

GOOD GOVERNANCE AND THE RULE OF LAW- MAJOR PILLARS OF ECONOMIC EFFICIENCY

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Abstract: *The period after 1990 has been characterized through major changes at political and economic level for most regions of the world and the manner in which power is exercised in the management of a country's economic and social resources lead to a new specific notion of modern democracy and gain the sense of good governance. The essence of democracy consists in a system of government that is for people and the process of decision-making, the course by which decisions are implemented, partly implemented or not implemented at all, would be pointed out by the process through which public institutions perform public activities, manage public resources and guarantee the respect for the rights of the citizen in a free manner, without abuse and corruption, paying special attention to the rule of law. On the basis of a case study in Romania, the paper argues that in order to achieve good governance, the public authorities need to focus on eight key dimensions: rule of law, participation, consensus oriented, responsibility, transparency, sensibility, effectiveness and efficiency, equity and inclusion. Based on these findings, the paper analyzes specific interferences between good governance and the rule of law, their dimensions but also the manner in which a good cariees to respect the principles of good governance could lead to achieving the desired goals of economic efficiency in our country.*

Keywords: *good governance, rule of law, modern democracy*

I. INTRODUCTION

After the Second World War, but with preponderance in recent years, on the background of institutional changes induced by globalization as well as the enlargement of the European Union, concepts as they are governance, globalization, global governance, global public goods, good governance, good administration, national sovereignty, democracy, are brought to the main plain of political life, economic and social issues, public administration being the main pillar of their implementation in society. Thus, in the context in wich civilization has developed, were formed two theories regarding the concept of good governance (Burns and Stalker, 1961):

- In the light of *mechanistic theory*, the governance has a significant role to maintaining order in society. In this concept, the state is reflecting through the expression of the law, and the law is an exact transposition of rationality.

There must be a strong hierarchy so that general interest is not dominated by individual interests.

- The *organic theory* of good governance refers to a guid path to a better order. This concept leads to the creation of better conditions.

The term of good governance is explained by World Bank as a core element of development Strategy which captures the manner in which power is exercised in the management of a country's economic and social resources for development, being a multifaceted concept. Through good governance we understand transparency, efficient public services, assuming certain risks, compliance with the law and enforcement of the regulations, citizen participation and their word representing a major importance in policy formulation and decisions. Terminological differentiations are generated by the following factors: 1. level of approach (for example, World Bank defines the principles of good governance through the idea of their own programs and policies, as well as United Nations Organisation), 2. the genesis of the principles of good governance which could have determined a regional structure, how is it for example, European Union, to embrace them, but with adaptation to their own needs and ideologies (what it confers, besides, these multidisciplinary principles character), 3. the novelty of concepts in some administrative areas (for example, Romania) while explaining too many essential concepts, such as „the governance” and „the government” in specialized works (explanatory dictionaries).

The good governance fades corruption, stakes also on taking in consideration the minority opinions, such that the most vulnerable category of society to make part in public decisions-making. The good governance is receptive to the needs of citizens. Moreover, analyzing the concept of governance, it has three pillars:

- *The technical pillar*: deals with the economic aspect of governance, transparecny of government responsibilities, the management efectiveness of public resources, stability in private sector activity.
- *The social pillar*: suppose construction, training and promotion of democratic institutions and tolerance at society level.
- *The political pillar*: concerns legitimacy of the government/governance legality, responsibility of political decisions and respect for human rights.

Making a retrospective of informations and experiences accumulated by developed countries, identifying the foundation of good governance, is to encourage dialogue on a large scale about ideas, actions and options. The main factor is participation and involvement of citizens, they have a power that can influence the formulation of policies and projects through elected representatives, through membership in committees or through the actions of the memorandums. So, it results that this notion has a direct connection with the rule of law, and specific interests can lay the foundation of what it means economic efficiency.

II. THE MAIN FEATURES OF GOOD GOVERNANCE AND THE INTERFERENCES WITH THE RULE OF LAW

In the specialty literature, the term of good governance is not so unique and completely, how it is not the primary objective which would lead to a more universal definition. However, the good governance it is expressed by respecting all human rights, the State must to guarantee the supremacy of law, a more productive and efficient participation, legitimacy, acces to information, efficient public sector, education, equity, the existence of development strategies, highlighting values and people who promote the responsibility, solidarity and tolerance. The democracy is mainly defined as an autonomous system of government, in which all citizens are equal, and political decisions are taken by majority, respecting the rights of citizens and minorities. According to american senator's Daniel Webster wording (1830) and taken over 33 years later by Abraham Lincoln, the governing system for democracy is based on „the government of people, made by the people for people and answering in front of the people”. An important rol in the governance system it is the law. By law, the democratic society can manifest itself so as to protect the state values, the fundamental rights and freedoms of citizens. The law must be as stable as possible to help develop domains (economic, social, educational, health, financial etc.) and then the law is not stable and undergo frequent changes, is in the process of being created a weakness and insecurity of the state manifested by all the plans.

In the political systems undergoing democratization, governments exist in order to fulfill vital functions such as: maintaining security, provisions of public services and ensuring treatments according to the laws in force etc. The features of these functions may vary, but they form the components of the contract between the people who are governed and the people who govern. This contract exists at various levels, the Constitution is that which broadly defines the principles of this contract, while through the legal framework created is becomes operational at the local level. The citizens participate to the guvernance to define the contract, to administer and monitor it (Deaconu, 2003). The population, by vote, appoints elected officials with confidence which must be rewarded with honesty and transparency in the governance process (Licht et al, 2007). Also, citizens must be given, a role in the governance process. Promoting citizen involvement in the governance process is a duty of democratic institutions and representative for the people, but assume and the responsibility on the part of citizens to find solutions in these oportunities. Thus, at European level is being pursued achieving an effective policy for citizens by establishing a close connection between them and Europe (Guy Hermet, 2006)..

Pierre Laudell-Mills and Ismael Serageldin (1991) define the governance as being „the use of political authority, the exercise of control over a company and resource management for economic and social development”. Detailing the dissemination of governance by the doctrine of constitutional law, it is worth nothing that, as stated in the doctrine Rousseau, J.J. 1762), in the classic constitutional concept, administration is the action of executive power, based on a public power processes. In this optics, the administration represents a way of working which returns exclusively to the executive,

the principle of separation of powers in the state having a main consequence- the fact that administration can't be exercised neither by the judiciary, neither by legislative power. Equally, the administration isn't the only task of executive, this having a series of extra administrative tasks exercised in constitutional reports with Parliament or in international relations. The current doctrine of administrative law defines in differentiated mode the concept of executive power, as follows:

- according to an opinion (A. de Laubadere (1980), we distinguish between the executive power and administrative activity of the state, showing that in time when the executive activities have a political dimension belonging exclusively to the power of the state, the administrative activities haven't necessarily a political dimension, even if most are found in the sphere of the executive power.

- In another point of view (Drăganu, T. 1998), the sphere of the executive power authorities is wider than the sphere of the public administration organs, which constitute only one element of the executive power system authorities. You can't to govern if you don't have the power, but if you have it, you need to have knowledges how you can use it effectively for satisfy the citizens needs (Merry et all, 2015). In a State with a solid rule of law, the power is held and exercised only in base of legitimacy.

So, Montesquieu, in his work "De l'espirit des lois" (Charles de Montesquieu, 1964) he realizes a type of political regime in which was put in worth a moderate governance, by securing the separation of powers and the political freedoms.

John Locke approaches the governance by creating in the year 1660 a modern term of executive power, in his work entitled „The second treatise of civil government” (Locke, J., 1960)

Promoting on the same line principle of separation of powers in the state, Jean Jacques Rousseau in his work entitled „The social contract” show that "it's not good that who makes the law to execute it" whereas this way can lead to „government without governance”.

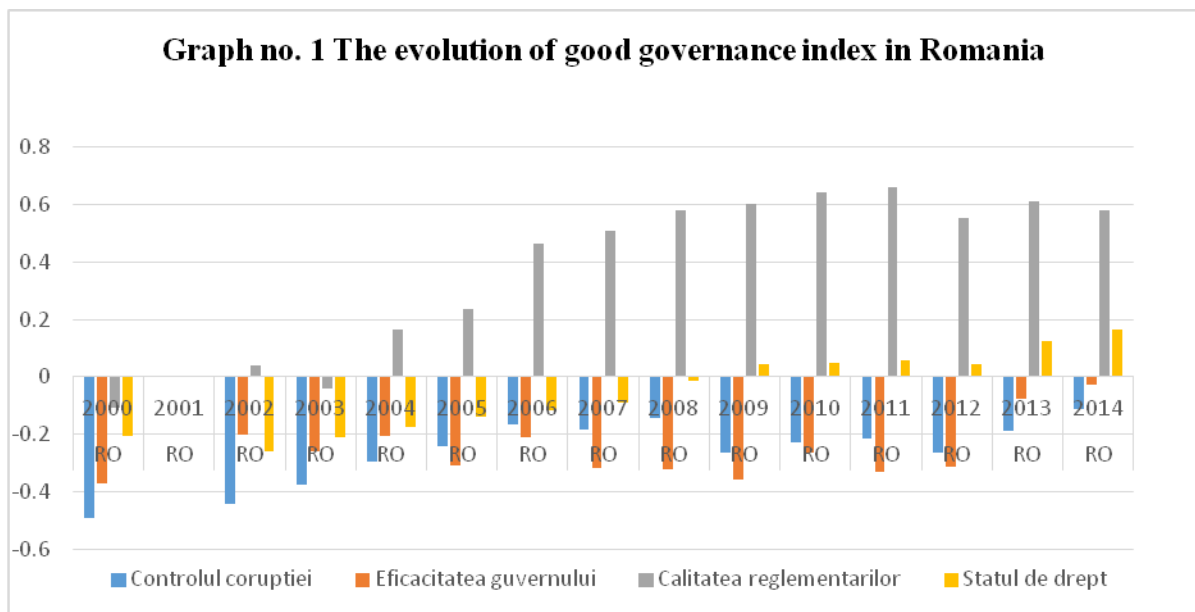
According to Robert Charlick, Good governance represents „the effective management of public affairs by generating a set of rule, in order to promote and strengthen the values of the society searched by individuals and groups”. The term of „good governance” origins in the year 1980, being used for the first time by The World Bank and The International Monetary Fund in a project on helping developing countries. As we have noticed, the main concept of good governance has several concepts, both at level of country, and international, all involving the same substrate.

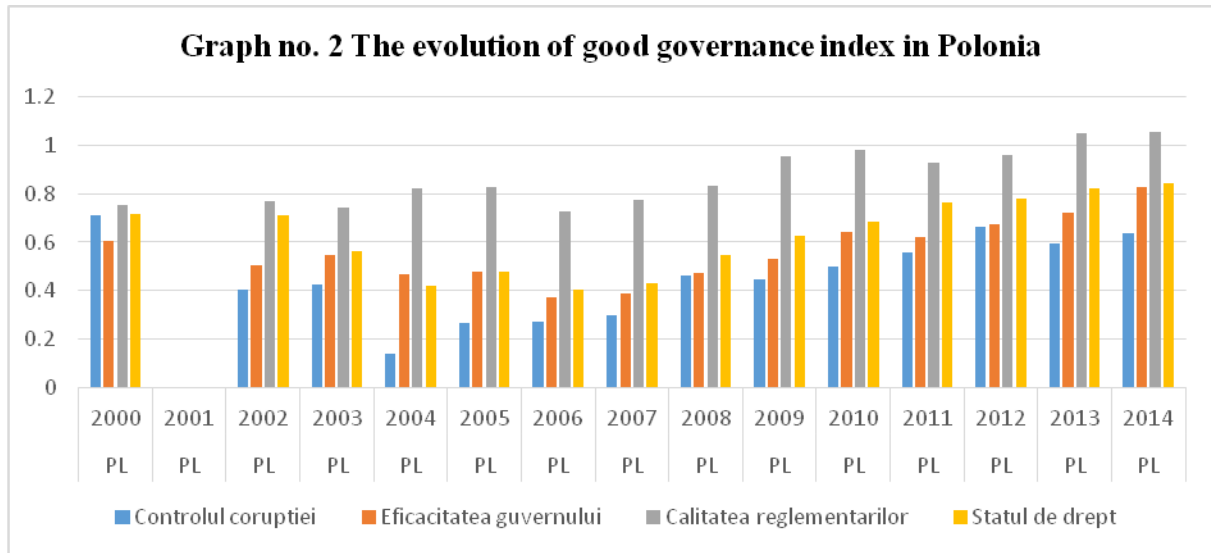
The term of „good governance” appeared at national level through a series of official documents, most labeled being Chapter 3 of The Government program 2009-2012, called The Commitment for good governance of Romania, approved by the Romanian Parliament in the year 2008. Also, The Supreme Council of Defence of the country uses the phrase of „good governance” in a national security strategy of the country by the Judgement no. 62 from 7 april 2006.

International Monetary Fund and United Nations Economic and Social Council have identified eight key-dimensions taking part in a good governance:

- *Equity and inclusion.* All members have the right and role to be included in the main layer of society leading to prosperity. This offers the chance of vulnerable social groups to improve its well-being.
- *Equity and efficiency.* The public resources must be used efficiently, in such a way that their use to be sustainable and to protect environment, to solve mainly the citizens needs by the public institutions.
- *Responsibility.* All decisions must be taken with responsibility and in report to the supremacy of the law.
- *Participation.* Is produced by the institutions, legitimate representatives and civil society, al three having to be informed and well-organised.
- *Rule of law.* The good governance must to respect the citizens rights and in particular those of minorities. Impartial implementation of legislation provides an independent justice and an incorruptible and impartial character of police bodies.
- *Transparency.* It can be transposed like the top of a hierarchical pyramid what represents the democracy and combating corruption and inefficiency. It involves the free circulation of information and her implementation on the decisions in question.
- *Responsiveness.* This implies that public institutions to be concentrated on the fulfillment of people’s needs.
- *Consensus oriented.* This refers to the mediation of all interests who are in society to get to the end, to a consensus for the good of society.

To create an overview on the motivation of this work and to highlight the link between the rule of law, good governance and economic efficiency, we can refer to the tables below where a series of indicators are presented. Processed on the World Bank website, we show how things evolved both on the profile of our country but also on the profile of a state considered to be lately a succesful model, respectively Poland.





Source: own processing based on the data offered by The World Bank

As we can be seen from the graphs no. 1 and 2, things differ significantly from one country to another, if on the profile of Romania we find negative values for three of the four indicators, in the situation of Poland we report, lately, to a succesful model intensively publicized and reported as being a good example of economic and political governance.

In another work, the good governance has the following features (Bouckaert, Geert, and Steven Van de Walle, 2003):

- *Legitimacy*, through public acceptance to those who hold power, the existence of a set of rules, processes and imposed procedures.
- *Responsibility*, because the legitimacy of governments acts will be perceived as legitimate only through their responsibility, responsibility is ensured by selecting those who hold the power and through citizens consultation procedures targeting the adoption process of public decisions and their effects.
- *Efficient management*, through the capacity of public administrations to transform public resources in the services and infrastructure that responds to real needs. Performance oriented and transparent procedures are the key factors of effective public management. Citizens must be offered opportunities to express their preferences for the quality and nature of the services. As much as the activity of the local administration is perceived as useful and responsible, the citizens will be more and more willing to provide resources for services and infrastructure. Through a transparent process of decision-making and through efficient management, the governance will demonstrate the responsibility towards citizens.
- *Acces to information*, as the main link between civil society and governors which allows citizens to judge the efficiency of the governors and their activity, the acces to information about laws, procedures and results, forms the citizens' ability to participate and monitor the activity of governors and their degree of responsibility.

As can be seen, all these features take into consideration the suggestions and opinions of minorities, delimiting the most vulnerable opinions which may have an impact on the decision-making process, diminishing the phenomenon of corruption. In other words, it is not necessary to treat distinctly the notion of rule of law with highlighting the importance of democracy, the rule of law, or others, being fully clear the fact that notion of good governance involves defense mechanisms, strengthening the rule of law. The difference lies in the way of implementation and manner in which are respected or not the principles of good governance.

III. A SHORT APPROACH TO THE CONCEPT OF GOOD GOVERNANCE AS AN EXERCISE OF ECONOMIC AUTHORITY – CASE STUDY-THE CIUGUD COMMUNITY

Taking into consideration the notion of economic efficiency and the analysis of the concept of good governance in relation to this aspect, we consider that the idea of good governance can be seen as an exercise of economic authority. The economic efficiency, through its content, express a relation of double relativity: obtaining maximum economic effects with a maximum consumption of resources, and on the other hand with minimum resources consumption, presupposes obtaining best results. So, if the ideas treated in the previous paragraphs shows us that good governance can be seen like the exercise of the economic authority, political and administrative to manage the country's affairs at all levels, then this exercise through specific mechanisms and specific institutions manages achieving the desired goal of economic efficiency.

To demonstrate in this work that good governance can have effects on economic efficiency, we chose a case study on the Ciugud community, from the Alba district, „the main character” being the governance mode which it exerts and the factors that determined the increasing quality of local governance and the succes of the good governance. Succes which resulted with a positive effect on the community, that took part in obtaining viable performances with minimum resources consumption.

To test practically the methodology described in previous pages, we selected the Ciugud community from the Alba district by geographical location, size and teritorial-administrative typology.

1. The Ciugud community

The Ciugud community is seated in the Transylvanian Plateau, in the Alba district. Is bordering on the north with Sântimbru and Berghin communities, to the south with Oarda de Jos community, to the west with Alba-Iulia city and to the east with Daia Română community. The Ciugud community has a population of 3000 inhabitants and it is composed from the following villages: Ciugud, Șeușa, Limba, Drâmbar, Teleac and Hăpria. The Ciugud village is situated at 9 kilometers from the Alba-Iulia city. The dominant relief form is the hill and the meadow.

The existence of good governance at Ciugud community level is due to Damian Gheorghe Mayor which in 15 years he managed to become a model of development of

rural areas in Romania” through non-reimbursable funds granted by European Union, „local authority took, until today, over 27 million euros, european money” but also creating a site through which the citizens brings into discussion the problems from the community, can be informed or can make known the opportunities for development and or improving the quality of life.

„Before to accession of Romania at European Union is being discussed very much about the fact that local public administration must to lodge projects, to raise funds for the community. This fact could be achievable if we prove that we have the possibility to support financially a part of project. We got it and we set the foundation of the Drâmbar Industrial Zone, furnished on a surface of 23 hectares, as a financial engine of the community.” (Gheorghe Damian Mayor)

Twelve years ago, at Ciugud, a community near by Alba-Iulia, dozens of hectares of land were covered with weeds. Now, the pastures became the economic engine of the community after the area has been transformed in an „Industrial Park”. Half of the annual budget of the Ciugud community is collected from taxes levied from investors of the industrial area. One million of euros goes annually in the community vault from companies who developed their businesses here, money which ensures funds for investments, but also co-financing for european projects. From 2015 and until now, about 20 investors with 700 employees bought or have rented land.

In 2004-2005, the community has a budget of 15000 euros on year, and in the year 2017, the community has arrived to a budget over 2 million euros with the help of investors but also local taxes from citizens.

„The team of professionals which I have attracted in the community has made the possible to approval of funds for the community and so, through joint effort and patience, we have developed six major projects with a cumulative value of 16 millions euros, in such areas as: infrastructure, energy, environment protection, culture and agriculture. All these projects has been run with grants funds, what allowed us to use the local budget funds for the renovation of schools from the community.

From starters, we focused on infrastructure. In a few years I have paved the roads, I founded the sewer network and the sewage treatment plant serving the six villages of the community. A later project has lead to 26 kilometers of the agricultural road which make the link between the Ciugud community and Berghin and Daia Română communities. Being constantly threatened of the danger created of the neighborhood with the Mureş River. I succeeded, with european money to equip the community with a backhoe loader, two motor boats, a motor pump of high capacity, a hundred life jackets and transmitter stations. The environment appear as a multidimensional reality because, as militants for sustainable development of the community, I succeeded to forest, with the support of volunteers, nine hectares of land; more, through a partnership with Polytechnic University from Timișoara City, I realised a funded project by the Norwegian Government and I installed a wind farm in the Șeușa village and seven photovoltaic panels.” (<http://primariaciugud.ro>).

2. The official site of the Ciugud Village Hall

„This site is adressed to all wishful persons to find out informations about the past and the future of this community, the history, the traditions and the spirit of the community, as well as plans for the future... This site gets the voice of local government to citizens, but at the same time, becomes a way to make the community known to the general public, regardless of whether is romanian or foreign. The site wants to put to disposition the all informations which targets the citizens and the problems with which he is confronted, to let them know the development and revitalization opportunities of the village and improving the quality of life inside it. In this period driven by technology we are proposing, by patience and professionalism, to offer the best electronic support to all those interested by the evolution of local government, the documents of public interest, the forms or investment projects which unfolds within the community.”

The Ciugud Village Hall approve a series of articles through **„The decision on information of public interest managed by the Ciugud Village Hall, which they can be communicated and the exceptions to communication”**:

„Article 1. Is approved the list of informations produced and/or managed by the Ciugud community, set out in the Annex no. 1 (see the site <http://primariaciugud.ro>).

Article 2. Is approved the list of public interest informations communicated ex officio, according to Article 5 of the Law no. 544/2001, looking the free access at the public interest informations, set out in the Annex no. 2.

Article 3. Is approved the list of public interest informations communicated on request, according to Article 6 of the Law no. 544/2001, set out in the Annex no. 3.

Article 4. Is approved the list of informations excepted from communication, for to respect the principle of confidentiality, set out in the Annex no. 4.

Article 5. The terms for written communication of an answer to public informations seekers are:

- a) 10 work days for to communicate the required public interest information, if this has been identified in this term.
- b) 10 work days for to announce the applicant that initial term provided at point a. Was not enough to identify the requested information.
- c) 30 work days for to communicate the public interest information identified over the term provided at point a.
- d) 5 work days to transmit the refusal of communication of the requested information and the motivation of refusal.

Article 6. Periodic activity report shall be drawn up annually.

Article 7. From the date of adoption of this activity on information of public interest will be carried out by The Public Relations Departament within The Association of communities from Romania Rucăr- The Alba Subsidiary, that was concluded the cooperation agreement through The Local Council Decision of the Ciugud community no. 97/27.12.2012.

Article 8. Monitoring the compliance of provisions of this decision returns to the Mayor of the Ciugud community.”

The previously presented articles are respected by The Village Hall by clear evidence of a „*Evaluation Report of the implementation of the Law 544/2001 in year 2015 centralized*”. In this report was highlighted the fact that the city hall communicated informations through its own website, by displaying at The Village Hall and through an information point who was visited about 1200 citizens. The Village Hall has already received some requests (on the use of public money, legislation/regulations and how to accomplish the attributions of the public institution) from individuals and legal entities which have been resolved.

IV. CONCLUSIONS

This analysis highlight that on the Ciugud community profile we can talk about good governance because she can rivals with many cities from Romania in view of the fact that the population is growing from year to year, all houses have utilities, are paved roads even between agricultural parcels, free internet in public areas, bicycle tracks and public lighting obtained aeolian and with solar panels, the most important being „The industrial park from Drâmbar” plus others investments (education, health and infrastructure). The basic idea is that the notion of good governance can mean much more on a large scale as the previous paragraphs have shown, is materializes in capacity to manage efficiently the country’s affairs, with the compliance of the law and the rule of law, with the desired goal of economic efficiency and improving administrative capacity.

Putting together the information and presented experiences in this work, we find that the only way which does the object of good governance is to encourage the ideas, the actions and options on a large scale. In this way, those who hold power, can make decisions which must to be understood by the citizens. The citizens are of great importance, they must to realize that without their participation and involvement, the process of good governance can not exist.

- ✓ The government is the servant of the citizen, but not vice versa.
- ✓ All citizens are equal in front of law, including those holding public functions or are leaders of some organizations.
- ✓ The act of governance must be clear to all citizens. ➡transparent.
- ✓ The public goods and services must be divided in a universal and non-discriminatory manner, without favoring politicians or certain groups/organizations. ➡universal, non-discriminatory.
- ✓ In order to achieve a sustainable and efficient economy, it is very important that those who have exercised governance allow citizens to develop their entrepreneurship, help them (reduce costs, simplify the system of taxes and duties, apply laws and rules without discrimination) so that companies that will develop much in the future will also support the country's economy.

Our findings suggest that in order to achieve good governance, the public authorities need to focus on some key dimensions, such as: rule of law, participation, consensus oriented, responsibility, transparency, sensibility, effectiveness and efficiency, equity and inclusion.

Morover, even if the definitions of the concept of „good governance” presented in this work, have different institutional priorities depending by the period in which they were born, visions and concepts, through which was examined the political and economic reality, it is clear that for a country, to have a good governance, must to exist a close and strong relation between The State and The Society, based on a mutual trust and without corruption.

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