



DECENTRALISATION, INCLUSIVE DEVELOPMENT AND GOOD GOVERNANCE

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Article history:	Abstract:
Received: June 20 th 2021	The democratic governance, decentralisation and inclusive development have organic links. The Panchayati Raj Institutions (PRI) has a decisive role to play in reducing poverty in rural areas and this can be possible through a decentralised democratic governance structure. These institutions must be self-sufficient and should be successful, effective in the delivery of services. People's involvement in the process of governance of these PRIs is vital not only for democracy but also to have inclusive development. But sustained participation of the people, particularly of the marginalised is the biggest challenge before democracy, particularly for a democratic system that functions in an environment of inequalities and oppression in rural areas. Representative democracy has not been able to address the questions of poverty, inequalities and of development in rural areas. As this is a centralised system it has a limited reach in terms of participation of the common people in rural areas. Democratic participation and practice are much beyond the notions of voting, electoral competitiveness. The spirit of PRIs is to create and sustain democratic space for the masses at the grass roots level so that both democracy and development will be inclusive and decentralised. But this has not happened so far substantially. But there are immense possibilities for this in the PRIs. But the practice is altogether different. This paper is a theoretical study on the problem of interrelationship of Inclusive Development, Decentralised Democracy and Good Governance. It argues that Neo-liberalism is in contradictions with democracy and inclusive development
Accepted: July 28 th 2021	
Published: August 27 th 2021	

Keywords: Inclusive development, neo-liberalism, good governance, decentralised democracy

INTRODUCTION

There is a growing consensus that Inclusive Development is possible only through Good governance and Decentralised Democracy. But all these should be free from the Neoliberal perspectives. There is contradiction between Neo-liberalism and Democracy, particularly Decentralised democracy which creates spaces for the marginalised. Success of a democratic system depends on policies capable of realising the goal of social inclusiveness. The very legitimacy of the democratic system will be in question if majority of the people are excluded from enjoying the fruits of development. The democratic governance, decentralisation and inclusive development have organic links. The Panchayati Raj Institutions (PRI) have a decisive role to play in reducing poverty in rural areas and this can be possible through a decentralised democratic governance structure. These institutions must be self-sufficient and should be successful, effective in the delivery of services. People's involvement in the process of governance of these PRIs is vital not only for democracy but also to have inclusive development. But sustained participation of the people, particularly of the marginalised is the

biggest challenge before democracy, particularly for a democratic system that functions in an environment of inequalities and oppression in rural areas. Representative democracy has not been able to address the questions of poverty, inequalities and of development in rural areas. As this is a centralised system it has a limited reach in terms of participation of the common people in rural areas. Democratic participation and practice are much beyond the notions of voting, electoral competitiveness. The spirit of PRIs is to create and sustain democratic space for the masses at the grass roots level so that both democracy and development will be inclusive and decentralised. But this has not happened so far substantially. But there are immense possibilities for this in the PRIs. But the practice is altogether different. What is happening in general can be called as a process of co-option in which the emerging leadership from the marginalised sections are co-opted by the elites. This means they are made junior partners and their demand for more democratisation is diluted. The power structure remains intact with minor modifications or reforms without a revolutionary change in favour of the deprived. Democratising democracy remains



incomplete. Two important aspects are central to any programme of democratisation at the grassroots level, policy formulation and policy implementation. Policy formulation is recognised as democratic at the top level legislatures like parliament and state assemblies as there is debate around the policies inside the legislature and outside also. But the implementation part of these policies is not democratic as it remains under complete bureaucratic control. But to democratise democracy at the local level through PRIs, both policy formulation and its implementation should be transparent and accountable which is actually not. People's participation in an active and continuous manner in both these processes is necessary to make democracy and governance of PRIs inclusive. Formal freedoms and democratic spaces created under the laws in the PRIs do not in themselves, guarantee inclusiveness nor democratic participation. There are obstacles, both natural and manufactured to the process of democratisation. The power structure influences the democratic sphere and manipulates it to its advantage. It always tries to maintain the status quo, not to usurp the existing balance of power in the rural society. Active and sustained participation of the people can create conditions for deepening democracy both at the institutional level and at the policy implementation level. The governance system of the PRIs can be inclusive if people, particularly the marginalised will have meaningful participation. The power holders and the power brokers can be forced to be accountable to the people as well as to the democratic norms and practice only through an active and participatory public. An enlightened, empowered citizenry can act as a balancer as well as insulator against the undemocratic and antidemocratic forces operating in the rural areas. The consistency of anti-democratic forces is not matched by the democratic forces. Though the reasons are historical, social, economic and cultural yet the democratic structure that emerged out of the historic 73rd amendment act has not yet been able to demolish their authority, hegemony and power, even if there are advances in many areas. PRIs are genuine democratic institutions that affect the living of majority of the people of the country. Their democratisation can have a direct bearing on the survival and strengthening of democracy in the country as a whole. Once democracy, democratic norms, democratic culture, democratic engagement with the state and its apparatus are accepted and practiced by a large number of people at the local level, the process becomes irreversible. The foundation of democracy will be stronger, wider and deeper. So PRIs not only have

the potential for decentralised democratic, inclusive governance and development at the grassroots level but have the strength to influence the democratic process at the state and national level. It can unleash democratic forces that will have a decisive impact on the democracy of the nation. Decentralisation and Inclusive governance are innovative methods of democratising democracy. But almost two decades of practice of democratic governance has not been in the desired direction nor have yielded very encouraging results, though there are exceptions like islands of plenty in the sea of deprivation. The initial euphoria has met an apathetic state, if not a death. At the participation level, apathy is more a norm than an exception in large areas. Language of governance is deliberately obscured to alienate common people from it. An artificial bridge is created between the administration and the masses to squeeze the democratic space. Interestingly majority of the common masses who suffer from the feudal and colonial hangover accept it without questioning. Lack of democratic movement is one of the causes behind it. The elitist approach to democratisation favours this as this remains to their advantage.

INCLUSIVE DEVELOPMENT

Inclusive development is concerned with the human centred and broad based development creating equal opportunities for all to participate fully and freely in different activities i.e., economic, social, political, cultural and spiritual. This demands elimination of dualisation of societies, social exclusion, and poverty and to provide opportunities for the disadvantaged classes and groups to improve their living conditions. (UNESCO: 1994) The Oxford Dictionary defines the term inclusive as not excluding any sections of the society. But inclusive development is a broad concept that includes economic, Political and social aspects of development. In the words of Mahbub-ul-Huq, the architect of the first Human Development Report, the central thesis of human development is that it is people who matter, beyond the confusing maze of GNP numbers, beyond the curling smoke of industrial chimneys, beyond the endless fascination with budget deficits and balance of payment crisis-it is people who matter. People must be at the centre of our development debate-what really counts is how they participate in economic growth and how they benefit from it. Production processes are indispensable but they cannot be allowed to obscure human lives. (Quoted in N.Gupta :2008) He has pointed two crucial factors, human concerns and participation of people in development. Poverty has been defined as "the denial



of choices and opportunities for a tolerable life." (UNDP HDR, 1997) Poverty in a broader sense manifests itself in human deprivations like ill health, ignorance, malnutrition, exclusion from decision making process, lack of freedoms and loss of dignity and self-esteem. Human rights and political freedoms are equally important concerns of human development. Progress or development can be measured in terms of expansion of freedoms. The basic purpose of development is expansion of people's options. These options or choices can be infinite and can change over time. Though income is an important option, others like health, education, freedom are no less important. Inclusive development needs to ensure exclusion of none from the development which means everybody should have access to minimums of civilised and dignified living. The limitations of high growth rate in addressing the issues of equity, poverty reduction, equality of opportunity, employment generation, etc. has led to the use of inclusive growth as the paradigm of development discourse. The 11th five year plan advocated for faster and more inclusive growth clearly reflecting the need to have balance between growth and inclusion. The 11th plan defined inclusive growth to be a growth process that yields broad based benefits and ensures equality of opportunity for all.

While the stated agenda of development is inclusion, people at the lowest level could be experiencing exclusion, deprivation and marginalisation. This is why something requires to be done; something in excess of the circuits of neo-liberal globalisation, something in addition to growth. Inclusive development is that beyond. Development is an economic matter. It is a reconstruction of the economic, a master remedy which must subsume the political and the cultural. The point of development is not to exclude, but to include the people. The point of inclusion is to win over the people, to hegemonies the masses into the delusion of the new order of things. Thus, one cannot detach the question of inclusive development from the larger economic political agenda, and the cultural effects although, in the process, it opens up new avenues of contestation and conflict. As such, inclusive development takes the state and economic transition to an ambiguous place. (Chakrabarti: 2016) Due to conflicting demands and pressures from various segments of the society inclusive development emerges as a contested category. This is why a consensus has not been possible on inclusive development among its stakeholders. In the post reform era there are two sides of development, on one side there is rapid economic growth and on the other social and structural divide.

The resistances to the growing inequalities and deprivations, particularly of the marginalised sections of the society have to be addressed by the liberal, democratic state. These considerations served as the ground for official introduction of the trope of inclusive development. (Planning Commission: 2008) And this opened up the possibilities of advancing towards inclusive development through grassroots level activism in which the state is expected to have a proactive role. The political economy of inclusive development makes it possible to keep the issues of grassroots level social and economic programmes to be kept alive and along with it the politics at that level giving enough space to the marginalised sections. The exclusion is the basis of inclusion. The neo-liberal reform period has produced exclusions in various forms, structural, social, economic. Thus, the demands for inclusion are growing. And for the dispossessed living in rural areas, the institutions of grass roots democracy are arenas of struggle for inclusion. Inclusion is not a simple addition in the existing order of things of that which has not been there; all the most because exclusion is not a simple deletion of a given entity; exclusion is exclusion of the world of the third through its inclusion as third world; third world in turn is either victim or a space of dystopia. In the new order, the third worldization of world of the third is what gives birth to the idea of inclusive development. Inclusive development is, therefore, essentially an encounter with world of the third, how it is copy-pasted in the discourse of the hegemonic as third world. This displaced copy-paste is what works as antidote to the churning in the world of the third space, including through that of original accumulation. (Chakrabarti: 2016) Some consider that the state appears to be benevolent under the cover of inclusive development. In more radical terms, some others also think that inclusive development under a neo-liberal discourse is illusion. Neo-liberal model of development is exclusive and it cannot go together with inclusive development. But can this consideration or the problem will lead to the rejection of the project or goal of inclusive development. The success of inclusive development lies in its outreach to the population who are beyond mainstream where as its failure is its mainstreaming the marginalised. But its failure does not make inclusive development altogether irrelevant. Because inclusive development, as a state agenda, opens up spaces for the marginalised to struggle to achieve inclusive development and secure those spaces for struggling for inclusive development. Social exclusion ---has its roots in historical divisions along lines of caste, tribe,



and the excluded sex, that is, women. These inequalities are more structural in nature and have kept entire groups trapped, unable to take advantage of opportunities that economic growth offers. Culturally rooted systems perpetuate inequality, and rather than a culture of poverty that afflicts disadvantaged groups, it is, in fact, these traps that prevent these groups from breaking out. (World Bank: 2011) Structurally imposed social inequities in India produce endogenously derived social exclusions that perpetuate poverty. The presence of income inequality may complicate and indeed impede the classical relation between high growth and poverty reduction. The trickle-down effect of market-led growth may not work in such conditions and this will necessitate state intervention in redistributing resources to the poor. There is a weak connection between growth and poverty reduction in India. This can be compensated through state intervention. And this will be most effective if institutions of local governance can take up the state-led programmes through meaningful people's participation. Growth must not be treated as an end in itself but as an instrument for spreading prosperity to all. India's own past experience and the experience of other nations suggest that growth is necessary for eradicating poverty but it is not a sufficient condition. In other words, policies for promoting growth need to be complemented with policies to ensure that more and more people join in the growth process and further that there are mechanisms in place to redistribute some of the gains to those who are unable to partake in the market process and, hence, get left behind. (Economic Survey: 2012) while the idea of Inclusive growth helped the state to sharply focus on the phenomenon of income poverty reduction, the difference between it and inclusive development often blurs. Indeed redistribution programmes such as, MGNREGA aim to combine structural, social and income exclusion by targeting the rural poor through productive activities that would characteristically incorporate large numbers of tribals and Dalits. Likewise programmes to reduce poverty among the most vulnerable sections like tribals and women have the agenda of inclusion exceeding the simple mandate of poverty reduction. For example micro-credit programmes through Self-Help Groups have empowered women through social, structural and income inclusion.

Inclusive development brought changes in the political discourses in India. Identity and regional politics are very often getting reduced to demands for inclusion in the distributional network of the state. State governments headed by regional political forces

are being held accountable by the electors for their performance with respect to different social programmes of inclusion. This means the issue-based local politics as well as politics and its processes in general are becoming state centric and groups are struggling to get assimilated into the conduits of inclusive development. This competition over resources and politics based on it is reshaping the democratic politics in the country today. The growing demand for socially and economically inclusive policies is creating reactions among the capitalist class who talk of fiscal deficiency and fiscal management to reign in these socially inclusive policies and to maximize capital accumulation. These are termed as unproductive in the neo-liberal capitalist discourse and these voices become more pronounced during capitalist crisis and fall in the growth rate. The existence, functioning and strengthening of the PRIs and the project of inclusive development through these institutions and through inclusive policies to be implemented by these institutions of local governance needs to be situated in the above context of contradictions between the neo-liberal policies and the policies of inclusion for the marginalised. 'Free Launch' and provisions for subsidised food grains to the poor is defined as wastage and inefficiency in the neo-liberal capitalist discourse. The class-need over determined space giving rise to the politics over redistribution of social surplus is something that neo-liberalism is not comfortable with. It would ideally consider such socially derived needs, often collective in their meaning and appearance, as creating external noise in the economy and distorting free decision making and conduct consistent with neo-liberal subjectivity. Instead of privatising risks, these social programs socialise risks. They are as a whole social antidote to market or to competition and cultivation of interests, a scenario unpalatable for neoliberal diehards. Therefore the rationale of inclusive development does not sit comfortably with neo-liberalism. (Chakrabarti: 2016)

However the Neoliberal philosophy has its impact on the governance systems of the country that also affects the governance of the PRIs. Good governance is considered in neo-liberal philosophy as less government. But with the experiences of four decades of centralised planning, the state was interventionist in India. The current modes of interventions by the Indian state are different. The cost-benefit approach, Public-Private Partnership, NGOs, Micro-finance Institutions etc. are new modes used in governance today. The rise of NGOs puts them in a web of relationship with the state, sometimes cordial and sometimes tense. When NGOs are



connected to social movements struggling for social justice and for the rights of the underprivileged, their relations with the state becomes tense. So the concepts of welfare change under neo-liberalism. The flawed understanding is that NGOs are more efficient than state apparatus like institutions of local governance. This is equivalent to privatising the public space and undemocratic in its substance because it does not allow public deliberations on issues that affect them. Whatever may be the limitations of the PRIs they are the institutions having some space for the marginalised which can be improved upon. But neo-liberal principles and techniques of governance do not have scope for this. So the neo-liberal mode of governance comes into conflict with inclusive development. The concept of inclusive development should be considered critically. In the recent times Inclusive development is under pressure because of the global economic crisis and faltering rates of economic growth. Unless there is higher rates of growth resources cannot be made available for policies of inclusive development. Thus inclusive development needs to be sustainable and to be sustainable it will be in conflict with the neoliberal management of the economy which strongly advocates for fiscal deficit management. Neoliberals have reservations on inclusive policies like Food Security, MGNRGEA etc., terming them as unproductive, wastage etc. Despite all these, the idea and practice of inclusive development is well entrenched into the democratic political discourses of the country and stepping back is not only economic, but also social and political. The PRIs has a stake in inclusive development project because this will not only help in strengthening PRIs but also the deprived voices in its democratic spaces.

Inclusive growth is the process and the outcome where all groups of people have participated in the organisation of growth and have been benefitted equitably from it.(UNDP,2008)Inclusive development is different from inclusive growth since growth is a quantitative process involving principally the expansion of an already established structure of production, whereas development means qualitative changes, the creation of new economic and non-economic structures leading to the development of the totality of society in its economic, political, social and cultural aspects.(Gore:2003) The problem of growth and development is challenging in developing countries like India. It was realised that higher growth rate is insufficient to solve the problems that the common men and women face, particularly in rural areas like poverty, inequality, hunger, malnutrition, unemployment, forced migration and trafficking,

imbalanced development, lack of bare necessities like food, housing etc. The rural India needs to be transformed and if this transformation is not inclusive then it will create further socio-economic and political inequalities. This is what happened in these post-independent years. And this has also necessitated the need of a strategy based on inclusive development, particularly in rural areas where majority of the people live. The paradigm of development in post-independent times has created only, what we call in Marxian discourses, systematic underdevelopment. There is no alternative to inclusive development if the rural society has to move beyond large scale inequality, dispossession, deprivation and exploitation. This has become more relevant because of the hegemony of the Neo-liberal Paradigm of development today which advocates for the withdrawal of the state from the social sectors leaving people, particularly vulnerable sections, to insecure positions and without state protection. The neo-liberal development model is the model of jobless growth that creates further division among the rich and poor and pushes poor into further deprivations. In the last decades of neo-liberal development there have been huge gaps between the rich and poor which have been admitted by even the advocates of this model. So, an inclusive model of development in all sectors is required to have socio-economic justice in the society as declared in the objectives of the constitution. The poor and the deprived sections of the society should get the fruits of development. This model of development should ensure that the geographically and socially marginalised are included in the development process.

High economic growth without inclusiveness cannot bring changes in the lives of the millions of excluded. Contrary to earlier beliefs, the informal sector is not going to disappear spontaneously with economic growth. It is on the contrary, likely to grow in the years to come, and with it the problems of urban poverty and congestion will also grow. The upward spiralling dynamics of modernisation which were supposed to accompany urbanisation, and lead to economic take off, did not kick in ;there was not any trickle down of any significance ,nor should be any expected, at least not within any reasonable time frame . This is an important conclusion with fundamental implications for the conventional development paradigm (Bangasser: 2000:18) Thus the model of development based on high growth excluded and marginalised the direct producers by dispossessing them from the means of consumption and reproduction and usurping these means of labour to feed its own accumulation process. Along process of



this development created a larger mass of marginalised both in rural and urban areas. Instead of gradually exhausting the reserve army of unskilled labour by drawing it into the modern organised sector, industrialisation deepened the process of exclusion and social segregation, creating a huge surplus of underemployed labour in the cities, including casual agricultural workers expelled from the rural areas by the mechanisation of the large estates.(Ignancy Sachs, 1991, quoted in Sanyal, 2007: 45) A fundamental proposition of the new concept of inclusive growth is that the process of capital accumulation in the modern sectors should be separated from the prime focus of development for two reasons. First, the modern sectors are able to accumulate surplus value and can generate wealth on their own with the help of their link and control over the global production structures, markets etc. Secondly, a focus only on formal sector is insufficient to achieve development for those who are unable to participate in the global market. So, it is argued that the agenda of development, that is, maximum benefit for the maximum benefit for the maximum people, should have an emphasis on the outside, beyond the formality, so that it can grow with the centre. The various obstacles like structural, institutional, financial and technological, should be removed and a market friendly environment are promoted so that the traditionally excluded and the newly emerging marginalised populations, groups could participate in the global market and thereby get the benefits of an overall growth driven by the formal sector. 'We also need to ensure that growth is widely spread so that its benefits in terms of income and employment, are adequately shared by the poor and weaker sections of our society....For this to happen, the growth must be inclusive in the broader sense. It must occur not just in our major cities but also in our villages and small towns. (Planning Commission: 2008:11) Thus the greatest challenge today before the policy makers in the country is to balance the momentum of growth with policies of inclusion. The accumulation economy of globalised capital engages in primitive accumulation and thus causes dispossession, exclusion and marginalisation. However, at the same time this capitalist order must be legitimised and its broader political ideological conditions of existence must be created. And this is where the developmental face of the international organisations and the NGOs become visible. These two distinct goals-one destructive and one supportive- constitute the structure and modalities of global governance in the current era of capital. (Sanyal: 2007:236) The relationship between the formal and informal sectors is

a serious problem before the naive notion of inclusive growth. This convolution makes the very idea of inclusion of the informality, simply through formal sector growth complemented by market linkages just with the help of some institutional modifications and state support, redundant/irrelevant- almost impossibility. While capital strives to establish its universal existence and expropriate resources from outside, ironically for its own existence, it has to depend on this very outside-the informality itself, which is an essential source of cheap raw materials, consumables and labour and crucially a large mass of voters, whose consent is strategic for establishing and sustaining the hegemony of the capital. This constitutes a great dilemma for modern capitalism and hinders the process of capitalistic transformation in the global south. In fact capital has to dispossess the informal to appropriate resources and spaces and thereby accumulate. (Harvey: 2003:56) Nevertheless simultaneously, capital has to depend on this informality along with its typical socio-economic-political conditions of excluded existence, for its own economic and political as well as social hegemony.(Bremen:2013:85)whether there could be at all be an inclusive growth, in fact tries to ensemble two contradictory elements, so far as economic logic is concerned. While growth has to engulf an enormous amount of resources endangering the existence of the indigenous and historically settled populations, inclusion proposes almost a complete reversal of these adversaries: it implies an incorporation and uplift of the non-capitalistic periphery by linking it with the core with the help of the globally dispersed production-exchange relations and if necessary with the state interventions as well. While the modern globalised and over-accumulated capital, by virtue of its innate nature, constantly searches for new investible avenues beyond its core, and hence has to acquire new resources by dispossessing the outsiders, contrarily, the project of inclusive growth advocates for inclusion and strengthening of the dispossessed, expelled and the marginalised and the traditionally excluded. Further curiously, this inclusion and valorisation process tries to resituate the excluded within the growing global market economy, led by the modern predatory capital which is firmly grounded in accumulation logic. It is argued that the capital led growth in the modern sectors should be so designed and the excluded should be provided with such technical, educational, institutional and financial support that these excluded can be linked to the growth process through an intermediation of the globalised production and exchange system. The



formal sector and the informal rural sectors are mostly dissociated from each other. They are also fighting with each other over crucial natural resources, raw materials, inputs and economic and geographical spaces in general. So when the formal sector expands, driving up the urban informal activities it will siphon off the resources from the rural, petty informal sector mostly represented by the petty agricultural and allied activities. While some portions of the already excluded, marginalised population are accommodated into an expanding economic pace in keeping with accumulation and growth in the modern sectors, perhaps a larger section is further impoverished or dislocated because of a market driven relocation of resources. Given the inherent contradictions between the formal and informal sectors, an attempt to include the excluded, either through the strategy of inclusive growth or through the various programmes of self-employment generation and its promotion may be counter-productive in the absence of additional resources for these sectors. The state and its institutions as well as the civil society will work to achieve a balance between these contradictory socio-economic activities. The accumulating capital in the formal sector has to accept the existence of the informal sector in economic and non-economic conditions. The state sponsored programmes like SHGs, Micro-Credit etc. along with academic discourses, civil society engagements and non-class mobilisations on issues of rights, democracy, sustainable development, environmental protection play important roles in recent times. All these processes involving the capital, civil society and the state work together, so that the socio-economic-political-cultural practices of the informal sector are not altogether destroyed, but conditioned and co-opted to suit the requirement of accumulation in the formal sector. (Basile: 2013, Mezzadri: 2008:18) Thus the factors of fierce competitions and the possibilities of revolts and resistances compel the capital in the formal sector to maintain and recreate the informal sector. It also cannot afford to suppress it totally by over extracting the crucial resources in its own interest of its hegemony. Again the political compulsions of democracy and related discourses revolving around issues of rights, equity, and sustainability make the situation more complex for the capital to have its complete monopoly.

DEMOCRATIC DECENTRALISATION

The functioning of the institutions of local governance with the objectives of inclusive development and good governance needs to be

situated in the above context. Democratic decentralisation refers to the programmes and methods of devolution of governmental powers and responsibilities, decentralisation of political institutions, development of local leadership and strengthening the efforts for economic modernisation. The institutional arrangement for the policy of democratic decentralisation in India is known as Panchayati Raj. The 73rd constitutional amendment act brought historic power to the local bodies at the grassroots level recognising them as third tier of governance. While the word democratic explains the nature and purpose of the concept the word decentralisation is essentially indicative of the method to realise the end as contained in the word democratic. It means transfer of planning, decision-making or administrative authority from the central authorities to the grassroots organisations. Democratic decentralisation involves more and more association and involvement of people at all levels of governance. It stands for people's right to initiate their own projects for local development and the power to execute and operate them in an autonomous manner. Decentralisation is seen as a theory of development which requires a variety of institutions for empowering and uplifting the marginalised and the excluded. It should work for creating and sustaining an administrative and political space at the cutting edge level where felt needs of the poor could be ventilated. Decentralisation is a significant mechanism through which democracy becomes truly representative and responsive as well as inclusive. Democracy is democratised through decentralisation. However performances of PRIs have utterly failed in efficacy of service delivery, inclusiveness and accountability. They are inadequate in three Fs, functions, funds and functionaries. Adverse socio-economic and political environment, lack of political will, vested political interests; acute conditions of deprivation are some of the hindrances in the way of fruitful functioning of the PRIs to bring inclusive development in the rural areas.

GOOD GOVERNANCE

Inclusive development can be possible through inclusive governance. The governance structure as well as the process must be inclusive to act as means to empower the marginalised and the excluded so that they can overcome their poverty and deprivation. The term governance has now become a fashion to be widely used in current discourses of power, democracy and decentralisation. There are varying conceptions of governance ranging from simple, statist to wider interpretations. Simply governance means what



governments do. Broadly it means the ways in which individuals, groups and institutions manage their affairs and resolve conflicting interests in an orderly manner. Governance is the government's ability to make and enforce rules and to deliver services. (Fukuyama: 2013:351) in its concept of governance, the Arthashastra, the authoritative Indian text on state craft dating back to the 4th century B.C. states that the king must exercise coercive authority (Danda) but also outlines the principles for its fair application to serve the common good. (Dharma)(Kantilla: 1992) Fukuyama outlines four approaches for evaluating quality of governance: procedural measures, capacity or input measures, output measures and measures of bureaucratic autonomy. His argument is that good governance will follow a path of optimal balance between bureaucratic capacity and bureaucratic autonomy, with the desired level of autonomy rising with increasing bureaucratic capacity. Output, the quality of service delivery is the appropriate measure of the quality of governance. Outputs of service delivery such as education, health care, infrastructure etc. are all significantly correlated with per capita GDP, the latter being taken as a proxy measure for the level of development. Governance refers to all processes of governing, government or not and through rules, norms, power or language. Governance is more than government as it emphasises less on the state and its institutions and more on social practices and activities. Whereas governments refer to political institutions, governance refers to processes of rule wherever they occur. The processes of governing now involve more diverse actors and more diverse organisational forms. Governance captures the formal and informal ways in which states have attempted to respond to the changing global order. (Mark Bevir: 2012:7) Good governance, in narrow terms, focus on competitive elections, clear lines of accountability and the rule of law. Broadly it includes pluralism, human rights and a broad base of political participation. It refers to legitimacy, transparency, accountability and participation. Good governance, it was argued, cannot be achieved without efficient and effective public administration and management system and, equally, public administrations and management systems may be ineffective and inefficient in an environment of poor governance characterised by the lack of basic freedoms, lack of respect for the rule of law, and autocratic, idiosyncratic, and unpredictable leadership. Good governance requirements include not only accountability to the public, but also creating an enabling environment for private enterprise and efficient state-operated enterprises. (Laribi, 1999:10)

CONCLUSION

Good governance is linked to development. Liberal democratic governance is presented as a precondition of economic development. It also includes strong local government and decentralised administration. There have been a lot of discussions on good governance and development. There is a hope that democracy could bubble up from below with civil society defending the rights of the oppressed and the underrepresented against otherwise overpowering vested interests. But the World Bank led projects of good governance favours market and its institutions. This undermines the values associated with representative and responsible government. Democracy in the form of representation and accountability must remain the substance of good governance. It must create more spaces for more participation of the people in the institutions and processes of governance. Kerala's campaign for decentralised planning appears to have worked well. The main evidence comes from a survey of seventy two panchayats (village councils). This survey asked respondents whether the quality of service and development had improved, deteriorated, or stayed the same in each 13 categories. A notable majority of the respondents felt that there had been either 'some' or 'significant' improvement for all the thirteen categories. When social scientists disaggregated the data according to the role of the respondents (e.g. ruling politician, opposition politician, public official, and civil society actor), the overall positive evaluation of the campaign's impact remained; for all thirteen categories, a majority of each type of respondent felt that there had been improvement(Bevir:2012:117). However, participation and dialogue can supplement representation and accountability, not replace it. Another problem is that, given conditions of inequality and deprivation, participation in many cases may favour the rich, the privileged, the elites and the dominant groups. These factors have to be kept in mind in any strategy of decentralised democratic governance. Democracy can create the knowledge necessary to improve governance. (Bevir: 2012:119) There is a linkage among the factors of democracy, good governance, decentralisation and inclusive development. Each enriches the other. They should not be seen in isolation from each other. The strategy for achieving Inclusive development must free it from bureaucratic strangulations and top-bottom approach. The faith on common people and on their capabilities must be clear. Civil society has a significant role to play in the process and it must be a site of struggle for creating the spaces for decentralised democracy and



good governance. To understand the dynamics of this process one has to understand the political economy of the rural areas. The functioning of the PRIs needs to be situated in the context of the power structure, power relations and power struggles in the rural areas. The multiple forms of inequalities, social, economic and cultural that exists in rural societies actually obstruct democratisation of the society and governance structures and stifle the voices of the marginalised. There is a link between the performance of the institutions of decentralised democracy and the level of discriminations in a particular state or geographical area. Decentralisation encourages realignment of power in terms of class, gender, caste etc. and obviously invites resistances from the hegemonic groups. Institutional arrangement and safeguards must be there to protect the democratic space created for the marginalised. There are opportunities as well as challenges in the process of democratisation in the rural areas through the PRIs. The dialectics should be understood to go ahead with the objective of making democracy deeper and inclusive. The opportunities are many. It can lead to more democratisation of the society, can empower people, particularly the marginalised, can alter the caste and gender equations, can build the capacity of the common people to manage the governance at the local level, can change the objectives of development, can drastically change the power relations and can bring revolutionary changes in the rural economy and polity. On the other hand it can lead to bureaucratisation of the governance process making it more exclusive, can sustain existing unequal power relations through co-option. There is a continuous struggle between these two contrasting processes in the rural society with variations in different areas. The entire study of the process needs to be seen from the perspective of the dialectics of this process to have an objective understanding of it. This will help in developing the strategy to go ahead with the objectives of democratisation, inclusive development and good governance. Participation of the poor in the governance process is conditioned by many factors including their poverty. The prime concern of the poor is food and this becomes a challenge for their participation in the democratic process. This deficiency on the part of the poor affects their participation. Another factor is that electoral accountability is not sufficient to achieve transparency. Many factors influence the process of election than transparency and the elites are more powerful than the poor to influence election in their favour. Decentralisation is manipulated by the elites to continue their hegemony.

The challenges to these hegemonies should be there for further democratisation and inclusive development.

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