

obstacles to achieving humane governance in South Asia are complex and varied. Reversing the region's present course, however, is not a hopeless endeavour. Certain principles of action that maximize people's initiative and identify conditions favourable to change can bring about the desired institutional and policy changes. At the same time, it is important that the governance innovations proposed are also politically acceptable, financially and administratively feasible, and developed over time through a consultative process involving all stakeholders.

Humane governance does not romanticize the interface between the state, the market, or civil society. On the contrary, it recognizes that human institutions are imperfect and often driven by the self-interest of those in charge. Nevertheless, the search must continue for a participatory, responsive, and accountable polity embedded in a competitive, non-discriminatory yet equitable economy. This, in turn, requires that people's money is plowed back to serve their basic needs which will expand the opportunities open to them, and where people have the ability and the freedom to self-organize. In short, humane governance is that good governance which fosters human development.

Measuring humane governance

As discussed above, humane governance has three inter-linked dimensions: economic, political, and civic. Economic governance consists of those factors required to sustain economic development. Political governance is defined as the use of institutions by government to govern, and civic governance as the right and responsibility of the governed to participate in and promote good governance. It is to be expected that a country with high economic, political, and civic governance would also have high human development. However, this is not certain. Yet it is possible to examine this connection by arriving at a measure of humane governance, however crude, and

Table 2.1 Humane governance index (HGI)

Country/Region	Economic	Political	Civic	HGI value
India	0.599	0.591	0.540	0.577
Pakistan	0.565	0.469	0.472	0.502
Sri Lanka	0.647	0.303	0.445	0.465
Bangladesh	0.494	0.441	0.451	0.462
South Asia	0.59	0.56	0.52	0.56
<i>Memo Items</i>				
East Asia	0.75	0.64	0.56	0.65
Industrial countries	0.84	0.79	0.86	0.83

exploring its correlation with the Human Development Index. Thus, we make an attempt here to construct a Humane Governance Index (HGI).

The HGI is a composite index of indicators measuring economic, political, and civic governance. The three composite indices were compiled using currently available indicators (see technical note). Economic governance is assessed by measures of fiscal policy (budget deficit), monetary policy (inflation rate), trade policy (current account deficit), social priority spending (public expenditure on both health and education), and liberalization of the economy (ratio of the official to the parallel exchange rate).¹ Political governance is assessed by measures of various political perception indicators including corruption, quality of bureaucracy, accountability, law and order, ethnic tension, etc.² Civic governance is assessed by measures of freedom of expression (relating to the right of the governed to express their views on government policies and actions), non-discrimination (relating to mistreatment on the grounds of race, ethnicity, gender, religion, etc.), political participation (relating to free and fair multi-party elections), and rule of law (relating to reliable and impartially enforced rules established in a legal and judicial system that ensures equity before law).³

The HGI is the unweighted average

¹ Indicators obtained from World Bank (1997f); see this publication for details as to the calculation of the variables.

² Khan and Zaidi 1998.

³ Indicators obtained from Desai (1994) which details how the indicators were quantified.

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of the three indices of economic, political, and civic governance. We did not weight the indices due to the fundamental requirement of each of these three components to produce humane governance. Humane governance can only be achieved through a *combination of all three dimensions* of economic, political, and civic governance. One dimension does not come before another. They must occur in unison for the concept of humane governance to be realized. Hence, a simple mean of the economic, political, and civic governance indices was taken to form the HGI.

Drawing on available data, Humane Governance Index has been calculated for fifty-eight industrial and developing countries, including four South Asian countries (see chapter 2 annex). A higher number of HGI indicates higher levels of humane governance and vice versa. As an illustration, we have put above the HGI of four South Asian countries. (Table 2.1).

The HGI is a very preliminary, and admittedly crude, attempt to provide a quantitative measure of what is a complex, multi-faceted concept of humane governance. Neither the absolute numbers nor the ranking should be taken as anything other than tentative and exploratory. To make an accurate quantitative measurement of humane governance, much more work needs to be done by many more people before it can become acceptable as a tool of analysis. We have also made an attempt to quantitatively measure the distance between the rulers and the ruled by computing a distance index (see Annex C).

South Asia's crisis of governance

South Asia is replete with examples of poor governance, which erode the capacity of communities and individuals—especially the poor and disadvantaged—to meet their basic human needs. From an inefficient deployment of resources and crippling debt burdens to social divisions drawn on ethnic and sectarian lines, arbitrary law

enforcement and failed political leadership, few regions shoulder governance challenges with the scope and intensity of those found in the South Asian region. The perverse incentive structure in Bangladesh's eroding civil service, the refusal of Pakistani citizens to pay income tax or monthly utility bills, and the internecine conflict ravaging North-East Sri Lanka—are deviations from humane governance behaviour that are merely symptoms of a much deeper, system-wide social and political disease. In studying this highly complex problem, efforts must be made to avoid convenient generalizations; the predicament afflicting the South Asian countries today cannot be attributed to the failure of any particular institution or group of institutions.

In the course of this Report, examples of good and bad governance are cited and the underlying causes analyzed. Policy proposals are made in light of this analysis, and these proposals are guided by the conceptual framework of humane governance.

In essence, the Report poses the following questions to any system of governance:

- do people fully participate in governance?
- are people fully informed?
- do the people make decisions, or can they at least hold the decision-makers accountable?
- are women equal partners with men in governance?
- are the needs of the poor and disadvantaged met?
- are people's human rights guaranteed?
- are the needs of future generations taken into account in current policies?
- In short, do people own their structures of governance?

From this alternative vantage point that accepts people to be the fundamental unit of analysis, the political dynamics between the state and broader civil society are revealed. Humane governance, by

focussing policy attention on the betterment of human lives, also provides a blue print for reform that places people at its centre stage. By viewing politics as a central part of economic systems and civil society apparatus, the humane governance framework, unlike the new

political economy and neoclassical economics, envisions a constructive role for politics in empowering people. Policy recommendations that flow from this approach will certainly maximize citizens' participation in securing their rights and meeting their needs.

Chapter 2 Annex

Humane Governance Index

	Economic Governance		Political Governance		Civic Governance		Humane Governance		Human Development	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Norway	1.000	1	0.972	3	0.953	5	0.975	1	0.943	3
Finland	0.835	17	0.982	2	0.997	2	0.938	2	0.942	5
Denmark	0.938	4	0.910	6	0.951	7	0.933	3	0.928	16
Switzerland	0.934	6	0.845	12	0.975	3	0.918	4	0.930	14
Netherlands	0.791	30	1.000	1	0.953	4	0.915	5	0.941	6
Ireland	0.898	9	0.894	7	0.918	12	0.903	6	0.930	15
Sweden	0.830	18	0.874	10	1.000	1	0.902	7	0.936	9
Canada	0.914	8	0.875	9	0.892	16	0.894	8	0.960	1
United States	0.886	10	0.853	11	0.934	9	0.891	9	0.943	4
United Kingdom	0.841	16	0.953	4	0.866	18	0.886	10	0.932	12
Portugal	0.808	24	0.888	8	0.906	13	0.868	11	0.892	22
New Zealand	0.941	2	0.700	20	0.953	6	0.865	12	0.939	8
Austria	0.845	15	0.797	15	0.930	10	0.857	13	0.933	11
France	0.883	12	0.775	16	0.906	14	0.854	14	0.946	2
Singapore	0.940	3	0.921	5	0.625	31	0.829	15	0.896	19
Costa Rica	0.778	33	0.749	18	0.937	8	0.821	16	0.889	23
Czech Republic	0.933	7	0.695	21	0.807	22	0.812	17	0.884	26
Italy	0.790	31	0.771	17	0.850	19	0.803	18	0.922	18
Australia	0.884	11	0.683	22	0.833	20	0.800	19	0.932	13
Poland	0.747	34	0.833	13	0.782	23	0.787	20	0.851	29
Spain	0.805	26	0.596	30	0.923	11	0.775	21	0.935	10
Greece	0.724	37	0.812	14	0.779	24	0.772	22	0.924	17
Japan	0.860	14	0.666	24	0.741	25	0.756	23	0.940	7
Botswana	0.937	5	0.579	33	0.727	28	0.748	24	0.678	44
Argentina	0.830	19	0.565	35	0.811	21	0.735	25	0.888	24
Trinidad/Tobago	0.821	22	0.501	45	0.872	17	0.731	26	0.880	27
Uruguay	0.617	50	0.525	39	0.899	15	0.680	27	0.885	25
Korea Republic	0.780	32	0.635	26	0.621	32	0.679	28	0.894	20
Chile	0.701	41	0.675	23	0.630	30	0.669	29	0.893	21
Malaysia	0.826	21	0.602	29	0.562	38	0.664	30	0.834	32
Bolivia	0.799	28	0.435	52	0.739	26	0.657	31	0.593	49
Ecuador	0.707	40	0.505	44	0.735	27	0.649	32	0.767	36
Jordan	0.869	13	0.556	36	0.486	45	0.637	33	0.729	39
Philippines	0.656	44	0.728	19	0.523	42	0.636	34	0.677	45
Dominican Rep.	0.743	35	0.566	34	0.588	36	0.633	35	0.720	40
Thailand	0.803	27	0.537	38	0.544	40	0.628	36	0.838	31
Tunisia	0.827	20	0.617	27	0.408	51	0.617	37	0.746	38
Honduras	0.720	38	0.510	43	0.606	34	0.612	38	0.573	50