

Institutional development in the private sector

A corollary of the previous point is the growing realization that institutional capacity-building should not be confined to the governmental sector. Governments will continue to have indispensable roles to perform in areas where market forces do not work well, such as education, infrastructure, and the creation of a social safety net. After decades of state dominance, however, most southern countries now favour a rebalancing of the public and private sectors to strengthen the latter. Several of the N-S collaborations under consideration here (e.g., NGO-to-NGO twinning and business joint ventures) will have special roles in building the capacities of non-governmental institutions.

Good governance and democratization

A fourth trend in recent development thinking is the increased attention being paid to the goal of good governance and democratization of political and administrative structures. It is realized more clearly the extent to which social and economic development depend on the functioning of the political system and the country's institutional structure from top to bottom. The concept of good governance includes: the existence of governments that are accountable to their citizenry or electorate; reasonably honest and open administrations and judiciaries; essential respect for human rights; and the tolerance and fostering of non-governmental voluntary associations and institutions.

Besides the effects that human rights abuses have on manpower emigration, economic development and entrepreneurship are hampered by secretive and monopolistic government information policies which deprive businessmen of useful economic data. Similarly, intolerance of institutional pluralism (or the existence of independent institutions like a free press and professional/occupational associations) deprives a society of multiple sources of ideas and services.