
Good Governance in Globalized Era : A Study from a Democratic Cross-Cultural Perspective



Dr. Sukanta Chandra Swain¹



Dr. Susan Das¹

Countries like India with democratic set up and multi-cultural presence need good governance in the form of premium institutions, efficient responsible bureaucracies and a thriving civil society that can boost the quality of their most important endowment, i.e., their own people. In fact, these countries aim at social opportunities and removal of poverty by way of securing justice, empowerment, employment and efficient delivery of services. But with the constraints like heavy population pressure, multi-faceted wants, paucity of capital and comprehensive gap between the demand and supply, can it be possible to look forward to fulfill the objectives so mentioned. The response will be probably 'no'. The way out to reverse the response, owing to empirical facts, is to be a part of globalization trend and take as much advantage as possible to maximize the societal welfare. Keeping the recent so-called panacea, i.e., globalization in the backdrop, this paper tries to highlight, on the basis of descriptive research, the reality of good governance in democratic societies like India.

Key Words : Good Governance, Globalization, Democratic Societies, Cross-Cultural

Introduction :

The concept of Good Governance compares ineffective economies or political bodies with feasible economies and political bodies to meet the requirements of the masses rather than select groups in the society. By Governance, we mean, the process of decision-making that makes the decisions implemented or not implemented. As per the Commission on Global Governance, 1995; Governance is the summation of the numerous approaches individuals and institutions - public and private, deal with their common affairs. As a continuing process, it accommodates conflicting interests and takes cooperative actions. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest. In fact, Governance serves the citizens by safeguarding the territorial integrity of the State and securing individual security, rule of law and the delivery of services ranging from education, health to livelihood and food security. A country with good governance, namely a democratic state with premium institutions, efficient corruption-free accountable bureaucracies, and a thriving civil society may likely boost the quality of its most important endowment - its own people. In fact, good governance must aim at expansion of social opportunities and removal of poverty. All these can be achieved by way of securing justice, empowerment, employment and efficient delivery of services. In short, Good governance helps create an environment in which sustained economic

growth becomes achievable. Conditions of good governance allow citizens to maximize their returns on investment.

Good governance discovers criminalization of politics and corruption as two foremost challenges. It also highlights shifts in connotation and substance of national values of the freedom movement, particularly those of nationalism, democracy, secularism, non-alignment, and mixed economy and its impact on the administration as well as on the intellectual build up of the organs of the Indian State. There are, however, two areas that need special attention by innovators, namely, economic empowerment of women and livelihood programmes based on local resources and upgraded skills. The need is to devise a national strategy that accords pre-eminence to the Gandhian principle of '*antodaya*' devoid of forfeiting growth and by making mechanisms of State accountable for good governance.

Political leaders, policy makers and business brains of India are actuated by a strong desire to make the country an economic super-power in the 21st Century. The high rate of economic growth coupled with comfortable foreign exchange reserves and rising Sensex figures have imparted in them a growing confidence. The world is also looking at India with respect and considers India and China as ideal economic growth models. India is aiming to have a high growth rate with focus on equity. Although these two objectives are not always contradictory but the conflict arises when scarce resources are diverted to meet the demands of the growing middle class or business

¹ Associate Dean, School of Humanities & Social Sciences, KIIT Deemed to be University, Bhubaneswar, sukanta_swain@yahoo.com

² Asst. Professor, ASBM, Bhubaneswar, susandas.asbm@yahoo.com

houses by ignoring the needs of the poor. The imperatives of democracy, however, are forcing Indian political leadership to look deeper into the causes of poverty, inequality and suffering of the common man. In this ongoing debate, major shifts in national value system has somewhat gone unnoticed and/or under-emphasised by academicians, media commentators and India-watchers. The concept of 'Markets with search Cost' pioneered by three Nobel laureates Economists - **Peter A. Diamond**, **Dale T. Mortensen**, and **Christopher A. Pissarides** in 2010 lays the foundation for justification of globalization of higher education. While so many people are unemployed at the same time lot many job openings are also there. It exhibits the fact that there may be less mobile of labour force or mismatch of job requirements and expertise of labour force or more remotely the problem is very sporadic in nature. Whatever it may be improper match between the demand for labour and supply of labour causes search cost to both the buyers and sellers. Moreover, the emerging economies like India, owing to heavy population pressure, face the problem of massive unemployment, while the developed nations are having ample job opportunities. Globalization may cater to this gap. Moreover, not only the gap will be mitigated by doing so, the level of efficiency and efforts of all institutions involved will automatically be upgraded owing to high competitiveness that establishes the saying 'perform or perish'.

Globalization incorporates a host of profound changes in world politics: growing political linkages at the global level, erosion of local space and time as structures of economic life, and homogenization of social life through global standards, products, and culture. However, our focus is on central aspect of globalization, i.e., economic integration at the global level.

Good governance can also be very useful at the global level to legitimize some of the international organisations. Organizations with their own policy such as the International Monetary Fund, the World Bank, the OECD, and the UNO can strongly influence the policies and politics of particular states both democratic and non-democratic. The implementation of the principles of good governance inside these organizations forms part of their legitimacy. However, even more important than the internal principles of good governance in these regional/global organizations is the fact that there can be top-down effects – some standards of good governance are often asked from member/client states. Membership or financial aid can be conditioned by the implementation of the basic principles. And this top-down effect raises serious questions.

The objective of this paper is to discuss the areas of concern that need to be addressed energetically and calls for synergy of efforts between government, the market and the civil society so that a good comprehensive governance will be maintained even being a part of the globalization trend in a cross-cultural democratic set up like India.

2. Good Governance :

There are no doubts that the implementation of good governance both in new and old democracies has mostly positive effects, and that good governance is, in fact, complementary to democracy. But in non-democratic regimes the situation is different, and the impact of good governance can be really ambiguous.

The concept of good governance is a mechanism that can intensify democracy in democratic regimes and can set up rejuvenation processes in less developed and non-democratic countries. At the same time, it can stabilize and legitimize some authoritarian or hybrid regimes and stabilize them in the long-run perspective. Good governance is an instrument that helps global capitalism to expand more easily because of the spread of some basic standards, principles and sometimes even values all over the world. On the other hand, the imposition of the concept, mainly in the case when the basic principles are not informally accepted, can hinder the internal development of the society. The imposition of good governance can become part of the power conflict and can destroy the value system of particular organizations. This can even lead to the fragmentation of the society. We can, therefore, infer that good governance is a good servant but a bad master. In fact, although good governance contains very good features that can potentially bring forth drastic changes in the path of up-gradation of any organization/state, the implementation of the principles of good governance has been proved to be the great question to handle.

There is a consensus among the scholars/experts on following eight basic principles of good governance, implementation of which in a democratic set up with cross-cultural presence carries the real task to perform.

- Transparency
- Participation
- Rule of Law
- Accountability
- Responsiveness
- Consensus Oriented
- Equity and Inclusion
- Effectiveness and Efficiency

Although the hierarchy of these principles is subject to debate, we can agree that the most important principles of all these are the Rule of Law, Accountability, and Transparency. The hierarchy can alter consistent with the type of the establishment, political culture, etc.

India's democracy is at the centre of governance architecture. It creates opportunities, sustains leadership and generates hope. Good governance being central to the Indian democratic experience could be seen more clearly when we look at what is happening in our part of the world. Pakistan is making experiment with various forms of governance, democracy as well as military dictatorship,

and merely succeeding in saving the nation-state from being a failed one. The Bangladesh Army seeks similar justification in managing and calibrating the transition to democracy, as does the Gayoom regime in the Maldives. In Sri Lanka, notwithstanding high rates of literacy and economic growth through decades-old democracy, it has not been able to secure cooperation of the Tamil minority, with the result that democracy thrives side by side with a bloody civil war. In Nepal, democratic institutions which have been undergoing serious strain under the Maoist threat are trying to resurrect under a fledgling inclusive republican order.

In a democratic set up like India where multiple cultures co-exist with free inter-province migration, maintaining a common rule of law across the country is near to impossible. That's the reason why we have different sets of rules for different culture, creed and community. However, there is one common platform where all diverse sets meet together for common objective of societal harmony with growth. In the era of globalization, this task has become bit hectic owing to free flow of completely strange culture and way of living etc. in and out of the country. Although the task is hectic, one should not feel that it is non-performable. In fact, globalization, if put in right direction, will rather help in maintaining and strengthening the Rule of Law. The bright example is fight against terrorism. A single country may fail to suppress or demolish the empires of terrorists' world-over but when more countries join hands for the purpose the task becomes easy and reachable. Similarly, India's internal fight against corruption has been started and has taken due momentum but corruption still persists. If rest of the world cooperates in this noble task of India, probably, no person can hide his/her money so generated from the corruption s/he had headed. So globalization will definitely contribute a lot in maintaining and strengthening a common and decent rule of law for countries like India.

Improving the quality of institutions and their capacity to fight corruption depend on the amount of resources a society devotes to this end. A society invests more into building good institutions the larger the benefits it receives or the smaller the costs. Given that foreign producers may divert their exports or investments from a national market to another more easily than domestic producers, one would expect corruption and bad governance to discourage more strongly international trade and capital flows than domestic commerce and investment. This differential effect of corruption induces stronger incentives towards good governance investments for those economies that are more open. Other things being equal and because of the resulting larger benefits, an economy more exposed to international markets would allocate more resources to fighting corruption and end up with a lower level of it than a more isolated inward-looking one.

3. Globalization : The Key Player for Growth

Studies have revealed that the more open economies and those that have most successfully integrated with the global economy have produced the best growth results, while those that have remained closed have produced the worst. For example, a 2002 World Bank study of 72 developing countries found that since 1980, the "globalisers" - those that increased their ratio of trade to GDP - grew almost four times faster than non-globalisers. A further study estimated that an increase in the ratio of trade to GDP by one percent raises the level of income by one-half to two percent.

From the 1960s onwards, most East Asian economies became increasingly export oriented and globalised, lowering tariffs and expanding their trade. They also provided their populations education and infrastructure and generally sound governance. As a result, per capita income grew most strongly in East Asian economies over the last 20 years. In the 1990s, with the exception of Japan, East Asia grew by between 6-8 per cent per annum, and the share of regional populations living in poverty fell rapidly. Furthermore, the growth in these countries didn't just benefit a small few with the poor lagging behind as some people suggest. Rather, evidence shows that economic growth is on average associated one-for-one with higher incomes of the poor. That is, when an economy grows 1%, the incomes of the poor rise on average by one percent. In contrast to the rapidly growing East Asian countries, countries that have failed to grow and still suffer desperate poverty - most notably many countries in sub-Saharan Africa - have failed to integrate into the world economy. This failure to integrate is caused by domestic conditions including war and internal governance, but it is sometimes made worse by rich countries putting up barriers to their products, particularly farm products.

As UN Secretary General Kofi Annan has said, "The main losers in today's very unequal world are not those that are too much exposed to globalisation. They are those that have been left out." For those who are still in doubt, it worth reflecting on what happens when a country closes its doors having been opened to the world for some time. Zimbabwe is probably the best illustration of this. According to Norberg, Zimbabwe has "undertaken the world's fastest and most consistent retreat from the alleged evils of globalisation and liberalisation." Under Robert Mugabe, trade has been limited, government spending has increased, price controls installed, freedom of expression limited, and property appropriated. Consequently within 5 years, Zimbabwe went from being an exporter of foodstuffs to a country where more than 6 million people were facing starvation. (Norberg, 2003).

Australia, of course, has been both at the fore-front of, and a beneficiary of globalisation. Over the last 20 years, the Australian Government has cut tariffs, opened itself up to global capital markets and implemented significant

micro-economic reform. While this has resulted in some significant disruption to some industries, Australia overall has benefited profoundly with productivity growth in the second half of the 1990s 40 percent higher than in the 1970s and 80s (DFAT, 2003). This has led to higher incomes and the lowest unemployment levels in decades.

However, the followings are to be cautiously examined and implemented in order to ensure that communities keep and spread the gains from globalization;

- Lowering trade and investment barriers is necessary, but not sufficient
- Governments must also ensure domestic goods, labour and financial markets work and legal systems and infrastructure function efficiently.
- They must operate stable macroeconomic policies to keep inflation low and employment full.
- And they must ensure that their populations have access to good quality education and health care and adequate social safety nets.

While Australia has done these well, other countries have not and their gains have been less. A nation's resource endowments and its productivity determine how fast it can grow and the level of its economic well being in terms of income per capita.

4. Globalization and Securing Justice :

In a broader sense by securing justice we mean; security of life and property, access to justice, and rule of law.

The supply of security especially security of life and property to the citizens of a democratic set up like India where multiple cultures co-exist is the most important public good. The responsibility of the Indian nation-state to protect the life and property of every citizen is being acutely endangered predominantly in the areas affected by terrorism (Jammu and Kashmir), rebellion (north-eastern states), and naxalite aggression in 150 districts of India's mainland. Access to justice indicates that people are able to rely upon the correct application of law. In reality, there are quite a few countervail factors. Some citizens are not acquainted with their rights and cannot afford legal aid to advocate on their behalf. A related aspect is fairness of access as some people involved in the legal proceedings and large number of criminal prosecutions is not voluntary participants. The most severe challenge relates to complexity of adjudication as legal proceedings are lengthy and costly and the judiciary lacks personnel and logistics to deal with these matters. For example, according to data available with the apex court, the number of pending cases with the Supreme Court is 64,919 as on December 1, 2014. The data available for the 24 High Courts and lower courts up to the year ending 2013 showed pendency of 44.5 lakhs and whopping 2.6 crores, respectively. Of the over 44 lakh cases pending in the 24 high courts of the country,

34,32,493 were civil and 10,23,739 criminal. Systematic solutions are, therefore, needed for strengthening access to justice. At the same time ad hoc measures are required to provide immediate assistance to the needy citizens.

The concept of good governance is undoubtedly linked with the citizens' right of life, liberty and pursuit of happiness. This could be secured in a democracy only through the rule of law. The rule of law is expressed through the axiom that no one is above the law. One has to clearly understand that the rule 'of' law is different from the rule 'by' law. Under the rule 'by' law, law is an instrument of the government and the government is above the law while under the rule 'of' law no one is above the law not even the government. It is under this framework that rule of law not only guarantees the liberty of the citizens but it also limits the arbitrariness of the government and thereby it makes government more articulate in decision-making. The rule of law as Dicey postulated is equality before law. This is secured through formal and procedural justice which makes independent judiciary a very vital instrument of governance. It is widely appreciated that human factors i.e. the quality of political leadership, the executive and judicial officials play important roles not only in upholding supremacy of rule of law and in efficient delivery of service but also in shaping traditions, customs and institutional cultures that are integral part of the liberal democratic machinery.

In the process of globalization, may be, there will be more number of issues that may give rise to the chance of crowding out the interest of masses but at the same time the free flow of legal advisors across the globe may cheapen the cost of services of rule of law.

5. Globalization and Empowerment :

An empowering approach to poverty reduction needs to be based on the conviction that poor people have to be both the object of development programmes and principal agency for development.

Our experience shows that when poor people are associated with public programmes, they have consistently demonstrated their intelligence and competence in using public funds wisely and effectively. The involvement of poor women in micro-financing institutions of SEWA in Gujarat or in self-help groups in Andhra Pradesh and Tamil Nadu has clearly established that they not only understand financial systems but also repay their loans on time. In short, the poor women have demonstrated that they can outperform all other customers in profitability.

Our Constitution is committed to two different set of principles that have a decisive bearing on equality. **First**, is the principle of equal opportunities to all and the second, the principle of redress of educational and social backwardness?

In the post Gandhi-Nehru era, the involvement of civil society in governance has become crucial. Civil groups

like NGO's, women's groups, trade unions, cooperatives, guilds, faith organizations are all essential to buildings of inclusive growth. Without the involvement of the people, without their voices, without their participation and representation, a programme can only be implemented mechanically. Today, we need innovators in two areas in particular : women and livelihood programmes.

Women are key to good governance. Their increasing representation in democratic institutions has provided stability to Indian polity. Women can bring constructive, creative and sustainable solutions to the table. Women participation in economic programmes needs to be augmented for in women we get expendable providers, educators, caretakers and leaders.

If we look into the status of institutions like NGOs, Self-Help Groups, etc. and demographic strata like women and grass root level section in India now and compare that with their status 20 years back, we can easily infer that drastic change has taken place in positive side. The credit of this positive change must go to globalization. In fact, globalization has helped a lot in empowering many demographic strata and institutions in India.

6. Globalization and Employment :

The most challenging task that India is facing now and has been facing since long is the generation of gainful employment for the youth.

Over 50 per cent of India's population belongs to working age that constitutes the workforce of India. This share will continue to rise and reach 60 per cent in 2050. A fast-growing working population will ensure more workers, more saving and hence more investment. But population growth by itself does not add to prosperity, unless young people are educated and new jobs are created. If we fail to generate employment and equip the youth with good quality education and skills, India's demographic dividend could become a demographic liability. Unemployment in India is projected to witness marginal increase between 2017 and 2018, signaling stagnation in job creation in the country, according to a UN labour report.

The United Nations International Labour Organisation (ILO) released its 2017 World Employment and Social Outlook report which finds economic growth trends lagging behind employment needs and predicts both rising unemployment and worsening social inequality throughout 2017. Job creation in India is not expected to pick up pace in 2017 and 2018 as unemployment rises slightly, representing a near stagnation in percentage terms. "Unemployment in India is projected to increase from 17.7 million last year to 17.8 million in 2017 and 18 million next year. In percentage terms, the unemployment rate will remain at 3.4 per cent in 2017-18," the report added. The need is to prepare the youth with such education (we have more than 300 million illiterate children adding to the enormity of the

problem) that would help them acquire vocational skills and mastery over new technology, including internet. This would make the youth employable in the job-market and also help those who want to work on their own.

The history of economic development clearly demonstrates that development of non-farm sector is tied to modernization of agriculture and its improved productivity. The increasing application of modern technology also frees labour to move to urban areas for gainful employment in non-farm sector.

Livelihood does not only mean factory jobs. It should relate to social economy and local resources as well. It should also mean upgrading of existing and traditional skills that people have possessed from time immemorial in agriculture, in animal husbandry, in fishing, in textiles and so on. Investment in up-gradation of such skills would lead to harmonious relationships with nature. My own experience tells me that when you provide productive work on a regular basis to a couple, their children would automatically go to schools and shall refuse to entertain persuasions of naxalite and insurgent groups to indulge in violent acts. It is through work that a person can plan the way in which his ambition can be fulfilled. With regular work life is no longer just about survival, but about investing in a better future for the children. Above all, when one has regular work, there is incentive to maintain a stable society.

There is no doubt that globalization has opened up opportunities for the unemployed masses to fly anywhere and get fitted to a job commensurate with the skill that one has. Not only job opportunities but also inculcation of befitted know-how, training and appropriate education which are very essential for doing any job have also been availed at our door-step because of the globalization. Globalization, therefore, helps generating job opportunities for the domestic work force.

7. Globalization and Efficient Delivery of Services:

In spite of having very good services, the service provider may not get the expected return if the services are not efficiently delivered. There is no doubt that market has better delivery of services. Moreover, in a competitive environment, the market can be both cheaper and more effective than the government in providing certain types of services. However, the markets, controlled as it is by businessmen, operate for profits and the poor have little or no voice in the regulation of its operations. Thus, the failure of the government and the profit motive of the market have led to distorted developments in which the rich have become richer and the poor poorer.

Market is an integral part of social order but the truth is that principles of market cannot be allowed to govern society and polity. Accordingly, no democratic government can leave market uncontrolled and free from regulations. The poor are poor of course because of historical inequities but also on account of failure of the

State to empower them adequately to get their entitlements. Democratic governance demands that the State can not for long serve the demands of the rich and organized sectors of the society and ignore the dalits, the minorities and the women because they are unorganized and poor.

It is being widely appreciated that good governance is dependant not merely upon good policy advises but more importantly on the processes and incentives to design and implement good policies themselves. Dysfunctional and ineffective public institutions are increasingly seen to be at the heart of the economic development challenge. Misguided resource allocations, excessive government interventions, and widespread corruption have helped in perpetuation of poverty. The weak institutions of governance make an adverse impact on service delivery. Poverty reduction depends on improvements in the quality and timely delivery of services to poor people of basic education, health, potable water and other social and infrastructure requirements.

Scholars as well as administrators agree that participation of civil society in decision-making, public sector capacity building and rule of law are essential for quality and timely delivery of services.

While for globalization the market is to be freed, for the smooth functioning of the system in a cross-cultural set up, as mentioned above, the market is to be regulated to some extent. There is no doubt that globalization causes for efficient delivery of services but sometimes for the sake of efficient delivery the foreign players exploit the domestic customers and push the domestic players to the astray. Therefore all the services should not be in clutch of globalization as that may distort the structure of the society. Particularly sectors of strategic importance should not be there in the race of globalization.

8. Conclusion :

In the backdrop cross-cultural democratic set up and trends of globalization, India's democratic institutions are required to address the following areas of concern vigorously. (1) State-sponsored development programmes must aim at reduction in poverty and improvement in productivity levels of workers. Towards these, poor people need to be directly involved. (2) Public Expenditure Review meets should be organized periodically at village, sub-district and district levels to ensure proper utilization of funds and ownership of development programmes by the people. (3) Civil service should be given clear responsibility for delivery of services in respect of approved schemes and held accountable. One third of seats in Assemblies and Parliament should be reserved for women. (4) Persons charge-sheeted by a competent court for heinous offences and corrupt practices should be debarred from contesting elections.

Synergy of efforts between government, the market and the civil society is a must to reap the benefit of

globalization and make use of that for the growth and development of the economy as a whole.

The effects of good governance in globalization era can be sometimes totally different than was originally expected. In cases when the principles were only formally accepted and not internalized the effect can be limited or even opposite. Just now we can witness these problems in the European Union in which Greece is the most visible case. But we do not need to move so far, the problems with corruption and clienteles that Czech Republic is facing are very much connected with only a formal acceptance of some principles that in fact do not work at all. The nature and content of good governance would undergo changes in tune with rising expectations and fresh demands of the people. Democratic governance would expect and secure from its leadership to be alive to such aspirations and to continually tune institutions of polity to be effective instruments of citizens' welfare.

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