



A CRITICAL ANALYSIS ON THE SHIFT FROM GOVERNMENT TO GOVERNANCE IN INDIA

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Abstract

Since the late 20th century India has witnessed a paradigmatic shift in public-sector thinking: from a Weberian, hierarchical conception of government to a plural, networked notion of governance. This article critically examines that shift — its intellectual origins, institutional drivers (liberalization, New Public Management, decentralization, e-governance), empirical expressions (Panchayati Raj, public-private partnerships, digital service delivery) and the tensions it creates for accountability, equity and state capacity. Drawing on literature from comparative governance studies and Indian policy experience and using World Bank governance metrics and constitutional reforms as touchstones, the paper argues that while governance frameworks have broadened service delivery options and stakeholder voice, significant implementation gaps, capture risks and measurement challenges limit the normative promise of the governance turn. The article concludes with policy recommendations to strengthen democratic accountability, capacity, and inclusive outcomes in India's governance mix.

Keywords: Government → Governance, New Public Management, decentralization, e-governance, India, accountability, state capacity

1. Introduction

The term governance has become ubiquitous in policy discourse across the globe. Unlike government, which traditionally points to formal institutions and public authority, governance emphasizes processes, networks, and the involvement of multiple actors — public, private and civil society — in producing collective outcomes. In India, the rhetorical and policy shift from government to governance intensified after the 1990s economic reforms and has been institutionalized through decentralization (73rd/74th Constitutional Amendments), digitalisation of services, and the embrace of public-private partnerships and stakeholder networks. This article provides a critical analysis of this shift, asking: what has changed in practice, who benefits, and what institutional reforms are still necessary to make governance deliver on development and democratic accountability in India.

2. Theoretical framing: what do we mean by ‘government’ and ‘governance’?

Scholars trace the governance vocabulary to debates in political science and public administration that identify changing modes of coordination beyond hierarchical command — including networks, markets and hybrid arrangements. Rhodes famously defines governance as a "changed condition of ordered rule" and a "new process of governing". The governance concept is thus descriptive (capturing plural actors and tools) and normative (invoking ideals such as participation, transparency and effectiveness). These distinctions matter when evaluating India’s reform trajectory because they set different expectations about accountability, inclusion and outcomes.

3. Drivers of the shift in India

3.1. Economic liberalization and managerialism

The 1991 economic reforms and subsequent policy orientations opened space for private actors and managerial approaches in public administration. New Public Management (NPM) ideas — performance orientation, outsourcing, results-based instruments — influenced central and state policies aiming to improve efficiency while often reducing direct state provisioning. These managerial reforms created incentives to contract out services and employ performance metrics, blending government responsibilities with market mechanisms.

3.2. Constitutional decentralization: 73rd & 74th Amendments

The constitutionalization of Panchayati Raj (73rd Amendment) and urban local bodies (74th Amendment) in the early 1990s institutionalized decentralization as a core governance instrument — transferring functions, finances and functionaries to local elected bodies to enhance responsiveness and local participation. The constitutional reforms mark a structural pivot from monocentric government to multilevel governance architecture. However, devolution in practice has been highly uneven across states.

3.3. Digitalisation and e-governance

India’s large-scale digital reforms (e-governance portals, Aadhaar-linked service delivery, Direct Benefit Transfers, state digital platforms) exemplify governance through technology: reducing transaction costs, increasing reach, and creating new interfaces between citizens and multiple service providers. E-governance initiatives have expanded the modes of public–citizen interaction but have also exposed issues of access, data governance and exclusion.

3.4. International discourse and indicators

International organizations and measurement frameworks — most notably the World Bank’s Worldwide Governance Indicators (WGI) — have popularized governance metrics and created external benchmarks that influence domestic reform agendas and donor priorities. Such benchmarking has helped push performance and regulatory quality concerns onto India’s policy radar, even while measurement itself remains contested.

4. Literature review: what research says (selective)

The academic literature on India's governance shift covers definitional debates, normative claims about participation and accountability, empirical studies on decentralization and service outcomes, and critiques of managerial and technological reforms. Mooij and others have discussed the reception and translation of the governance concept in the Indian context, noting that international governance discourses are often adapted unevenly to domestic institutional realities. Comparative work underscores that governance reforms can improve efficiency but do not automatically produce equitable outcomes without deliberate accountability mechanisms and capacity investments.

5. Empirical expressions and critical assessment

5.1. Decentralization: gains and limits

Panchayati Raj institutions have increased local representation and given communities a formal voice in planning and implementation. In some states this has led to improved targeting and local infrastructure outcomes; in others, local elite capture, weak fiscal devolution, and inadequate administrative support have blunted the potential of decentralization. Thus, decentralization illustrates the governance paradox: expanded participation without commensurate capacity and safeguards may reproduce inequalities.

5.2. Public-private partnerships and marketization

PPPs in infrastructure, health and education have mobilized private capital and expertise, improving service reach but often raising concerns about cost, equitable access, and accountability. Contracting out can create hybrid accountability (to both the state and market actors), but enforcing social obligations of private partners remains a challenge.

5.3. E-governance: inclusion vs exclusion

Digital platforms have streamlined many citizen interactions with the state, reduced leakages in transfers, and created audit trails. However, digital divides (connectivity, digital literacy), privacy and data governance gaps (Aadhaar debates), and reliance on algorithmic decision rules can exclude vulnerable groups or shift discretion away from human adjudication.

5.4. Measurement and international indicators

World Bank governance indicators provide comparative lenses but aggregate perception-based metrics that may miss subnational variation and the qualitative aspects of democratic governance (voice, procedural fairness). Overreliance on such indicators can skew reforms toward what is measurable rather than what is substantively just.

6. Key tensions and normative concerns

1. **Accountability vs efficiency trade off:** Networked governance can improve efficiency but create diffused responsibility — citizens may not easily identify who is accountable when service delivery fails.
2. **Inclusion vs marketization:** Market mechanisms can expand provision but risk commodifying services that should remain public goods, disproportionately affecting marginalized populations.

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3. **Capacity mismatch:** Governance arrangements require administrative capacity, professionalization, and robust local institutions; without these, governance can be performative rather than transformative.
4. **Measurement problems:** International indices and managerial metrics risk prioritizing measurable outputs over equity, rights and democratic processes.

7. Policy recommendations

To strengthen governance in India while protecting equity and democratic accountability, this paper recommends:

1. Strengthen fiscal devolution and capacity building for local bodies. Constitutional transfer must be matched with predictable finance, technical support and training.
2. Design hybrid accountability mechanisms. Where services are delivered through PPPs or networks, contract design, independent audits, citizen grievance redressal and transparency norms must be mandatory.
3. Digital inclusion and data governance. Digital reforms should be complemented by universal access strategies, digital literacy programs, and robust data protection and consent frameworks.
4. Contextual metrics. Develop state- and local-level governance metrics that capture equity, participatory quality, and institutional robustness — not only perception-based aggregates.
5. Deliberative mechanisms. Institutionalize participatory processes (citizen juries, participatory budgeting) to ensure marginalized voices influence priorities.

8. Conclusion

The shift from government to governance in India reflects important transformations — institutional pluralism, technological interfaces, and new modes of public–private cooperation. These changes offer opportunities for more responsive and efficient public action but also generate challenges for accountability, equity and state capacity. Realizing the normative promises of governance requires deliberate institutional design: stronger decentralization (finance + capacity), accountable contracting, inclusive digital policy, and metrics that reflect substantive social outcomes. Only then can governance transcend rhetorical invocation and deliver democratic, equitable development.

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