-region and its influence on the creation of development strategies and on improving of living conditions in the local areas.

**Key words:** commune, good governance.

### **Introduction**

Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes. The governors of public service organisations face a difficult task. They are the people responsible for governance, i.e. the leadership, direction and control of the organisations they work for. Their responsibility is to ensure that they address the purpose and objectives of these organisations and that they work in the public interest. They have to bring about positive outcomes for the people who use the services, as well as to provide a good value for the taxpayers who fund these services. They have to balance the public interest with their accountability to government and with an increasingly complex regulatory environment, and to motivate the front-line staff by making sure that good executive leadership is in place [The Good... 2004, p. 5]. Because of that all public organisations need a good governance in public services of a high standard. It is important to start from the bottom of the administrative hierarchy, namely self government units like communes, for providing some ideas to create an intelligent community. That is why the main aim of this paper is to show the role of good governance in the development of a commune within a theoretical frame and a practical one, exemplified by a case study.

### **Methodology**

An analysis of literature as well as of national and international reports and documents provided by communal authorities has been mainly used in this paper. In a case study, a

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survey has been used in order to determine the level of good governing and its influence on the development of a basic local government unit, namely the Zbuczyn commune.

## Good governance: a short overview

The concept of ‘governance’ is not new. It is as old as the human civilization. ‘Governance’ simply means the process of decision-making and the process by which decisions are implemented (or not implemented). This term can be used in several contexts, such as a corporate governance, an international governance, a national governance and a local governance. Since the governance is a process of decision-making and a process by which decisions are implemented, an analysis of governance focuses on formal and informal actors involved in decision-making and implementing the decisions made and on formal and informal structures that have been set in place to arrive at and implement the decision [<http://www.unescap.org/huset/gg/governance.htm>].

Defining good governance is a very difficult thing and it has long been a topic of discussion in the international arena, and particularly in the field of development assistance. Indeed, ‘good governance’ means a competent management of country’s resources and affairs in a manner that is open, transparent, accountable, equitable and responsive to people’s needs.

There are many definitions implemented by different organizations, like the World Bank or the United States Agency for International Development (USAID). According to the World Bank’s concept (which was the first organization in the world to introduce the definition of good governance in the 90ies of the 20th century) a good governance has 8 major characteristics (Figure 1). It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rules of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

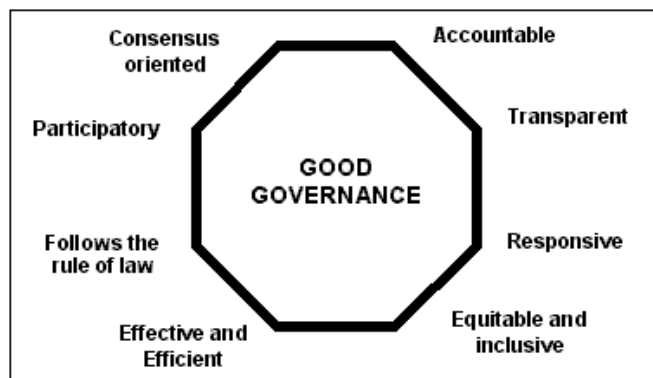


Fig.1. Characteristics of good governance

Source: [<http://www.unescap.org/huset/gg/governance.htm> 2010].

**Participation** by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or

representatives. It is important to point out that a representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making. The participation needs to be informed and organized. This means a freedom of association and expression on the one hand and an organized civil society on the other hand.

**Rule of law.** Good governance requires fair legal frameworks that are enforced impartially. It also requires a full protection of human rights, particularly those of minorities. An impartial enforcement of law requires an independent judiciary and an impartial and incorruptible police force.

**Transparency** means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

**Responsiveness.** Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

**Consensus oriented.** There are several actors and as many viewpoints in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

**Equity and inclusiveness.** A society's wellbeing depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires that all groups, but particularly the most vulnerable, have opportunities to improve or maintain their wellbeing.

**Effectiveness and efficiency.** Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

**Accountability** is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to whom varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law [What... 2010].

But the most appropriate description of good governance in accordance with the main idea of this paper is the concept of Ministry of Regional Development in Poland:

‘Good governance is the exercise of public authority in the relationships between the government, administration and society, characterized by openness, partnership, accountability, effectiveness, efficiency and consistency’.

This definition takes into account the participation in the exercise of authority of three groups of actors: government, administration and society, because only their consistent cooperation can ensure an effective implementation of the functions of state. An indication of the government, administration and society at the same time takes into account the

definition of good governance roles in decision making behind them respectively, and the executive participation and interaction within the exercise of power. Only properly shaped relationships, based on the principles set out in the definition, are able to ensure the efficient implementation of the tasks of state.

Those principles that should organize the process of governance, are [The concept... 2008, p. 9]:

- openness, involving the widest public access to information and in particular the information on planned activities, the results of initiatives (primarily government and administration) and on the anti-corruption mechanisms supporting transparency of government
- partnership, understood as the participation of society in the process of governance which is building the capacity of institutions working to create mechanisms for partnerships, the development of administrative competence to interact with the public in carrying out public duties and to stimulate the potential of social actors to interact and cooperate with the administration and government
- accountability relating to the political responsibility for the conduct of public policies which will enable the establishment and functioning of democratic mechanisms, as well as the possibility of making an objective assessment of their effectiveness and efficiency, thus ensuring a clear division of responsibilities in implementing the tasks of state
- effectiveness and efficiency which mean building and strengthening the state capacity at each level of performance of its functions, and thus the government, administration and society
- consistency in ongoing tasks of the state, requiring a construction of coordination mechanisms in all dimensions in which state functions are performed.

## **Good governance in a commune as a factor of its development**

Good governance is an essential precondition for sustainable development. Various countries that are quite similar in terms of their natural resources and social structure have shown a strikingly different performance in improving the welfare of their people. Much of this is attributable to standards of governance. Poor governance stifles and impedes development. In countries with a prevailing corruption, poor control of public funds, lack of accountability, abuses of human rights and excessive military influence, the development inevitably suffers. An element of good governance that is needed for sustained development is an economy that operates in an ethical, accountable and appropriately regulated environment, which facilitates competition in the marketplace. Without this, there will be no urge for economic growth and the sustainable development will not be possible. A dynamic private sector, operating in a properly functioning competitive market system, creates jobs and income, generates wealth and helps ensure that resources are used efficiently.

Key elements of good governance in the public administration as well as in local government units are outlined below [Good... 2000, pp. 3-5].

- Political principles:

- good governance is based on the establishment of a representative and accountable form of government
- good governance requires a strong and pluralistic civil society with freedom of expression and association
- good governance requires good institutions, sets of rules governing actions of individuals and organisations and the negotiation of differences between them
- good governance requires the primacy of the rule of law, maintained through an impartial and effective legal system
- good governance requires a high degree of transparency and accountability in public and corporate processes; a participatory approach to service delivery is important for public services to be effective.
- Economic principles:
  - good governance requires policies to promote broad-based economic growth and dynamic private sector as well as social policies that will lead to poverty reduction; the economic growth is best achieved in an efficient, open, market-based economy
  - investment in people is a high priority, applied through policies and institutions that improve access to quality education, health and other services that underpin a country's human resource base
  - effective institutions and good corporate governance are needed to support the development of a competitive private sector; in particular, for markets to function, social norms are needed that respect contract and property rights
  - careful management of the national economy is vital in order to maximize economic and social advancement.

Good governance in a Polish municipality should be based on the fundamental principles established by the Ministry of Regional Development, as well as on solid and effective relationships with others. Therefore, a correct relationship with all stakeholders gives the commune a possibility of efficient functioning and development. In recognition of the municipality's activities and application of the principles laid down in the concept of good governance, the unit may achieve a title of an intelligent commune. Approaching and formulating a definition of an intelligent commune, it can be defined as a unit creating value through nurturing and managing relationships with its partners. The management in an intelligent commune can be described as an Interorganizational Relationship Management (IORM). IORM should be defined as a process of planning, organizing, encouraging, developing, and nurturing climate of cooperation ties between the municipality and its residents, local partners and prospective investors. Its consequences will inculcate mutual understanding and trust as well as respecting the rights of each party in accordance with its established roles in the market and society.

Groups that municipality must accept as its partners are [Wereda 2010, p. 15]:

- recipients of public services offered by the municipality, or municipal area residents, companies operating within it, and tourists using the services of the municipalities in the short term
- providers of services or products used by the municipality, such as banks or subcontractors for products and services to the construction of technical and social infrastructure, etc.
- competitors, or any other municipality and city located in the vicinity

- prospective recipients of public service who intend to establish themselves in areas of the municipality (individuals and investors).

The use of competitors as partners, an efficient allocation of municipal resources (land, capital and labour) as well as a good governance in the short and medium term may introduce the municipality into the stage of sustainable development. This development will result in the gaining a competitive advantage over other 'less intelligent' communes in the sub-region. Factors determining the advantage of an intelligent commune in the region, in addition to efficient financial management (capital resources) mainly include [Wereda 2010, p. 18]:

- good relationships and transfers of values with partners
- efficient use of territory governed by the municipality (land resource) and its workforce (job resource)
- developing a marketing image of the municipality (including a good brand)
- promotion of the municipality
- use of the latest relevant techniques and technologies and maintenance of relationships with partners
- effective governance by good people professionally prepared for the job and educated in the field of public management
- treating customers and other municipalities as partners and not as supplicants (an increase of service quality to each group of interest).

According to the concept of the Independent Commission on Good Governance in Public Services located in London there are six core principles of good governance, each one accompanied by its supporting principles:

- good governance means focusing on the organisation's purpose and on outcomes for citizens and service users (being clear about the organisation's purpose and its intended outcomes for citizens and service users; making sure that users receive a high quality service; making sure that taxpayers receive value for money)
- good governance means performing effectively in clearly defined functions and roles (being clear about the functions of the governing body; being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out; being clear about relationships between governors and the public)
- good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour (putting organisational values into practice; individual governors behaving in ways that uphold and exemplify effective governance)
- good governance means taking informed, transparent decisions and managing risk (being rigorous and transparent about how decisions are taken; having and using good quality information, advice and support; making sure that an effective risk management system is in operation)
- good governance means developing the capacity and capability of the governing body to be effective (making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well; developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group; striking a balance, in the membership of the governing body, between continuity and renewal)

- good governance means engaging stakeholders and making accountability real (understanding formal and informal accountability relationships; taking an active and planned approach to dialogue with and accountability to the public; taking an active and planned approach to responsibility of staff; engaging effectively with institutional stakeholders).

### **Zbuczyn commune, a local administrative unit using good governance in its public activity in the sub-region**

Zbuczyn commune is located in the eastern part of the Mazowieckie voivodeship, in Siedlce district, and bordered by seven municipalities in four districts. Commune's geographic axis runs from east to west along the national road no. 2 linking Warsaw with Terespol, the main country's East-West highway. At a distance of about 5 km north of the existing national road no. 2 the future motorway A-2 on route Berlin – Swiecko – Poznan – Warsaw – Terespol – Moscow is located. Zbuczyn Commune is a municipality with a rural status and the local authority is situated in Zbuczyn. It occupies an area of 211 km<sup>2</sup> (which represents 0.59% of the Mazowieckie voivodeship area) and is the largest rural commune in the district of Siedlce.

The population of the community, according to the Office of Zbuczyn Commune, on 31<sup>st</sup> December 2007 was 10 145 people (registered permanent residents) which represents 0.19% of the voivodeship's population.

Competitive advantage of Zbuczyn commune in the long term largely depends on its location, social relations, and proper allocation of financial resources, property and information. The commune is not very densely populated and not a large number of companies is situated there, but because of its natural features, tourism and partnership relationships with all stakeholders it is a unit attractive for both the society and investors [Zbuczyn... 2008, pp. 11-13].

The municipality since 2002 has been governed by the same mayor, Roman Prochenka, who is an educated person, twice chosen by people in free elections to represent their local unit. In 2004, mayor and the Municipal Council have appointed a team to prepare the Zbuczyn Municipal Development Strategy for the years 2008-2015. In this document, one can see a lot of ideas and themes from the concept of good governance.

The mayor and the Municipal Council creating the strategy focused on assessment of internal resources as well as commune's strengths and problems, by adopting the definition of external constraints associated with the geographical location, the existing legislative system in Poland, the level of economic development and the state of public finances. During the debates the five key areas of the commune's strategy have been analyzed:

- municipal finance
- infrastructure
- economic development (including agriculture and tourism)
- education, culture and sport
- health, social welfare and public safety.

On the basis of this analysis, the objectives and directions of Zbuczyn commune development were defined, with the aim of improving its situation in the sub-region in

accordance with the concept of good governance, which was confirmed by the commune's authorities in a series of direct interviews. The following objectives are outlined below.

## **Objectives and directions in the Zbuczyn community development**

Long-term social and economic policies within the community are based on several basic assumptions:

- maintenance of the agricultural character of the community at large
- development of a transit traffic service infrastructure, particularly roads
- creation of conditions for the growth of wealth belonging to the population of community and a skilful adaptation to the EU regional policy
- conservation of resources and values of natural and cultural environment
- development of infrastructure in areas eligible for the development of light industry, services, recreation and tourism
- development of entrepreneurship among the residents.

The basic directions of further development of the community include [Zbuczyn... 2008, p. 12]:

- restructuring of agriculture through the development of large and medium-size farms
- development of units involved in support for agriculture
- enlargement of areas for investments in services, mainly at the national road no. A2 Warsaw – Terespol, in the near future also at the planned highway;
- development of infrastructure for transport, telecommunications and electricity supply
- arrangement of water, waste water and solid wastes management, conveying gas to the commune and construction of a local gas distributing network
- development of tourism and recreation activities in selected areas
- improving housing conditions through the development of a local master plan for areas allocated for this purpose together with associated services
- promotion of cultural and natural values of the community
- promotion and development of tourism and agro-tourism
- improvement of spatial order within the commune
- creation of conditions for emerging possibilities of new jobs for people leaving agriculture.

Unfortunately, the Zbuczyn commune in order to continue its development must eliminate many barriers and problems in its area. Accordingly, the local authorities have proposed measures in accordance with the idea of good governance that can help to achieve a sustainable development and a status of intelligent municipality by the Zbuczyn commune [Good... 2000, pp. 8]:

- strengthening of key agencies responsible for economic policy, planning and public sector financial management, including finance ministries, treasury departments and commercial banks



- helping partner regional and local governments strengthen their trade policies and procedures, participate in regional and global trading arrangements, and promote trade and investment opportunities in regions
- promoting more clearly defined property rights through legal and administrative reforms
- helping partners of local governments create an efficient and equitable taxation system, the one that enables government to properly fund public services and income transfers to the poor but, at the same time, does not act as a barrier to private sector development in the regions and in the country
- strengthening the banking sector and financial markets in the process of giving priority loans to local government units
- improving corporate governance and local governance by helping to establish appropriate legal, institutional and regulatory frameworks
- supporting the development of microenterprises and small/medium enterprises in the communes; this can be done through a variety of means, for example by helping local government to create an appropriate regulatory environment, by developing business skills and knowledge, and by promoting improved access to financial services and other business services
- improving delivery of basic services, such as health care, education, water supply and sanitation, by public and private sectors
- strengthening the rule of law and improving legal systems, including central regulatory bodies
- promoting respect for human rights and strengthening democratic processes, civil representation and participation in the local areas
- improving public administration generally; a competent and effective public sector is needed to implement reforms effectively and to ensure efficient delivery of public services to the lower government units.

## Conclusions

When we talk about local government units, i.e. communes, it is sometimes hard to describe the management style practised by their authorities. That is why, because of the uniqueness of communes, it is important to implement the concept of good governance.

Governance reforms should be seen as a lengthy process of continuous improvement, which goes beyond introducing new systems, but requires new skills, attitudes and organizational cultures. A sustainable institutional change requires a careful selection of desired interventions, a gradualist approach to implementation and a long-term support. Secondly, leadership of the reform process is indispensable. Without institutional champions who actively support the reform implementation, it is difficult for reform efforts to succeed. Thirdly, a promotion of local participation and ownership by the governance reforms is crucial to the credibility and sustainability of reforms. It is important to take into account the political and administrative culture and traditions. An informed understanding of the broad institutional environment is necessary and the expatriate advisers need to be sensitive to the local situation, to ensure that the pace of change is appropriate and that local ownership is not lost. Furthermore, a comprehensive approach to the reform in

collaboration with other local and regional partners is preferable to fragmented, piecemeal activities. In the fifth place there are realistic targets which need to be set. It usually pays to be modest rather than overambitious. An appreciation of the extent of local capacity to support reform is also essential. If capacity is low, rapid reform will not be sustainable. Assessing this capacity can often be difficult. Next is the position of expert advisers. In an area as sensitive and important as local governance, it is important to use high-level, very experienced senior advisers who are the best in their field and support the young ones [Good... 2000, pp. 11-12].

What is more, a flexible approach is needed. Means for reaching identified objectives, and even the objectives themselves, may need to be modified or adapted quickly to changing circumstances. Local principles and values need to be balanced carefully with partner circumstances and needs too. Finally, it is important to involve the private sector, the community sector and the general public in governance initiatives. Nowadays, the role of government is a crucial one, but it is important not to neglect the other sectors of society.

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