CHAPTER II

GLOBALISATION AND GOOD GOVERNANCE

What does “Good Governance” mean? What is the etiology of “Good Governance”? the term has a fuzzy adjective. One can climb great philosophical heights to ruminate on the mystique of the term “good”. There are the Contractarians defending the crafting of government to move to aboriginal humanity from bad, nasty social status to orderly living under a specially created peacekeeping government. Then there are the Utilitarians normatively prescribing ‘greatest good of the greatest number’ as the mission of the government. It was John Stuart Mill who, in those hay days of utilitarianism, made an unusual comment that production of virtuous and intelligent people should be the basic criterion of good government. As Mill said, “One criterion of the goodness of a government (is) the degree in which it tends to increase the sum of good qualities in the governed....”. One can cite Gandhi-J.P. Narain kind of regime paradigm with everyone growing and the last of the underprivileged coming out of the vicious cycle of poverty. Gandhian concept of Panchayati Raj was basically a state diminishing and society-enriching concept, reliance being placed on autonomous social groups. Admittedly there are many shades of political philosophy involved here, ranging from the maximalist and expansionist development-welfare orientation to minimalist, market-dominated roll back state concept of today.

Traditionally, Governance refers to the forms of political system and the manner in which power is exercised in utilizing country’s economic and social resources for development. It also deals with the capacity of
government to design, formulate and implement policies and, in general, to discharge government functions. Good Governance is associated with efficient and effective administration in a democratic framework. It is equivalent to purposive and development oriented administration which is committed to improvement in quality of life of the people. It implies high level of organizational effectiveness. It also relates to the capacity of the center of power of political and administrative system to cope up with the emerging challenges of the society. It refers to adoption of new values of governance to establish greater efficiency, legitimacy and credibility of the system. In simple terms, Good Governance can be considered as citizen-friendly, citizen-caring and responsive administration.

The meaning of ‘governance’ is somewhat uncertain in present discourse and needs to be clarified for our purposes here. Most contemporary scholars define the word very generally because they wish to incorporate within it actions of the civil society and international arena as well as the state. For example, Robert Keohane and Joseph Nye call it ‘the processes and institutions, both formal and informal, that guide and restrain the collective activities of a group’. In one of his classic works, Carl Friedrich defined Rule as ‘institutionalized political power’, which is stabilized and structured use of legitimized authority. Donald Kettl advances an agenda for rebuilding public administration doctrine that contemplates, among other things, more attention to network management, enhancement of inter-organisational processes, extended bottom-up public participation, and full use of information technology and performance management.

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Post-Weber/Post-Wilson conception of Public Administration

The features other than those identified in the classical public administration are currently being emphasized on the basis of empirical studies of government administration in the west. The new approaches to public administration underline the importance of public policy-making, implementation and management within the overarching framework of liberal democracy. It is being suggested that the complexities involved in public policy-making and implementation call for a rethinking about human motivation and efficiency and effectiveness in the public sector. It is being argued that the classical model of public administration was unconsciously oriented toward rationality, specialization and division of work, rigid hierarchical structure and centralization. Successful management of public sector and efficient production of organizational outputs could not be correlated with the principles of classical public administration. As the critics argue, the Weberian claim of bureaucracy representing highest extent of rationality did not fit with the real-life situation in public administration. Weber famously described the ethos of bureaucratic office as requiring an official to conduct him- or herself ‘sine ira et studio’, without passion or prejudice. In reality, as the critics point out, rational behaviour is not a typical feature of modern organizational life. Organizational rationality as some form of collective expression of reasoned behaviour is rather fuzzy and does not conform to real-life practices in the process of governance. Public policy decisions are often a matter of myriad influences, pulls and pressures, and there are multiple actors influencing decisions.

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In this context, the behaviour of Simon’s “administrative man” striving to achieve “bounded rationality” is very relevant. Acknowledging information and data scarcity, time constraint, perceptual limitations, the administrator seeks to eliminate certain alternatives and imagined outcomes in order that a course of action could be adopted purely pragmatically. Most public policy decisions, as Braybrooke and Lindblom observed, involved multiple interest reconciling, and hence essentially synthesizing and accommodating in nature. Rationality-maximization is not what is intended in the actual process of administering. The `muddling-through’ can be attributed to the nature of public ends and goals in administration, which are not always well defined and fine-tuned. Even irrationality as a component of decision, under such circumstances, may not be ruled out. The other point relating to specialization and division of work has been attacked as impractical and injurious to organizational health and productivity. Post-Weberian view of public organizations has basically to be people-oriented as distinguished from structure-orientated, as successive research findings have pointed out that people in organization matter more than formal organizational structure. The Classical principles of public administration held the orthodox view that organizational productivity demanded mechanization and routinization of administrative work. The alternative view, rebutting the classical stand point, has been that instead of sharp delineation of work division and narrow specialization, the structuring principles must aim at employee job satisfaction, and for this purpose organizational work-outlay must provide opportunities for employees to work in multiple roles in much more flexible structures. There is considerable research evidence, since the early studies of the human relations school that clearly shows the organizational productivity does not
automatically flow from a grand organizational design, defining the functions to be discharged and coordinating the activities of each employee by narrow specialization and division of work. The classical public administration model has emphasised hierarchy as a structural design concept. Hierarchy means that power distribution and centralization have been built into the architecture of traditional public administration. Contrastingly, it has now been well accepted in organizational analysis that a decentralized (devolution of power) strategy is superior to centralized structure. It promotes adaptability, flexibility and mobilization of local initiative. Decentralization permits lower level operating units to interpret rules and regulations to suit local needs and to innovate in changed situations. Also, participative decision-making becomes a reality in a bottom-up approach that utilizes the full potential of people at basic operating levels. Contemporary view about public organisation is thus not a perfectionist one, as in reality there is no such thing as a rigid and pure model of administration.

New Model of Public Administration

The new approach to public administration, superseding the traditional model, can be distinguished with the help of the following features:

1. Politic-administration dichotomy is unrealistic, irrelevant and unworkable, as the actors on either side frequently change positions and the two activities intermesh in the practical world of governance.

2. In public institutional life, there is no such thing as purely rational decision-making. It is ‘bounded (limited) rationality’ that characterizes actual public decision-making.
3. In a hierarchy-ridden organization, it is the top that dominates and the bottom has simply to obey and submit. Top-down policy implementation does not, in actuality, work; there cannot be automatic accomplishment of objectives in the public sector or in any other sector. Bottom-up communication is helpful in implementation, trusting that basic operating units have the capacity to reinterpret and innovate in dynamic situational changes. Drawing on rich social science research evidences, it is now well accepted that public administration is best looked after by self-steering groups rather than closely supervised groups. Hierarchy is essentially power-oriented rather than work-oriented and is positively threatening in its operations.

4. As practical administration shows, successful public administration is rarely rule-bound. What matters is goal achievement and effectiveness, allowing employees to play multiple roles.

5. Centralization leads to rigidity. Hierarchy results in implementation deficit. Free flow of communication is impeded by rigid hierarchy and centralization of power.

6. Public institutions operate efficiently when decentralized. Allowing lower level initiative and adjustment.

7. In public administration tendencies towards irrationality are not rare, as many actors and forces impinge upon decisions and compete for accommodation.

8. Public employees do not have any special type of motivation. In real life, they have often been found to act to maximize self-interest like income, prestige and power, rather than public interest.
Thus the old idea of public administration being unique requiring a sheltered bureaucracy employed for life is now under challenge. The question has been raised why the bureaucratic form of organization should have the monopoly to provide public good and services. It has been alleged that bureaucratic failures that are numerous in reality, affect the society badly both immediately and from long-term perspective as well. There are various options available for the delivery of public goods and services, and society may benefit from the many suppliers syndrome. It is not necessary that government should always assume the role of a direct provider of goods and services; instead governments may operate indirectly, allowing non-government agencies to operate directly in a wide range of social activities. This has been forcefully argued by the Public Choice/New Right group. Rigid, rule-bound, and hierarchical public administration does not suit the needs of a dynamic situation demanding speedy action. In this respect, many of the flexible organizational designs and practices pioneered by the private sector may be profitably introduced in public administration system with suitable modifications. The public-private distinction should not be fetishised as a matter of orthodoxy. In the larger interest of societal development, the two sectors should mix freely and collaborate whenever necessary and feasible. Even healthy competition between them should be welcomed to improve quality of performance and accelerate the pace of work. It has been argued that administration must be accessible, transparent and accountable. The citizen has every right to question how public fund is being spent and whether he is getting his money’s worth. The civil servant has to be result-oriented, responsible and responsive. The bureaucracy has enjoyed security and anonymity at the cost of transparency. There must be more openness in administration and accountability for whatever is done or
not done. New Public Management helps in operationalising the concept of 'good governance' and it focuses on management, and not policy and on performance appraisal and efficiency. It deals with converting public bureaucracies into agencies which deal with each other on a user-pay basis. It also uses quasi-market and contracting out to foster competition. It is style of management which aims at cutting cost, reducing public expenditure and a style of management which emphasizes on output, and providing monetary incentives to increased performance and empowering managers.

**Determinants of Good Governance**

Determinants of Good Governance can be related to the basic goals of a society as enshrined in its Constitution and other policy and plan documents. Apart from creation of institutions and framework for maintenance of law and order, the State and its authorities formulate rules by which the politico-administrative system governs itself. For some societies, the State plays a catalytic role to establish basic infrastructure for economic development and provide such services which may lead to social justice. The degree of involvement of politico-administrative system may, however, differ from society to society.

**Aid conditionality**

Referring to the background conditions of the 'good governance' concept, Leftwich⁵ points out that contemporary western aid and overseas development policy have three defining features. First, the aim of aid has been to promote open, market-friendly and competitive economies. This

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policy was embodied in the new conditionality of structural adjustment lending, developed in the 1980s. Later, in the 1990s, two further features have been added to structural adjustment. These are support for democratization and improvement of human rights records, and insistence on what has come to be called "good governance". Development assistance to the Third World countries in the post-Cold War era has, thus, been subjected to the new politics of "good governance". In 1989, the concept of "governance"s for the first time highlighted in a World Bank document on Sub-Saharan Africa. By good governance was meant, at that time, sound development management. Four key dimensions identified in this context were:

(a) Public sector management
(b) Accountability
(c) Legal framework for development; and
(d) Information and transparency.\(^6\)

As the World Bank's document, entitled Governance and Development (1992), puts it, "governance is defined as the manner in which power is exercised in the management of a country's economic and social resources for development."\(^7\) 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 and equitable development, and it is essential complement to sound economic policies." Three distinct aspects are identified in the conceptualization of "governance":

\(^7\) World Bank 1992 *Governance and Development* SLC
a) The form of political regime (parliamentary or presidential, military or civilian, and authoritarian or democratic)
b) The process by which authority is exercised in the management of a country’s economic and social resources; and
c) The capacity of governments to design, formulate and implement policies, and in general, to discharge government functions.

The first aspect, it is admitted, falls outside the Bank’s mandate. The focus of “governance” is, therefore, basically on the second and third aspects. Recounting its wide experience, the Bank document narrates vividly the problems of “governance”. For instance, despite technical soundness, programs and projects have often failed to produce desired results. Laws are not enforced properly and there are often delays in implementation. Privatized production and market-led growth do not succeed unless investors face clear rules and institutions. In the absence of proper accounting systems, budgetary policies cannot be implemented or monitored. Many a time, procurement systems encourage corruption and distort public investment priorities. Again, failure to involve beneficiaries and others affected in the design and implementation of projects had often led to substantial erosion of their sustainability.

Against this background of mal-governance, the Bank has attempted to focus on some of the key dimensions of “governance”, such as a public sector management, accountability, the legal framework for development, and the information and transparency, as already stated. Economic, human and institutional development are considered important in bringing about sound development management. The conditionalities of “good governance” are thus carefully spelt out, and as Bank document sum up:
'Governance' is a continuum, and not necessarily unidirectional; it does not automatically improve over time. It is a plant that needs constant tending. Citizens need to demand good governance. The ability to do so is enhanced by literacy, education, and employment opportunities. Governments need to prove responsive to those demands. Neither of these can be taken for granted. Change occurs sometimes in response to external or internal threats. It also occurs through pressures from different interest groups, some of which may be in the form of populist demands. Although lenders and aid agencies and other outsiders can contribute resources and ideas to improve governance, for change to be effective it must be rooted firmly in the societies concerned and cannot be imposed from outside. Hence, at first glance, the governance agenda seem rather "naïve and simplistic", to quote Leftwich. Fundamentally, however, it is in continuation of the Bank’s “technical illusion”, a kind of neo-managerialism encompassing more difficult spheres of political management of ‘development’ in the Third World countries. 'Governance is now being defined in terms of an autonomous administrative capacity, reminding one of the first generation administrative theory centred around administration-politics dichotomy. Governance is sought to be “detached from the turbulent world of politics and the structure and the purpose of the state.”

The World Bank has identified a number of aspects of Good Governance which has assumed significance for the developed and the developing nations. These factors deal with political and administrative aspects, which are as follows:

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1. Political accountability, including the acceptability of political system by the people and regular elections to legitimize the exercise of political power.

2. Freedom of association and participation by various religious, social, economic, cultural and professional groups in the process of governance.

3. An established legal framework based on the rule of law and independence of judiciary to protect human rights, secure social justice and guard against exploitation and abuse of power.

4. Bureaucratic accountability ensuring a system to monitor and control the performance of government offices and officials in relation to quality of service, inefficiency and abuse of discretionary power. The related determinants include openness and transparency in administration.

5. Freedom of information and expression needed for formulation of public policies, decision-making, monitoring and evaluation of government performances. It also includes independent analysis of information by the professional bodies, including the universities and others needed for a civil society.

6. A sound administrative system leading to efficiency and effectiveness. This, in turn, means the value for money and cost effectiveness. The effectiveness includes the degree of global achievement as per the stated objectives and also the administrative system which is able to take secular and rational decisions and the system which is self-propelling to take corrective measures.

7. Cooperation between the government and the civil society organizations. Thus, it is clear that good governance is not simply that
government can achieve or do by itself. Good governance depends on the cooperation and an involvement of a large number of citizens and organizations.9

These requirements are considered not only essential for good governance but are also important for sustainable human development. Similarly, the ‘New Public Management’ focuses on management, not policy and on performance appraisal and efficiency. It deals with converting public bureaucracies into agencies which deal with each other on a user-pay basis. It also uses quasi-market and contracting out to foster competition. It is style of management which aims at cutting cost, reducing public expenditure and a style of management which emphasizes on output, and providing monetary incentives to increased performance and empowering managers.

The Indian Scenario

After independence in 1947, there has been two major landmarks in the process of governance in India. One of those being the Constitutionalism and the other being Planned economic development. The Indian Constitution is considered the corner-stone of social revolution. The founding fathers of the Constitution have given Indian state a sovereign, socialist and secular democratic republic. It has been their major endeavor to secure for the citizens of the Indian nation, social, economic and political justice, liberty, equality, dignity of individuals and unity and integrity of the nation. To achieve these objectives, Indian state ushered in a planned economic development to raise the standard of living and to open for the people of

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India new opportunities for a rich and varied life. Indian approach to development did not mean augmentation of resources but a process of building institutional framework adequate to the need and aspirations of people. Stress was laid on politico-administrative set-up as a prerequisite to successful implementation of the plan document. Reform efforts during 50s and 60s, at the dawn of independence, India inherited an administrative system which was considered to be better than many in the developing countries and compared at par with the developing countries. However, the system was designed at the dictate of colonial regime. Consequently, there had been a significant endeavor to bring about structural changes in the administrative set-up to fulfill the aspirations of people as enshrined in the Constitution and plan documents. However, Indian reforms towards introducing ‘new public management’ during the last 50 years have been rather ad hoc and slow. It was in 1949, when Gopalaswami Ayyenger suggested improvement in methods of transaction of government business, that it was suggested to create an Organisational and Method Division in the Central Government setup. A.D. Gorwala in his report (April, 1951) emphasized on clean, efficient, impartial, effective and responsive administration for the success of democratic planning. Paul H. Appleby, in his two reports submitted in 1953 and 1956, also dealt with reforming the Indian administrative system through setting up an O&M organization in the Union Government and an Institute of Public administration. He also stressed on citizen’s satisfaction. In 1954, Ashoka Chandra suggested ways to remove delay in the execution of projects. T.T. Krishnamacharya’s report dealt with the training of Indian Administrative Services (IAS) officers and improvement in District administration. K. Santhanam’s (1964) report dealt with corruption. In January 1966, a high powered Administrative Reforms
Commission was set up to give consideration to ensuring the highest standard of efficiency and integrity in public service, making public administration a fit instrument for carrying out the social and economic policies of the government and achieving social and economic goals of development and as also one which is responsive to the people.

In India, the Economic Administrative Reforms Commission under L.K. Jha (1983), advocated the need for accountability so as that greater importance was given to performance than mere adherence to rules and procedure. The Planning Commission and the Estimates Committee and the Committee on Public Undertaking have also influenced public organizations in the country to introduce modern techniques of management in areas of financial, project and human resource management. In the Conference of Chief Secretaries of States / Union Territories on Effective and Responsive Administration in November 1996 followed by a Conference of Chief Ministers in May 1997, it was recognized that governance has to extend beyond conventional bureaucracies and to involve actively citizens and consumer groups at all levels to empower and inform the public and the disadvantaged groups, so as to ensure service delivery and program execution through autonomous elected local bodies. A New agenda of Reforms calls for right sizing public services, value for money, good financial management, efficiency audit and proper monitoring and evaluation are needed. It is necessary to introduce greater Transparency and Openness in the functioning of government and public bodies. Accountability in relation to public satisfaction and responsive delivery of service is a vital determinant of good governance. Citizen’s charter, indicating standard of performance, quality, timeliness and cost of public service needs to be given due importance. This should be supplemented by
providing for periodic and independent scrutiny of performance of agencies against the set standards. Decentralization of power, participation of citizens in local decision making and implementation of schemes affecting their livelihood and quality of life are essential aspects of good governance. Thus, in India, consensus has emerged in achieving the goals of accountability, citizen-friendly government, transparency, right to information and improving performance and integrity of public services at the Central and State levels. A large number of states, Union territories and the Central Government have already taken several steps in this direction. The Fifth Pay Commission has also dealt at length with the issues relating to the size of bureaucracy, productivity of employees, public accountability, transparency and integrity. Achieving of the declared agenda for reforms towards good governance in India would require operationalization of ‘New Public Management’. A number of steps have already been taken in this direction.

Kuwaiti Scenario

Kuwait is a state of sovereignty and has its own constitution presided over by the Emir, Al-Sabah, and its laws are legislated by the National Assembly, composed of (50) members, brought through free elections by the Kuwaiti people. Political legitimacy is the history of Kuwait has incorporated the foundation of a traditional and discernable political system that can be traced to the rule of Al Sabah family. The succession of rulers in the administration of the country was distinguished by a series of the achievements, as well as failures in the socio-economic and political evolution of Kuwait. The unique relationship between the rulers and the ruled and the continuity of some political power, based on counseling and consultation, has been carried forward into the modern and contemporary
system. Democracy is rooted in Kuwait history and in the Al Sabahs. Infact, the ruling family is part of the evolutionary process of democracy, with people’s participation being an integral part of every stage of that process. With a history of attempts at democratic reforms, it would be unfair to categorise Kuwait within the paradigm of the Arab world, which cannot boast of such democratic traditions in their history. It is precisely this factor which puts Kuwait ahead of others or clearly in a different mould of political structures. With the coming of the oil age, a new phase of “constitutionalism” was initiated.10

Kuwait adopts a stable and open civil law, qualified for settlement of all disputes, which imparted international respect to Kuwait and availed it profound political and economical relationships with most countries of the world. Kuwait is a member of about (50) international organizations, most outstanding of which is the World Trade Organization (W.T.O.). Kuwait shared in W.T.O. since its inception as GATT. Hence, Kuwaiti legislations are in harmony with and derived from international laws, which in turn extends full protection and guarantee for foreign investments. The following are the most significant relevant laws: The 1999 law concerning the rights of intellectual property and the law in 2000 concerning allowing non-Kuwaitis to own shares in Kuwaiti shareholding companies. The 2002 law concerning control of money laundry.

Kuwait is a constitutional, hereditary emirate ruled by Amirs who have been drawn from the Al Sabah family for over 200 years. The 1962 constitution provides for an elected National Assembly (Parliament) and details the powers of the branches of government and the rights of citizens.

10 Shahid Jamal Ansari 1992 ‘Political Participation and Elections in Kuwait’, Strategic Analysis, XV, no 9 December p 883
Under the Constitution, the National Assembly has a limited role in approving the Amir’s choice of the Crown Prince, who succeeds the Amir upon his death. If the National Assembly rejects his nominee, the Amir then submits three names of qualified candidates from among the direct descendants of Mubarak the Great, from which the Assembly must choose the new Crown Prince. Successions have been orderly since independence.

For almost 40 years, the Amir has appointed the Crown Prince as Kuwait’s Prime Minister. However, in an unprecedented development, the Amir, after the Crown Prince declined the position, appointed a new Prime Minister from the ruling family in July 2003.

From the Western perspective, Kuwait is anything but a democratic creed and political system relatively liberal, tolerant of a fairly free press and moderate towards the growing pressures for political change. An effective system of checks and balances as embedded in the US Constitution being one of the critical elements in any democratic society, Kuwait’s Constitution has addressed this through the creation of a National Assembly made up in part by representatives determined through the process of free elections.11

The government bans formal political parties, but de facto political blocs exist and are typically organized along ideological lines. Although the Amir maintains the final word on most government policies, the National Assembly plays a real role in decision-making, with powers to initiate legislation, question Cabinet ministers, and express lack of confidence in individual ministers. For example, in May 1999, the Amir issued several landmark decrees dealing with women’s suffrage, economic liberalization, and nationality. The National Assembly in Kuwait later rejected all of these

11 Lee R. Lambert and Eric Lambert 1992 The Other Kuwait An American Father and Daughter’s Personal Impressions (Ohio Lee R. Lambert, p 185)
decrees as a matter of principle and then reintroduced most of them as parliamentary legislation.

In Kuwait, the rate of economic development is dictated by exogenous factors such as fluctuations in oil prices, changes in world demand for oil, and the level of volatility in the exchange rates of currencies belonging to the main oil importing countries. Kuwait’s legal and governmental systems are based on principles which guarantee the freedom of the individual to pursue his or her economic advancement with the minimum state interference, and the national wealth is distributed in such a way as to facilitate this pursuit.

According to Al Yahya, “the Government will have to be less paternalistic and protective towards its citizens, who need to be exposed to a competitive environment if they are to face future developments with confidence. The proposal to privatize various sectors, starting with the country’s telecommunications, is a step in the right direction but only a small first step.”

The tradition of democracy in Kuwait, which was made evident through the 1921 and the 1938 movements and was formalized soon after Independence, showed its nature of permanence during the late 1980s and early 1990s by way of the Pro-democracy Movement. The fact that even the informal democratic setups had taken shape in Kuwait is proved by the role of the diwaniyahs, which served as the forum for venting out the people’s grievances even when the National Assembly was suspended. By not imposing curbs on the diwaniyahs, the Al-Sabahs kept open the doors to

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strengthen their legitimacy at all times. More importantly, the accountability factor, which was hitherto ambiguous in many matters, particularly the financial dealings involving the government, now moved to be the fulcrum of all future actions and the National Assembly earned itself the challenge of acting as the point of contact and clearance between the rulers and the common people. The result has been a strong national identity with workable national institutions but an identity that has involved a constant process of maintenance and reconstruction.\textsuperscript{14}

**Globalization and Good Governance**

Globalization has often been defined as the process of economic, political, social and cultural integration through cross-country flows of information, ideas, technologies, goods, services, capital, finance and people. Governance, on the other hand, is the process whereby elements in society wield power, authority, and influence and enact policies and decisions concerning public life and economic and social development. Though globalization has been around for quite some time, but its pace particularly the rate of change has phenomenally increased in recent times. Some of its manifestations are:

a) Communications and connectivity (epitomized by TV and the internet).

b) Breaking down of barriers leading to large-scale movement of goods.

c) Services and human resources, technological revolution, harmonization of standards.

\textsuperscript{14} Crystal, Jill 1992 *Kuwait: The Transformation of an Oil State* Westview Press, Oxford, p 4
d) Highlighting of the competitive advantage of nations along with emphasis on free and fair trade as well as non-discriminatory treatment etc.

The importance of good governance in order to cope with the imperatives of globalization and capitalize on its opportunities cannot be over-emphasized. Some of the universally accepted pillars of good governance are accountability, responsiveness, transparency, predictability, participation, non-discrimination, non-exclusion, ethical behaviour and public interest. Among these, the critical success factors for smooth and seamless integration through globalization are, of course transparency, predictability, non-discrimination and ethical behaviour. In order to facilitate good governance, it was necessary to establish a mechanism for policy co-ordination, set up of appropriate regulatory systems, manage government resources efficiently, de-centralize, provide a forum for grievance redress, and institutionalize alternative systems of service provision. Above all, governments have to focus on four ‘E’s, namely Economy, Efficiency, Effectiveness and Equity.

The international experience with promoting good governance underlines the need for getting the fundamentals right before going in for sophisticated reforms. It also illustrates that there is always a gap between thought and action and hence the need to focus on successful implementation of policies.

There is no time to lose and governments have, therefore, to learn quickly. However, at the same time, there are no quick fixes. Putting the right people in right places along with a visionary and inspired leadership is the key to success. There is a lot to be learnt from international best
practices; however, they have to be adapted to local conditions and not imitated blindly.

The Indian experience with good governance has been relatively more successful with de-centralization, review of old and obsolete laws, introduction of e-governance, promotion of Citizen’s Charters and introduction of freedom of information. However, initiatives for right-sizing government machinery, controlling corruption and introducing fiscal discipline have not met with much success.

The whole context of globalization and governance is fraught with several paradoxes such as globalization vs. de-centralization, public vs. private sector, efficiency vs. control, focus on results vs. processes, public administration vs. public management (equity vs. efficiency), radical vs. incremental change and human rights vs. environment. Although these paradoxes are more apparent than real or inherent, it is necessary to tread carefully.

Against this background, the litmus test for the success of globalization as well as governance is the Gandhi talisman: “Whenever you are in doubt...Recall the face of the poorest and the weakest man(woman) whom you may have seen and ask yourself, if the step you contemplate is going to be of any use to him(her). Will he (she) gain anything by it? Will it restore him (her) to a control over his (her) life and destiny? Then you will find your doubts.... Melt away.”

Legitimacy and Effectiveness: Civil Society Organizations’

Civil Society Organizations (CSOs) or NGOs – as the most active agents of civil society – have crucial advantages as well as serious weaknesses vis-a-vis government organisations and businesses. These can
broadly be divided into the categories of "legitimacy" and "effectiveness". The latter includes qualities such as flexibility, grassroots experience, and mobility, while the former would include public trust, accountability, and representation.

As we know, freedom is conducive to creativity. NGOs are less bound by rules, traditions, interests, and procedures than government officials. Therefore, NGOs can more easily engage in social ventures, untested enterprises, and projects involving considerable risks. If they wish, NGOs can go against public opinion much longer than elected officials, who are more bound by their constituency or electorate. NGOs can be much more creative in bringing together cross-sectoral alliances and issue-related ad hoc coalitions than can governments and their agencies. A great deal of freedom derives from the fact that the majority of NGOs are, by their very nature, single-issue organisations, which enables them to concentrate their resources on that single issue without much compromise and without trade-offs. A politician must balance among competing interests. He or she must be ready to compromise and make trade-offs all the time, if he or she wants to be reelected.

Since NGOs are often driven by issues the public considers to be worthy causes, as has been the case with Transparency International, NGOs generally enjoy a good reputation and trust among the public. In many cases, the independence of NGOs from business interests and government influence gives them high standing in terms of uncompromised moral and professional authority. Impartial information on controversial issues, from human rights violations to corruption, is more likely to be expected from an independent NGO than from a government agency or a business corporation. The latter might have other interests than "the truth, nothing but the truth."
In their monitoring and watchdog role, NGOs have a comparative advantage because of their professional and moral authority. Of course, we all know how fragile and vulnerable that trust can be. Many years are needed for NGOs to build up a good reputation, and it takes one bad move to lose it.

Especially in the development industry, NGOs with grassroots experience can be very valuable partners for government agencies and businesses. They can provide vital linkages between local communities and funding agencies because both partners trust them. NGOs can provide development and aid agencies with vital feedback about what works on the ground and what does not. NGOs with local roots can mobilise indigenous resources otherwise unavailable for development projects.

Thanks to easy access to information, and the capability to store, manage, and disseminate it with unprecedented speed, NGOs have gained very visible power in mobilising public opinion. There is a perfect match between information technology and the way in which horizontal NGO networks communicate. With the help of new technology, virtual communities emerge along interest lines and with affinities that cross geographic, political, and cultural borders. People from across the globe can ally and re-ally quickly with distant colleagues on issues they care about. Mobility and swiftness are crucial resources for NGOs in positioning civil society in the global (and local) public policy arena. Ironically, those attributes that constitute strengths for NGOs can turn out to be weaknesses as well. On one hand, freedom, mobility, and swiftness make the day-to-day operation of NGOs easier and more efficient. On the other hand, these features may raise legitimate questions about responsibility, mandate, constituency, accountability, and sustainability.
Mandate and responsibility are cornerstones of any good organisation. NGOs, and any other citizen groups engaged in public policy deliberations, must be very clear about two things:

1. What is their mandate?
2. Who they are responsible to?

Too often, we see various groups claiming to speak "on behalf of the people," as alternatives to politicians and political parties. These generalisations, the "we the people" type of claims are not just false and misleading, they can undermine the credibility and seriousness of NGOs as well. In addition, these claims suggest that politicians and public officials do not act "on behalf of the people", and they, en bloc, are morally inferior to citizen activists. Although we all know corrupt and immoral public officials, the generalisation is false and unfair.

It is important to understand that civil society is complementary, not a rival, to representative democracy, and participatory democracy goes hand in hand with representative democracy. Civil society is about participation, while parliamentary democracy is about representation. The civic politics of citizen participation and the parliamentary "party politics" of representation have a healthy dynamic of both complementarity and tension. Citizen participation carries its own self-originated legitimacy; it does not need to borrow legitimacy from representation.

Unlike public officials, NGO leaders are not accountable to an electorate. On one hand, that limits their mandate. They cannot claim overall representation. On the other hand, this kind of "independence" from the electorate gives them the freedom, flexibility, and space, which constitute the "comparative advantages" of NGOs in national and global governance. In plain words, we need civil society organisations not because they
"represent the people"; we need them because through them we can get things done better. By their very nature, most NGOs are driven by, and focused on, a single issue. In most cases, it is a strong emotional motivation that compels people to take action. Personal commitments and emotional motivations are the most important resources NGOs can mobilise. The passion and strength that come from strong belief in a cause can multiply the impact of any citizen action. In some cases, however, the same passion can result in a "tunnel vision" or narrow-mindedness that can hinder the long-term success of an NGO. Single-issue NGOs tend to judge everything by how their particular interests are affected.

Whether we like it or not, there are some trade-offs between freedom and flexibility on the one hand, and accountability and responsibility on the other. While public officials are accountable to their electorate, and business leaders to their shareholders, to whom are civil society leaders accountable? The easy answer is that it is the "stakeholders" to whom an NGO owes responsibility. But, who are the stakeholders and how do they exercise their oversight? Even if we can come up with some reasonable answers about clients, partners, members, funders, groups an NGO might work with or for, we know that the relations between an NGO and its stakeholders are often loose and difficult to define. Accountability of politicians and corporate managers vis-a-vis their constituency is more direct, contractual, and time-bound. Voters and shareholders have more control and sanction over what governments and businesses do than the constituency of an NGO will ever have over its activities. The varied nature of accountability reflects the different role and functions of governments, businesses, and civil society organisations. The best way NGOs can make up the natural "accountability
gap" is to generate public trust by full transparency and high standards of performance.

Citizen participation and the emergence of 'global politics'

Today's world order is more open, complex, diverse, interconnected and risky than ever before. Contemporary global order is increasingly the outcome of multiple, interlocking patterns of transnational interaction shaped both by state and non-state actors. Critical problems cut across national territorial jurisdictions and are being debated by a variety of civic associations in a widening public space. Global threats, such as financial volatility, environmental disasters, terrorism, drugs and contagious diseases, affect people's lives everywhere and are of such a magnitude that no country can address them on its own.

Globalization dramatically increases the interrelation of the national and global spheres. But globalization is not only an economic or technological process. It is also a political, social and cultural phenomenon. It is not only capitals and goods that are being exchanged in the global arena. It is also information, values, symbols and ideas. It is not only markets and financial flows that are increasingly integrated. Flexible partnerships and networks are also enhancing the capacity of civic associations and social movements to participate and influence.

The influence of civil society in the management of global change, in turn, could never have reached their present breadth and scope without the concomitant rise of citizen action. The growth of private action for the public good is a recent, massive, almost universal phenomenon.

The 'global associational revolution' expanded and strengthened democracy at the national level. This was - and still is in many places - a
conflictive, uneven process. The trend towards more informed, participatory and responsible societies seems, however, both widespread and irreversible.

Global governance - as well as globalization - is a highly contested process where the space for political action by states and non-state actors is greatly extended. This process is larger than the UN-NGOs relationship.

Hence the question: is the UN system responding to the trends and processes at work in the contemporary international community or is it, to some extent, still captive of the past?

The United Nations has played a key role in strengthening global governance by consistently promoting the participation of civil society in the processes of dialogue and deliberation leading to new forms of political regulation. The end of the Cold War and of the power politics associated with the conflict between two ideological blocks raised great expectations. The winners of the Cold War were the first to announce that the new era would be built with and not without the United Nations. And indeed the agenda of the Organization and its openness to engage with non-state actors were drastically expanded. Transnational issues with direct bearing on peoples' present and future quality of life became the order of the day.

Throughout the World Conferences of the 90’s citizen organizations articulated new ideas and proposals, argued and negotiated, protested and exercised political pressure, thus giving birth to an unprecedented 'public space'. International norms and standards, regulatory agencies and mechanisms were gradually established. The progress achieved in the last two decades in the recognition of basic universal rights and in the prevention of global threats was remarkable.

This on-going process of building a cosmopolitan law represented a great leap towards a world order that is not based on the uncontested will of
sovereign states, but on universally agreed principles and norms. In a major break with the past, individuals were acknowledged as subjects not only of national law, but also of cosmopolitan rules, enforceable by transnational institutions. Human rights lie at the very basis of this cosmopolitan ideal precisely because of their universal validity, addressed as they are to individuals in their human condition, and not in their capacity as citizens of a particular nation state.

Concern for the wellbeing of future generations, embodied in the notion of 'our common future', is another powerful expression of this commitment to universal values to be preserved not only across space but also across time. Given its intrinsic, constituent diversity of actors, issues and forms of action, civil society is an expression of the social and cultural complexity of the global community and a strong promoter of multilateralism.

In such an inclusive and participatory environment it was only natural that interaction between civil society and the UN system steadily expanded and diversified. The last decade was indeed marked both by an explosion in the traditional patterns of consultation with non-state actors and by the experimentation of innovative forms of partnership and collaboration. There is a growing perception that some processes have run their course. That citizen contribution for global governance must be better understood and valued. That greater consistency and coherence must be introduced in the rules of engagement with civil society. Former UN Secretary-General Kofi Annan stressed that a pause might be useful to take stock of emerging problems and demands, to revisit existing policies and procedures as well as to explore fresh alternatives and opportunities. Questions and challenges of different orders must be addressed for the UN to relate to and link up with
the vibrant source of energy represented by citizen participation, giving civil society the respect and the space it deserves. There is an undeniable deficit of political regulation and democratic governance in some key areas of the globalization process. There is in particular a clear discrepancy between economics and politics, between the interdependence of markets and the absence of effective global mechanisms for supervision and control. The United Nations structures entrusted with preserving peace and security also suffer from deficits of governance. As a consequence of the difficulties to 'discipline and democratize globalization', the radicalization of the 'anti-globalization movement' led to disruptive forms of public protest and to the questioning by a segment of civil society of the very legitimacy of some multilateral institutions.

Many NGOs feel frustrated with the obstacles and barriers to substantive participation in policy decision-making and in the actual implementation of agreed programs. Several of them also react to what they perceive as the risk of being confined to the social and humanitarian field. Conversely, many governments react to increased interaction with civil society, perceiving their growing influence in the decision-making process as a threat to their national interests and sovereignty. This perception is compounded by the fact that there is a great imbalance in the numbers, capacity to influence and resources between NGOs from the industrialized and the developing countries. Civil society is not only diverse and complex. It is also deeply divided on its political options and tactical approaches to several issues. This is not in itself a problem, insofar as democracy is intrinsically a conflictive space. However, contrary to an often idealized self-image, civil society is not the realm of 'good values and intentions' in contrast to the logic of power and interests ascribed to national states. Civic
and community groups may also advocate for causes that are deeply controversial and, in some instances, incompatible with universally-accepted norms and principles.

Of much deeper concern are the dark sides and murky corners of what has been called the 'uncivil society'. Global terrorism and the drug trade are potent expressions of the destructive power of non-state criminal networks and of their capacity to inflict tremendous damage not only to specific countries but also to the international order as a whole. Given the fact that the only forum entitled to produce rules of universal acceptance is the United Nations, unilateral action taken outside its framework cannot fail to undermine not only the Organization but the whole long and arduous effort of the international community to strengthen global governance. There is no alternative to dialogue and deliberation in order to produce generally-accepted rules and norms. Ideological or religious definitions by some national states of what is good and of what is evil can always be met by definitions from other states pointing at the opposite direction.

The goals, motivations and patterns of interaction with the UN of these actors are indeed quite distinctive. Given civil society's wide institutional diversity and multiplicity of areas of interest it is pertinent to ask the classical question as to 'who speaks for humankind' or 'from the point of view of humankind'. It is also worth noting that democracy has been, in theory and in experience, a national construction. In many countries the strengthening of democracy and citizenship is an on-going process. The patterns of relationship between State and civil society also vary hugely from country to country. In some the question is not even present at the national agenda.
On the other hand, given the interrelation of the national and global spheres as well as the interconnection of issues, citizen initiatives, whatever their scope, if successful tend to go beyond territorial barriers and influence broader processes. Advocacy and political pressure also combine simultaneous levels of action, moving back and forth from the local to the global and vice-versa. In a complex world, the answer to the question 'who speaks for whom' calls for new perspectives. The legitimacy of civil society organizations derives from what they do and not from whom they represent or from any kind of external mandate. In the final analysis, they are what they do. The power of civil society is a soft one. It is their capacity to argue, to propose, to experiment, to denounce, to be exemplary. It is not the power to decide. Such legitimacy is, by definition, a work in progress. It is never attained once and for all. It is gained in the arena of public debate and must be continually renewed and revitalized.

Global governance and cosmopolitan law are based on the recognition of universal values. But universal values and norms cannot be imposed unilaterally. As Habermas\(^{15}\) puts it, values - including those aspiring to global recognition - do not exist drifting in the air. They do not have the status of products that can be acquired, circulated or exported all over the world. The only way for them to be accepted in different social and cultural environments is through a long process of dialogue and deliberation. Any other procedure amounts to the imposition by some of their particular views and principles upon all the others. Multilateralism also applies to the process of building values and norms. This process can only unfold if and when the voices of all the segments of the international community are heard on the

basis of equality and reciprocity. Conflict and disagreement are inherent to these processes dialogue and deliberation. What is essential to ensure is the democratic character of the process itself.

There is no alternative to democracy. In the same way that democracy was gradually strengthened in the domestic sphere through the interaction of many actors, also at the level of international relations democracy can only be achieved and sustained through argument and debate. Ultimately, the transformation of consciousness does have consequences on political behavior, on voting patterns, and on the orientations of governments. Thus it is essential for state actors, and for intergovernmental institutions, such as the United Nations, to meet civil society not only around institutional mechanisms and procedures of political representation, but in public debates in the global public sphere built around the media communication system.

Good governance has recently been accorded a central place in the discourse on development and Globalisation. It is being increasingly argued that without an appropriate governance structure, the developing countries will not be able to generate either sustained economic growth or a momentum towards rapid poverty reduction. In some ways, this may seem to be a fairly self-evident proposition, but many issues need clarification—for example, what are the essential features of an appropriate governance structure, what are the problems involved in achieving good governance, and what actions need to be taken in order to tackle those problems.

Governance is a somewhat elastic concept. It has been interpreted in many different ways so as to encompass many different aspects of social organisation and the institutional framework within which social and economic activities are performed. The present section focuses on one specific aspect of the institutions of governance—namely, governance at the
level of local communities. This focus entails a range of issues involving decentralisation, people’s empowerment, and the involvement of community-based organisations in local affairs, and the relevance of all these for poverty alleviation.

DECENTRALISATION AND PEOPLE’S PARTICIPATION IN LOCAL-LEVEL

Governance ‘Big government’ is often blamed for the persistent woes of the poor in the developing world. It would be more accurate to say, however, that the problem lies in the wrong kind of government - in particular, in the prevalence of a governance structure that on the one hand meddling too much into the details of economic activities that are best left to the market but at the same time affords too little support on ‘public’ matters that genuinely require non-market-mediated governance. In the latter sense - i.e., the absence of support in ‘public’ matters - one might even say that the rural people are actually undergoverned, as Thompson\(^\text{16}\) (1991) has suggested in the context of Sahelian countries. Thompson’s characterisation of the Sahel in this regard is generally valid for much of the developing world. The basic point is that while some activities affecting the rural poor are better left to the market, there is a large set of problems – characterised by market failure - that do require collective regulation or action by some sort of government(s) for their resolution. The problem of common property resource management is a prime example. Public utilities and provision of social and physical infrastructure also fit into this category. The reach and quality of governance in these spheres all too often fall short of

requirements, because in most cases government means a central
government located at some distance and preoccupied mostly with national
or regional issues.

To some extent, voluntary groups and community organisations can
deal with these problems, but there is a limit to which they can function
effectively. The characteristic that most obviously distinguishes a voluntary
organisation from a government is the absence of the capacity to make
binding, non-voluntary decisions backed by legally sanctioned coercive
power. In the absence of this capacity, all decisions are voluntary and have
to be taken on the basis of unanimity rule, which can prevent collectively
rational decisions from being taken. Sometimes, local leaders assume
governmental powers, illegally, so as to achieve some specific objective. For
example, Wade\textsuperscript{17} describes some illegal village governments in South India
that were formed in order to manage local irrigation systems\textsuperscript{18} But the lack
of legality of these pseudo-governments inevitably constrains their ability to
perform the full range of functions that a legally constituted government
could have done. Besides, it also makes them vulnerable to extinction, or at
least impotence, in the event of a clash with the proper government. It is,
therefore, essential to first establish a legally sanctioned structure of
decentralised governance, within which the community-based organisations
can then play a role. Before proceeding any further, however, one must note
that there seems to exist a profound lack of clarity on what the term
decentralisation is supposed to mean. The concept seems to have evolved

\textsuperscript{17}Wade R 1987 \textit{Village Republics: Economic Conditions for Collective Action in South India} Cambridge
University Press Cambridge

\textsuperscript{18}For other examples of indigenous governments with pseudo legality see D Korten (1980, 1986), Uphoff,
N T (ed) 1982 \textit{Rural Development and Local Organization in Asia} Vols 1 & 2 Macmillan Delhi, and
D Curtis (1991)
over time and has by now acquired several shades of meaning\textsuperscript{19} (Mawhood and Davey 1980; Landau and Eagle 1981; Mawhood 1983; Conyers 1983, 1984). The first widespread use of this term in the development literature began in the 1950s, when a fairly consistent set of institutional changes were being introduced by the colonial powers (especially Great Britain) in preparation for granting independence to many African countries.\textsuperscript{20} This ‘classic’ decentralisation, as Mawhood and Davey (1980) described it, was organised around five principles:

a) Local authorities should be institutionally separate from central government and assume responsibility for a significant range of local services (primary education, clinics and preventive health services, community development, and secondary roads being the most common).

b) These authorities should have their own funds and budgets and should raise a substantial part of their revenue through local direct taxation.

c) Local authorities should employ their own staff, although in the initial stage the regular civil service staff could be employed temporarily.

d) The authorities would be governed internally by councils, predominantly composed of popularly elected representatives.

e) Government administrators would withdraw from an executive to an advisory and supervisory role in relation to local government.


\textsuperscript{20} The following discussion follows closely the exposition given in Ostrom et al (1993)
In the event, classic decentralisation rarely took place. Instead, the political leadership of developing countries usurped the term to describe very different types of administrative reorganisations. As a result, the term decentralisation has now come to be used in senses that deviate in many ways from the above characterisation. Because of these variations, it has rightly been suggested that "...decentralisation is not one thing; nor is it even a series of degrees along a spectrum or scale. For comprehensibility and utility in policy circles, the overarching abstraction 'decentralisation' must be split into a host of separate, occasionally conflicting entities" (Cohen et al. 1981). One classification scheme distinguishes four different forms of decentralisation - viz. deconcentration, devolution, delegation and privatisation/partnership (Rondinelli and Nellis 1986; Rondinelli et al. 1987; Blair 1995, 1998).

Deconcentration refers to institutional changes that shift the authority to make certain types of decisions from national civil service personnel in the capital to national civil service personnel posted at dispersed location. In this arrangement, staff and resources are transferred from headquarters to lower units of administration, under chief officers who can take operational decisions without reference to the headquarters.

Devolution refers to reorganisation efforts that approximate 'classic' decentralization most closely, in that significant amounts of independent

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legislative and fiscal authority are transferred to subnational governments. Responsibilities and resources are transferred to these local governments with a large degree of autonomy to decide how to use the resources.

Delegation refers to transfers of authority to public corporations or special authorities outside the regular bureaucratic structure. Agents not belonging to public administration are delegated by the central government to perform specific functions. The central government sets the objective of the delegated agents and transfer resources to them on the basis of approved plans and budgets, but the agents have a fair degree of autonomy in performing their functions and may even have autonomous sources of revenue, including borrowing from the capital market.

Privatisation/Partnership refers to transfer of responsibility for public functions to voluntary organisations or private enterprises. The objective here is to mobilise the capacity and initiatives of civil society organisations (CSOs) working for social and economic development. Resources are transferred to the CSOs who enter into an agreement with the government on the basis of an indicative programme of work. Government does not interfere with their plans and budgets, but enforces ex post controls over the use of resources. Of the four forms of decentralisation described above, obviously deconcentration amounts to the least amount of transfer of power to the local people. As such, this type of administrative organisation can hardly be described as a move towards the development of local governance. Delegation too does not by itself transfer power to the local people, although the delegated agencies have the scope for involving local people in their decision-making process. It is the two other forms. It is arguable that people’s participation in the process of governance is an essential precondition for successful decentralisation. This is so from the point of
view of both efficiency and equity. One of the reasons why decentralisation is claimed to be conducive to efficiency is because it enables local-level services to be tailored according to local preferences. But what is the mechanism through which local preferences are to be known? The only feasible way is to have an inclusive process of local governance through which each segment of the population can express and fight for their preferences.

This point is underlined by Klooster\(^\text{23}\) in a revealing comparison between successful and unsuccessful cases of community-based resource management in Mexico. He has identified two distinguishing features of successful management: (a) vigorous, regular and well-attended community assemblies, and (b) the existence of accounting and reporting practices that provide community members with healthy flow of information. Apart from making it easier to allocate resources according to preferences, there are several other ways in which participation can improve the efficiency as well as equity of resource use.\(^\text{24}\) Most importantly, participation makes it possible to utilise local people’s knowledge about local conditions in solving local problems more efficiently. Thus, community participation has been known to have improved the efficiency of irrigation systems by making use of local knowledge on soil conditions, water velocity and shifting water courses\(^\text{25}\) (e.g., Chambers 1988; Ascher and Healy 1990; Ostrom, Lam and Lee 1994); of water and sanitation projects, by ensuring that these are located where

\[^{23}\text{Klooster D} 2000 \text{“Institutional Choice, Community, and Struggle: A Case Study of Forest Co-Management in Mexico”}, \text{World Development}, \text{Vol 28, No 1, pp 1-20}\]

\[^{24}\text{For recent comprehensive reviews of the impact of community participation, see Adato et al (1999b) and Manor (1999)}\]

they are most likely to be used (Manikutty 1998)\textsuperscript{26}, of public work projects, by utilising local knowledge about safety hazards and vandalism\textsuperscript{27} (Adato et al. 1999a).

Kuwait has gone through several experiments in political participation, some of which succeed and other of which failed. Yet this formed a historic legacy and paved the way to make Kuwait capable to take the initiative in assuming a parliamentary regime in the independence era. Despite the emergence of democratic institutions in Kuwait, and the role of the National Assembly, the parliamentary experiment remains brief compared to the age of the nation and state. Moreover, democratization has faced several downfalls, not least of which has been the dissolution of the assemblies of 1976 and 1986.\textsuperscript{28}

As the ruling family was consolidating its hold, a third institution was inexorable developing: the Kuwait bureaucracy. This bureaucracy, one of the largest per capita government machines in the world, barely existed before the oil era.\textsuperscript{29} It took oil revenues for a real bureaucracy to emerge. The government has made a significant effort to Kuwaitize the bureaucracy. With the opposition in Kuwait dominating the entire campaign during elections, speculation mounted about nature of future relations between a parliament dominated by the opposition and the government. It was felt that the process of democratization would not work unless a centrist position emerged among all the political forces, including those of the government,


\textsuperscript{28} Asiri, Abdul Reda 1996 The Government and Politics of Kuwait Principles and Practices, Kuwait, pp 102-103

\textsuperscript{29} Crystal Jill 1992 Kuwait The Transformation of an Oil State Westview Press Oxford, p 100
capable of striking a reform deal. The opposition, whose announced goal was to save Kuwait through reform, saw that no reform would be possible without a balanced approach to the country's political problems.\(^{30}\)

In Indian scenario, the value of truly participatory decentralisation has thus been firmly established. It should be borne in mind, however, that the examples of benefit are drawn mostly from isolated success stories. The fact remains that the history of attempts to institutionalize participatory decentralisation on a wide scale is replete with many more cases of failure than of success. The sources of failure can be classified into two broad categories: (a) the problems associated with transferring power from the top downwards, and (b) the problems associated with organising people at the grassroots level so that all segments of the people, including the poorer and the weaker ones, can effectively participate. The following two sections take up these two sets of problems in turn.

The slogan of participation and decentralisation has all too often been used by politicians as a rhetorical device to strengthen their own power at the centre of government. The affairs of each rural community were to be managed by a representative body, the rural council. A recent evaluation has noted, however, that councillors did not feel that their views were taken into account in the initiation and execution of local development projects, with the result that the reform did not represent a major departure from French administrative practice, in that the state and its agents retained full supervisory control over all aspects of local level actions (Vengroff and

\(^{30}\) Ghabra, Shafeeq 1994 'Democratization in a Middle Eastern State Kuwait', *Middle East Policy*, Volume III Number 1, p 110
Johnston 1987)\textsuperscript{31}. Slater\textsuperscript{32} observes that “rationalization and consolidation of centralized authority lay at the roots of the spatial restructuring of state power, so that decentralization was mere illusion or myth than hard institutional reality.”

If the unwillingness of the centre to relinquish or share power acts as one major impediment to effective decentralisation, the other stumbling block is the inability of the weaker sections of the community to participate effectively in the structure of local governance. In a recent study, Blair (2000)\textsuperscript{33} has attempted to identify the conditions under which truly participatory decentralisation can become a reality, by identifying the common characteristics of relatively successful case.\textsuperscript{34} His analysis points to two related conditions. First, participation must be extensive – bringing as many citizens as possible into the political process, and secondly, accountability must be ensured – mechanisms must be set up that can hold the governors responsible to the governed for their actions. On the first condition, experience suggests that special efforts will have to be made to enhance the participation of women and minorities, if necessary by reserving seats for them in village committees, because they are likely to be excluded from the corridors of power in the normal course of things. As for accountability, Blair’s study reveals that there exists a wide range of instruments or mechanisms through which citizens can exercise control over their officials. These include encompassing mechanisms such as elections as

\textsuperscript{34} The case is Indian state of Karnataka
well as fine tuning mechanisms such as public meetings and opinion surveys. Any one of these mechanisms, on its own, may not be able to do much, but in combination they can be powerful enough to ensure effective accountability. This finding is in line with a growing body of empirical research based on both past and recent history, which shows that weaker categories of users of common property resources are frequently excluded by dominant groups in order to achieve efficient use of resources. This kind of governance structure may be decentralised in some sense, but it can hardly claim to be the kind of governance that is suitable for making a serious assault on poverty. India has gone down a different path in order to ensure broad-based participation. They have chosen the system of popularly elected village councils or panchayats as the vehicle through which different segments of the populations are to fight for their interests. The two Indian states of Karnataka and Madhya Pradesh discuss at length the evolution, strengths and weaknesses of this system. India has a fairly long history of panchayat administration. At the insistence of Mahatma Gandhi, the concept of panchayat found a place in the Constitution of India. Article 40, one of the Directive Principles, states that “the state shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.” In practice, however, until recently the system was no more than either an appendix of official bureaucracy or a vehicle for legitimising traditional village hierarchies. A break from this tradition was first made by the Indian state of West Bengal, where beginning from the 1980s the ruling communist

party effectively used the village panchayats as a countervailing force against both the traditional elite and official bureaucracy. At the same time, the central government tried to beef up the system through new legislation geared towards making the panchayats more responsive to the needs of the weaker segments.

The first round of panchayat elections under the new legal framework took place in Karnataka, followed soon by Madhya Pradesh. There is a general expectation that the revamped panchayats would represent a much greater degree of participatory decentralisation than was the case with the earlier moribund system. The reasons for this expectation are two-fold. First, the new legal framework has made it mandatory to ensure representation of the weaker segments by reserving seats for women and the lower castes. Secondly, the State governments have committed to transfer much greater power and resources to the panchayats than they did in the past. The state of Karnataka has probably gone further than any other state of India in strengthening the panchayat system through legal means. The system received a big boost in 1983 with the enactment of a legislation that transferred a wide range of powers from the state level to the lower levels. Furthermore, in a bold move that did away with the old system of government officials acting as the chief executive even when elected panchayats existed, the new legislation made the leader of the panchayats the chief executive of the relevant administrative unit. The system was further improved by the act of 1993. In an effort to ensure that the elected members of panchayats cannot ride roughshod over the ordinary people at their whim, the village assembly (gram sabha) consisting of all persons on

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36 Government of Karnataka 1999 Human Development in Karnataka 1999 (mimeo) Government of Karnataka (India) Bangalore
the electoral roll in the village has been made the foundation of the entire structure of decentralised governance. The assembly meets twice a year to review the accounts and performance of the village panchayat and identify beneficiaries for various development programmes.

Apart from using the village assembly as a check against abuse of power by elected representatives, measures have been taken to broaden popular representation among the elected members themselves. The law stipulates that at least one third of the seats are reserved for women, apart from reservation for the scheduled castes (15%), scheduled tribes (3%) and other backward classes (33%). In practice, the representation of the weaker groups has turned out to be somewhat higher than the minimum stipulated by the law. Thus in the early 1990s, some 43 per cent of village panchayat members were women, 22 per cent belonged to the scheduled castes, 9 per cent to the scheduled tribes and 35 per cent to other backward classes. Another important feature is the reservation of a minimum number of chairpersons and vice chairpersons of different tiers of panchayats for the weaker sections. Thus, women must have at least one-third of these positions, the scheduled castes and tribes must have positions in proportion to their population (subject to a minimum number) and other backward classes must have one-third of the posts. The statutory reservation of seats for women and other weaker classes have clearly made a difference in ensuring broader participation. In Madhya Pradesh, in the late 1990s, more than one-third of all panchayat members were women. This is no mean achievement in a state where female literacy and other indicators of women’s status are one of the lowest in the country. A tank was built in Darhad, Karnataka, India. It was inaugurated with great fanfare. The tank had taps on all sides but it didn’t have a cover. It was left open. Leaves and
seeds from the tamarind and banyan trees nearby would fall into the tank. Water in the tank became so contaminated that many children began to suffer from dysentery. The women’s sangha in the village sent petitions and appeals to the zilla and taluk panchayats but there was no response. When they went to the taluk panchayat office, they were taunted: ‘Why have you women have come to waste our time?’ They shouted at the women and sent them back. Some time later there was elections to the taluk panchayat. The women in the village decided that they would boycott the elections. They said they didn’t need panchayat help for anything and would, therefore, not vote for anyone. Persons who came to the village to canvass votes got worried. They agreed that the tank should be cleaned and provided with a cover by the very next day. They gave a commitment to do so in writing. What had actually happened was that the gram panchayat chairman had pocketed the money meant for the tank cover. Because of the condition laid down by the women and fear of an inquiry into the matter, the chairman took out a loan and got the tank covered overnight.37

All this no doubt represents a significant advance. But representation by itself is not enough and the question still remains how well do the weaker segments really feel empowered vis-à-vis the traditional elite and official bureaucracy. There do exist some isolated examples of empowerment that has ensued from the electoral process, but on the whole there is still a general presumption that the elite domination of local government is far from over. As the Madhya Pradesh study notes: “Despite the limitations that such efforts at political decentralisation have in a context of unevenly owned economic resources, the emergence of a new leadership at the local level has had a dramatic impact in a churning of rural polity in Madhya Pradesh. The

drama is still unfolding and the contestation between existing power structures of landlord-petty bureaucrat nexus with the new leadership is far from settled.

The preceding sections have identified two major impediments towards achieving truly participatory governance at the local level: viz. the reluctance of the centre to relinquish power and the domination of the traditional elite at the local level in India. Both are deep-seated problems and cannot be removed overnight simply by decreeing some system of decentralisation – whether it is done by co-opting the traditional social structure, with reservations for the weaker segments, as in India. Nobody relinquishes power easily – be they the politicians and bureaucrats at the centre or the traditional elite in the village. Social forces must be created that would compel them to countenance sharing of power. An essential part of this social process is the gradual empowerment of the poor, so that they can convert their numerical strength into genuine bargaining power. There are two essential elements of this process of empowerment in Indian case.

One is social mobilisation. It is because of illiteracy, economic insecurity, and a general lack of self confidence, the poor cannot in general be expected to organise themselves entirely on their own without outside help. It is essential to make a conscious effort at social mobilisation with the help of change agents. The process of social mobilisation must therefore be accompanied by measures to remove extreme insecurities of the poor.

A somewhat different model of social mobilisation has been adopted in Madhya Pradesh. There, the primarily responsibility has been taken up by a specially designed government institution called Rajiv Gandhi Missions (named after the late Prime Minister of India). There are a number of
Missions, each of which is composed of senior officials from several ministries, works independently of line ministries, and is entrusted with some specific time-bound task – e.g., ensuring primary education for all, eliminating iodine deficiency, watershed development, etc. The officials of the Missions themselves go around organising user groups and other community organisations. The activities of these Missions have engendered a new wave of social mobilisation across the State. In this process, they sometimes, but not always, seek the help of local NGOs.

Although the potentially important role of NGOs in supporting the decentralization process is now generally accepted by most people, there remains some disagreement in the wider literature on exactly what role they ought to play. On the one hand, they are advised by some commentators to focus on their core functions, standardise their procedures and concentrate on maximizing operational performance in the context of large-scale service delivery. On the other hand, there are those who advocate for the flexibility to respond in different ways across a set of activities, with an underlying emphasis on grass-roots level empowerment (Edwards and Hulme 1992, 1995; Fowler 1997). Recently, Edwards (1999) has tried to advance this debate on the proper role of NGOs by distilling some lessons from a number of successful NGOs operating in South Asia and also by drawing upon other studies on NGO performance in Asia, Africa and Latin America. His conclusion is that the NGOs are most successful when they adopt the three-

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pronged strategy of (a) helping the poor to secure their livelihoods, (b) attempting social mobilisation with the aim of empowering the poor, and (3) trying to influence the overall political process by playing an advocacy role on behalf of the poor. This conclusion resonates strongly with an observation made by Esman and Uphoff (1984)\(^1\) in their path-breaking study on NGOs: “...the ability of rural residents to advance their ... interests depends substantially ... on their success in sustaining local organisations beyond the immediate tasks that precipitated them.” NGOs can play a potentially powerful role precisely in this task of helping the poor to transcend beyond the immediate tasks around which they initially happen to organise.\(^2\)

In view of the NGOs’ potentially instrumental role in social mobilisation, which in turn is essential for ensuring participatory decentralisation, the strengthening of NGOs should itself be an important investment activity for agencies such as UNDP that value participation and decentralisation. Creating a civil society where none exists and strengthening it where it does are now important part of their agenda, and many governments are also embracing this agenda with increasing vigour. Several of the PSI studies take cognisance of this trend. The Yemen study notes, for example, that strengthening of the civil society is an integral part of UNDP’s assistance for poverty alleviation in that country. But there may be a tricky problem here, as has recently been pointed out by Gray (1999)\(^3\). The problem concerns: what is really a civil society, what is its relationship


with the state, and what kind of civil society organisations are going to emerge if the state wants to be their handmaiden?

Two rather different conceptions of a civil society are found in the literature. The first draws upon Alexis de Tocqueville’s 1831 work *Democracy in America* in which the civil associations that constitute the civil society are seen to be an important means for citizens to moderate the power of the state, and assert their own interests (Tocqueville 1961). In other words, the civil society is seen as a distinct entity which has an intrinsically adversarial relationship with the state. The other conception is due to Antonio Gramsci, who defined civil society as a social sphere or a public ‘space’ where political thought is transformed into action. As such, this sphere is contested by all components of society, including the state. Gramsci believed that in general civil society functions as a vehicle for propagating the ideas of the ruling classes to the masses, in the process giving those ideas a legitimacy that might otherwise lack. Gray points out that the conception of civil society held by the World Bank and the UN agencies as well as many international NGOs corresponds to that of Tocqueville, whereas in practice it could be a Gramscian phenomenon.

The studies on Central Indian state of Madhya Pradesh reveal that the drive towards social mobilisation is fully cognisant of this requirement. Thus when the local people are mobilised to preserve the forests or to develop watersheds in Madhya Pradesh, the focus is primarily on the livelihood security of the poor. It is recognized that unless the poor can be guaranteed the security of their livelihood, it is unrealistic to expect them to mobilise

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themselves – be it for the preservation of forests or to develop water resources. Accordingly, the plan for resource conservation contains as an essential component an integrated livelihood strategy for all classes of the people, including the vulnerable groups such as landless labourers and women.

Decentralised governance has recently been emphasised as an essential precondition for successfully executing plans and programmes for poverty alleviation. There are good reasons for doing so. Participatory governance at the local level can yield benefits in terms of both efficiency and equity, by giving the people a sense of ownership, by allocating resources according to people’s preferences and by utilising their skills and knowledge. But the goal of genuinely participatory decentralisation remains a distant one in most developing countries despite the efforts made during the last half century. Some countries including India and Kuwait have tried to tackle the problem of traditional power structure by introducing popularly elected democratic structures at the community level, fortified by reservation for the weaker segments in India, while some others have tried to work around the problem by co-opting the traditional structure itself. Both approaches have had some success, but they continue to face many difficulties. The ingrained problem of elite domination has hardly been resolved. It is inconceivable that the problems involved in achieving genuinely participatory decentralisation can be resolved without empowering the common people, especially the poorer segments of them. Neither the politician-bureaucratic nexus nor the traditional elite will voluntarily share power, let alone relinquish it, unless the poor themselves can exercise enough bargaining power to make them do so. The
empowerment of the poor thus becomes the central agenda item in any programme for decentralising governance in a pro-poor manner.

Two components of a strategy for empowerment have been discussed below:

One component is to improve the economic security of the poor as an integral part of the drive towards decentralisation, because an economically insecure group of people can hardly be expected to exercise effective bargaining power against the powers-that-be.

The second component is social mobilisation – the poor need to be organised so that their collective voice can overcome the weaknesses of their separate voice. International agencies, local and international NGOs, and the civil society in general can play an important role here as the catalysts or change agents. As a part of this effort, many governments have undertaken the responsibility of grooming and fostering a strong civil society. One potential problem here is that in the process of fostering the civil society, the state may feel tempted to co-opt it, to make it work as an instrument of the state, and to prevent it from playing an adversarial role. Much depends, therefore, how much autonomy the state is willing to grant to the civil society. This last consideration brings to the fore the whole question of the nature of the overall polity within which decentralisation is being attempted. After all, the politics of local government can hardly be divorced from the politics of national government. If graft, patronage and rent-seeking characterise the political process that determines the distribution of power in the centre, local-level government can hardly be an arena of popular participation just because it is local.

Bulpitt (1972) has provided some early evidence that the characteristics of democracy at the local level resemble, to some extent, those at the national level. The following observation by Klugman (1994)
confirms this view: “An overview of the country experience suggests that decentralisation is more likely to be thorough-going under liberal democratic/pluralist national regimes. Where the nation state is authoritarian/one-party, the mode of decentralisation tends to follow deconcentration, which effectively preserves central control. This applies equally to capitalist and socialist regimes, where small cliques have captured the power of the state. At the same time, however, the converse does not necessarily hold - democracy need not lead to decentralisation.” Fortunately, however, the correspondence between national-level and local-level politics is not exact. This implies that there exists scope for taking conscious action such that a reasonable degree of participation can be achieved at the local level regardless of the national polity. Hopefully, the empowerment process will eventually extend beyond the local level and begin to impinge upon the national polity as well to make it more responsive to the voice and the needs of the poor in third world countries.