Governance and Good Governance:
International and Aboriginal Perspectives

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Introduction

This paper explores the definition of governance, how govern*ance* differs from
govern*ment,* and why this distinction is important. It explains why governance has been
attracting attention and why it is seen as increasingly significant by many policy-makers
in both Aboriginal and non-Aboriginal contexts. It considers the concept of "good
governance" and why this apparently innocuous idea can be the source of controversy. It
points out the difficulty of defining good governance without reference to desired social
and economic outcomes as well as cultural norms. It concludes by discussing why
governance is an issue whose significance is likely to grow both domestically and
internationally in the years ahead.

Across Canada there are some eighty negotiating tables involving approximately 300
Aboriginal communities in efforts aimed at re-establishing some form of Aboriginal
governance. The Institute has developed this paper - the first in a series that will combine
international and Aboriginal perspectives on governance - to assist those negotiating
these new governance arrangements and those that will be affected by them. That these
new arrangements will have a profound affect on the shape of Canada in the decades to
come is to state the obvious.

Governance and government

Governance is a term which, from about 1990 on, has progressed from obscurity to
widespread usage. Not surprisingly, there are differences of view as to what governance
means.

A not-uncommon tendency is to use governance as a synonym for "government". This
confusion of terms can have unfortunate consequences. For example, one of the "trends"

seminars[1] was exploring what should be done about a particular public policy issue. It was agreed that the heart of the issue was a problem of "governance". In this discussion, however, "governance" and "government" were used interchangeably by most participants.

The consequence was that the policy issue became defined implicitly as a problem of "government", with the corollary that the onus for "fixing" it necessarily rested with government. The idea that there might be other ways of addressing the problem, or that other sectors of society might take the initiative in dealing with it, was not considered. Thus, equating governance with government constrained the way in which the problem was conceived and put blinders around the range of strategies that seemed available for dealing with it. In short, confusion over terminology related to governance can have important practical consequences: it may affect not only the definition of a problem but also the policy analysis about how to resolve it.

The need for governance as a concept distinct from government began to manifest itself when government became an organization apart from citizens rather than a process. In ancient Athens, reputedly the cradle of democracy, we are told citizens met in the marketplace to deal with issues of public concern. Government in such a setting was simply a process for dealing with issues. Today, however, government is seldom defined as a process; it is instead seen as an institution (or a set of institutions), one of several societal 'players' or actors.[2]

Government became viewed as a discrete entity not only when it assumed an institutional form, but also when representation became necessary. Without representation, government is 'us'. Indeed, in some Aboriginal languages, the concept of government means 'our way of life' or 'our life'[3]. Representation is inevitable in large societies, but it is inevitably imperfect. Agents do not speak with the same authority as principals. So when the activities of governments are directed by representatives rather than citizens themselves acting in concert, they become something apart. Governance is about how governments and other social organizations interact, how they relate to citizens, and how decisions get taken in an increasingly complex world.

To understand the idea of governance, it is important to appreciate that interest in public issues is not confined to government. Other actors including the media, and in some societies, the military and religious organizations as well as business organizations, share an interest and sometimes a role in addressing public issues. This list of other actors

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[1] conducted as part of the "Trends Project" sponsored by the federal government's Policy Research Secretariat.
[2] For example, the Concise Oxford Dictionary defines government as the "form of organization of State" or a "body of successive bodies of persons governing a State; … an administration or Ministry." (It also defines government as the "act, manner, or fact, of governing" and it employs an almost identical definition for governance ("act, manner, fact, or function, of governing; sway, control".) No wonder the terms are confused!)
[3] Royal Commission on Aboriginal Peoples, *Restructuring the Relationship, Part One*, Canadian Communications Group, Ottawa, 1996, p.115.

should also includes the non-profit sector – sometimes referred to as civil society - encompassing voluntary agencies and non-governmental organizations (NGOs).

Governance defined

Definitions of governance abound.[4] Governance is not, in fact, a new word, but its appearance in discussions about social organization is a comparatively recent development. It lacks a satisfactory translation in many languages. However its rapid progress into contemporary vocabulary in English (and perhaps, in other languages) suggests there was a need for a word of this kind.[5]

A recent international symposium of about 20 academics and "practitioners" traced its roots back to the 17th or 18th century in English, and collected definitions from different sources which illustrated the progressive widening of its meaning. The group's rapporteur noted, "The changed role of government and the changed environment in which it has to discharge its role have brought governance into common usage as a process for which the word 'government' is no longer sufficient."[6]

Most writers about governance agree that it has to do with taking decisions about direction. One definition we have found useful (partly because of its merciful brevity) is, *governance is the art of steering societies and organizations*. Some observers, however, have wondered whether this formulation has connotations of top-down direction or control that are too strong. Whether or not *steering* is the appropriate word, it seems clear to us that *governance involves the interactions among structures, processes and traditions that determine how power is exercised, how decisions are taken, and how citizens or other stakeholders have their say*. Fundamentally, it is about power, relationships and accountability: who has influence, who decides, and how decision-makers are held accountable.[7] The concept may usefully be applied in different contexts – global, national, and local; societal and institutional – as we shall see below.

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[4] For a collection of some definitions, see Demers, Maurice, "La gouvernance de la governance: Faut-il freiner l'engouement?", in Governance: Concepts and Applications, Corkery, Joan (ed.), with IIAS Working Group, International Institute for Administrative Studies, (Brussels, 1999), pp. 368-371.

[5] A *World Conference on Governance* in Manila in June 1999 attracted over 850 participants from countries around the world. A study on the incidence of articles on governance in development literature identified that while at the start of the current decade, the subject received little attention, during the latter years of the 90s there has been almost geometric growth in articles on this topic. (Unpublished literature review by Dr. Jay Gonzalez at National University of Singapore, 1999.)

[6] Corkery, Joan, "Introductory Report", in Governance: Concepts and Applications, Corkery, Joan (ed.), with IIAS Working Group, International Institute for Administrative Studies, (Brussels, 1999)*, p.12.

[7] A similar, useful perspective on public governance is provided by Louise Fréchette, Deputy Secretary-General of the United Nations: "Governance is the process through which ... institutions, businesses and citizens' groups articulate their interests, exercise their rights and obligations and mediate their differences." Speech to the World Conference on Governance, Manila, May 31, 1999.
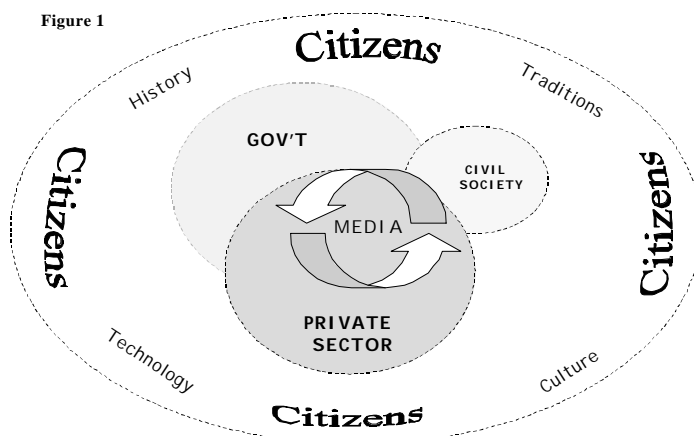
Figure 1

Understanding governance at the societal level is made easier if one considers the different kinds of entities that occupy the social and economic landscape. Figure 1 illustrates four sectors of society, situated among citizens at large: business, the institutions of civil society (including the voluntary or not-for-profit sector), government and the media.[8] Their size as drawn here may provide a crude indication of their relative power in Canadian society. They overlap because the borders of these organizations are permeable.[9] (A similar illustration for another country could show a very different distribution of power. For example, the military or a political party, not illustrated here, might occupy the largest part of the terrain. Government's role might be quite insignificant. In some settings, multinational corporations might play a dominant role. (See Annex 1 for examples of other possible governance configurations.)

Helping to link the sectors, because it carries information from each to the other, and to and from citizens, are the media. Because the media can play a significant role in accountability and in shaping perceptions of public policy, they clearly belong in any discussion of governance.

In Canada, and indeed in many other countries, the dynamics at work in this figure are considerable. Power is shifting across borders. The size of the private sector seems to be

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[8] There are some complexities in defining these sectors, but they need not concern us here. For example, does government include state-owned corporations? What about partially owned corporations? Are teachers or schools part of government? With respect to civil society organizations: do they include organizations such as lobby groups whose goals are clearly commercial? Is an organization such as a a a professional association for commercial entities a business entity or a not-for-profit? Where do labour unions fit? Is the internet part of the media? And what is the appropriate definition of civil society itself? There are different points of view.

[9] For instance, government includes a component designated as "quasi-government". This represents the host of semi-governmental organizations that can be found in most jurisdictions: state-owned corporations (or Crown corporations, as they are called in Canada), supervisory and regulatory boards, special task forces and commissions, arm's length agencies of various kinds, etc. In some countries, this component of government is larger than the main body of departments and ministries. This component shades into the private sector, since it typically involves various forms of joint ventures and partnerships with that sector.

expanding in many jurisdictions. Some functions previously carried out by the state are being transferred to business; for example, in Canada, business entities are now running many airports and NavCan, a not-for-profit organization, operates the air navigation system. In at least one country, even customs operations, an important source of government revenues, have been turned over to the private sector. There are many similar examples.

Shifts are also under way in the sphere of civil society, although the pattern is less clear. In some jurisdictions, business is becoming more involved in the operation of some social services, for example, the administration of home care programs. Some governments have also spoken of the need to transfer functions to the voluntary sector, expecting it to 'take up the slack' as government withdraws from funding (as in the case of home care as an alternative to hospitalization).

The idea of governance makes it easier to have discussions about how communities or other social actors can take action in collaboration with, or perhaps independently of, established government structures to address issues of concern to citizens – community governance. Governance also comes into play in circumstances of 'government failure' or incapacity – that is, when governments lack the jurisdiction, capability, or interest to deal with a problem of public concern.

Governance and government incapacity

Instances of government incapacity are not uncommon. For example, governments may not act on an issue due to lack of jurisdiction (e.g. global concerns like climate change, or lack of clarity as to which level of government is responsible for an issue in a federal state). Incapacity may also arise because government lacks the skills, financial depth, administrative competence or flexibility to address the problem. Likewise government may be unwilling to address a politically sensitive question, preferring to live with a contentious problem rather than become embroiled in it (for example, legislation on population control or abortion). More prosaically, incapacity may arise if government leaders believe an issue is too small to warrant their attention, or if they use their position to further personal ambitions rather than the needs of citizens.

When government does not or cannot act, other actors may do so. Citizens may get together to clean up a neighbourhood. "Public interest partnerships" may bring citizens, government officials and business together – at the initiation of any of these players – to address some question of general concern. For example, a journalist in the Philippines initiated a project that started with children visiting the forest to learn about clean water. This initiative, which became known as the "Baguio City Eco-Walk", developed into a partnership which involves hundreds of individuals, politicians and businesses, and which is helping to re-establish the ecosystem of a threatened watershed area.

Governments themselves are experimenting today with many partnership arrangements within which politicians or public servants share power with other sectors of society. These arrangements evolve for various reasons: perhaps because it is recognized that

each group has a special contribution to make on a complex question, and perhaps for more prosaic reasons, such as government's desire to get access to business capital. The prevalence of such new institutional relationships is starting to raise questions about who should properly be involved in what. For example, some voices are beginning to ask to what extent government should form alliances with business in areas of general public interest such as education or health, and about the intrusion of private sector values into these spheres: a classic example of a governance question.

The importance of civil society[10]

The widespread use of partnerships between the public and voluntary sectors of society has resulted in, among other things, increasing attention being paid to voluntary and non-profit organizations by governments and the academic community. In the United Kingdom, for example, the government has signed formal "Compacts" with such organizations in England, Scotland, Northern Ireland and Wales to clarify roles and establish ongoing fora for communication purposes. The federal government appears to be following suit, judging from the 1999 Speech From the Throne: "The Government will enter into a national accord with the voluntary sector, laying a new foundation for active partnership with voluntary organizations in the service of Canadians."[11]

Academic interest in the sector has been enhanced thanks to the work of Robert Putnam[12], an American academic, who, based on extensive research in Italy, has advanced the thesis that sound government is due in large measure to a healthy voluntary sector. His argument can be summed up in the diagram below. (The Putnam thesis is summarized in Annex 2 along with a summary of several dissenting views.)

The call for a renewed spirit of voluntarism, implicit in the Putnam thesis, appears to have resonance among many Aboriginal people in Canada. For example, at a recent conference on Aboriginal governance in urban settings held in Winnipeg in 1998, speaker after speaker called for a return to voluntary activity in order to strengthen Aboriginal communities.[13]

Several empirical studies appear to support the Putnam arguments. For example, Lisa Young from the University of Alberta, using data from the 1999 Alberta Civil Society Survey, found the evidence generally supportive of the Putnam thesis at it relates to the

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[10] For purposes of this discussion we are defining civil society as "the general name for the civic associations that citizens organize for social, charitable and political purposes." Rheingold, Howard, "*The 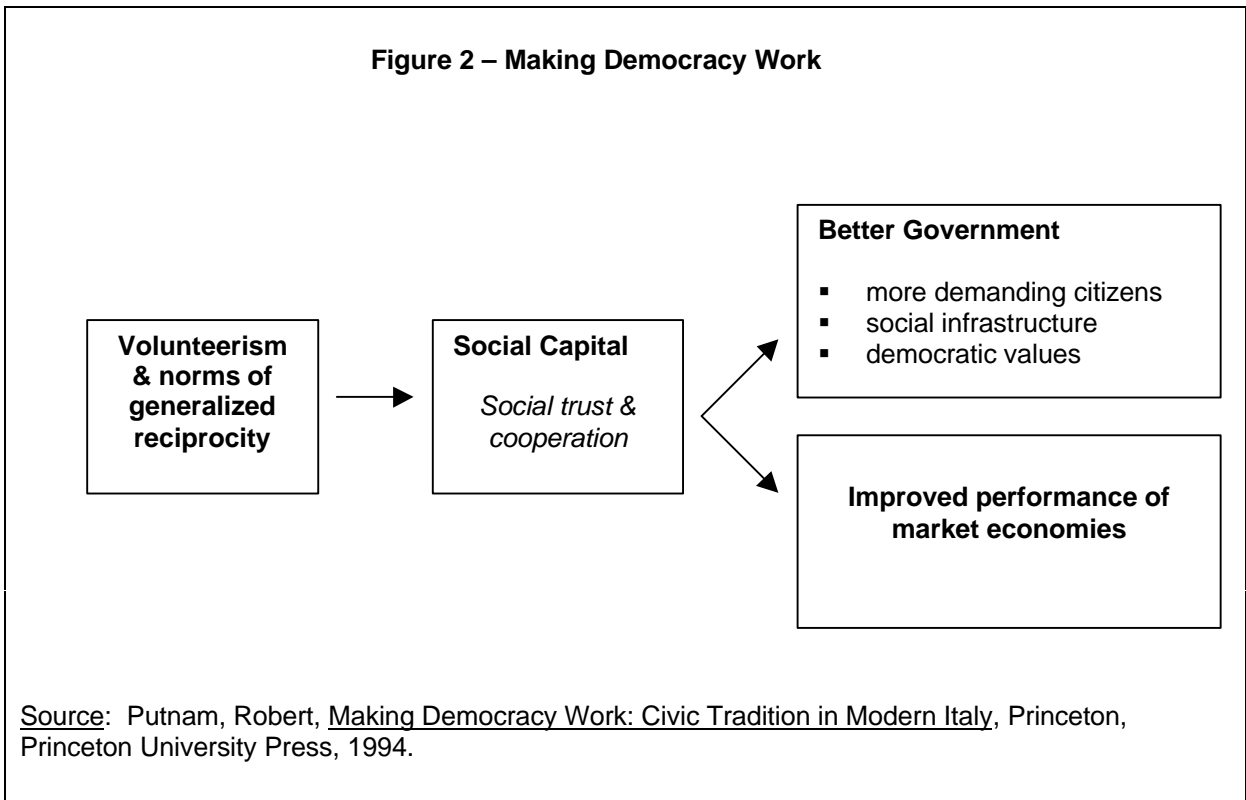New Interactivism: A Manifesto for the Information Age*" *http://www.voxcap.com/anon/c8368/ViewServlet?view=dka.baseline.view…:YsDYYYiHXib*.

[11] Government of Canada, *Speech from the Throne to open the Second Session of the Thirty-Sixth Parliament of Canada*, October 12, 1999.

[12] There are others in addition to Putnam that make a case for the key role played by civil society. Benjamin Barber, for example, believes that civil society is an important mediating force in a democracy, helping to keep in check the power of the state and the private sector. See "A Place For Us: How to Make Society Civil and Democracy Strong" (Hill and Wang, New York: 1998)

[13] Institute On Governance, *Report on Completing the Circle: Aboriginal Governance in Urban Settings*, 1998.

relationship between civic engagement and higher levels of trust in government.[14] Similarly, John Helliwell and Robert Putnam, working with Italian data, found that the results supported the thesis that civic engagement led to higher economic performance.[15]

Figure 2 – Making Democracy Work

Volunteerism & norms of generalized reciprocity → **Social Capital**

Social trust & cooperation

Better Government

- more demanding citizens
- social infrastructure
- democratic values

Improved performance of market economies

Source: Putnam, Robert, Making Democracy Work: Civic Tradition in Modern Italy, Princeton, Princeton University Press, 1994.

Of the implications for the Putnam thesis, perhaps the most important relates to the question of capacity building for sound governance: any capacity building strategy should include strong measures aimed at strengthening voluntarism. This in turn suggests that a society without a strong voluntary tradition – such as in Russia under the Soviet regime – many take many years to create the conditions for a strong, stable democracy.

Where governance occurs: the 'zones' of governance

In principle the concept of governance may be applied to any form of collective action. Governance is about the more strategic aspects of steering: the larger decisions about both direction and roles. That is, governance is not only about *where to go,* but also

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[14] Young, Lisa, *Civic Engagement, Trust and Democracy*: *Evidence from Alberta*, unpublished paper presented to the Trends Seminar on Value Change and Governance, Toronto, Ontario, June 1999.
[15] Helliwell, John and Robert Putnam, "Economic Growth and Social Capital In Italy", *Eastern Economic Journal*, Volume 21, No. 3, Summer 1995.

about *who should be involved in deciding*, and in what capacity. There are three areas or zones where the concept is particularly relevant.

❑ Governance in 'global space', or global governance, deals with issues outside the direct purview of individual governments.

❑ Governance in 'national space': i.e. within a country. This is sometimes understood as the exclusive preserve of govern*ment*, of which there may be several levels: national, provincial or state, Aboriginal, urban or local. However, particularly at the community level, *governance* is concerned with how other actors, such as civil society organizations, may play a role in taking decisions on matters of public concern. Aboriginal governance is an area of particular complexity because the challenge is to create "space" for new kind(s) of governments within fields of jurisdiction already occupied by national or provincial government structures.

❑ Corporate governance (governance in 'corporate' space): this comprises the activities of incorporated and non-incorporated organizations that are usually accountable to a board of directors. Some such organizations will be privately owned and operated, e.g. business corporations. Others may be publicly owned, e.g. hospitals, schools, government corporations, etc. Governance issues here tend to be concerned with the role of the board of directors, its relationship to top management (the CEO or executive director), and accountability to shareholders or stakeholders.

The importance of governance: context and outcomes

Governance is concerned with how power is exercised among the different sectors or interests in society such that traditional freedoms may be enjoyed, commerce may occur, the arts and culture may flourish. That is, governance is important in itself in that it provides the context for things which, as history demonstrates, people value enormously: personal liberty and freedom of assembly, whether for social, commercial, religious or other purposes, within some kind of overall social framework such as the rule of law and a constitution. Context matters. Thus "good governance", which we discuss in more detail below, is to some degree an end in itself.

However, governance is also about pathways to desired conditions or outcomes. "Good governance" might be defined as a mode or model of governance that leads to social and economic results sought by citizens.

There seems to be a growing awareness that institutional structures and relationships, not only within government but between governments and other sectors of society, may have a determining impact on outcomes. Furthermore, it is becoming more widely appreciated that while government has an important influence on many matters of public concern, it is only one among many.   As issues become more complex, and the limitations of government more apparent, it is becoming clearer that government programs are far from the sole determinants of social or economic conditions. At the same time, many people are beginning to believe that important issues of public concern, such as environmental

issues or the development of information and communications technology, are too complex to be addressed by government acting alone. Distrust of government fuels this point of view. In Thailand, for example, important constitutional changes enacted in the 1990s were inspired by the belief that government needed to become more inclusive, and more effective at working in collaboration with citizens and other sectors of society.

In the world of international aid, there has been growing awareness of the significance of institutional factors in influencing the course of development. For example, a landmark study by the World Bank in 1998 noted that over the course of recent decades there had been a depressingly negative correlation between aid and growth.[16] Some countries received substantial foreign aid and yet their incomes fell, while others received little assistance and their incomes rose.

Figure 3 – Aid and Growth in Selected Developing Countries 1970-93
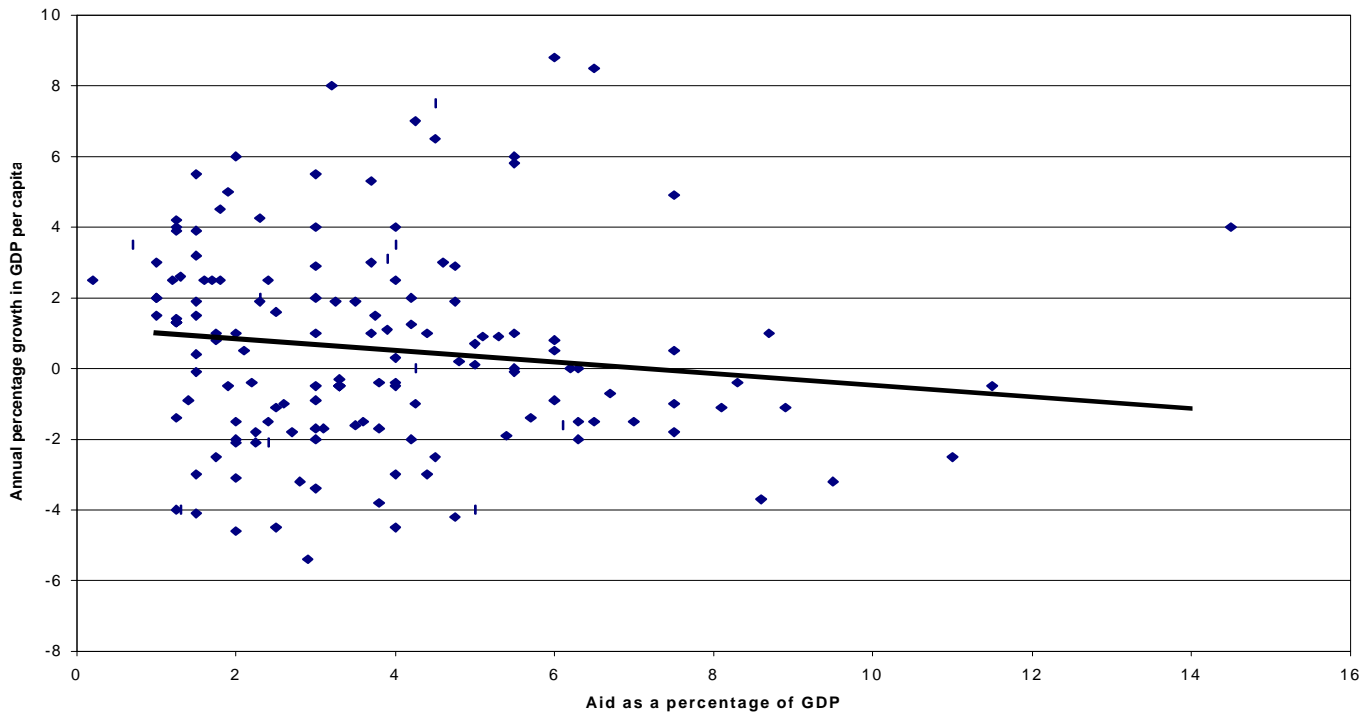
This study raised doubts about previous assumptions. These had held that injections of capital from abroad would be the main way of achieving significant social and economic benefits in developing countries. The Bank study raised the possibility that factors other than money might play an important, if not a determining role, in the development process. Based on a growing body of research and evaluation, the World Bank and others now judge that "poor countries have been held back not by a financing gap, but by an 'institutions' and 'policy' gap."[17]

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[16] *Assessing Aid: What Works, What Doesn't, and Why,* Oxford University Press: New York, 1998, 35.
[17] *Ibid*, p. 33.

John Kenneth Galbraith, the Canadian born economist not known for his conservative views, has also underlined the importance of institutional factors in confronting the challenges of economic development:

> "As we look at the achievements of the century, we must all pay tribute to the end of colonialism. Too often, however, the end of colonialism has also meant the end of effective government. Particularly in Africa, colonialism frequently gave way to corrupt government or no government at all. Nothing so ensures hardship and suffering as the absence of a responsible, effective, honest polity... Economic aid is important but without honest, competent government, it is of little consequence. We have here one of the major unfinished tasks of the century."[18]

Another interesting sphere in which to consider the relationship between institutional factors and development is provided by Aboriginal communities in North America. Research in this area was sparse until recently, when two American scholars, Stephen Cornell and Joseph Kalt, conducted on an empirical study of American Indian Reservations. Their conclusions[19] were in some regards similar to those of the World Bank. According to these authors, three factors determine why some tribes develop while others do not:

❑ having the power to make decisions about their own future;
❑ exercising that power through effective institutions; and
❑ choosing the appropriate economic policies and projects.

In summary, there is growing evidence, first, that institutional factors have an important bearing on social and economic conditions, and second, that achieving desirable conditions is dependent not only upon the technocratic capacity of government ministries, but also upon how governments relate to citizens, upon the vibrancy of civil society, and, in general, how different sectors in society interact to deal with issues of public concern.

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[18] Galbraith, John Kenneth, a lecture delivered at the London School of Economics, quoted in *The Globe and Mail*, July 6, 1999.
[19] Cornell, Stephen and Joseph P. Kalt, *Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations,* Harvard Project on American Indian Development, John F. Kennedy School of Government, Harvard University, March 1992.

Getting to good governance

Most writers agree that governance itself has "no automatic normative connotation"[20]. However, some forms of governance are undoubtedly better than others, thus a literature is growing up around the concept of "good governance".

What constitutes good governance may appear non-controversial. To many Western eyes, for example, the following attributes might seem ones upon which there would be little cause for disagreement[21]:

- ❑ Constitutional legitimacy
- ❑ Democratic elections
- ❑ Respect for human rights
- ❑ Rule of law
- ❑ Political openness
- ❑ Predictability and stability of laws
- ❑ Tolerance, equity
- ❑ Public participation
- ❑ Public expenditures directed to public purposes

- ❑ Judicial independence
- ❑ Transparency
- ❑ Absence of corruption
- ❑ Active independent media
- ❑ Freedom of information
- ❑ Administrative competence
- ❑ Administrative neutrality: merit-based public service
- ❑ Accountability to public interests on issues of public concern

However, despite their apparently anodyne character, attempts to apply these attributes of "good governance" to practical situations may well give rise to controversy, either because they conflict with each other, or because excessive emphasis on one may lead to undesirable results. For example, at some point stability ceases to be a virtue. It may be achieved at the price of needed change and of political freedom. Public participation is attractive in principle, but an excess may result in mass policy-making and in the taking of decisions by individuals with little knowledge and no accountability. Independent media unrestrained by any sense of public purpose or accountability may become irresponsible.

The emphasis given to different aspects of sound governance will vary in different settings because societies value outcomes differently. For example, in more utilitarian Western cultures, great store may be placed on efficiency. Elsewhere, a desire for harmony and consensus may override this value. Similarly, some cultures will give primacy to individual rights whereas others will place more stress on communal obligations. Some will accord priority to the 'objective' application of the rule of law, while others may accord more weight to tradition and clan in decisions. Some societies

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[20] Corkery, op.cit., p. 15.

[21] Jacques Bourgault suggests the basic aspects of good governance comprise: (1) perception of the legitimacy of power of the public authority, (2) citizens at the centre of decision-makers' concerns, (3) a "society-centred programme" based on listening to citizens, and (4) rapid adaptability of public administration to citizens' needs in dispensing public funds. See *"Implications de la bonne gouvernance"* in Governance: Concepts and Applications, Corkery, Joan (ed.), with IIAS Working Group, International Institute for Administrative Studies, (Brussels, 1999), p. 173.

may see economic growth as their primary goal while others may accord more importance to cultural richness and diversity.

Determining what constitutes "good governance" thus leads toward debate on values and cultural norms, and on desired social and economic outcomes. This in turn leads into questions about the role of government, how governments should relate to citizens, relationships between legislative, executive and judicial branches of government, and the roles of different sectors.

Another question related to the concept of "good governance" is whether different approaches to governance are suited to different stages of development. What is desirable under some historical circumstances may be different from other such circumstances. For example, some critics view Singapore as a repressive society with excessive government control; yet in 30 years Singapore's level of economic and social development has far surpassed that of many of more richly endowed developing countries. The Prime Minister of Singapore has attributed much of the country's economic success and social stability to its governance policies.

Discussions about good governance also raise questions about means and ends. (For example: is democracy a means or an end?) For constructive discourse to take place, it is important that different traditions and values be accommodated. There is no 'one size fits all' in governance.

Nevertheless, all is not relative. There appear to be some universal norms or values that apply across cultural boundaries. The United Nations, for example, has published a list of characteristics of good governance (see Annex 3), a list that shares many of the norms listed above, including participation, the rule of law, transparency, accountability, efficiency and effectiveness. The UN list provides a good starting point, but it is not enough. Given what one author has described as the current fascination with governance, we need to move beyond a simple description of what governance is into the more challenging terrain of defining "good" governance.

A deeper understanding of this concept may provide a valuable touchstone that could help governments and societies toward a better understanding of the relationship between institutional arrangements and the attainment of socio-economic well-being for citizens. If we look back over the last few decades of government retrenchment, what we see in many jurisdictions is a fairly mindless application of the maxim that 'less government is better government'. A better understanding of good governance might provide a road map, or, if not a map, at least a frame of reference for future processes of institutional reform and evolution in the public sector: a useful alternative to the crude, financially-driven down-sizing of public institutions that has too-often been characterized as "reform" in recent years.

Aboriginal perspectives on sound governance

There is a growing body of work on the question of Aboriginal governance and, in particular, what might constitute sound governance from an Aboriginal perspective. The box below, for example, captures the vision for the new government of Nunavut:

A Vision for the Government of Nunavut

In preparation for Nunavut, extensive consultation with citizens of Nunavut resulted in a
   vision of government that:

❑   places people first;
❑   represents and is accountable and fair to all its residents;
❑   is a servant of the people of Nunavut;
❑   seeks direction from the people;
❑   is shaped by and belongs to the people of Nunavut;
❑   offers programs and services in an integrated and holistic manner;
❑   promotes harmony amongst people;
❑   places ownership of well-being into the hands of individuals, families, and
    communities;
❑   conducts itself with integrity and openness;
❑   encourages excellence and welcomes creativity; and
❑   incorporates the best of Inuit and contemporary government systems.

Source: "Nunavut – Changing the Map of Canada" Insights – *Public Sector Management
in Canada,* Volume 3, Number 4, Public Policy Concern.

Again there is considerable overlap between this list from Nunavut – even though it deals not with governance but with the narrower term government - and that produced by the United Nations.   Another attempt to delineate some of the attributes of sound governance from an Aboriginal perspective comes from the work of Taiaiake Alfred, a Mohawk from Kahnawake (see Annex 4). Alfred's set of characteristics do not solely address 'sound' governance. Nonetheless, many of those that do – for example, the need for trust between citizens and their government, the desirability of having high levels of participation, the importance of open communication – resonate well with both the United Nations and 'western' lists*.*

Given that there are over fifty Aboriginal groups in Canada with their own distinct languages, history and culture, the lack of a consensus on the characteristics of sound governance is hardly surprising.   Where there appears to be consensus among Aboriginal leaders and academics is the need for Aboriginal groups to develop their own definition of good governance through a judicious blending of traditional and contemporary norms (see Annex 5 for a summary of the Royal Commission's discussion of Aboriginal traditions of governance).

Achieving such a blending may not prove easy. Among a number of potentially contentious issues[22] is the question of elections, an attribute on any western list of sound governance. Many Aboriginal people have long commented on the divisive effects on their communities resulting from the electoral process imposed by the *Indian Act.* A former First Nation leader from Northern Ontario, Wally McKay, sums up his experience as follows:

> **"**It would be fair to state that all First Nation communities have experienced serious forms of divisions amongst themselves as a result of elections. Not only do we have divided loyalties between clans but these election systems have divided families, brother against brother, sister against sister, parents against their own children, and elders against elders. The youth are confused, frustrated and exasperated as they witness these incredible often nasty events in the selection of leaders."[23]

Taiaiake Alfred is unequivocal in proposing that Aboriginal communities should abandon electoral systems:

> "Native governments must be made legitimate within their communities. The only way to accomplish this is by rejecting electoral politics and restructuring Native governments to accommodate traditional decision-making, consultation, and dispute resolution processes." [24]

The experience of Aboriginal peoples with electoral systems has some interesting parallels internationally, a theme that is explored in greater depth in Annex 6.

Conclusion

"Governance" opens new intellectual space. It provides a concept that allows us to discuss the role of government in coping with public issues and the contribution that other players may make. It facilitates reflection on strategies that may be adopted by a society in instances of government incapacity. It opens one's mind to the possibility that groups in society other than government (e.g. 'communities' or the 'voluntary sector')

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[22] Four other challenging issues include the following: 1) finding an appropriate blend of a consensus style of government with a competitive party system (see, for example, a blistering attack on the 'consensus' style government of the North West Territories by Frances Widdowson and Albert Howard in *Corruption North of 60,* Policy Options, Institute for Research in Public Policy, January-February 1999; 2) defining the role of women – the subject of "…widely varying interpretations and comments among interveners" (see the *Final Report of the Royal Commission on Aboriginal Peoples*, Volume 2, Part One, P. 122); 3) balancing the secular based western approaches to government with a system of government based on Aboriginal spirituality and 4) defining Aboriginal citizenship in a way that is neither a) so narrow as to result in the inadvertent extinguishment of Aboriginal Nations through rising rates of out-marriage ; nor b) so liberal as to make meaningless any vestige of 'Aboriginalness' (see Stewart Clatworthy and Anthony Smith, *Population Implications of the 1985 Amendments to the Indian Act,* Research and Analysis Directorate, Indian and Northern Affairs, December 1992.

[23] McKay, Wally, *Instruments of Governance: Restoring First Nations Governments*, prepared for CESO Aboriginal Services, June 1999.

[24] Taiaiake Alfred, *Peace Power Righteousness: an Indigenous Manifesto*, Oxford University Press, Don Mills, Ontario, p. 136.

may have to play a stronger role in addressing problems. It is no accident that much of the discourse about governance is directed toward the subject of partnerships among different sectors of society, and toward public participation in decision-making.

Finally, it invites us to consider to what extent the attainment of desired social and economic outcomes may depend upon governance arrangements, and to ask which kinds of arrangements result in what kinds of impacts. There is certainly no guarantee that governance arrangements that "worked", in some sense, in the last century, will be appropriate or even sustainable in the context of the kinds of social, technological, demographic and other trends with which countries will have to contend in the next century.

Indeed, in Canada, there is troubling evidence that government, as an institution, is the object of growing dissatisfaction, lack of interest and disaffection among citizens. This trend may also apply to Aboriginal communities as well. To date, this phenomenon has attracted some interest among scholars, think-tanks, and some government officials, but it is appears to be little more than a small blip on the radar screen of politicians. Will this be the case five or ten years from today? In the turbulent world of the next millennium, questions related to governance may prove to be among the most important dilemmas we face.

ANNEX 1

VARIATIONS
IN
GOVERNANCE ARCHITECTURE

Governance arrangements may involve quite different types of architecture. Three scenarios will illustrate this point. Figure 2 shows what the institutional panorama might look like in a country where a military-business complex plays a paramount role (as is the case in Pakistan, for example, where the military ousted the elected government in 1999), and where the media are weak and subservient to private interests.   The domination of power by interests with little public accountability but with the underpinning of strong family and historical traditions would not conform to Western notions of good governance, but might find more acceptance in some countries accustomed to such traditions.
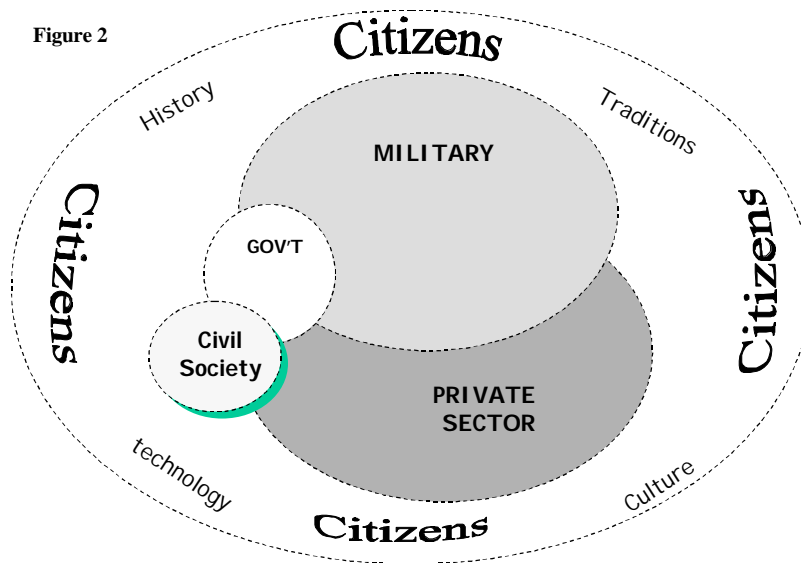
Figure 2

Figure 3, below, represents a somewhat different scenario, such as one might find in a so-called "transition" economy. Here, the private sector consists mostly of small private shops and modest family-owned enterprises.

"Governance and Good Governance: International and Aboriginal Perspectives"
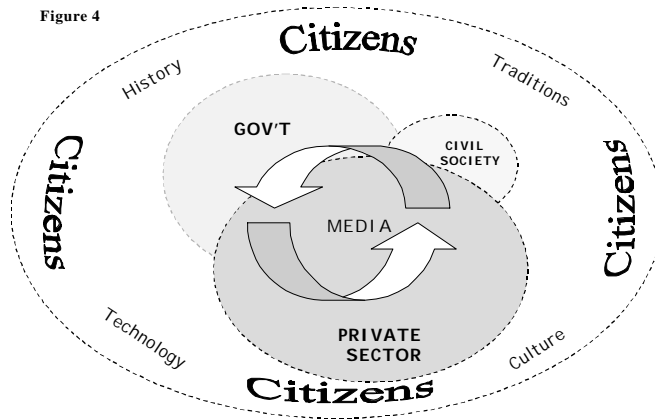*Tim Plumptre & John Graham, Institute On Governance*

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The institutions of governance related to the private sector, such as securities commissions, anti-monopoly or consumer protection laws, or effective framework legislation for business corporations are rudimentary or non-existent.

Figure 3
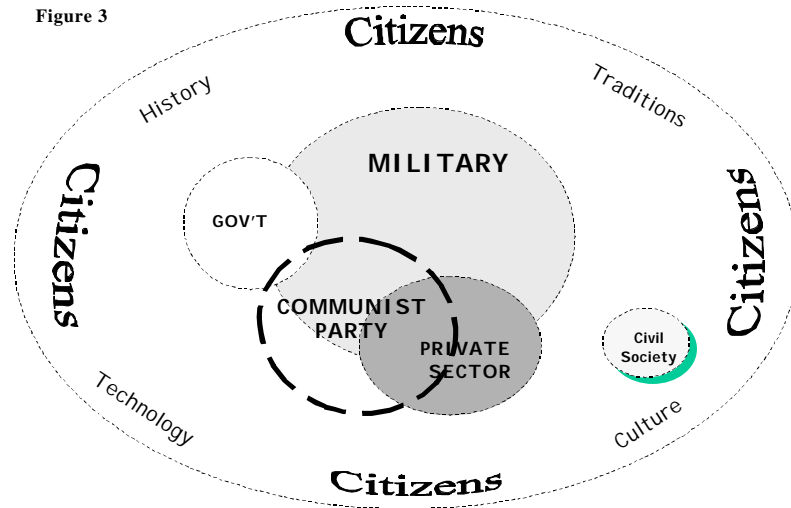
The landscape is dominated by large state-owned enterprises going through a state-controlled process of commercialization or privatization, as well as a powerful if perhaps rusty military machine closely linked to the government. Here too, the governance arrangements might not conform to Western standards, but for those in power in such countries, the controlled process of movement toward capitalism may appear far preferable to the unbridled and selfish competition characterizing freer market economies. (When some Vietnamese officials talk of their process of transition, for example, they speak of a movement toward "equitization", not privatization.)

While the previous two examples might illustrate the governance situation in existing countries, figure 4 might represent a scenario toward which some jurisdictions may move in the future. In this case, the role of government has shrunk through conscious dismantling and through what former U.S. ambassador Harlan Cleveland has evocatively called the progressive 'leakage' of state power associated with globalization. Following the logic of those who believe that the best government is the least government, government is now a relatively minor actor. The private sector plays a dominant role in governance, linked to powerful media interests. (Some suggest that the media increasingly play a determining role in shaping public perceptions of government -- the recent film parody *Wag the Dog* carries this to an extreme.) Figure 4 raises questions about whether we have achieved the most robust governance architecture if the

institutions, processes and traditions that determine how public issues are resolved are now largely in the hands of private interests.

Figure 4

"Governance and Good Governance: International and Aboriginal Perspectives"
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ANNEX 2

THE IMPORTANCE OF CIVIL SOCIETY
The Robert Putnam thesis

There is considerable evidence to suggest that citizens of western democracies have grown increasingly disenchanted with the quality of their political leaders and democratic institutions. Based on his twenty-year study of political institutions and development in Italy, Robert Putnam has advanced an explanation for this phenomenon that has affected all western countries. His thesis can be summarized in the following points:

❑ Citizens, acting in a voluntary capacity as members of church groups, sports clubs, neighbourhood associations, unions, political parties and political action groups, encourage social trust and co-operation – what he calls social capital. Norms of 'generalized reciprocity' (e.g. I'll rake my leaves knowing that my neighbours will do the same) also contribute to the creation of social capital.

❑ Trust and co-operation tend to be self-reinforcing and cumulative. A 'virtuous' circle results in higher levels of co-operation, trust, reciprocity, civic engagement and collective well-being.

❑ Conversely, the absence of these traits is also self-reinforcing; "defection, distrust, shirking, exploitation, isolation, and stagnation intensify one another in a suffocating miasma of vicious circles".[25]

❑ Higher levels of trust and co-operation lead to better government. On the demand side, citizens in communities with such traits expect better government. On the supply side, the performance of representative government is facilitated by the social infrastructure of civil society (for example, a bird-watching club will be in an immediate position to organize opposition to a project that will destroy wetlands) and the democratic values of citizens and officials.

❑ Similarly, the performance of market economies improves in societies with high levels of co-operation and trust.

❑ Over the past several decades, voluntarism and other forms of civic engagement have declined significantly in the United States and other western countries. This decline has been accompanied by the lowering of trust levels in government.

❑ The chief culprit for declining civic engagement is television: "there is reason to believe that deep-seated technological trends are radically 'privatizing' or 'individualizing' our use of leisure time and thus disrupting many opportunities for

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[25] Putnam, Robert, *Making Democracy Work: Civic Tradition In Modern Italy,* Princeton, Princeton University Press, 1994, p. 177.

social-capital formation. The most obvious and probably the most powerful instrument of this revolution is television."[26]

The Putnam Thesis:
Some Dissenting Voices

Putnam's research conclusions have spawned many counter arguments[27]. Some examples:

- Civic engagement has its dark side – the Ku Klux Klan and other racially-motivated hate groups are good examples;
- Voluntary associations may not be the only source of social capital;
- Television is not the culprit – it does not make us less trusting nor does it make us withdraw from civic engagement;
- Individual attitudes and predispositions affect the formation of social capital and its consequences; and,
- Materialistic values are the chief culprit of declining trust levels among young people.

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[26] Putnam, Robert, "Bowling Alone: America's Declining Social Capital", *Journal of Democracy*, Volume 6, Number 1, January 1995.

[27] See, for example, *Political Psychology*, Volume 19, No. 3, 1998; the entire issue is devoted to exploring social capital and the Putnam thesis.

ANNEX 3

SOUND GOVERNANCE AND THE UNITED NATIONS

Characteristics of Good Governance

Participation – all men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their intention. Such broad participation is 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 interest 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 organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external.

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 the historical, cultural and social complexities in which that perspective is grounded.

Source: "Governance and Sustainable Human Development", United Nations Development Programme, 1997.

ANNEX 4

CHARACTERISITICS OF STRONG INDIGENOUS COMMUNITIES

Wholeness with diversity. Community members are secure in knowing who and what they are; they have high levels of commitment to and solidarity with the group, but also tolerance for differences that emerge on issues that are not central to the community's identity.

Shared culture. Community members know their traditions, and the values and norms that form the basis of society are clearly established and universally accepted.

Communication. There is an open and extensive network of communication among community members, and government institutions have clearly established channels by which information is made available to the people.

Respect and trust. People care about and co-operate with each other and the government of the community, and they trust in one another's integrity.

Group Maintenance. People take pride in their community and seek to remain part of it; they collectively establish clear cultural boundaries and membership criteria, and look to the community's government to keep those boundaries from eroding.

Participatory and consensus-based government. Community leaders are responsive and accountable to the other members; they consult thoroughly and extensively, and base all decisions on the principle of general consensus.

Youth empowerment. The community is committed to mentoring and educating its young people, involving them in all decision-making processes, and respecting the unique challenges they face.

Strong links to the outside world. The community has extensive positive social, political, and economic relationships with people in other communities, and its leaders consistently seek to foster good relations and gain support among other indigenous peoples and in the international community.

Source: Taiaiake Alfred, *Peace, Power, Righteousness: an Indigenous Manifesto,* Oxford University Press, Don Mills, 1999 p. 82.

ANNEX 5

ATTRIBUTES OF
ABORIGINAL TRADITIONS OF GOVERNANCE
The Royal Commission on Aboriginal Peoples

- **The centrality of the land** – For many Aboriginal peoples, the land, which encompassed not only the earth but water, the sky, all living and non-living entities, is the source and sustainer of life. People must act as stewards of the earth.

- **Individual autonomy and responsibility** – Individuals have a strong sense of personal autonomy coupled with an equally strong sense of responsibility to the community.

- **The rule of law** – For many Aboriginal peoples, the law is grounded in instructions from the Creator or in a body of basic principles. Any failure to live by the law is an abdication of responsibility and a denial of a way of life.

- **The role of women** – In many Aboriginal societies, women's roles were significantly different from those of men in governance. According to the Commission, women must play a central role in the development of self-governing entities.

- **The role of elders** – Elders are the trusted repositories of learning on history, medicine and spiritual matters. Their roles include making of decisions on certain matters, providing of advice and vision, and resolving disputes.

- **The role of the family and the clan** – Traditionally, the family or clan constituted the basic unit of governance for many Aboriginal peoples.

- **Leadership and accountability** – For many Aboriginal societies, especially those that placed little value in hierarchy, leaders were chosen and supported by the entire community and held little authority beyond that earned through respect. Accountability was an ingrained feature of this pattern of leadership.

- **Consensus in decision-making** – Many Aboriginal people speak of the principle of consensus as a fundamental part of their decision-making processes.

Source: *Report of the Royal Commission On Aboriginal Peoples, Volume 2, Part One*, P. 115 - 139.

ANNEX 6

ABORIGINAL AND INTERNATIONAL EXPERIENCE
WITH
ELECTORAL SYSTEMS

Aboriginal Experience in Canada

Many Aboriginal people have long commented on the divisive affects on their communities resulting from the electoral process imposed by the *Indian Act.* A former First Nation leader from Northern Ontario, Wally McKay, sums up his experience as follows:

> **"**It would be fair to state that all First Nation communities have experienced serious forms of divisions amongst themselves as a result of elections. Not only do we have divided loyalties between clans but these election systems have divided families, brother against brother, sister against sister, parents against their own children, and elders against elders. The youth are confused, frustrated and exasperated as they witness these incredible often nasty events in the selection of leaders."[28]

Exacerbating these problems is the short term of elected leaders under *the Act* – two years. This is insufficient to allow newly elected leaders to effect meaningful change, according to McKay and results in a continuing state of instability and uncertainty.

Wayne Warry, an anthropologist from McMaster University who has worked extensively with a tribal council in northern Ontario, supports the thesis of the divisive nature of the political systems imposed through the *Indian Act:*

> "To-day's band councils can be dominated by one or more family factions that are never considered to be truly representative of the community at large. Menno Boldt has suggested that there is a polarization of Aboriginal communities into haves and have-nots... Small political elites exist in almost every Aboriginal community – and this elite status translates into band employment for perhaps thirty percent of the reserve population. This group stands in contrast to the majority of residents, who rely on unemployment insurance or other forms of social assistance. This dual class and power structure, as Boldt notes, is rooted in colonial structures. Over time, those in political power have gained access to land entitlements, housing and salaries associated with band employment. A significant portion of band members, then, feel shut out from political processes and reliant on this elite for any improvement in their social and economic well-being. This political division is at least partly responsible for the criticism that the behaviour of Aboriginal leaders replicates the sins of government bureaucrats."[29]

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[28] McKay, Wally, *Instruments of Governance: Restoring First Nations Governments*, prepared for CESO Aboriginal Services, June 1999.
[29] Ibid. p. 230.

A related problem described by Warry is the difficulty of managing overlapping roles where community staff members also sit on boards and councils and where staff and councilors are connected as in-laws, spouses and family members.

> "For Aboriginal people, removing kinship from professional affairs – indeed from 'affairs of state' – is impossible. It is precisely because Western notions of appropriate professional conduct have been internalized through years of contact with mainstream bureaucracy that people have leave to appeal criticisms of impropriety. This can cause people to feel insecure about their professional conduct. In my experience, criticisms of misconduct, conflict of interest, or patronage more often than not have no basis in fact. Rather, such criticism comes from those that feel locked out of decision-making or wronged in a variety of ways. Yet complaints about unprofessional behaviour continue, even where bands go to extraordinary lengths to develop transparent hiring processes or guidelines for decision-making."[30]

Echoing the *Royal Commission on Aboriginal Peoples*, Warry believes that the processes of community healing and self-government are intrinsically linked. As Aboriginal communities struggle to define new governance systems, they will need to abandon the first-past-the-post election system and imposed council system in favour of a system based on community districts or electorates. "Elections might also be supplemented by appointments to ensure representation of minority religious (and other) groups."[31] Warry even hints that reform might involve non-electoral systems of choosing leaders.

Taiaiake Alfred is unequivocal in proposing that Aboriginal communities should abandon electoral systems:

> "Native governments must be made legitimate within their communities. The only way to accomplish this is by rejecting electoral politics and restructuring Native governments to accommodate traditional decision-making, consultation, and dispute resolution processes." [32]

International Experience

The nature of the problems described by Warry and McKay, problems emanating from an imposed political structure in a colonial system, have parallels internationally. In an aptly entitled article, *Electoral Systems and Conflict in Divided Societies*, two scholars, Ben Reilly and Andrew Reynolds, sum up international experience in developing countries with ethnic, tribal or linguistic divides this way:

> "What the collective evidence from elections held in divided societies does seem to suggest is that an appropriately crafted electoral system can do some good in nurturing accommodating tendencies, but implementation of an inappropriate

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[30]   Ibid, p. 235.
[31]   Ibid, p. 235.
[32] Taiaiake Alfred, *Peace Power Righteousness: an Indigenous Manifesto*, Oxford University Press, Don Mills, Ontario, p. 136.

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system can do severe harm to the trajectory of conflict resolution and democratization in a plural society."[33]

Reilly and Reynolds note that perhaps the most common way through which democratizing societies come to use a particular electoral system is colonial inheritance. It is also likely to be the least appropriate:

> "Colonial inheritance of an electoral system is perhaps the least likely way to ensure that the institution is appropriate to a country's needs, as the begetting colonial power was usually very different socially and culturally from the society colonized. And even where the colonizer sought to stamp much of its political ethos on the occupied land, it rarely succeeded in obliterating indigenous power relations and traditional modes of political discourse. It is therefore not surprising that the colonial inheritance of Westminster systems has been cited as an impediment to stability in a number of developing countries..."[34]

The inappropriateness of imposed electoral system is also a prominent theme of the Cornell-Kalt study of tribal governments in the United States and their impact on economic development. Their emphasis is not so much on community divisiveness but a corollary, political legitimacy:

> "To perform beneficially, self-government – governing institutions and their decisions – ultimately must have the support of the community. Without this support, the results are likely to be instability, stagnation, and a government that serves only the temporary interests of the faction in power... But where does sustainable support for the institutions and policies of self-government come from? Our research indicates that such support depends critically on achieving a match between the formal institutions of governance on the one hand and the culture of the society on the other....For many American Indian tribes, there is a real possibility of a mismatch between their formal governments and the standards of political legitimacy found in their cultures."[35]

Principles for reform

Reilly and Reynolds describe eleven different electoral systems grouped into three broad categories:

❑ Plural-majority systems – *First-past-the-post,* the system used at the federal and provincial levels in Canada and the *Block vote,* the system established under the *Indian Act*, are two examples under this category;
❑ Semi-proportional systems – An example is *the Single non-transferable vote system,* used in Japan and several other countries whereby each elector has one vote but there are several seats in the district to be filled (this encourages minority representation); and

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[33] Reilly , Ben and Andrew Reynolds, *Electoral Systems and Conflict in Divided Societies*, Papers on International Conflict Resolution No. 2, Washington, National Academy Press, 1999, p. 8.
[34] Ibid, p. 24.
[35] Stephen Cornell and Joseph Kalt, op. cit., pp.17-18.

❑ Proportional representation systems – These systems aim to reduce the disparity between a party's share of national votes and its share of parliamentary seats (a minor party with 10% of the vote should gain 10% of the seats). Such systems encourage power sharing and consensus-building.

Their principles for choosing the most appropriate system for a society are summed up in the box below.

Principles for Choosing an Appropriate Electoral System

❑ there is no one 'best' system that will suit all societies;
❑ key factors that should be taken into account when designing a system include:
  - the political history of the society;
  - the way and degree to which ethnicity has been politicized;
  - the intensity of the conflict;
  - the demographic and geographic dispersion of the population and the groups in conflict
❑ system requirements will differ in societies which are in transition to democracy as opposed to those which are in a consolidation phase;
❑ avoid overly majoritarian systems i.e. the Block vote and the First-past-the-post systems;
❑ reform should build on the existing system rather than jumping to a completely new system.