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## A Study on Public Accountability, Inclusive Growth and Social Transformation of India

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### Abstract

The research paper studies and analyzes the researches which disclose the overall growth made by underprivileged & interior areas of India in all the spheres of economic, human and social development and transformation of human life.

It clearly depicts the progress made by Indian states in economic development and social up-gradation through a leap proposed by inclusive growth.

The paper also specifies and finds out the rural and urban development made through inclusive growth by combining the various resources available. It also focuses on comparative analysis of facilities provided in terms of health, education and access to the basic amenities\*\*, per capita income\*, employment level and its impact on urban and rural India.

**Keywords:** Public Accountability, Inclusive Growth, Social Transformation, Good Governance, Transparency and Ethics, Participatory Democracy, Social Justice, Policy Reforms in India, Institutional Responsibility, Equitable Development

### Introduction

The economic development in India followed socialist-inspired policies for most of its independent history, including state-ownership of many sectors; India's per capita income increased at only around 1% annualised rate in the three decades after Independence. Since the mid-1980s, India has slowly opened up its markets through economic liberalisation. After more fundamental reforms since 1991 and their renewal in the 2000s, India has progressed towards a free market economy.

In the late 2000s, India's growth reached 7.5%, which will double the average income in a decade. Analysts say that if India pushed more fundamental market reforms, it could sustain the rate and even reach the government's 2011 target of 10%. States have large responsibilities over their economies.

The economic growth has been driven by the expansion of services that have been growing consistently faster than other sectors. The progress of economic reforms in India is followed closely. The World Bank suggests that the most important priorities are public sector reform, infrastructure, agricultural and rural development, removal of labour regulations, reforms in lagging states, and HIV/AIDS. For 2012, India ranked 132nd in Ease of Doing Business Index, which is setback as compared with China 91st and Brazil 126th. According to Index of Economic Freedom World Ranking an annual survey on economic freedom of the nations, India ranks 123rd as compared with China and Russia which ranks 138th and 144th respectively in 2012.

### **2. Research Methodology:**

The research is based on analytical approach which uses the existing sources of secondary data from Government reports and research papers and articles related to theme.

### **3. Literature Review**

#### **India's inclusive growth and development: an assessment of previous researches**

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Growth can be spontaneous and reversible. (Asian Development Bank (2011))<sup>3</sup> Development is achieved through deliberate measures and is irreversible. Growth is concerned about the economic dimensions of the economy whereas development is a socio-economic phenomenon. Thus, development is a broader concept as it involves growth. Therefore, it is essential for any country that each section of society should contribute to the economic growth. At the same time the benefits of the growth should reach to all sections of the society.

#### **According to the ADB literature**

(Ali and Son 2007a)<sup>1</sup>, (Ali and Zhuang 2007b)<sup>2</sup>: Inclusive growth emphasizes that economic opportunities created by growth should be available to all, particularly to the poor, to the maximum extent possible. A Commission on Growth and Development (WB, 2008) set up by the WB defines inclusiveness as a concept that encompasses equity, equality of opportunity and protection in the market and employment transition.

**Ianchovichina and Lundstrom (2009)**: It is observed that the growth "is often used interchangeably with other terms, including broad-based growth, shared growth and pro-poor growth". For growth to be sustainable in the long run, it should be broad-based across sectors and inclusive of the large part of the country's labour force.

**According to Klasen (2010)**: Pro-poor growth approach concentrates on measuring the impact of growth on poverty reduction by implementing various poverty alleviation measures whereas inclusive growth focuses on both the pace and pattern of growth with productive employment rather than income distribution. In other words, pro-poor growth targets people below the poverty line, while inclusive growth is arguably more general as it wants growth to benefit all strata of society.

#### **4. The study of Inclusive Growth and development schemes:**

##### **Assessment of Flagship Programmes**

**(A) Bharat Nirman:** (Government of India (2012d))<sup>6</sup>

The BN Yojana aims to create a suitable environment for the development of rural India by providing rural infrastructure. Various schemes have been introduced based on the six components as follows:

**(B) Pradhan Mantri Gram Sadak Yojana (PMGSY):**

This scheme was launched on 25th December, 2000, as a centrally-sponsored scheme, later included in BN. The criterion to provide road connectivity was revised and habitations with population of 1000 persons and above in the plains and 500 and above in hilly and tribal areas were eligible under this scheme.

**(C) Indira Gandhi Awas Yojana (IAY):**

It was launched during 1985-86 as a sub-scheme of the Rural Landless Employment Guarantee Programme (RLEGP). IAY one of the flagship schemes of the Ministry of Rural Development is to provide houses to the rural poor. The purpose of the scheme is to provide financial assistance to some of the weakest sections of the society for upgrading or constructing houses for their personal living. The objective of this scheme was to help in the construction or up gradation of dwelling units in rural areas by providing them lump-sum financial assistance. The members of SC/ST, freed bonded labourers, minorities in the BPL category and other BPL non-SC/ST rural households were eligible for this scheme (Government of India (2012b))<sup>5</sup>.

**(D) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY):**

The target for RGGVY was to electrify 1 lakh villages and to provide free electricity connections to 175 lakh BPL households by March, 2012 which was achieved by 31st December, 2011. The RGGVY has been launched in April 2005. It aims to electrify all villages and habitations, providing them access to all rural

households and providing connections to BPL families free of charge. The Rural Electrification Corporation Ltd. is the nodal agency for this programme.

#### **(E) Mahatma Gandhi National Rural Employment Guarantee Act (Programme) (MNREGA):**

The objective of the MNREGA is to enhance the livelihood security of the people in the rural areas by guaranteeing 100 days of wage employment in a financial year to a rural household whose members volunteer to do unskilled manual work. The MNREGA has been enacted to reinforce the commitment towards livelihood security in rural areas. The Act was passed on 7th September 2005.

#### **(F) Swarnjayanti Gram Swarozgar Yojana (SGSY):**

The objective of the SGSY is to bring the assisted swarozgar is above the poverty line by providing income-generating assets through bank credit and government subsidies. Recently, SGSY has been restructured as the National Rural livelihoods Mission (NRLM). It aims at reducing poverty by enabling poor households to access gainful self-employment and skilled wage employment opportunities.

#### **(G) Swarna Jayanti Shahari Rozgar Yojana (SJSRY):**

In 2009, SJSRY was revamped to provide gainful employment to the urban unemployed and underemployed poor by encouraging the setting up of self employment ventures and also by providing wage employment and utilizing their labour for construction of socially and economically useful public assets.

#### **(H) National Rural Health Mission (NRHM):**

The main aim of NRHM is to provide accessible, affordable, accountable, effective and reliable primary health care, especially to the poor and vulnerable sections of society. It also aims at bridging the gap in rural health care through creation of a cadre of accredited social health activists and improve hospital care, decentralization of programmes to the district level to improve intra- and inter- sectoral convergence and effective utilization of resources. Currently, it is implemented in 18 States with poor health infrastructure.

#### **(I) Jawaharlal Nehru National Urban Renewal Mission (JNNURM):**

Basic Services to the Urban Poor (BSUP) and the Integrated Housing and Slum Development Programme (IHSDP) are two programmes devoted to provide shelter and basic services to poor under JNNURM. BSUP covered 65 selected cities in all states whereas IHSDP covered other cities and towns in all states/UTs except Lakshadweep. Under this, more than 15.7 lakh houses have been approved out of which 5.69 lakh houses have been completed and 3.80 lakh occupied.

#### **(J) Rajiv Awas Yojana (RAY):**

Under RAY, a Slum Free City Planning Scheme has been implemented and Credit Risk Guarantee Fund for low income housing has been established to administer and oversee the operations of the scheme. The aim of RAY is to provide support for shelter and re-development and creation of affordable housing stock to states that are willing to assign property rights to slum dwellers. It is being implemented in two phases: first, on 2011-13 and the latter in 2013-17 the period of the 12th Plan.

#### **(K) Sarva Shiksha Abhiyan (SSA):**

SSA aimed at providing useful and relevant elementary education for all children in the age group of 6–14 years by 2010. Besides focusing on elementary education of satisfactory quality, SSA is the principal programme for universalisation of elementary education, the other significant objective is to bridge social, regional and gender gaps with the active participation of the community in the management of schools. With an emphasis on education for life, SSA successfully ensured universal access to primary education.

## 5. Imperative Growth:

The focus of the government in recent years has shifted from promoting Incredible India to building Inclusive India. Inclusive growth needs to be achieved in order to reduce poverty and other social and economic disparities, and also to sustain economic growth. Government of India (2007)<sup>7</sup>. In recognition of this, the Planning Commission had made inclusive growth an explicit goal in the Eleventh Five Year Plan (2007-2012).

Further, it is vulnerable to crop procurement prices and weather conditions. Poor monsoons lead to crop failures and subsequently in debt repayment distress for farmers. (Government of India (2012a))<sup>4</sup>

## 6. Governance

Good governance is at the core of improving the delivery of essential publicly provided services. It provides the mechanism for linking inclusion, decision making, and accountability. Problems in infrastructure, critical for building an inclusive India, can often be traced back to poor governance. Red tape, lack of accountability, and corruption has plagued India since independence.

Private sector can play a bigger role in implementing these initiatives in the e-governance space. For instance, Mind tree, a Bangalore-based IT company, is working on developing and maintaining applications for rollout of the UID program.

## 7. Infrastructure

Investment in infrastructure drives the growth of a country's economy. In 1980, India had a greater investment and infrastructure base than China, but today, China is ahead in physical infrastructure availability, quality, and quantity.

The Prime Minister of India, Dr. Manmohan Singh has said that India needs to invest over USD 1 trillion in infrastructure by 2017 if the country is to achieve 10% annual growth rates.

The Eleventh Five Year Plan envisages improving 26,000 kilometres of arterial routes, the development of the golden quadrilateral, the North-South-East-West corridor, two dedicated freight corridors, and the up gradation and expansion of over 70 airports.

## 8. Conclusion

In order to achieve inclusive growth, holistic and integrated solutions are needed to facilitate rapid and sustainable growth. The task of building an Inclusive India for its 1.2 billion people is so large and complex that it cannot be accomplished by either the government or by the private sector working in isolation.

Achieving inclusive growth is not only to be seen as a priority in the Planning Commission's Five Year Plans, but also as an equally significant opportunity for every enterprise in the public and the private sector. Today, 'Inclusion' for India isn't a mere buzzword that individuals and enterprises talk about, but an imperative that calls for concerted action towards bringing inclusion in every aspect of how individuals, public and private enterprises as well as the government operate and envisage to grow.

Focus of the government on better and more efficient delivery mechanisms to improve access to currently backward regions is crucial. It has already been observed that majority of the low-income states have rich geographic resources. However, due to poor infrastructure, these regions are often caught in a vicious poverty circle from which they find difficult to breakout. However, if these regions can take a leaf out of experiences in countries such as Australia and tailor it for local needs, they present a greater opportunity for its people.

India has a strategic opportunity as a result of its demographics dividend, its entrepreneurs, its technology prowess, its democracy, and the large English-speaking population. However, this window of opportunity could be short and hence it is imperative for the government to try and achieve rapid, sustainable, and inclusive growth.

Private sector participation can bring access to talent, capital, processes, and technology innovation needed to drive inclusive growth. Additionally, the private sector must take on a larger role by consistently providing its skills, such as structured and goal-oriented processes, effective program management, efficient execution and monitoring mechanisms, to the government and the public sector towards the unified goal of achieving the target.

Most of the schemes have some drawbacks due to administrative inefficiencies and corruption. Therefore, the agenda for the 12th Plan is being resolved as „Faster, Sustainable and More Inclusive Growth. As far as India is concerned, although available parameters depicted improvement, effectiveness of implementation differs from state to state. The rate of change of these marked improvements is much lower than required to achieve desired targets.

To achieve desired targets, the Indian government also needs to concentrate on agriculture and allied activities, research and development, infrastructural development and effective implementation of anti-poverty programmes. Similarly, more stress has to be given to microfinance through which remarkable empowerment of women is taking place. More concrete actions are required for major health concerns such as nutrition, drinking water, sanitation facilities etc.

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