



Good Governance; "An Endeavour towards Achieving Inclusive Growth"

Dr. Ashraf Ali

Associate Professor, Department of Commerce, Aligarh Muslim University, Aligarh, U.P, India

Umer Shareef Sheikh

Research scholar, Department of Commerce, Aligarh Muslim University, Aligarh, U.P, India.

ABSTRACT

From past two decades, the term 'Good Governance' has gained much publicity because of being considered as single most important factor in eradicating poverty and promoting sustainable development. Good governance in fact was been specified as one of the targets of Millennium Development Goals, an agenda for reducing poverty and sustainable development that world leaders agreed on at the Millennium summit in September 2002. India being one of fastest growing economies of the world, the economy growing at an average of 8% per year, faces a stiff challenge of inclusive growth and development. The incidence of poverty is still very high. Large sections of people are yet to access quality basic services in health and education; and unacceptably large number of people still does live under the condition of acute hunger. This contradictory situation of India's high growth and high poverty with regard to growth and development could be attributed to inadequate policy focus on pro-poor growth on one hand and significant failure in delivery of citizen centric public service, on the other hand. The situation clearly signifies the need for far greater accountability of governance and political system to translate democracy into human development. The present paper is an attempt made to present the concepts of Good Governance and Inclusive Growth. Furthermore the paper will also highlight the need for Inclusive growth and challenges for Good governance in India.

KEYWORDS : Good Governance, Poverty, Growth & Development etc.

INTRODUCTION

Since 1990's the notion of good governance as necessary for sustainable development and poverty reduction has gained widespread currency, especially among international organizations and developing countries. It is the failure in developmental efforts that brought forth into prominence the need for as well as identification of the principal elements or constituents of good governance. The World Bank was the first to recognize its absence as barrier to economic development of the developing countries. In its document on Sub-Saharan Africa, by Good Governance was meant at that time sound development management. The bank had identified four key dimensions in this context namely- Public sector management, Accountability, Legal framework for development and Information and Transparency. The Bank was of the view that improving governance would begin with an assessment of the institutional environment with emphasis on key governance elements of accountability, rule of law, openness and transparency which determines the patrimonial profile of the country ; high when all other factors are absent and low when they are present.

Another world Banks document entitled "Governance and development" 1992, Governance is defined as "the manner in which power is exercised in the management of countries economic and social resources for development". From its lending experience in many developing countries, the Bank came to realize that good governance is central to creating and sustaining an environment which fosters strong equitable development and it is an essential complement to sound economic policies.

Concept of Good Governance

Putting in simple Governance is a process of decision-making by which decisions are implemented or not implemented. Good Governance is associated with efficient and effective administration in a democratic framework. It denotes a value free dispensation. It involves the capacity of the centre of power of political and administrative system to manage resources efficiently and formulate plans and policies, and implement them effectively so as to cope up with the emerging challenges of the society. In other words good governance is referred to as " the ability of the governments to perform effectively, efficiently and responsively guided by principals that are feasible and desirable to all levels of the society and not just at the political one. It is also concerned with the employment of new values of governance to establish greater efficiency, legitimacy and creditability of the system. Good governance is thus a function of installation of positive virtues of administration and elimination of vices of disfunctionalities. In short, it must have the attributes

of an effective, credible and legitimate administrative system- citizen friendly, value-caring and people sharing.

"V.A. Pai Panandikar" sees good governance as it pertains to a nation-state which handles its people to lead a peaceful, orderly, reasonable, prosperous, participatory lives;

"Vivek chopra" defines good governance as unambiguously identifying the basic values of society and perusing these.

"O.P.Minocha" quotes World Bank guidelines and more operationally defines criteria as "Political accountability, availability of freedom, law abiding, bureaucratic accountability, information available transparently, being effective and efficient, and cooperation between government and society.

The concept of good governance is better understood in terms of indicators of poor governance:-

Poor management of economy; unproductive and inefficient use of capital, deficits etc.

Denial of basic needs; food, water, shelter, health care.

Security (personal/property) law and order.

Persecution based on religion, social standing, caste.

Administration; lack of sensitivity, transparency, acceptability.

Creditability; gap between intent and action.

Violence, powerless; people feel they can't make difference.

Poor governance is found all around especially in the developing countries, in rampant degree. The concept of good governance becomes attractive as a remedy against these states of affairs.

Characteristics of Good Governance

The concept of good governance has achieved increased importance from past two decades because of being recognized as one of the serious barriers to economic growth and development of the developing countries. The increased levels of poor governance characterized by corruption, unaccountable governments and lack of respect for human

rights had become an important increasingly dangerous and the need to intervene in such cases had become urgent. Good governance has become an important element of the political and economic agendas, and has meanwhile been better specified along with the proliferation of good practices that take the concept in consideration. Beyond entailing just multiparty elections, a judiciary and a parliament, which have been identified as primary components of democracies, good governance goes on to address several other issues; universal protection of human rights ; non-discriminatory laws; efficient and impartial and rapid judiciary process, transparent public agencies; accountability for decisions by public officials, devolution of resources and decision-making to local levels from the capital; and meaningful participation by citizens in debating public policies and choices.

Good governance has eight major characteristics as recognized by United Nations economic and social commission for Asia and the Pacific. It is Participatory, Consensus oriented, Accountable, Transparent, Responsive, Effective and Efficient, Equitable and inclusive and follows the Rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision- making. It is also responsive to the present and future needs of the society.

Participation

Participation by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out their representative democracy does not necessarily mean that the concepts of the most vulnerable in society would be taken into consideration in decision making. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand.

Rule of Law

Good governance requires fair legal frameworks that are enforced impartially. It is also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

Transparency

Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that is provided in easily understandable forms and media.

Responsiveness

Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

Consensus Oriented

There are several actors and as many view points in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

Equity and inclusiveness

A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being.

Accountability

Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to public and to their institutional stakeholders. Who is accountable to whom, varies depending on whether decisions or actions taken are internal or external to an organization or an institution. In general an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and rule of law.

Inclusive Growth

Even though India's economic growth rate is expected to cross double figures in near future yet it puts a question mark on the overall development of the country. The Indian growth story has been one of high Gross Domestic Product (GDP) growth but primarily driven by the growth in services sector. Not all sectors of economy have grown at the same pace as is reflected in the relatively low agricultural growth rate, low-quality employment, poor education, inadequate healthcare services, rural-urban divide, social inequalities, and regional disparities. Growth need not only to be high but also an inclusive one so that all sectors of an economy get benefited from high growth.

An inclusive growth is one which yields broad based benefits and ensures equality of opportunity for all. The inclusive growth implies an equitable allocation of resources with benefits accruing to every section of society. It is concerned with the pro-poor growth, shared growth or growth with equity. It is aimed at poverty reduction, human development, health, education and providing opportunity to work and be creative. According to credit suisse, the top 1% of the Indian population own 15% of India's wealth; the top 5% own 38.3% and the top 10% have 52.9% of India's wealth this implies that the remaining 90% of the population, urban and rural poor are left with a very small stake in the pie. Growth must be a shared one. It must lead to the equal distribution of wealth and opportunity among the people of a country.

Inclusive growth is also a key component if India is to fulfill its Millennium Development Goals, which 193 UN's member states aim to achieve by 2015. These goals comprise eradicating extreme poverty achieving universal primary education, promoting gender equality; reducing child mortality rate, improving maternal health, combating AIDS, malaria, and other diseases, ensuring environmental sustainability, and developing global partnership for development. Inclusiveness can be realized by high growth rate only when the sources of growth are expanding and there by including an increasing share of the population in the growth process.

Need for Inclusive Growth in India

Inclusive growth is necessary for sustainable development and equitable distribution of wealth and property. Achieving inclusive growth in a country like India where a large number of people are illiterate, unskilled and poor is really a big challenge. The following are some factors that encourage India to concentrate more on inclusive growth;

• Poverty

India alone is the home for 1/3 of the world's poor. Poverty in India is widespread. In 2010 World Bank stated 32.7% of the total Indian population fall below the international poverty line of US\$ 1.25 per day while 68.7% live on less than US\$ 2 per day. As per the report of oxford poverty and Human Development Initiative (OPHDI) eight Indian states have more poor people than 26 poorest African nations.

Reducing of poverty and other disparities and rising of economic are the key objectives of the nation through inclusive growth.

• Employment

Despite having high economy growth rates, employment continues to be one of the major problems for inclusive growth in India. Since poverty is much higher than employment, employment is the only source to eradicate poverty. The quality and quantity of employment in India is very low due to illiteracy and due to over-dependence on agriculture. Policies need to be framed and funds need to be invested in such schemes which are formed to provide employment to some unskilled and illiterate people of country.

• Education

As per 7th All India Education survey published by National Educational Research and Training in 2006, 80% of children in the age group 5-14 were enrolled in schools. Nearly 15% of government schools are single teacher school. In some states such as Bihar, and Rajasthan girls were half as likely to be enrolled in secondary schools as compared to boys.

The government has passed Right to Education which makes education a fundamental right for all children in the age group 6-14, yet there are millions of children away from schools. India needs to widen its education base. More money needs to be invested in education sector to create physical and intellectual infrastructure so as to achieve its long-

term goal of complete literacy.

• Health Care

Because of being poor and a very highly populous country health care is not available to all sectors of the Indian society. A rural person seeking healthcare has to travel miles, which more often takes him an entire day (and consequently a day of earning) due to poor physical connectivity. Such situations can have dire consequences during medical emergencies. Improving health care infrastructure for the realization of dream of healthy India, inclusive healthcare and development is the need of the hour.

• Low human development, rural-urban divides, gender and social inequalities, and regional disparities etc. are some more problems in India that need to be dealt with.

Since independence, significant improvement in India's economic and social development made the nation to grow strongly in the 21st century. India is the 7th largest country by area and 2nd by population. It is the 9th largest economy by Gross Domestic product (GDP) and 3rd largest by PPP. Yet, India is far away from the development of the neighborhood nation, China.

Good Governance and Inclusive Growth

Governance is a continuous process of aggregation and articulation of public demand and subsequent conversions into deliberate policies and therefore can provide the enabling environment for inclusive growth and realization of the M.D.G's. There is now a stronger evidence-base that better government matters significantly for inclusive growth and poverty reduction.

Good governance is the need of the hour, more so because the government in India still has a majority stake in almost all essential sectors e.g. in crucial sectors of employment, health sanitation and water. The economic reforms that were introduced in 1991 are starting now to bear fruits with the growth rate reaching 9%. There ought to be greater accountability for politicians, bureaucrats, authorities and civil servants. The time has now come to act boldly and decisively. The astonishing success that the country achieved in the telecommunication field- high density across the country and world's cheapest call rates affordable to all- needs to be reproduced in other areas. The problem of a massive parallel black economy, which has evaded a solution so far, needs to be tackled urgently and these funds brought into the much needed social sectors. Education is extremely important for improving the skills level of the population so that everyone can be an equal partner in the country's growth, Steps are needed to be taken to handle inflation, which is affecting the poor man the most severely limiting inclusiveness of growth.

Problems of corruption, bureaucracy lack of respect for human are major stumbling blocks for the future of India. These can be handled only by a system of good governance. Good Governance is all about creating system of participative decision making, accountability, transparency, responsiveness equity and fair legal framework. This can be achieved by;

- Making information publicly available regarding services, policies and planning arrangements at all levels.
- Ensuring easy access of poor to basic government services such as health, education, infrastructure, water and power at the local.
- Ensuring budget transparency.
- Establishing a strong rule of law.
- Creating more and more opportunities for unskilled and poor people to grow.
- Ensuring a corruption free state.
- Ensuring non-violence.
- Making laws combating corruption more effective.

Good governance is a combination of strong central infrastructure and motivated gross root mechanism. The UN Report larger Freedom stated that each developing country has primary responsibility for its own development- strengthening governance, combating corruption and putting in place the policies and investments top drive private sector led growth and maximize domestic resources available to fund national development strategies. Developed countries, on their side undertake that developing countries which adopt transparent, credible and prop-

erly casted development strategies will receive the full support they need, in the form of increased development assistance, a more development oriented trade system and wider and deeper debt relief'. As such many developing countries like India have made concerted efforts to make in road these areas, such as the inclusion of poverty irradiation and operating a sustainable growth model. In a well-cited quote, former UN-Secretary-General Kofi Anan noted that " Good governance is perhaps that single most important factor in eradicating poverty and promoting development".

Challenges for Good Governance

India needs to throw out most of its bad belongings that has made it worse. It needs to reform its political, judicial, administrative and social systems so as to create and develop a system of good governance. The following are some key problems that Indian democracy is going through;-

- Proliferation of political parties and political instability.
- Criminalization of politics.
- Unaccountability of bureaucracy.
- Allocation of undue perks and privileges to elected legislators with numerous discretionary powers.
- Annihilation of caste system.
- Prevalence of problems like poverty, illiteracy, backwardness, overpopulation and shortage of food and drinking water.
- Lack of administrative and judicial accountability.
- No strategic accountability of markets and customers.
- Inadequacy of administrative justice.
- Lack of openness and transparency
- Lack of efficient grievance redressal mechanism.

Conclusion and Suggestions

1. Good Governance is first of all a general principle and prerequisite to any society and economy for achieving maximum possible welfare with its available amount of resources/ Moreover for developing countries like India, good governance may help them to attain the maximum reduction of poverty.
2. Good governance is concerned to human development, economy, performance oriented, empowerment of the people, adhocracy, technocracy, cultural specificity and women oriented structures.
3. India need to reinvent its government, establish a sound system of law, bureaucracy to rebuild, non-governmental business sector to be reinvigorated with a motive of human development.
4. There should be use of IT based services to de-mystify procedures and improve the citizen-government interface.
5. There is lack of motivation in people from top to shop, working in public sector organization. These people need to be motivated so that they can make full contribution of their capabilities to serve their nation.
6. There should exist a strict system of assessment of performance in public sector organizations, so as to create a system of control and ensure smooth working and elimination of wastages.
7. There are a large number of schemes for various purposes in India, but a few of them have been a success. Possibly lack of good governance, corruption and greedy politicians are the cause.
8. There is strong need for public-private partnerships in India. Government should invest more in building infrastructure, provide land, electricity and other things to private partners while there responsibility is to share experience and technology with India to help it to grow.
9. More funds need to be invested in schemes like Serva Shiksha Abhiyan, NHRM, MGNAREGA, PMGSY etc. So as to help poor and needy grow.
10. Equity should be maintained in economic development. By ensuring a sound system of governance all sectors of the society may get benefited.
11. Development of manufacturing sector is important for creation of productive employment.
12. Agricultural development is necessary for economic development.
13. Equality of opportunity (Education) should be given.
14. Strict laws should be formed and enforced for combating corruption.
15. Good governance should be part of the national policy and the government should try to make the concept productive and useful for their specific problems, particularly the low income, low human assets, and high vulnerability.

16. Good governance produces economic efficiency by reducing transaction costs through the operation of the rule of law, transparency in government and corporate management and accountability for every institution and individual in society.
17. Good governance is also helpful to reduce developing countries vulnerability at least to the extent that their own resources could allow it.

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