

## SECTION III

### SPECIAL TOPIC: GOVERNANCE

*Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary.*

James Madison  
Federalist Paper No. 51

*While transparency and accountability had long been pillars of public governance in the West, in Asia the webs of power and money remain largely hidden from public view... We created a hybrid form of capitalism where patronage was put to the service of profit-maximization, indeed a recipe for unbalanced and unsustainable development.*

Anand Panyarachun,  
former Prime Minister of Thailand  
February, 1998

*How do we account for the persistence of poverty in the midst of plenty? If we knew the sources of plenty, why don't poor countries simply adopt policies that make for plenty? We must create incentives for people to invest in more efficient technology, increase their skills, and organize efficient markets. Such incentives are embodied in institutions.*

Douglass C. North, 2000  
In World Development Report 2002