

Participatory Public Policy and Inclusive Growth in the BRICS

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ABSTRACT

The paper concerns the participatory political institutions for inclusive development in the BRICS. The relationship between economic growth and equity describes the concept of inclusive development. The concept of equitable (inclusive) growth strategy is based on the premise of the unity of governability, competitiveness and public policy through citizen participation. An important association of governability, competitiveness and fairness is participatory institutions. Four of them are crucial: strategic policy institutions; institutions of decentralization; institutions of "open government", and accountability institutions. The paper, based on the analysis of the BRICS, demonstrates that they create not only the environment for development, but also are the tools of participation, allowing carrying out public policy on the principles of a complex combination of problems, not a ranking of priorities.

CCS Concepts

• Applied computing → Law, social and behavioral sciences

Keywords

Inclusive growth; participatory governability; participatory political institutions; open government; BRICS countries.

1. INTRODUCTION

In recent years the BRICS countries have slowed the pace of economic development; economic growth in general was high but unsustainable. It is put into question in Russia. President of Brazil Michel Temer on the 71th UN General Assembly in September 2016 stressed that "prosperity and well-being today should not impair the future of mankind. Economic growth should be socially balanced and environmentally friendly" [27]. Comparing the policy of China and India, the Canadian researcher Arjan De Haan sees the potential of these countries to continue the inclusive development despite the current economic difficulties. He writes: "Social policies in both countries have the potential to make growth more inclusive. Even if they are not visibly contributing to a decline in inequality, as in Latin America, without these policies growth patterns would likely be even more unequal or public health concerns even larger.

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Indian policies continue to focus more on redistributive justice, whereas in China preparation for a market economy is usually seen as more important" [6].

Of course, the current situation with social policy in the countries of the BRICS (education, health, housing policy, etc.) is characterized by many problems and imperfections. Social reforms while accompanied by some growth of the well-being indicators, but are inconsistent and often incomplete. These countries are largely lagging behind the developed countries in many aspects of social life and the welfare of citizens. Moreover, there are new problems associated with the relatively high level of growth in recent decades. "Poverty is no longer a concern just for the very poor, but has been writ large, affecting the middle class as well" [33: 10]. The problem of gaps in the levels of economic well-being, created by the economic growth, social and economic differences between urban and rural populations did not solved. However, the general trend here can be characterized as a steady aspiration to combination of social policy with economic development and growth.

One of the most important factors in maintaining a certain stability or orientation of economic development on the justice and poverty reduction is the institutional transformations. They are connected not only with a formation of the market institutions, but also with a participatory institutional development of public policy and administration. Some researchers have expressed doubts about the significance of the administrative factor for economic growth: "effective government is desirable, but what is not so clear is whether it is an essential or even important antecedent of rapid economic growth" [14: 541]. However, this position is overcome by the studies of modern economic growth, combined with inclusive development. Cerny P. and his colleagues deploy the concept of the 'competition state' – whose priority is 'maintaining and promoting competitiveness in a world marketplace and multi-level political system' – to identify national convergence but with variations in the era of neoliberal globalization [cit. on: 19: 123]. Inclusive Advanced Competition States characterized by a mix in which counter-capital and counter-market regulation figure more prominently and the Asian Tigers or Newly Advanced Competition States (India, China) characterized by a hybrid mix of relatively high pro-capital regulation and relatively high counter-market regulation [19: 133]. In general, it can be argued that the concept of equitable economic growth strategy bases on the premise of unity of public governability, competitiveness and equitability. Someone says, "it would require a more imaginative project of general democratization, i.e. democratization not only of a narrowly defined political sphere but also of the sphere of production. None other than Kuznets had remarked at the end of his famous presidential address at the 1954 meeting of the American Economic Association that 'Effective work in this field

necessarily calls for a shift from market economics to political and social economy' [15: 28]. Li Zhao demonstrates the role of social economy for inclusive development: "The outlining of the past and the present leads to a consideration of the social economy as an important way to achieve a balanced economy and an inclusive society, together with the public sector and private for-profit sector" [34: 1085]. This democratization and social economy means building institutions that ensure not only growth, but also well-being. In this regard, developed in science approach in terms of the differences between the extract and inclusive institutions corresponds to a common understanding of the new economic and social order: "economic growth and prosperity are associated with inclusive economic and political institutions" [1: 91].

This paper aims to describe the problem of the choice of ways for a combination of economic growth and social development through the formation of mediating between them the political and administrative institutions in the BRICS countries. It will focus on the following topics: (1) the problem of choosing a new type of economic development; (2) the role of the participatory institutions in handling issues combining economic growth and social policy; (3) the main trends of political and administrative transformations in the BRICS countries to increase the level of participatory governability.

2. INCLUSIVE GROWTH: NEW PARADIGM FOR DEVELOPMENT

The list discussed today issues related to the development of the BRICS countries, is the themes of economic growth due to a combination of justice and quality of life. Although the theory of economic growth affirmed the incompatibility of efficiency and fairness, many researchers now say that in itself an intensive economic growth without equity is not a measure of modern development. Yes, the pace of growth in the BRICS countries is ahead of the "old world", but they are still far from that system, which provides life satisfaction of the population of these countries. At the same time a simple assumption is accepted that the policy of economic growth in these countries is not linked to the issues of equity and quality of life. Although, of course, it is assumed that without economic growth these problems cannot be updated, but it is believed that it is difficult or even impossible to solve problems at the same time by the combination of growth and quality of life under the conditions of modern economic world competition. The relationship of economic growth and equity describes the concept of inclusive development. As written by Michael Spence - the Nobel laureate in Economics: "Inclusion has become the most essential part of sustainable growth. Initially, the concept of "inclusiveness" comes to economic science from India, but now it is used very widely. It concerns the distributional aspects of growth and expresses two basic ideas: 1) opportunities, created by growth, should be open to people; 2) the degree of inequality of income and access to basic services should be limited to acceptable levels" [28: 116-117]. The problem, therefore, rests on the synergy of public policy objectives and its ability to combine economic growth and performance of vital functions. We are talking about the state governability as a system built on the principles of a complex combination of tasks, rather than priority ranking. In this respect, equity and quality of life of long-term outcome of economic development turns into its (governability) main factor, stimulating cause.

With regard to the BRICS countries all these are not so obvious. If the "Asian Tigers" have demonstrated economic growth as a whole by the market centralization and sustainable management

of the project, the BRICS countries are demonstrating a different strategy. Almost all of them are trying to connect the problem of economic growth with the decision of problems of social exclusion, by trying to raise the level of social policy at the same time the human capital for the development and quality of life. Brazil also shows a more intensive policy of equitable economic growth. In this respect, interesting to compare the Russian experience patrimonial state, where the balance of economic growth problems rests on the need to strengthen the justice and quality of life, with the experience of Brazil and China, demonstrating the different models of public policy governance, but with a reduction of poverty as social exclusion. Social-democratic policy of the last decade in Brazil demonstrates the success of a fight against poverty on the basis of equity and growth. Social policy in China is based on economic growth with a demonstration of the prestige of the new quality of life. India is trying to solve the problem of poverty enormous investments in education and science.

Though there is right understanding that "a growing body of work in economic growth theory argues that the growth process is not universal" [12: 241], but we can say about two main paradigms of economic growth. One of them is the model of 'an investment-based growth'. In an investment-based growth paradigm, growth is driven by "implementation innovations" and consists of sustained, high levels of capital investment and the local adoption of technologies developed elsewhere. Second one is the model of 'an innovation-based growth". In an innovation-based growth paradigm, by contrast, growth consists of "leading-edge innovations" that develop new technologies and push the frontier outward [2]. Now we could say on the new developing paradigm of economic growth and development. It's based on intensive use of the human capital. As Hanson writes, "driving up rates of capital investment and sheltering firms from competition become increasingly inefficient as growth depends more on leading-edge innovation. Instead, growth is founded on high levels of human capital and inventive activity" [2: 241]. This third paradigm could be named as 'a human-based growth'. All aspects and forms of human capital development are not only the well-being indicators, but also effective drivers of economic growth. This growth ensures inclusiveness, which is expressed in the formation of the inclusive institutions and broad social inclusion. We could adopt the definition of social inclusion: it "has highlighted important concepts that are central to the notion of social inclusion such as equality, rights and social cohesion and draws attention to barriers or inequalities that prevent individuals or groups from taking a full role in society" [32: 4]. In this respect, the growth paradigm, based on human capital development, can be considered as inclusive growth. Then "by inclusive growth, we mean that growth process which benefits all sections and all regions of the economy, though not in uniform manner. In other words, the growth of a country would be considered to be an inclusive growth if along with the increase in the GDP (Gross Domestic Product) of a country, the HDI (Human Development Index) also increases" [24: 47]. Although the state has an important role in the investment policy and the national innovation system, but its role increases in inclusive development. Role increases not in the sense that the state assumes the main function of redistribution of the fruits of economic growth. The state has an important role in building the institutions between economy and society, between economic and social development. And here we can talk about two important processes and structures related to public governance. The first is the governance of public policies. Secondly, it is the introduction of new institutions for

implementation of political and administrative decisions. Together they “create institutional mechanisms that mediate between economic and social development” [18: 825].

3. PARTICIPATORY PUBLIC POLICY

In modern political science there is a tendency of finding a new model of public policy and administration after the financial crisis 2007-10 and under conditions of growing complexity of social transformations. Theoretically and practically it is clear that the revival of the state should be carried out using new methods and forms of activity. An urgent task in this regard is a compound of many aspects of governance in the participatory governability concept. Complexity and uncertainty increases the importance of holistic approach in the study, which corresponds to the concept of participatory governability. In this respect, the study of new models of state governability like participatory one is an urgent task. It is right, “good governance, where governments are accountable to citizens and people are center-stage in development, is essential for creating capabilities, providing opportunities and ensuring rights for people. Governance capabilities matter in a much more concrete sense, whereas the role of the State is somewhat more abstract” [18: 829].

Participatory governability under conditions of uncertainty consist of three concepts: (1) governability as governmental capacity to be open before society to enhance competitiveness in the world; (2) governability as a permanent coordination of a government-citizens responsibility for public interests and their assurance in the public space during the development and implementation of participatory public policy; (3) governability as providing political institutions of justice for improving quality of life. In general, the “governability shows different diversity profiles, dynamics and complexity, depending on the combination of public and private governance of interactions on their intentional and structural levels» [13: 204]. In general, participatory governability is correlated with a competitive state and its sovereignty as the ability to coordinate the public authorities with activities of non-state actors. The state acts as a public authority and shell constantly negotiates with a coordinated community. All these demonstrate participative character of public governability. In this sense, “participatory democratic development can take down barriers in the political, economic, and cultural realm. It is not sufficient to democratize only the state, it is also crucial to democratize the economy. A democratization of only a narrowly defined political realm but without a democratization of the economy remains vulnerable to the plutocratic and consumerist undermining of democracy. Likewise, a socialized economy under the tutelage of an undemocratic state would be just another kind of authoritarianism. Participatory development relies on the involvement of broad deliberative publics” [25: 265].

The effectiveness of public policy is the sum of the factors that are relevant not only for its results, but also to the political line which puts forward by the government. We agree that “decision-makers are responsible not only for direct outputs, but also for designing a reasonable approach to achieve outcomes—they need to be able to show how their proposed plans/policies/actions contribute to broader goals and priorities. In other words, they are expected to develop evidence- and outcome-based management frameworks that clearly delineate the anticipated outputs and outcomes” [30: 6]. In this regard, attention should be paid to the three main paradigms of social policy, which are related to economic development. Keynesian paradigm sees economic growth as a result of increased demand, determined by income. Here social policy has the character of income support and employment protection. For the relations between state and society corporatism

is more developed. The neoliberal policies negatively related to the role of the social activities of the state and are based on the idea of commodification of human labour. Here a representative liberal democracy is affective political regime. Social policy assumes the character of overhead. For inclusive development is more suitable third paradigm - the social policy as a productive investment. This social policy needs an participatory state and democracy with close ties between government, business and citizens.

Although the BRICS countries can be detected using different paradigms of social policy, it is still possible to note a certain tendency to “third way”. This is evidenced by the political and administrative transformation of a social investment as the policy instruments. “The social inclusion agenda had two guiding principles: firstly, it must tackle the social exclusion of individuals and communities; and, secondly, it must invest in the human capital of citizens, especially the most disadvantaged” [5: 303]. Of course, the current situation with social policy in the countries of the BRICS (education, health, housing policy, etc.) is characterized by many problems and imperfections. Social reforms while accompanied by some increase in well-being indicators, but are inconsistent and often incomplete. These countries are largely lagging behind the developed countries in many aspects of social life and the welfare of citizens [23; 22]. However, the general trend can be characterized as a steady aspiration to combination of social policy with economic development and growth, taking into account country-specific features of economy and the fight against negative factors (corruption, low productivity, lack of structure reform, etc.).

If in 1990-2005 policy and administrative reforms in all countries mainly focused on the economic approach, expressed in the New Public Management, in the last ten years has undergone substantial transformation approaches and principles of policy and administrative transformations, allowing it to increase the level of performativeness and competitiveness. The crisis of the “Washington Consensus” affected the direction of political and administrative transformations. This is evident in the BRICS countries also. Governability of state today is understood as a system of its institutional capacities, allowing to provide stable, high-quality and responsive organization for security, satisfaction of public services, and consistency and fairness of economic growth. It would be possible to identify common approaches and principles as follows:

- Political and administrative governance is productive, i.e., it affects the sustainable inclusive economic growth and development (governability is a developmental factor);
- Competition between government agencies violate a single political space of the public governance (need joint (whole) governance) (“In the field of South African economics, this holistic perspective has a natural focus. This is development (defined widely to include sustainability and social and political inclusivity): how well the economy as a whole has performed since 1994, what its prospects are and what policy should be” [8: 124]);
- You cannot live for today, you must look to the future (strategic public governance);
- The challenges and risks need to not only respond, but also to provide for them in advance (moving from a reactive to a proactive policy) (“We live in a world where high levels of uncertainty require policy-makers not only to meet chosen

strategic goals and implement planned policies, but also to respond to challenges as they arise, presently and in the future” (Swanson et al., 2014: 3));

- Public money has not only quantitative parameters but also qualitative one (value of public money);
- Reducing the social costs caused by the factors of the financial crisis, should not be accompanied by a decline in the quantity and quality of public services, which can be achieved in the governance of structural transformations; social investments are working on the development of (investment public policy);
- Citizens are not only consumers of public services, but also participants in public policy and co-producer of public services (participative public service delivery);
- Use the evaluation of government performance criteria need when they are useful (not reports, but incentives for development).

It is quite pragmatic demands of administrative reforms, which are expressed in the formation of a strategic and fragile government. The report prepared by the OECD for public administration structures, are the following proposals for administrative reforms, based on their experience in a number of developed and developing countries [29: 14]: small key ministries that can focus on analysis and evaluation; development initiatives coming from the cross-ministries; union of executive bodies (horizontal integration); integration of regulatory and supervisory departments (inspection), working on the basis of risk assessment; focus on standard setting, operational management (finance, internal audit, HR, procurement, ICT, etc.) in one or two ministries; budgeting based on the implementation of long-term policy objectives beyond electoral cycles; the formation of feedback to inform the development of the next generation policy; emphasis on the use of transparency in public administration, able to respond to citizens' requests; the development of horizontal accountability.

4. PARTICIPATORY POLITICAL INSTITUTIONS FOR INCLUSIVE GROWTH

It is clear that the modern public administration cannot simply create external conditions for economic development (such as security) or to carry out in different range of regulation of the economy; it is faced with the need to stimulate this development and innovation, creating the appropriate institutions and practices. In this respect, the modern transformation of public administration in the BRICS countries are not only aimed at creating the investment regimes, but also the formation of a comprehensive policy of equitable economic development, which would have linked the structural, institutional, functional justice and efficiency.

4.1 Policy and administration

Public administration was faced with the problem of a combination of political strategy and administrative tactics. Their inconsistency is not just the mismatch that creates extra costs and inefficiencies, but it becomes a hindrance for dynamism and competitiveness. On the one hand, focus on the primacy of politics in relation to the administration is determined by the criticism of New Public Management, which the cost-effectiveness of spending budget or estimation of public personnel didn't put into dependency on the quality of public policy

implementation. Political contexts and questions are left by the wayside, especially relations of public policy and citizens. On the other hand, the complexity and uncertainty of the conditions of state activity exacerbated the problem of choosing the right public strategy for inclusion, and then its effective implementation. Integrity and conjugation of government functions, expressed in public policy, opposed to non-integrated approach to competing agencies. In addition, efficiency assessment of public administration may not be complete and consistent, if it does not include an assessment of participatory public policy-making. As Laurence Lynn and Robbie Robichau writes, "the formation of structures of public policy leads to further structural refinements of the administrative system. Intuitively, the policy is primarily due to the construction and design (directly and through management agents) administrative capacities and the division of labor " [16: 218-219]. This problem is a combination of policies and administrative practices of the country and take into account their specific character and experience. In this respect, for example, in Russia the task to build a system of balanced decision-making based on the principles of the Federal Law "On the strategic planning in the Russian Federation" (adopted June 28, 2014), and the political debate on the new administrative reform directly declares the problem of transition from manual to programmed method. By this law the state system of strategic planning is defined as the sum of the following subsystems: "interrelated strategic planning documents describing the priorities of socio-economic development of the Russian Federation; elements of regulatory, scientific and methodical, information, financial and other support strategic planning processes; members of the state strategic planning, implementing and directing the practical activities in this area " [20]. The recent decision on the formation of the Presidential Council on strategic development and priority projects [31] is another step in the creation of organizational conditions for coordination between state authorities, local government bodies, and public associations, scientific and other organizations in addressing issues of strategic development of the country.

Modern administrative transformations in China are under the banner of the idea of "governance in accordance with the policy," or "governance in accordance with the party directives and documents". On the one hand, this demand was the result of a certain increase of independence of governance structures. However, in connection with the identified degradation under a new government system (localism, corruption), there was a need for greater coordination of public administration in the country. Many experts consider this requirement as a step towards re-centralization. On the other hand, if you do not consider the contextual reasons then demand of communication policy and governance is a response to the growing complexity of public policy objectives in the face of uncertainty. Improving the coordination of values is due not only to a single political line, but also with the formation of a joint knowledge in the implementation of a unified policy in different local environments. At the end of the 1990s in China the agencies, planners and direct economic management were abolished, the number of ministries was reduced by 28%. According to Shaun Breslin, China's central government has moved away from direct control over production and distribution, it has adopted the model of "regulatory state", leaving the possibility of a broad macroeconomic policy to other public and private actors [3: 64, 72]. What outside observers can consider as "clearly the central government and powerful unified management system," says another researcher, in fact, is "fragmented and chaotic structure,

over which the central government has little control." The result is no centralized power solutions, but "horizontal negotiations between the government ministries, agencies and state-owned enterprises, as well as vertical negotiations between different levels of government that are involved in the implementation of the [policy]" [11: 84]. In general, the Chinese state today is a multi-layered form of governance. In these circumstances, the central political leadership is concerned about maintaining the unity of the political line without disturbing the already achieved relative administrative autonomy. This line of policy and administration unity we can see in the CPC personnel policy, as well as in the formation of different coordinating political structures, such as the "leading small group" of the Politburo.

4.2 Participatory policy-making

Imperative of administrative reforms of the last decade is a response to the challenge of expanding the actors of policy making to include in this process the citizens and their associations. Trust, openness, cooperation are the terms and conditions of building a modern public administration. All BRICS countries respond by forming conditions that would include new political and expert discussion platforms, such as councils, public chambers, forums, etc., as well as the formation of "open government" systems or "open data", extending the possibility of government-society cooperation.

While in India, for example, the problem of the formation of "open government" system as an institution of public administration is a discussion, but creation of a platform "open government data" and the adoption of several laws on information create conditions for closer cooperation between the citizens and the state, having, of course, their differences and inconsistencies. In 2005, the Indian Congress passed the new law on right to information. This law removed a number of restrictions on right to information, which the Supreme Court of India found impeding the constitutional right of citizens to freedom of expression. The adopted law allows Indian citizens after a nominal payment and certain procedures to obtain information from the governmental structures of different levels. The law increases the level of transparency of government and provides tools to protect citizens' rights and to fight against corruption. The researchers emphasize that, of course, the implementation of this law, especially in rural areas, prone to all sorts of obstacles and constraints, but its progressive role not denied by anyone in the community [25: 268].

In China, the modern administrative transformation carried out on the basis of the idea of "promoting plural governance" as opposed to the principles such as social control and unitary. To a greater extent this applies to the assumption of public services on the part of civil associations than direct participation of them in public administration. The expansion of the NGO functional boundaries, recognized by law, is the condition of "plural governance".

In Russia in 2011, the idea of "open government" was not only developed, but also considerable resources for its functioning were created. There are a number of problems and contradictions: the structure itself is not homogeneous "open government", it is often used for mobilization, rather than stimulation, the culture of cooperation was not formed, and there is a large proportion of distrust to him both by citizens, public officials and politicians [26]. However, the positive effects are also evident in solving a number of social and economic issues at the regional and local levels.

In 2004, in Brazil the portal of transparency was established by the Comptroller General of the Federation, which allowed citizens

to obtain information on the expenditure of budgetary funds. In 2009, the law ordered to open these portals in the federal states and some cities. At present, the transparency portal is visited monthly by more than nine hundred thousand unique users [10]. In September 2011 the law was passed, which institutionalized the National Action Plan for the development of open government in the country, the Inter-Ministerial Committee on Open Government and the Executive Committee of the groups. It is coordinated by the General Controller of the federation. As a result, Brazil had adopted several laws regulating access to information (2011), Freedom of Information (2012); the open data portal was also created (2012). However, there is a weak role of civil society in the movement for open government in Brazil.

4.3 Decentralization for participatory public policy

Public administration system is facing the challenge of self-government and creativity, which are an integral part of the innovation and development. In this respect, the administrative transformations involve some decentralization, reduction of excessive regulation and the inclusion of the subsidiary arrangements. Although all these measures are related to the different areas of administrative improvements, but on the whole they contribute to creating the conditions for self-governance in the broadest sense, including the conditions for business development, resource allocation, delegation of authority, and the development of local initiatives. The literature emphasizes that "decentralization can have a very positive effect on the development, because it improves government efficiency, sensitivity, accountability and the impact of the citizens' " [7: 27]. In China in 2013 the administrative reform's priority was to reduce the administrative practice of examination and approval the activity by the state authorities. In Russia, the problem of excessive administrative regulatory activity has been the subject of administrative reform 2003-10 and remains relevant today. At the same time the central area of improving governance is reduction of excess government regulation; improving the quality of public services; improving the efficiency of public authorities; increasing transparency. In the aspect of self-governance and subsidiarity an important aim is the improvement of regional and especially local authorities. In China, for example, decentralization has brought many changes in the center of the relationship with the regions. Although in the recent years in connection with the fight against corruption the trend is bucking, however, fiscal decentralization, which changed the way of the formation of local taxes and revenues, remained a new direction of relations between central and local authorities. The new separate tax system, introduced in 1994, allowed for the local authorities to collect taxes, fees, spending at the expense of the various projects. The second element of decentralization was the formation of the special administrative regions based on decentralization of provincial governance structures. While all of these innovations have allowed to develop local capitalism and often leads to the delimitation of the territory into separate "fiefdoms", however, as noted by observers, fiscal decentralization has established a new character of relations between the center and local areas and established in China "federalism de facto» [35: 31, 73, 115]. Fiscal federalism established in China since the mid-1980s, made her the most decentralized country in the world, despite the formal unitary character of the state government. The political institutions, namely, the personnel evaluation system and the system of dual accountability made mandatory for local officials to increase tax revenues, allowing them to focus resources in the local credit institutions [21: 456].

In Brazil in the 1990s and 2000s 'government based on participation' is an important area of the administrative reforms. It fills a vacuum of citizens' influence on policy, formed due to the weakness of the party system and the absence of parliamentary developed traditions [32: 344]. Here, there is the "participatory budgeting", when citizens are mobilized to participate in the discussion of municipal budgets, as well as to create of a number of administrative councils in municipalities (conselhos), which are involved in education policy, health care, transport, etc. An important place in the political and administrative influence take the civil society associations, whose activities in cooperation with the state conceptually describes by the concepts of "right to have rights" and "participatory public". In India, 73 and 74 amendments to the Constitution in 1992 led to the formation of local self-government as the constitutional system, which includes the traditional councils of villages (the Panchayat Raj) and the city government, which expanded their powers to address political issues of local importance. To increase the representation of women in the villages, in August 2009, the boards of the central government of India has decided to reserve to the Board 50% of the seats for the female population.

4.4 Accountability through participation

Deficiency of responsibility and accountability is often referred to the new governance system. "State institutions that are accountable to their people will use their resources constructively rather than misspend or steal them" [9: 5]. The formation of responsibility and accountability system, the different institutions of accountability (monitoring, for example), the introduction of ethical codes of conduct, and citizens control institutions based on the law and open government are the sign of this development. An important role is played by relatively independent and responsible institutions for monitoring and control, such as the Accounts Chamber of the Russian Federation, the Brazilian Federation of Accounts Tribunal, the National Audit Office of China, the Institute of the Comptroller and Auditor General of India, the Auditor-General of South Africa. The National Audit Institutions of these countries have the function of an independent external audit of the public sector, established by the constitution or parliament. These institutions are responsible for control over the spending of public resources by the government, which they carry out in cooperation with parliaments and other regulatory and supervisory structures. They are responsible to the parliament, government or head of the state. Compared with other state organizations of audit the national audit institutions have strict constitutional guarantees of independence. Their impact on the quality of public administration increased in terms of financial management reforms and decentralization of the system.

Other control institutions are related to participatory mechanism of accountability. The movement for Transparency and Accountability Initiatives stresses the different modes of such mechanism, including the Public Expenditure Tracking Surveys, citizen report cards, score cards, social audits and community monitoring, participatory budgeting, sector-specific budget monitoring and participatory audits [4]. Brazil was the first country which implemented participatory budgeting. In Brazil, at the moment, the most effective way of direct including the citizens in policy-making is not political parties, and not representative authorities, but participatory budgeting. There are numerous complex social problems - the legal inequality of the black population, the marginalized population of the 'favelas', exacerbating the problems of drug trafficking and crime, etc. To address these problems the main emphasis was placed on increasing social inclusiveness

through a special institution of participatory budgeting at the level of municipalities. The cycle of participatory budgeting lasts one year, during which citizens through public meetings and negotiations between themselves and the local government decide how to spend money on new projects for urban infrastructure, for example, healthcare, schools, and street roads. Participatory budgeting combines two models of democracy - direct democracy at the level of district assemblies and representative democracy at the level of the Council of Delegates and the Council for Participatory Budgeting. In Russia, participatory budgeting is expressed in the "Open Government" project of the "Budget for Citizens". This project was implemented at the federal and regional levels in 2013. The main directions of the project in Russia were the openness of the federal and regional budgets, the adaptation of budget data to citizens' perceptions, the formation of an education system on the budget problem. All regions of Russia have an open budget, 14 regions of the Russian Federation implement the practice of initiative budgeting. The openness of regional budgets and their ranking are monitored. In 2017, it is planned to create a federal initiative budgeting program.

5. CONCLUSION

It is clear the formation of public administration, which will meet the challenges of equitable development and improvement of social welfare level, requires not only the participatory institutions, but also participatory culture. The formation of institutions simultaneously transforms the consciousness and activity of participants in public administration. There is a period of searching for new principles and approaches that can later be transformed into policy and administrative reform under a new name. These reforms again say us about a public role of a state: "In this era of markets and globalization, surprisingly enough, the role of the State is more critical than ever before. This role extends beyond regulating domestic markets or correcting for market failures. It is about creating the initial conditions to capture the benefits from globalization, about managing the process of integration into the world economy in terms of pace and sequence, about providing social protection and safeguarding the vulnerable in the process of change, and about ensuring that economic growth also creates employment and livelihoods for the well-being of people. It is also about acting as a guardian of civil society. In sum, governments need to regulate and complement markets so as to make them people-friendly. The reason is simple. Governments are accountable to people, whereas markets are not" [18: 825].

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