

Inclusive Governance

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Inclusive governance is strongly connected to, yet not limited to, notions such as good governance, and democratic governance, a human rights-based approach to development and legitimacy. Inclusive governance is an intrinsic value within governance and has become an integral feature of the good governance agenda aiming at achieving a better world through establishing fair, judicious, transparent, accountable, and inclusive political systems and decision-making processes in public institutions.

Keywords: inclusive governance ; village ; decentralization

1. Introduction

Inclusive governance has gained much importance in recent years as it has become part of the SDGs agenda ^[1]. As stated in the agenda, inclusive governance aims to realize a promise to “leave no one behind”. In the first five years after its development (2000–2005), inclusive governance was applied to economic issues such as the financial crisis, urban community economies, and industrial policy ^[2]. Inclusive governance has grown more widely in the last five years and has been linked to various discussions. It was used to address some complex issues related to political identity ^[3], deep-sea mining governance ^[4], urban risk governance ^[5], energy systems modernization ^[6], biological diversity policy ^[7], gender-sensitive planning ^[8], and the handling of the COVID-19 pandemic ^[9].

Although this concept has developed in various themes, inclusive governance studies related to decentralization are few in number and contradictory. Only seven documents in the Scopus database discuss decentralization and local governance ^{[10][11][12][13][14][15][16]}. On one side, inclusive governance requires decentralization or a mandate for deciding on local government to prevent an exclusive and centralized authority ^[8]. Inclusive governance and growth could be achieved in local self-government ^[15]. On the contrary, other studies found that local decentralization could create exclusivity in multi-ethnic areas ^[11]. It could also build and strengthen local authoritarian leaders, political dynasties, and decentralized corruption at the local level ^{[17][18]}.

Although various studies on inclusive governance have shown contradictory results, at least a common thread can be drawn that this concept affirms those traditionally marginalized to actively participate in the whole governance process ^[1]. Of course, this active participation must be interpreted as a significant influence, not just a presence ^[19]. Therefore, public institutions must strengthen the ability of marginalized people (both individual capacity and collective agency) to participate, not just provide formalistic participation structures. With meaningful participation, more substantial democratic literacy will be built ^[20]. Therefore, the output of public policies and their implementation will be of higher quality, so welfare and prosperity can be enjoyed more fairly and broadly by all levels of society, including those most marginalized ^[21]. In an inclusive governance regime, public institutions respond to citizens' needs with policies and wise resource allocation and translate them into delivering public goods and services that are fair, transparent, accountable, and professional ^[17].

2. Theory Underpinning Inclusive Governance and Its Relation with Decentralisation

Inclusive governance is strongly connected to, yet not limited to, notions such as good governance, and democratic governance, a human rights-based approach to development and legitimacy ^[22]. Inclusive governance is an intrinsic value within governance and has become an integral feature of the good governance agenda aiming at achieving a better world through establishing fair, judicious, transparent, accountable, and inclusive political systems and decision-making processes in public institutions. Inclusive governance is also based on democratic theory. It can also be found in a new public service perspective that addresses whether potential stakeholders may influence institutional and policy decisions through active citizenship that fosters democratic literacy and deepens democratic processes ^[20]. In terms of the human rights-based approach, inclusive governance focuses on three areas as its fundamental approach: participation and

inclusion, equality and non-discrimination, accountability, and law supremacy ^[8]. Referring to the legitimacy theory, inclusive governance strengthens policy legitimacy through its process of questioning who is included in decision-making processes, how and why, whose voice matters, and how these dynamics impact policy nature, quality, and implementation ^{[18][22]}. In a practical sense, inclusive governance, as stated in the SDGs 2030 agenda, is a commitment to guaranteeing the rights of everyone's voices and giving rights to those who have traditionally been marginalized in order to improve their welfare and foster prosperity that is shared more widely ^[21].

The OECD (2020) aligns the definition of inclusive governance with inclusive institutions ^[22], as with Hickey's (2015) statement, which links inclusive institutions to "a normative sensibility that stands in favor of inclusion as the benchmark against which institutions can be judged and also promoted" ^[23]. Thus, inclusive governance is closer to process-based inclusion, which refers to how the decision-making process goes, who is included in decision-making, how and why they are included, whose voice is taken into account, and how these dynamics and interactions shape the nature and quality of decisions taken, and how the decision is implemented ^[1]. Governance can be assessed as more inclusive or less inclusive by looking at the extent to which people and groups that have been traditionally marginalized (such as the poor, women, the elderly, or people with disabilities, etc.) can not only participate but also exert more significant influence in the political process and holding government authorities accountable ^[19].

Observing the decentralization process is necessary to understand how inclusive government may be realized at the local level. Decentralization is linked to the formation of inclusive government at the village level. Based on the theory of democracy, one of the goals of inclusive governance is to give equal rights to all citizens by providing citizen involvement in policy-making ^[8]. In the context of village governance, village residents should be positioned as owners of the government to examine inclusion in the framework of the village (not as customers who need to be served with certain standards). As the owner, the community has the right to participate in the design, implementation, and evaluation of governance and development ^[8]. Decentralization aims to grant all village residents the power to set rules for their local community. In implementing decentralization, lower-level decision-making agents need the necessary resource and authority to complement and support fulfilling their assigned mandates ^[24]. From this vantage point, decentralization is considered a means toward establishing truly democratic, locally-based, and inclusive village-level governance.

The literature review found several principles of inclusive governance, including accessibility and fairness, transparency and accountability, participation and expansion of negotiation space, and effective government. These principles can be used to assess whether village governance is more or less inclusive.

Access to public goods and services is part of human rights ^{[25][26]}. Thus, fair and proper public service for all people is required to create a more dignified life ^[13]. For marginalized people, meaningful access is the ease of obtaining fundamental rights to public goods and services ^{[27][28]}. It will be more effective and efficient when implemented by the lowest level of government because the stakeholders have more direct access to the issues ^{[29][30][31]}.

Like the accessibility principle, an accountable governance process is also a right for everyone ^[27]. Accountability in the context of inclusive governance can be seen from two opposing but complementary poles: moral accountability, pioneered by Friedrich (1940), and political accountability, pioneered by Finer (1941) ^[13]. Theorists justify the benefits of transparency over accountability. The two concepts seem indistinguishable and are often called "Siamese twins" ^[32]. Transparency is also seen as a prerequisite for accountability because it is an opening factor for observing how agents behave and the consequences of agent behavior ^[33].

The following principle of inclusive governance is participation and expansion of the negotiating space. Attempts to involve the community are more complex than simply providing the opportunity to participate in decision-making. Furthermore, the government must provide structures for citizens to have more meaningful participation and strengthen their ability to participate in these structures ^[34]. Assisting those willing to negotiate (on a given issue) but are incapable is much more complicated than simply giving everyone the same procedural possibilities ^[35]. Therefore, realizing meaningful participation in inclusive governance also means implementing reform on organizational and individual values and culture.

Last but not least, effective government is a lever for realizing other principles. An inclusive governance framework requires a well-functioning government ^{[22][36]}. Historically, countries that have performed inclusivity have shown their effectiveness in development first ^{[22][37]}.

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