

# Policy Reforms and their Impact on Inclusive Governance in India

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## Abstract

*Reform policies in India have begun to be a relevant aspect of an inclusive governance approach, whereby shared growth and development are aimed at by all strata of society. There have been innumerable reforms also in the economic, political and social arenas since independence, all of which try to address inequality, increase participation and ensure justice. Several historic movements, such as the 73rd and 74th Constitutional Amendments on decentralisation, the advent of the Right to Information Act, affirmative action, and welfare schemes for certain groups, have all improved accountability and democratic processes. Moreover, some recent policy reforms signal an increase in digital governance as well as improving the financial inclusion of marginalised groups through JAM (Jan Dhan-Aadhaar-Mobile) and mechanisms such as Direct Benefit Transfers (DBT), which would improve greater accountability, efficiency and access for the poor and marginalised groups. While there has been some very positive reforms that have been evident in changing some of the barriers, the reform process has many significant shortcomings, such as regional imbalance, red-tapism, corruption, digital divides, and little awareness of the benefits of these groups. The unequal relations of women, Scheduled Castes, Scheduled Tribes, and multiple vulnerable populations still create a reason for further policy frameworks and surveillance. This paper investigates India's policy reforms and their contribution to inclusive governance to push forward as well as gaps in implementation. We argue that we will continue to need reforms to respond to changing socio-economic realities and that being participatory will create an engagement to achieve equitable development. Overall, while policy reforms will take us along the road to inclusivity in governance, there is a need for innovative thought, continued surveillance, and responsive institutions to actualize, not leave to assumptions, the vision of inclusive growth and participatory democracy in India.*

**Keywords:** Policy Reforms, Inclusive Governance, Decentralization, Equity and Participation, Democratic Development.

## Introduction

Policy reforms are systematized and reconstructed government policies, laws, and regulations responding to a socio-economic problem, governance arrangement and development benefit for all parts of society. Policy reforms relate to administrative change, reform, and serious transformational changes that change the way institutions operate; the allocation of resources, and the means through which citizens interact with the state. Inclusive governance is a participatory, people-centered model of governance where governance decision-making and benefits are extended to a broad range of groups that are marginalized and vulnerable, and represent minorities who were, therefore, not represented or who did not participate in the

process. It provides representation of elections in the sense of collective political action while also transitioning into governance that includes strong dimensions of governance, such as equity, transparency, accountability, and civic engagement in the public sphere. Inclusiveness is a central dimension of governance in a large, heterogeneous country such as India. The plurality of India's democracy shapes the frame of inclusion. Inclusiveness is plural, and includes religious, linguistic, regional, and cultural practices and identities. Yet, socio-economic differences, differences at the sub-national level, and socio-political differences based on caste or gender all hinder equal forms of governance participation for all citizens. The significance of policy reforms is to help alleviate such barriers and to also create governance that is responsive to all citizens' requirements. Policy reform is very important in the case of India, where it is undergoing rapid and profound changes in its economy, polity, and governance. While globalization and liberalization have contributed to the increased growth of the economy, such advancements have increased inequalities. Meanwhile, although decentralization reforms have opened up spaces for community participation, the challenge of capacity and accountability persists. Thus, while examining the role of reforms in promoting inclusive governance can shed light on the achievements and failures of reforms. This study not only highlights the successes but also the gaps that need to be improved to develop a more equitable and sustainable governance in the long run in India.

### **Objectives of the Study**

The study aims to critically examine the relationship between policy reforms and inclusive governance in India. Policy reforms are usually declared with the objective of bringing about a more just, equitable, and citizen-centric governance arrangement. Whether they can do so very much rests upon how they are designed, implemented and monitored. The research identifies three objectives. First, the research will investigate significant comprehensive policy reforms toward inclusiveness. This entails identifying major constitutional, economic, and social policy reforms that have been enacted in India in the past thirty years, and, more particularly, those policy reforms focused on empowering the most marginal communities and giving these communities opportunities for participation and transparency. Second, the research will assess the impact of policies on governance and service delivery. Reforms like the Right to Information Act (RTI) or MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) or laws on decentralisation seek to ensure that governance can be more accountable. In the case of the Right to Information Act, we wish to determine if this means more access to resources and employment opportunities, education, or improved decision-making over their own livelihoods for the marginalised. Third, the research will

identify barriers and gaps to get to the reality of implementing inclusive policies. Even in the existence of inclusive policies, inertia, bureaucratic inefficiency and corruption, poor community awareness, and digital barriers represent structural constraints that limit the effectiveness of these policies. It is important to understand the limitations of these constraints to assess the actual success of reforms. Finally, the Study aims to suggest recommendations for enhancing inclusive governance. This includes drawing on better practices and lessons from successful reforms, and poorly performing reforms to guide how governance can be made more participatory, accountable, and sustainable. Overall, the objectives are framed to provide a holistic view of how policy reforms contribute to inclusive governance in India.

### **Historical Context of Policy Reforms in India**

The nature and landscape of policy reforms in India has changed substantially, shaped by India's socio-political development, ensuring the balance of growth and equity. A watershed moment was the economic reforms of 1991 that allowed India to move from a closed, state-directed economy to a liberalized economy with more market orientation. This involved de-licensing, opening trade and investment, and liberalizing industries, which significantly diminished government regulation over the economy. While launching India's economic growth trajectory and accelerating the integration of the economy to globalization, it also raised questions over increasing inequality and disproportionality in the degree a segment of the population benefited, highlighting the need for affiliated social policies in order to focus on inclusiveness. In addition to economic reforms, constitutional reforms in the form of the 73rd and 74th constitutional amendments (1992) also initiated the transition towards democratizing governance. These amendments, after democratically establishing Panchayati Raj Institutions (PRIs) and ULBs, created that layer of governance, which led to benefits that marginalized groups were able to obtain and to participation from the local grassroots level in governance. While this devolution is a step to inclusiveness in governance, now citizens have more of a voice at the local level, through inclusion at the local government level. Finally, the rights-based policies generated in the early 2000s further contributed to inclusiveness. The Right to Information Act (2005), for example, gives citizens the opportunity to demand transparency and accountability in governance as much as possible. The Mahatma Gandhi National Rural Employment Guarantee Act (2005) also formally established a legal right to work, particularly to the benefit of rural households and women in the transition towards inclusion of the notion of work in citizenship. The Right of Children to Free and Compulsory Education Act (2009) attempted to universalise education, with a strong rhetoric around inclusivity and equity in education and literacy rights. To summarise, these reforms indicate India's path towards a

model of governance which embraces economic growth, democratic involvement, and social justice. However, the extent to which these reforms have led to more inclusive governance has varied enormously in place and time and there remain many exclusionary acts that persist. If we consider whether reform is a route towards more inclusive governance, it is important to know the historical context of such developments.

### **Significant Policy Reforms for Inclusiveness**

A host of policy reforms have been made to increase inclusiveness and improve the health of a democratic form of governance in India. Within this suite of reforms are political reforms, as reservation policies and the decentralisation reforms, which reshaped the landscape completely. Reservation for Scheduled Castes, Scheduled Tribes, and Other Backward Classes for elected offices, educational institutions, and public sector jobs has enabled representation for what has been historically cached population of about one million individuals. The 73rd and 74th Constitutional Amendments in 1992 brought together Panchayati Raj Institutions and Urban Local Bodies within the Constitution, institutionalised local self-government, and reserved one-third of seats for women in all local bodies, allowing local pluralism to emerge as a new democratic space. Social reform processes have also made significant contributions. Policy reforms such as the Right to Education Act (2009), and initiatives like Sarva Shiksha Abhiyan (Education for All) designed to close literacy gaps, and health care programs such as the National Health Mission and Ayushman Bharat seek to deliver health services to populations that are marginalised. The National Food Security Act (2013) is an example of this framework, as it provided subsidized food grains to millions of Indians, in an attempt to eliminate hunger and malnutrition from a structural perspective. In terms of updating services, digital reforms such as Digital India and Aadhaar-enabled Direct Benefit Transfers have taken advantage of the digital world in the delivery of welfare since they have increased digital connections, updated information, and identified gaps that needed to be filled to help provide access, which would normally impede beneficiaries. Digital delivery via the use of technological mediation has raised standards for accountability and transparency in governance, while also scaling up and scaling out governance. However, there remain access issues duly observed for endangered populations, be it in terms of the exclusionary access to be able to access digital, access to services, rebuilding capacity within the public provisioning of welfare in regards to equity and associated welfare dimensions: equity amount not quite rational approximations of access to welfare. Even the economic reforms including Startup India, MGNREGA that tended to focus on rural employment and valiant attempts at poverty alleviation fostered inclusion, and access to entrepreneurship, financial inclusion, and

livelihood security perhaps, to help bolster access to social productivity where economic reform is not only interchangeable with social empowerment and together these programs afford resource and access to opportunities of capability for impaired or at least marginalised groups of people collectively. As such, these reforms demonstrate an effort to expand the state's governance functions of state control and institutional capture of communities. Although, in the wake of - as some claim - the imposition of governance, from coercive state actors, and other state effects, the Indian state was making an effort to expand governance efforts, trying not to be obtrusive without recreating relations of imperative social interaction, while also limiting access in encumbering relations of accountability and regulation. In line as development is cultural evolution, often very complex, over time and tied to salient histories. Essentially, if the result of greater development and governance reforms produces a better life for the people of India, then continuing to evaluate in all policies and programs people's roles in how they can participate in each element of its design, implementation, access and scaling, and perhaps even initiating and anchoring authentic human development is considered.

### **Impact of Policy Reforms on Inclusive Governance**

In India, policy reforms have, in effect, altered the character of governance and produced an increase in measurable inclusiveness and citizen participation. Perhaps the most meaningful result has been the increase in grassroots participation and empowerment. Through decentralising and reservations, erstwhile marginalized communities are now part of the political administrative process in legitimate ways. The increase of women's leadership in the Panchayati Raj Institutions has not only increased representation in municipal government, it has also affected local development priorities to take into account women, and often the focus has been simply on social welfare and education being the most pressing concerns, often more than leadership acknowledgment and assessment. A further major impact has been seen with respect to enhanced transparency and accountability. Reforms such as the Right to Information Act (2005) have allowed the public to question authorities where there was no oversight, as well as allowed the people who were entrusted with public money not to have free rein over it. From a similarly planned approach, digital reforms such as having tax and direct benefit transfers (DBT) linked through the identity of Aadhaar, has simplified delivery of welfare and benefit as they demonstrate spending, using digital trails, allowing for better and more accurate understanding of whether the system is delivering to intended beneficiaries. The aggregate impact of policy reforms have been to increase access to education, employment and welfare services - policies such as MGNREGA have allowed rural households to protect and secure wage employment; law and policies such as the Right to Education Act (2009) legally mandate

free and compulsory schooling in the 6-14 age range. Policies regulating health issues and food security, coupled with welfare policies, have also contributed to real change in basic living standards for the poorest in India. Furthermore, reforms have helped to reduce poverty and inequality in key areas. Targeted poverty alleviation programmes and social security schemes, for example, have provided some support for segments of the population that would otherwise have been marginalized. While the political, economic, and social landscape varies from state to state and implementation is not uniform, there is evidence that inclusive policy positions have helped to reduce socio-economic inequalities, at least in those states where they were particularly well-applied. Overall, reforms have had a positive but partial impact on policy in relation to inclusive governance. Where there has been policy reform that increases broader participation and access among relevant stakeholders, systemic failures outside of the reforms (e.g., social and structural power relations) make it easier for certain populations in India to benefit from public policies than others. This shows that there is still a long way to go - relaxation and/or expansion will be needed; and that there is a need for improving existing and/or developing new enforcement mechanisms.

### **Existing Challenges and Limitations**

Despite some noteworthy evidence on measurable performance (in terms of policies aimed at inclusion), India's policy reforms continue to face significant challenges related to inclusiveness. One significant challenge is the degree of unevenness in the implementation of reforms by geographic area; for example, federalism means that states will differ in their capacity for governance, available resources, and level of political willingness or buy-in, which will all affect the manner and success of policy reforms once in place. While one state might be systematically putting MGNREGA to good use as a tool for rural employment, a neighbouring state might be substantially under-utilising the scheme via poorly suitable monitoring efforts at scale. Another challenge and limitation on inclusion in public policy practice is the digital divide and the exclusion of disadvantaged groups. Although digital reforms have better organized welfare delivery, smartphones, internet service, and digital literacy remain limited for demographic categories such as women, the elderly, and rural populations. When these groups are excluded from the benefits of technology, technology fails to show itself to be a tool of inclusiveness. Bureaucratic inefficiencies and corruption fail to bolster the efficacy of reforms. Delays, leakages, and accountability in administrative systems are common in implementations. There have been instances where beneficiaries of programs have encountered barriers affecting access to entitled services due to red tape and/or corruption at the local level; similar barriers reduce trust in governance, especially when the system offers

little recourse for injustice. Alternatively, there are policy gaps when it comes to addressing inequities related to the intersectionality of gender, caste, and the rural-urban divide. While affirmative reservation policies and welfare programs have promoted representation, entrenched social structures still limit genuine empowerment. While women in governance have gained an opportunity, they continue to be present tokens, and there remain marginalised groups accessing quality education, healthcare, and occupational opportunities, even after reforms. In addition, a plethora of policies have been considered using a one-size-fits-all approach, which does not consider diversity arising from regions. This decision inevitably limits the efficacy of reforms to address particular socio-economic issues. In sum, although reforms have taken steps in pursuing an inclusivity agenda, the success remains blocked by structural barriers. Addressing digital divides, strengthening institutional capacity, along with intersectional inequities continue to be important measures to substantive inclusivity.

### **Case Studies**

The greatest way to understand the real impact of policy reform in inclusive governance is through case studies, which demonstrate both positives and negatives. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a classic case study, since it provided a legal right to work for rural households. MGNREGA increased wage earnings for rural households, increasing income security and reducing rural to urban migration, while facilitating wage-earning opportunities for rural women. In addition, it has achieved some increase in local governance in some states, namely, allowing local communities to track the implementation of welfare programs through social audits in the states of Midwestern India, such as Kerala and Rajasthan. Another example is women's empowerment through the Panchayati Raj Institutions (PRIs). The PRIs reserved one-third of seats for women and since the 1990s, millions of women have been involved in local governance through the PRIs. This has radically changed the landscape of local governance and decision-making, and many women leaders focus on addressing social issues such as sanitation, education, and health before traditional political concerns. The participatory aspect of reforms in the PRIs demonstrated how political reforms can create meaningful participation in governance and is evidenced by the number of women who have become leaders in local governance. In contrast to the success of the reforms and the participatory aspects of the MGNREGA and women's empowerment through PRIs, the challenges associated with digital inclusion from the Digital India initiative illustrate the limits of reforms. It is indeed true that the initiatives has bill that are linked to Aadhaar have reduced leakages in its distribution, there are still many barriers (e.g., infrastructure, digital literacy, mobile access, etc.), and many rural households are still

not able to take advantage of the opportunity presented by the Digital India initiative. Instances of exclusion due to the precarious promises of either biometric authentication failures or inaccessibility due to lack of internet access serve to show how without the right culture, digital reforms bestowed upon us may unintentionally further create gaps in inclusion. These cases will demonstrate the contradictory nature of policy reforms in India; for example, although policies such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and women's reservations provide disempowered people with opportunities to overcome marginalisation, it is clear that we still do not know where exclusion can occur without environmental enablers accompanying the digital reforms. The enactment of all of these experiences in the documentation of India's digital reforms reminds us that enacting reforms is very much about understanding the contextualised enactment of the reforms, oversight, and iterative adaptations as minimum conditions for reforms to be inclusive in the end.

### **Recommendations**

A well-designed set of recommendations are necessary to maintain the impact of policy reforms on inclusive governance in India. First, it is vital to support local governance institutions. Panchayati Raj Institutions and Urban Local Bodies will only be able to respond to their citizens if they have financial freedom, administrative support and decision-making authority. Holding regular elections, transparency, and accountability will make this even easier. Second, it is important that capacity building and training is reinforced. Many policies fail in the implementation phase because local administrators and elected officials were not adequately trained. Structured programs around digital literacy, participatory planning, and accommodating marginalized groups will help officials enact reform more easily. Thirdly, we need to work to close the digital divide (or call it the digital divide) so that inclusion is meaningful. Digital interventions like Aadhaar and DBT will only work if all citizens share in equal space in regard to either one and/or all access to connectivity, affordable digital devices and digital literacy. We need to put communities in rural, women and marginalized communities first, so that they are not marginalised from digital citizenship. Fourthly, we can make policy inclusive by thinking of policy as participatory (there's citizen feedback) policy-making. It is important to think of citizens playing a direct role in framing the policy, being part of the monitoring process, and role in evaluating it after it has been implemented. Public hearings/consultations, digital grievances redress mechanisms, and consultation with communities will strengthen bonds between the state and society. Finally, we should consider policy evaluation and revision from time to time to ensure policies stay alive. The Independent

Monitoring Body, in the context of the NNM, will conduct ongoing assessments of and facilitate the effectiveness of the NNM to institutionalize ongoing examination of the policy for gaps and suggest changes to the policy in a timely and well-designed way to make the policy responsive and reflective of changing socio-economic conditions. In this respect, the above recommendations have the potential to transform policy changes from symbolic endings to practical policy levers to realize an inclusive and sustainable model of governance in India.

### **Conclusion**

The reform of policy in India has increased the representational possibilities of inclusiveness in the act of governance. Many of the recent policy reforms, such as MGNREGA, RTI, Right to Education Act, have made advances toward enabling marginalized people to govern themselves through access to resources or greater transparency through policy. However, the commitment to implementing policies is incomplete with the impediments of bureaucracies and injustices of social and economic inequality means that reforms will not set the course for inclusiveness without complementary strong institutions or citizens' participation. The experience of India shows us that citizens' participation in governance includes ongoing reform of policy to address new challenges. Rapid technological change, urbanization, and globalization mean reforms which are overly prescriptive or rigid must first reflect the reality of real public issues from numerous perspectives and ultimately design abilities, also rigid policies are less likely to reflect issues in dynamic contexts, such as the digital divide, gender issues, and regional disparities, must offer sufficient flexibility to take account of a complexities of what a change actually takes, consolidation of reform processes using a mechanism of continuous monitoring, evaluation and redesigning when needed, have the ability and capability to deliver change without having a break away from current reality and retracing the proposed first steps for change. In order to sustain India's democratic future, there must be a greater accountability to narrow the gap on collective participation and realize that future and expanded access to opportunities based on race, socio-economic status currently have more gaps than access, but ultimately, equitable rights must be universal. For a policy reform must engage through the lens of inclusive governance support, to advance social justice, but to understand that equal economic opportunity must remain sufficiently inclusive to account for equality, as indigenous and marginalised groups participate in governing processes, which in turn strengthens the legitimacy of the democratic process by legitimacy and provides a pathway for long-term support to a more democratic future, instead of basing our action on a short-term opportunist model through a undemocratic process. In terms of the previous discussion, India has made positive connections together with support needed to align with

inclusive governance. India has made things more responsive and purposefully aligned through iterative changes in governance policy, but there is much work to be done still. Moving forward, the collective political will and effectively mobilised existing and emerging institutional reforms and citizen participation, demand for this, and your right to participate are vital enablers that will ensure equitable development and inclusive opportunities are realised in India's democracy through inclusive governance, not just for a privileged minority.

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