

## **Editorial Article:**

### **Governance, Innovation, and Sustainable Development**

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#### **Abstract**

The role of good governance and innovation is critical in ensuring a favorable investment environment and sustainable development. A review of the literature suggests that there is an affirmative relationship between governance, innovation, and sustainable development directly or indirectly. Without governance, innovation and sustainability could not go ahead smoothly, and the same in light of innovation. Good governance is crucial for tackling any kind of challenges regarding development. At the same, innovative technology enhances governance and sustainable development.

**Keywords:** Governance, innovation, sustainable development, policy

#### **Governance**

Governance has been realized in every sphere of life. Generally, it is linked with the process and structure by which decisions are made and implemented or not. It encompasses various components like the rule of law or regulatory system, intellectual property protection and transparency and accountability, and policy (innovative). A rule of law would ensure the working environment and it would protect intellectual property protection and ensure transparency and ultimately developmental activities. Governance can be a formal and informal actor. The government is one of the actors in governance. Good or effective governance can create an innovative environment and favorable institutional environment and result in sustainable development. According to the UN (2020), the E-

Government Development Index of Nepal is 0.5117 (Rank 125 out of 193). Similarly, Nepal ranks 110th position out of 180 countries in the Corruption Perceptions Index (TI, 2022). Many developing countries have been facing poor access to modern technology and sustainable development.

## **Innovation**

As the Merriam-Webster dictionary, Innovation refers to something new or a change made to an existing product, or idea. According to Stenberg (2017), innovation is most associated with growth, new thinking, and creativity. Innovation has been understood as something new and completely unusual and creative work. This is often associated with technological advancements and it plays a crucial role in the world economy (Baskaran & Mehta, 2016). Innovation is largely related to a mindset or idea that can result in discovery in any field. In the Global Innovation Index, Nepal ranks 111th out of 132 economies in 2022 (Global Innovation Index, 2022). The low ranking of poor innovation indicates poor usage of innovative technology or products and its adverse impact can be seen in development.

## **Sustainable Development:**

The sustainability of anything has been referred to as long-lasting and very less harmful to both human and physical-biological environments. United Nations General Assembly in 1987 has made a definition of sustainable development as the “development that meets the needs of the present without compromising future generations to meet their own needs”. Environmental, social/cultural, and economic sustainability are three pillars of sustainability. Its balanced relationship can only ensure the future generation’s basic needs. Simply, sustainability promotes the use of resources like water, air, food, fuel, etc. in a sustainable way.

## **Relationship between Governance, Innovation, and Sustainable Development**

There is a positive and strong relationship between innovation and sustainability performance as the coefficient at  $r = 0.529$  and the p-value is 0.000 (Edson, 2020). Innovation contributes to sustainability in terms of social and economic aspects. In light of environmental, economic, and social development, innovation and sustainability have important links (Michelino et al., 2019). Much literature emphasizes the importance of innovation to achieve the goals of sustainable development (Barbieri et al., 2010; Christensen, 2019).

Institutional competency is directly or indirectly linked with governance (good) and innovation (technology). Technology has greatly contributed to reducing corruption and making easy access to public services. The new types of IT innovations have been helping a lot in compliance with laws and regulations as well as a reduction in human lives in natural calamities. For instance, the innovation of an alternative of wood/timber for cooking made a huge contribution to forest preservation. Similarly, the development of clean energy and electric vehicles have been linked in light of the reduction of emissions. Likewise, the development of biometric technology has effectively been used in identifying fraudulence works.

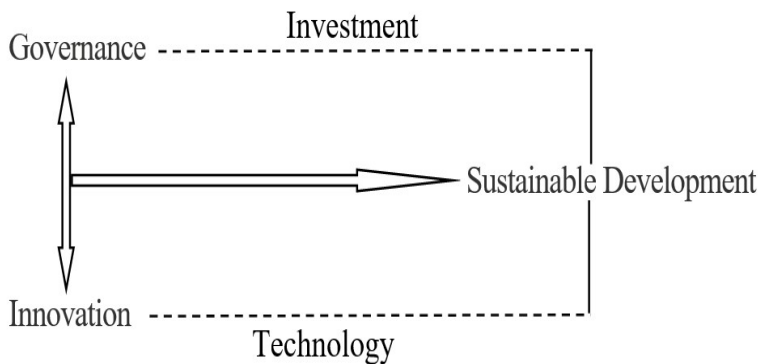
The IT-based E-governance and online technology are effectively being used in service delivery and its positive impact in good governance is critical. The budget expenditure situation in Nepal is not satisfactory as only 40 % of the total development budget has been expended. It also indicates the poor situation of resource mobilization. Poor quality of road and other infrastructure developments imply a poor situation of technology and question has been raised about governance as well as commodities or productions. E-governance and digitalization practices not only save time and money but also contribute to humanity.

In economic development, manufacturing development is crucial to export and creates foreign currency. The role of innovation (innovative manufacturing) is a prerequisite for the export of any country. Innovation is

considered a process and it does not follow a linear path. It begins with research, along with development, design, and engineering/medical, and ends with a successful production. Therefore, policy related to governance is vital i.e. good education and health policy and its implementation are required and governance can be heard herewith. While talking about innovation, the concept of inclusive and diverse teams can not be forgotten. For this, structural and policy reform are important. Similarly, Innovation and performance are interrelated to a large extent in the context of economic sustainability. Good products (performance) mean sophisticated and comprehensive ideas, attempts, and technology. Technological innovation plays an important role not in business products, but also in environmental and social issues such as waste management and corruption.

Fishman and Werker (2011) explored that the innovations led to better rules for promoting investment and growth. Governance plays a role in increasing the competition world, supply of information, and compliance culture. Similarly, Brahmbhatt & Hu examined the fast growth in domestic innovation efforts in Korea, Taiwan (China), Singapore, and China, drawing on information about R & D as well as patent and patent citation data. The frame of governance, innovation, and sustainable development is interrelated in a positive way.

*Figure 1: Frame of Governance, Innovation and Sustainable Development*



## Conclusion

The above-mentioned examples and statements vividly suggest for the encouraging situation of good governance and innovative ideas. Promoting innovative environmental-based policy (in the sense of governance) can ensure sustainable development. Therefore, innovative ideas must be encouraged by the governance system that can enhance sustainable development and the welfare of society.

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