NETAJI SUBHAS OPEN UNIVERSITY

STUDY MATERIAL

P.G.P.A.

PAPER - 1 (Eng.)

MODULES : I-IV

POST GRADUATE
PUBLIC
ADMINISTRATION

PREFACE

In the curricular structure introduced by this University for students of Post Graduate Degree Programme, the opportunity to pursue Post Graduate course in a subjects as introduced by this University is equally available to all learners. Instead of being guided by any presumption about ability level, it would perhaps stand to reason if receptivity of a learner is judged in the course of the learning process. That would be entirely in keeping with the objectives of open educaiton which does not believe in artificial differentiation.

Keeping this in view, study materials of the Post Graduate level in different subjects are being prepared on the basis of a well laid-out syllabus. The course structure combines the best elements in the approved syllabi of Central and State Universities in respective subjects. It has been so designed as to be upgradable with the addition of new information as well as results of fresh thinking and analysis.

The accepted methodology of distance education has been followed in the preparation of these study materials. Co-operation in every form of experienced scholars is indispensable for a work of this kind. We, therefore, owe an enormous debt of gratitude to everyone whose tireless efforts went into the writing, editing and devising of a proper lay-out of the materials. Practically speaking, their role amount more a learner would seriously pursue these study materials the easier it will be for him or her to reach out to larger horizons of a subject. Care has also been taken to make the language lucid and presentation attractive so that they may be rated as quality self-learning materials. If anything remains still obscure or difficult to follow, arrangements are there to come to terms with them through the counselling sessions regularly available at the network of study centres set up by the University.

Needless to add, a great part of these efforts is still experimental-in fact, pioneering in certain areas. Naturally, there is every possibility of some lapse or deficiency here and there. However, these do admit of rectification and further improvement in due course. On the whole, therefore, these study materials are expected to evoke wider appreciation the more they receive serious attention of all concerned.

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Paper-I

Modules—I-IV

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Post Graduate Public Administration PGPA-I

Module - 1

Module - 2

Module - 3

Module - 4

Unit 1 ❑ Relationship Between Public Administration and Politics.

Structure

1.1 Relationship Between Public Administration and Politics (Historical Overview)

Public administration is the management of the affairs of the state at all levels. To define it after L.D. White, "Public administration consists of all those operations having for their purpose the fulfillment or enforcement of public policy". According to J.M. Pfiffner, "Administration is the organization and direction of human and material resources to achieve desired ends". Above definitions suggest that the study of public administration should include the study of the environment in which public administration is embedded.

Public administration is deeply influenced and related with politics. It implements

policies and laws framed by the political executive for the citizens and members of a particular state. A public administrative system is the product of the social, cultural, economic and political milieu of which it is a part.

Historical Overview :- In the very initial stage, public administration was conceived as a discipline, completely separate from politics. Woodrow Wilson marked a prominent line of between the area of public administration and politics. Administration, it was argued, is concerned with the implementation of policy decisions, taken by the political leaders. According to Frank Goodnow politics has to do with policies or expressions of the state will and administration has to do with the execution of these policies. It was also argued that politics and administration involve such functions which are performed by different sets of personnel and organization. The members of the legislative body and elected representatives in the executive take policy decisions, whereas these are to be implemented by the administrative, non-political area of government, i.e., the bureaucracy. In the stage of initiation of the value free science of management too this dichotomy between politics and administration was nurtured. It was only in 1940s; Herbert Simon rejected this notion of dichotomy and derived a relation of means and ends. The interaction between the administration and its post heritage in administrative and political fields can be 'explained by citing examples from the Indian situation. At the time of independence Indians had constitutionally adopted the goal of a democratic social welfare state. In this framework the public bureaucracy was to play a pivotal role as the chief agent of change and modernization. The government started on an ambitious model of planned development through democratic means relying on the traditional bureaucracy, which the nation had inherited from the British colonial period, to implement new schemes and programmes. The bureaucrats being a specially privileged class in colonial society gradually became by position and training conservative, rigid and the greatest supporters of British imperialism. They were given a large measure of operational autonomy without any institutionalized system of accountability to the people.

Though the post—independence rulers viewed the old bureaucracy with suspicion, they retained the old structure of administration with piecemeal changes, whenever necessary. After independence the national scenario underwent tremendous change to incorporate the democratic socialistic ethos envisioned in the constitution. The nature of bureaucratic tasks was also completely changed in variety, multiplicity and orientation. The emphasis shifted from preventive functions to service and

development oriented functions. In the context of the political, social and economic changes after independence the suitability of the inherited model of bureaucracy in the present time is often questioned. The bureaucracy has now to function in an environment where is works under the direction of a political head who is responsible for the department under his charge to the legislature. The political head has to act under many constraints like the policy guidelines from the legislature, and various pressures from political parties and other pressure groups.

The bureaucracy now is guided and controlled by the people's representatives. The meaning of supremacy of the political element in public policy formulation is that whatever may be the source of the origin of policy, its ultimate responsibility is on the political chief to defend and account for the policy in legislature. The challenge for the bureaucracy in India is to accept the supremacy of political leadership and to give it full cooperation. But it is also true that bureaucrats have repeatedly complained of political interference in administration. The elected representatives think that they know what is best for the people, whereas public servants (bureaucrats) who are working in the field, think that, they have a right to interpret laws as they think fit.

Another controversial feature of the politics-administrative relationship is the neutrality of the civil service. In Western societies the civil service retained its neutrality and anonymity in a liberal democracy with a competitive party system. A value free neutral bureaucracy was possible in a society where consensus existed on values, but in transitional class-divided societies like ours where there is no consensus on values, it is neither desirable nor possible for the bureaucracy to function impartially, neutrally or in a value-free manner. There are all sorts of political parties; with wide ranging differences in opinion on political issues. It is scarcely surprising for civil servants to have political views and preferences of their own which may lead to unavoidable political bias, at times, in their attitudes.

The qualities needed of a modern administrator are deep insight, flexibility dynamism and result orientedness. The public administrator has to cultivate much wider social awareness and responsiveness to popular needs and aspirations. The administrative culture and ethos in our country has not kept pace with popular expectations after independence. Another implication of a democratic political system is that the bureaucracy should shed its exclusiveness, reserve and authoritarian style of functioning in general and come closer to the people.

The people should on their part give up their anti bureaucracy stance and show more inclination to participate at all levels of administrative and political activities, if they desire to get the fullest benefit of democratic government and administration. The relationship between the citizen and the administrator should be based on mutual good will and trust.

In a democratic administration the bureaucrats, who are accountable to the people, are expected to have high standards of conduct, integrity and morality coupled with merit and efficiency. In India public enquiries revealed widespread corruption in the public services. Civil servants allege that corruption is an unfortunate byproduct of political interference and increasing politicization of the services.

Like other developing countries, India is a state and society in transition from a semi-feudal, semi-capital, to an industrial and modernized one, in Riggsian terms we are moving from the 'agraria towards the 'Industrial'. Public administration is deeply influenced by the political and social structure, values, traditions, culture and aspirations of a nation and the part of culture which bears relevance to politics or management of polity is commonly known as political culture. In any operative political system it is a force which gives meaning as well as direction to the polity. This could be perceived in the traditions of the society, the spirit of its public institution, the passions and collective behaviour of its citizens and the style of operation of its leaders.

The main function of a political system is the formulation and implementation of public policy through the mobilization of national resources and their allocation for the attainment of societal goals. With the expansion of the functions of government and its increasing role in cocial and economic development, the administrative system has assumed much importance. The administrator plays a dual role primarily performing the 'output'function of executing policies and programmes; they also perfonn important 'input' functions which relate not only to policy making but also to determining public orientation towards the government, and to aggregating the expectations that the public has from the government and the demands that are channeled into the political process. The administrative apparatus thus performs a significant role, in the capability function of the political system. According to peter self the political process deals with the input of demands and the administrative process with the output of services. The influence and impact of the political system on the administrative system is great due to the close relation between politics and

administration in all societies. There is a continuing academic debate in the discipline of public administration regarding the relationship between the two Woodrow Wilson made a clear distinction between 'politics' and 'administration' in 1887. But the fact is that the activities of policy making and policy execution are not entirely separate. All government and administrative works are to a certain extent political. Irrespective of the nature of political system, at the higher levels politics and administration are inseparable from each other. Herbert Simon explained the entire process, as one of 'decision making', regardless of its policy or administrative nature. Political thinkers like Peter self have accepted the concept of administrative politics, thereby meaning that administration is a branch of politics. The administrative system thus performs a significant role in the capability function of the political system both in its 'input' and 'output' aspects and links the polity to society.

1.2 Contending Approaches to Public Administration

Since 1887 there have been different approaches to the study of public administration when this subject as a separate academic discipline was born. The traditional approaches concentrated on the formal legal and institutional aspects of organizations. The methods employed in the study were mainly historical and descriptive. Some new approaches which mainly appeared after World War II came as a reaction to the older approaches.

1.3 Historical Approach

The historical approach is essentially based on the belief that knowledge of history is absolutely essential for an in depth study of any subject. For a proper understanding of the subject the study of public administration of the past in a particular period is necessary to link up with the present administrative systems. For example, for proper understanding of the background and growth of administration in India, a historical perspective is essential. To understand the evolution of the administrative system in India, the characteristics of British Indian administration and also the pre-British period have to be studied. Thus historical approach highlights a particular period and studies organization in a chronological order.

1.4 Legal Approach

This approach was evolved when the nature and functions of the state was simplified. Exponents of this approach would like to study public administration as part of law and concentrate on the formal legal structure and organization of public bodies. Many countries of Europe, like Germany, Belgium and France, have particularly applied the legal approach to the study of public administration. In these countries there are two principal divisions of law, one is constitutional and another administrative; constitutional law deals with the governmental process and administrative law is mainly concerned with the structure and functions of public bodies, departments and authorities. The legal approach is valuable for the understanding of the legal framework within which the administrative system has to operate. Legal approach, evolved after philosophical approach is one of the oldest and systematically formulated approach and administration in law.

Institutional Approach : This approach tried to establish linkages between the study of public administration and the institutions of government. It approached the study of administration through the study of the structure and functioning of separate institutions and organizations of the state. Scholars of this school defined the task of administration as non political or technical which lay merely in the field of policy implementation. They were mainly advocates of the politics—administration dichotomy and their efforts were channelised towards discovering principles of public administration. This approach considered the study of organizations, their principles, goals and structure as primary to the study of administration. The exponents of this school gave serious attention to the problem of delegation, coordination, span of control and bureaucratic structure.

The main limitations of this approach were a total neglect of environmental and informal factors on administration. By neglecting other variables like sociological and psychological forces on administrative situations and problems, the approach remained to a great extent incomplete, one sided and lacking in analytical content.

1.5 Behavioural Approach

Modern behaviouralism which developed in the late 1930's and 1940's is

mainly concerned with the scientific study of human behaviour in diverse social environments. In public administration behaviourlism as a distinct line of study started in the 1930's with the Human Relations Movement and was later developed by Chester Bernard, Herbert Simon, Robert Dahl and others. They observed that 'administrative behaviour' is a part of the behavioural sciences and the study of public administration should involve the study of individual and collective human behaviour in administrative situations.

The behaviouralists sought to adopt an integrated and interdisciplinary approach for according to them all human actions are motivated by social, economic, political and psychological environment from which they come. This approach aims at substituting empirical and realistic judgments for the purely value oriented one. It also emphasizes a scientific approach to the study of administrative problems and their solution. The scholars in the field of public administration have made, 'cross-structural, cross cultural studies of administrative behaviour. This has helped in the development of knowledge of public administration in the comparative context.

But the behavioural approach has been criticized for having of limited utility in the analysis of all types of administrative phenomena. Therefore, this approach appears to be of limited relevance in dealing with all types administrative problems and their solution, since the complexity and variability of human nature, motivations and behaviour are far from attaining precision as is possible in physical science. Value oriented or normative problems and issues of organization cannot really be explained or interpreted in terms of the behavioural approach.

1.6 Systems Approach

One of the most significant landmarks in the evolution of organization theory is the development of general systems concept for organizational analysis. General systems theory originated in a movement aimed at the unification of science and scientific analysis. The term 'system' has been defined as a complex whole, a set of connected things of parts. According to this approach in organizational analysis, an organization can be considered a social system to be studied in its totality. There is a growing trend to place all types of organizations within the broad framework

of general systems theory. All human organizations are open sub-systems engaged in transactions within the larger social system, that is society.

The chief contributor to systems analysis in organizational theory is Herbert Simon. Simon views the organization as a total system, a composite of all the sub-systems which serves to produce the desired output. His basic assumption is that the elements of organizational structure and function emanate from the characteristics of human problem-solving processes and rational choice. Therefore, the organization is viewed as a system comprising individuals making choices and behaving on the basis of their reactions to their needs and environment. The systems approach is particularly relevant to the study of large public organizations operating in larger social, political and economic environments.

The systems approach to organizational analysis is now widely used. This approach can take into account more variables and interrelationship while looking at an organizational problem in the framework of a larger system. Another important dimension is the interaction between a system and its environment.

1.7 Structural—Functional Approach

The structural functional approach as an analytical tool in the social sciences developed from the work of the anthropologist Malinowski and Radcliffe Brown in the early years of the present century.

The structural functional framework provides an important mechanism for the analysis of different social processes. In structural functionalism social structure is viewed as any pattern of behaviour which has become a standard feature of a social system. There may be concrete structures. All social structures perform some functions. In structural functional terms, function involves a pattern of interdependence between two or more structures, a relationship between variables; structural functionalists have helped to clarify the general misconception that similar structures in diverse environments perform similar functions or that absence of certain structures implies that particular functions are not being performed in particular social systems.

According to Riggs, there are five functional requisites of any society. These are economic, social, communicational, symbolic and political. He has applied these

functional requisites to the study of the administrative sub-system. Later he developed his Agraria-Transitia—Industria Model for the comparative study of administrative systems as a part of the wider social system.

1.8 Ecological Approach

Many scholars and administrators have often referred to the need to relate public administration to the environment in which in function. 'Ecology' refers to 'the mutual relations, collectively, between organism and their environment" In John Gaus's writings ecological perspective in the study of public administration was introduced firstly. He also introduced the concept of relating government functions to the environment which included such factors as people, situation, scientific technology, social technology, wishes and ideas catastrophe and personality. For these factors, he concluded, must be included in the 'ecological' study of public administration.

In developing countries the two main goals of administration are nation building and socio-economic progress. Administration in these countries functions in an environment of scarcity and multiple pressure and controls. Most of these ex-colonial developing countries inherited an authoritarian and unresponsive administrative culture, from their colonial days, which, they carried into their systems often in the post independence time. For example the Weberian model of bureaucracy has been found inoperative for development in the Third World societies.

The great merit of this approach lies in the values and relevance of studying people in relation to their environment, taking into consideration their peculiar characteristics and problems. Every popular, efficient and democratic administration must be ecological in character and approach.

1.9 Relation with Social Science

History gives much of the required information for the study of public administration. The study of the administrative system of any country would remain

incomplete without a proper historical background. The origin and growth of the various administrative institutions can be studied only with the help of history. For a proper understanding of the subject, the study of public administration of the past in particular periods, is necessary to link it up with the present administrative systems. Biographical and autobiographical studies are also closely related to the historical approach.

The study of public administration would like to study public administration as part of law and concentrate on the formal legal structure and organization of public bodies. Its main sources are constitutions, codes of law, office manuals of rules and regulations and judicial decisions. The legal approach is valuable for the understanding of the legal framework within which the administrative system has to operate, but by neglecting the informal forces operating in the organizations it remains to a great extent an incomplete approach to the study of public administration.

The economic structure of a country deeply influences the nature, organization and activities of public administration and vice versa. The economic system of any country is vitally connected with the administrative system in more than one way. Administration executes and implements policy and the economic factor is one of the prime determinants of public policy. Marxist social thinkers viewed the total political process as an outcome of the economic process, the economic system is the subsystem on which the entire superstructure of politics and administration is built. With the advent of modern welfare states the economic intervention of the state has increased tremendously—specially in developing countries where the state not only provides basic utilities and a wide range of services, but undertakes the major responsibility of economic welfare and development. The major component of development or modernisation is economic progress and the entire success of administration depends on how well it is able to perform these tasks.

Politics and administration are the two sides of a single coin. Political science studies the phenomena of 'state' and 'government'. But recently political science has been described as the science of power. According to Raymond Aron, Politics is the study of authority, relations between individuals and groups, and the hierarchy of power which establishes it self within all numerous and complex communities. Public administration deals with the execution of public policy and enforcement of laws.

Public administration is deeply influenced by the social structure. Values

traditions, culture and aspirations of a nation definitely influence public administration. The administrators are a product of their socio-cultural milieu. Most of the administrative problems of developing countries emanate from their cultural sector. When these countries try to adapt successful administrative processes or institutions of the west they very often have to encounter cultural problems.

Other peculiarities of administration in traditional societies which are a product of their distinct socio-cultural experience and environment are—civil service as a profession has higher social status compared to private employment. But government administration increases in size by leaps and bounds since public employment becomes a channel to relieve unemployment; nepotism and corruption are rampant, attitude to work is rarely professional and there is usually a lack of skilled personnel for higher level posts. Performance of the politicians and administrators depend highly on the existing social setup. The vigilance of the society which is found in developed liberal democracies makes politicians and hence the administrators are more accountable. A legal structure of a political system also depends on its socio-cultural and economic standard and style. Thus public administration is to be viewed in the context of the past and present of a particular political system.

1.10 Relation Between Public Administration and Management

Public administration and Management are related subjects, because the maintenance of any state or administrative organization involves a great deal of managerial efforts. Public administration like management also deals with organized collective method, organizational behaviour, decision making in organizations, or on the other hand they deal with unique practices, administrative processes, specific institutions or particular administrative case studies.

The classical theory of management gives a idea of management as a formulation of certain universal principles of organization. In this theory Henri Fayol observed that management was an undertaking common to all human activities. He also enunciated certain basic concepts and principles of management and viewed management as a teachable theory dealing with planning, processes. Fayal's theory

of management is often considered the first complete one, which is taken up by the practitioners of public administration.

Other also thinkers of the classical school are Luther Gulick and Lyudal Urvick whose management oriented principles have widely been used in the domain of public administration. Gulick defines major managerial techniques by the word 'POSDCORD'. Each letter of the word stands for a different technique such as planning, orzanizing, staffing, directing, coordinating, reporting and budgeting.

F. W. Taylor is another great personality of management theory. Taylor's main thesis is that management rests upon clearly formulated laws and principles with universal applicability in all organizations which entitles it the status of a true science.

Despite above propositions, it is to be noted in this context that administration is a wider term encompassing activities like the spelling out of policies and objectives, establishment of suitable organizational structure to conduct and promote an organized task, providing necessary resources for the realization of the goal. Administration is composed of a variety of components which together in action produce the result of getting done a defined task with which a group of people is charged. It is the inclusive process of integrating human efforts so that a desired result is obtained. The role of management, on the other hand, remains confined within the framework of policy, organizational structure and resources. Management is primarily concerned with those operations leading on organization towards success within this broader framework set up by administration.

To view the administration with an integral approach reflects the fact that it is the sum total of all the activities, manual, clerical, technical and managerial which are undertaken to realize the objective in view, i.e., the implementation of the policy or policies in a given field.

On the other hand, managerial view regards the work of only those personnel enjoyed in performing managerial functions in an enterprise, as constituting administration. It includes only some of the activities concerned with management which unite and control the rest of them as part of a coordinated endeavour, and not the sum total of the activities undertaken in pursuance of the goal. The managerial view regards that administration mainly involves the managerial and supervisory functions and administration is as well as a directing and coordinating enterprise.

Management is the process of utilizing material and human resources to accomplish designated objectives. It involves the organization, direction, coordination, and evaluation of people to achieve these goals. In analyzing the work of management, Newman and Summer (The process of Management) state that the total task of management can be divided into organizing, planning leading, measuring and controlling. Koontz and O'Donnell view the functions of management as planning, organizing, staffing, directing and controlling. The essence of management is the activity of working with people to accomplish results. It involves organizing, motivating, leading, training, communicating with and coordinating others. L. A. Appeley, President of American Management Association maintains that management is the development of the people and not the direction of things. He states that 'Management and personnel administration are one and the same'.

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Unit 2 ❑ Relation between State and Society

Structure

2.1 Relation between State and Society

The terms 'State' and 'Society'—are often used as identical. Burke wrote in this context that 'Society' is indeed a contract ... but the 'State' ought not to be considered nothing better than a partnership agreement in a trade ... Society is the complex of social relations formed and developed through some groups and associations. But state is just one and it partakes of an association for a limited purpose. In point of time society is prior to the state.

Machiavelli was the first to use the term 'state' as an impersonal entity but he did not provide a definition of state. A state is defined as a political entity that possesses people, territory, a government and sovereignty. But the modern state is highly differentiated, specialized and complex entity which unfolds the difference between the private and the public. As a modern phenomenon the state develops with sovereignty as its distinguishing trait, which marks the distinction between state and some interrelated terms like society, community, association and nation. The American and French Revolutions that established representative institutions developed the idea that the proper end of the state is primarily protection of individual rights.

A society, like the state, consists of people within a given territory engaged in cooperative activity but a society concerns itself with the social order while the state with the legal order. Society is a whole made up of many voluntary associations,

each with specific tasks and purposes and includes the family rights up to an international forum. Like society, the idea of a community stands for fellowship, personal intimacy and wholeness and is characterized by common ends or feelings. The state is bureaucratic and a government body of institutions and officials with a special purpose of maintaining a compulsory scheme of legal action and acting through laws enforced by direct and positive sanctions.

All modern states are nation states. A nation state means political institutions that combine the concepts of nation with state, with supreme jurisdiction over a demarcated territorial area, backed by a claim to a monopoly of coercive power and enjoying a certain level of support of loyalty from their citizens.

Often the body politic or political community is equated with the state. The Greek view as exemplified in Aristoteliam writings uses the term 'Koinonia' that includes the nations of association, community and society and there is no evidence of separate terms for each of these words; his main concern was not to maintain distinction between society and the state but between the private or familial and the 'political-cum-social'. Aristotle provides a series of distinctions between political society and the society of citizens. He also points out that a number of natural associations are formed for some good purpose and the highest of them all is the state that is to be distinguished from the household works. The state comes into being for the sake of life but continues for the sake of good life.

In the post Aristotelian phase, the 'Stoics' developed a conception of word citizenship and the Roman Empire tried to unite all human beings under it. But Christian traditions, revived Aristotle's notion of political life in the 'polis' by viewing the state as natural and the highest form of divine direction of the world. The community and society were used as synonymous even in Aquinas just as it was in Aristotle. The ultimate political unit was no longer Christendom but a world state.

In feudal society there existed, in a narrower sense, a division of society into estates, communities and guilds but the traditional nations of community and society continued to refer to both the political society of the state as well as to the units within the disintegration of feudal society. The distinction between a political community and a spiritual community came under sharp focus in the wake of religious strife unleashed by the Reformation.

The end of the eighteenth and the beginning of nineteenth centuries, after the French and the Industrial revolution, brought about another distinction between state and society. Society no longer meant the fundamental union of human beings that the state establishes but a network of interaction and exchange formed by individuals exercising the right to pursue the satisfaction of their particular needs in their own way.

Smith and others of the Scottish Enlightenment provide a new description of civil society as the expanding material sphere of trade and manufacture making a break with the traditional conception of the economy and the political notion of civil society as adhered to by the social contracturactualists. For Smith and his followers, the economy is no longer limited, as it was to Aristotle to the household but an essential element of the civil society and of the civilized society that benefits from trade and exchange, extension at the division of labour and the market.

Hume considers interest rather than the contract as the factor that cements individual to the society. Smith, Fergusan and others the perceive that advantages secured by commerce and mutual support are the bases for forming society. Not only self interest but also development of emotions, rational character and conflicts, which arise between individuals has to be taken into consideration. Civil society is shaped not merely by material desire for exchange but also by contract which requires trust and justice.

Contrary view is that civil society embodies a 'system of needs' and totality of private individuals. With gradual freeing of the 'Third Estate' the civil society comes to be regarded as bourgeois society; a society of private, free and equal individuals with property but without the domination of one group by another. Civil society represents conflict of interests that can be resolved by the state representing all interests of society.

Marx criticizes this relationship between the state and civil society. The separation of civil society from the state takes a fundamental departure from the earlier notion of the Greek and Roman thinkers that regards civil society as essentialldy bound up with the state. This conception is also rejected by A. Comte, seeking to establish a separate discipline of sociology as positive science of society.

Radical versions of liberalism contend that society represents spontaneity. But a state does not enjoy unlimited power of compulsion capacity to recognize general interests in society. A society that recognizes common good acknowledges individual

rights and this very synthesis indicates the willing consent of the individual. The libertarian regards the market, other than the state, to perform the economic functions including the defense of person and property, through a private form, which will supply protection for a fee. It is radical form of laissez faire that rejects state intervention for the system is capable of generating true prosperity. Extreme libertarians strongly opposed the welfare state. Nozick was a staunch advocate of such a state that respects individual rights. Nozick justifies a minimal state as inspiring as well as right and that any more extensive state will violate people's rights and is unjustified. The minimal state is shielded by the entitlement theory of justice that states that if the procedures and processes were just, then the out come is also just.

Relationship between State and society in Welfare state unfolds another series of thought regarding the relationship between state and society. The concept of welfare state represents a happy blending of the two varieties of states—liberal democratic on the one hand and communist totalitarian on the other. It rejects the idea of an individualist state that the business of the state is to protect but not to promote.

In the situation the relation between state and society is to be reviewed. The state has entered into a new area of controversy. The change in the nature of state activity has thrown a challenge to the traditionally conceived nation of the relationship between state and society.

The early liberal notion of a laissez—faire state which was to be responsible only for the maintenance of law and order, i.e., philosophy of minimum state intervention in the daily life of the individual and community has become totally outmoded and irrelevant today. The welfare state had undertaken the new role of accelerator of economic and social change as well as the major responsibility for providing modern amenities of life, education, health, improved means of transport and wider opportunities for employment its citizens. The state in the post-modern era is more managerial than administrative.

The major factors which led to the great expansion of state functions are, the rise of industrialization and the resulting growth of urbanization; change in the political philosophy of the state, from individualism to social welfarism, the two world wars and the resulting tension in the international community which also tended to increase the functions of the state to a large extent. The another important

factor was the vast increase in the population of most of the countries which immensely complicated the problem of providing food, shelter and other necessities of life to their citizens. This led to the adoption of planning on the part of many states to solve the ever growing problems of administration. These factors taken together led to the emergence of what is called the 'great society', which in turn contributed to the establishment of 'Big Government' in almost every advancing country. The fundamental principles of the welfare state greatly transformed the weak of public administration, with the result that the older regulatory functions became much less prominent and the newly created departments for rendering various social services as well as for pursuing development and research assumed greater importance.

2.2 Challenges in Developed Societies

The term developed societies here will be used to mean all those developed countries of western Europe and the USA where industrialization has produced an identifiable change in economic structure and growth followed later by political and administrative modernization. Development and modernizations involving a complex of economic, social and political changes pose a new problem for the expected role of the state vis-a-vis the civil society. An individual country may simultaneously exhibit same traits that appear to be developed, while others in the same country—indeed in the same capital city—may resemble the administrative features of a less developed country.

Some of the important features of the administrative systems of the developed welfare societies, which despite individual differences, can be distinguished as a group from other developing countries, are as fallows—

(1) Governmental organization is highly differentiated and functionally specific and the allocation or roles are based more on achievement criteria than on ascriptive ones.

(2) Laws and political decisions are largely rational. Traditional elites have lost real power, if any, to affect public policy making.

(3) Government and administration have become all pervasive, affecting all major spheres of the life of citizens.

(4) There is high correlation between political power and legitimacy since popular interest and involvement in public affairs is widespread.

Most of the developed societies are democratic welfare states, where the public administration has a challenging role to play in order to fulfill its democratic and welfare tasks. It has to be both responsive and responsible to the public. The citizens of advanced developed societies are used to effective and efficient public services. Bureaucracies have to perform both, routine and welfare tasks as efficiently and economically as possible, within a specific time framework.

In developed societies, especially in Europe the bureaucracy in these states mainly perform two types of functions

(a) Regulatory and preventive functions, collecting revenue, external aggression.

(b) Service functions, making provisions for education, health, and recreation, social insurance, unemployment relief, housing transportation, etc.

After the colonial rule the newly independent states of the erstwhile Third World nations built up a new relation between state and society because most of these new self governing states were caught up in the process of transition, facing acute problems of social upheavals, economic depression and administrative chaos. In terms of social models, they are moving from the traditional towards the modern type, what Fred Riggs once called 'Agraria' towards Industria'. In most of the developing states colonial rulers arbitrarily carved the geopgraphical boundaries at the time of independence with scant regard for ethic groupings, cultural ties or the feelings of miorities opposed to integration. This has resulted in periodic out bursts of communal frenzy, inter group clashes, riots and secessionist tendencies in the majority of these states. Some of the major features of the socio-political systems of these countries appear to be as fallows—

(1) In these states, the common goals are introducing changes in almost all the sectors of the economy including social overheads, infrastructural facilities and productive enterprises like industry and agriculture, social services such as health, education, etc.

(2) A great degree of reliance on the state and bureaucracy for achieving developmental goal is fast in decaying stage. Many developing countries

who had a socialist orientation in now moving towards the concept of minimum state intervention.

(3) Social disorganization, economic background and political inability and modernizing elites who very often differ in social background are generally found here. The traditional elites tend to be rural, oriented to local customs and to the native religion, and are opposed to change as a threat to these values.

In developed democratic countries, people's participation in administration is very well organized and where public administration is truly a cooperative enterprise. But in developing countries where civic consciousness is quite undeveloped and voluntary associations are still in a formative stage, the main burden of administrative work falls on the bureaucracy, which in most countries still tends to be authoritarian and paternalistic in its attitude and manner of working.

However, in the Third world the wider role devolved upon public administration often creates a problem of imbalance between the political wing and the administrative wing of the government contrary to the one faced by the western societies during the course of their development. In western societies, the developmental process has originated from the economic sector and which has given birth to a large middle class, extension of franchise, growth of political parties and trade unions, which in turn had led to the specialization of administrative organization and functions.

These factors discussed above have opened up a new avenue for rethiking on the role of the state administration in developing societies. The growing importance of the civil society is gradually being found for the citizens wish to fulfill their democratic rights. In other words, the disappointment with the formal procedural structures of governance gives rise to participatory forms of democracy. The participatory Rural Appraisal (PRA) enunciated by Robert Chambers provides the operational framework for enhancing and strengthen the participation of the poor in the development process; this is an attempt to involve the beneficiaries in their own development programmes.

Both the state and civil society in developing societies are required to act in a mutually complementary way. The greatest example is SEWA in India. Both of them must remember that participation and empowerment in democratic societies strengthen the relationship between the state and society. In order to instill democratic culture, altitudes and beharious, between the state and society. In order to instill

democratic culture, altitudes and beharious, both the st:te and the civil society must practice internal democracy in term of decision making. Equal participation, accountability, transparency and mutual respect enhance citizens rights and strengthen the relationship between state and society.

Gladden lays down three general characteristics of an efficient system of state administration

(1) It must be capable of meeting its functional aims

(2) It must be able to meet the long term changes postulated both by the alterations in the social environment and by the general development of administrative technique.

(3) It must, while conforming to a centralized plan, be capable of meeting the various special demands of the separate departmental units.

In most democratic countries the government represents the people's choice and administration becomes an instrument for the welfare and service of the people. The twin pillars of democracy are liberty and equality, hence the measure of successful administration is to be judged by the extent to which the administration has served these goals. The effective public administrator will continue to be the "rational calculator" of different ways of implementing public policies. They will have to learn to satisfy conflicting public demands and understand the continual need of increasing public services with fired resources. Administrative success will come to be measured by concrete success in implementation. This will require the administrator to be fully involved in the process of choice making and planning. Good administrators will be planners, and blend the process of planning and administration. The Fulton committee in U.K. recommended increasing professionalisation of the civil services to meat the changing needs of the times. Administrators have to keep abreast of the rapid changes in knowledge and technology and know how to implement them in the changing socio-economic environment of our times.

State administration in the current decades faces a host of challenges, continuous loads and pressures that put its adaptability and performance capacity to a severe test. If man is to survive in the face of nuclear threats, overpopulation, environmental pollution, rapid technological change coupled with increasing societal tar'ulance, state administration will have to learn to decentralize and democratize and itself.

State in any case has to face continuous tensions pulling it in opposite directions. Administration in welfare societies became an all pervasive affair through political direction, economic management, social engineering and increased bureaucratization. On the other hand, in modern administrative states this has resulted in an opposite backlash in the growing demand for decentralization, democratization, and increased public participation in administration. Frustrated underprivileged groups in every society display considerable loss of confidence in public institutions and create constant tensions in society by refusing to assimilate. Both industrial and developing societies face social tensions and upheavals in same from or the other.

The fact is that the current world wide rise in social violence and turbulence may be one of the first symptoms of the incapacity of organizational societies to cope with social change of rising population expectations induced by technologial change. In very modern state, it is the adoptive capacity of the administrative culture which plays a key role in maintaining social harmony and order in societies. Unless the admdinistrative system is geared to keep pace with cultural transformation, social discontent, alienation and violence may ultimately lead to the break down of the social fabric.

With these facts, there has also been a shift in the notion of the role of the state vis-a-vis the civil society. Market has become a dominant factor in shaping the demands of the civil society, which has redefined the extent of activities by the state administration.

The middle classes of the 17th century England had to establish the liberal state, committed to the maintenance of liberal social order, by overthrowing the authoritarian rule. Mostly in the same tune the neo-liberalism has emerged as a powerful political ideology advocated by the world's ruling elite during the 1980's and 1990's, with the interest to curtail the intervention by the state on the way of competitive market economy. The efficiency of market, competition, supremacy of individual choice over collective decisions has received additional weightage in the hands of the neo-liberals. The neo-liberals have attached special value to the power of market forces, determining the production, distribution and consumption of almost all goods and service. Accordingly, they have argued that the functioning of the market should not be hampered by the intervention of the government. Neo-liberalism supports the cause of sustained economic growth, rapid increase in the gross national product, leading to steady progress, free market operation unrestrained

by government, economic globalization achieved through free flow of economic goods and services all over the globe and adhering to the path of liberalization, privatization and globalization. Thus the neo-liberals advocate the policy of rolling back of the state, the state's role being confined to facilitate the efficient functioning of the markets.

The policies of privatization, deregulation and application of the principles of market operation facilitate the rolling back of the state. The state is not expected to be the direct provider of goods and services; contrarily the state is to be reinvented as a regulator. The philosophy of welfare state is no longer nurtured by the liberals, mostly like the early liberals, the neo-liberals seek to maximize individual liberty and freedom, energize the market mechanisms and encourage free competition.

The philosophy that provided intellectual support to the neo-liberal thought was the 'New Right' philosophy originated In 1970's; it propagated the value of individual rights and choice and advocated minimal role of the state and non-interference by the government in the economic activities of the individual and instead of it they supported the key role of market. They thought that any sort of subsidy is detrimental to the growth of the market. To them the market should be given full freedom in its operation for it can create wealth and productive employment. The New Right Schools of thought, in spite of intellectual differences, broadly maintained that state involvement leads to growth of monopoly, like in budget and suppressing of entrepreneurial behaviour and initiative, limiting individual choice, over production of unwanted services, encouraging waste of time and resources and creating permanent field for inefficiency. To them, the state interference often exercises unnecessary dominance over the smooth flow of market interest, instead of taking active part in production of goods and services. New Right Schools of Thought lay stress on the regulative and productive role the state. This stream of thought led to the development of the NPM principles (New Public Management), mainly contributed by the New Right School of Thought (Public Choice School led by Black, Buchanan, Tullock and Niskanen; the Chicago School led by Friedman; the Austrain School led by Hayek; and the supply Side Economics School led by Laffer, Gilder and Wannisiki), and business type managerialism. This defines the relationship between the state and the society in a different way.

The processes of global restructuring have also had their special impact on civil society. A strengthened civil society is not the agenda of the neo-liberal thought.

The neo-liberals however construct the market as the private sector and consider the state as the public sector. They either totally disregard the private realm of the family or lumps it into a very broad concept of civil society that includes market actors and which is counter posed to the state.

The conventional image of the public administrator has also been changed. Bureaucracy viewed as synonymous with red tape, rigidly, conservatism, in dealing with change and crisis and conformist patterns of behaviours is under serious threat. Bureaucrats, in general, have tendency to suppress grievances, cover up mistakes, the ridicule complaints. The new breed of administrators are expected to be more innovative, aware of new administrative techniques and more responsive to public demands.

- In view of the changed scenario the state has to set up a new relationship with the society. It must undertake the task of proactive policy formulator, ready with possible strategies to meet the unknown.
- The state must act as social change agent; ready to accept new ideals and to push others to accept them also.
- The state must be dynamic programme manager, able to shape new course and adopt on going arrangements.
- The state must be political campaigner, responsive to public needs and champion of public causes.
- The state must be competent administrator, ensuring effective performance with minimum political embarrassment.
- The state has to be the public relations expert, adept at building up support and showing his area to advantage.
- The state must be speedy decision maker, prepared to assume responsibility and clear instructions.

State administration must become more change oriented, dynamic and involved. In short, there is need for debureaucratisation of attitudes of the public personnel in these countries. Thus state must accept that its administration is related to the whole of society and the political economy. The task of every successful administration should be to continually try to bridge the gap between aspirations and performance and develop the administrative capacity to implement its programmes of economic

and social progress, so that the trust of civil society on the efficacy of the state increases.

The government should have enough respect for public opinion and criticism and should make every effort to express the public will. A successful system of public relations must be developed at all levels of administration for the quick and effective redressal of citizens grievances. It must be open in the sense of maintaining and representing as wide a section of population as possible and must not operate in the interest of the ruler or of any particular group or class.

If administration is to function democratically social barriers of caste, class, regionalism, provincialism or lingualism must not be allowed to create obstacles in the path of its free and fair functioning. It must be recruited from wide social strata. Democratic administration is in reality a cooperative enterprise in which the governmental agencies, professional and other citizen groups cooperatively endeavour for the attainment of public welfare.

1.3 State and Civil Society

Traditionally civil society was thought to be as a necessary condition of democracy. Civil society and citizenship were considered as the primary condition of democracy. Actually the essence democracy lies in the interdependence of civil society and the state. They have a continuous, interactive relationship. Civil society is not a static entity, it reflects fluid, shifting, conflicting, responsive to changes in politics and vulnerable to hostile pressures. Sometimes this relationship is depicted as a zero-sum game, so that the stronger the state, the weaker civil society is. It is also argued that the state seeks actively to oppress civil society. This assessment is too restrictive. Rather it is better to lay stress on the reciprocal relationship between state and civil society. In reality it is rarely possible for the civil society to function substantially without the state. Civil society is conceived as a source of legitimacy for the state, as well as it is a source of resistance against an arbitrary and oppressive state authority. Civil society is also viewed as an agency for ensuring the democratic rights of the citizens. Both the state and the civil society are important factors in the democratic way of living of the citizens. The state provides the integrative framework within which civil society functions. The state has to keep

consistence with the shared culture of the concerned society. The rule of law and the ability of the state to create a degree of coherence make the civil society function properly. It reduces the possibility of anomie. But equally, civil society must be free to challenge the state in order to preclude the bureaucratic rationality of state action that would generate rigidity.

Tocqueville stressed on the need to have voluntary associations within the civil society for enhancing democratic rights of the citizens within the state. This implies that civil society must be an arena independent of the state, an arena accessible to the citizens and an arena where citizens can carry out free discussions, deliberations and dialogue.[1] This implies participation of the citizens in a democratic state in a democratic manner. The Hegelian idea of civil society is related to the notion of citizenship. Hegel argued that it is the civil society that gives freedom to the citizens.[2]

The concept of modern citizenship regulating the relationship between rulers and the ruled specifies the role of the rising modern state, both as persuasive and coercive institution. This transformation of the state brought about changes in the attitudes and responses of society, broadly in the direction of accepting the rationalisation but demanding greater control over the state's claimed monopoly of taxation and coercion. The new modes of exercising power required new modes of legitimation. Crucially, universal consent to be ruled became a factor of politics. Popular sovereignty was the necessary response to the intensification of state power, for which the state had to pay regards to the aspirations of its citizens. Without this consent, the state would have to impose and legitimize its own rationality by the exercise of power; this inevitably lead towards bureaucratic rigidity that are hostile to innovation, find technological change hard to cope with, prefer the pursuit of bureaucratic interests. The development of a bureaucratic mindset that is protected by overt rules of its own devising, a closed corporate culture and identity coercively imposed on the ruled raises the question of trust. Rule by consent, on the other hand, permits a continuous and dynamic interaction between rulers and ruled. The trust that is engendered in this way makes it possible for those affected by the ever-expanding activities of the modern state to accept it as being a necessary part of being ruled. The failure of the state to respond to the demands of the citizens has led to the growth of many organizations within the civil society. These organizations address the issues of social problems, ecological problems, gender problems, lower caste assertions and identity problems etc. The role of the NGOs

in these respects throw a new challenge to the traditionally conceived relationship between state and civil society.

It is through the rules of citizenship-informal as well as formal-that civil society finds expression. Without the state, the framework for citizenship cannot operate. After 1945, political systems significantly accepted the establishment of the welfare state and this is now under challenge. The problem of the welfare state and the simultaneous pressure for the greater empowerment of society have raised a different set of issues. As the welfare state paradigm has lost its effectiveness, as state capacity has declined with overload, as dependency has grown, as the cost of welfare provision has risen and the labour force has stagnated, coupled with the causal link between the high cost of labour and high unemployment, correspondingly there has been a certain loss of trust in the ability of the state to respond to the demands of the citizens; hence the prestige of the state has declined. This last proposition is all the more serious, because the modern state has in many respects become the tacit repository of ultimate rationality, so that the loss of faith in the state has much deeper implications than might appear at first sight.

Globalisation affects the equation in several ways. The impact of global processes is to erode the tradition-driven belief systems by which groups and individuals till now operated. It has created an insecurity about the present and the future. The state is losing control over information, money, consumption, leisure, technological change and other forms of innovation. This has not made the state impotent, but it has changed many of its traditional tasks, especially in the provision of material and cultural security. In this situation the state, as well as civil society have to find a new role and new relationship, even as the parameters of action are shifting with great speed.

Finally, there is the new issue of European citizenship. In the last decade, the evolution of a network of transnational associations centred on the European Union have generated new power relationships, new forms and hierachies of power, of social knowledge and information, of political capital. Importantly, these throw challenge to the traditionally conceived nation-state and establish connections directly among non-state actors. This process of development is still at an early stage, but it is real enough The new instruments of empowerment provide new resources and create new identities that can transform long-standing patterns (e.g. the far-reaching reshaping of Irish identity as a European one). Civil society will certainly

be benefitted from European citizenship by having a new centre of power to which to appeal when it comes to dealing with the state, but it is an open question as to whether the European Union can provide the stabilising functions that were traditionally the task of the state. Overall, in this area the outlook is of fluidity and innovation, which will gradually or sharply reconstitute the state, civil society and ethnicity in the Europe of the 1990s and beyond[3].

2.4 Notes

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2. Gupta Dipankar, "Civil Society and State : ....." In Ramchandra Guha and Jonathan Parry, Institutions and Inequalities : Essays in Honour of Andre Beteille, OUP, New Delhi, 2000, p.246
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Unit 1 ❑ The Liberal State

Structure

1.1 An Onward Journey

From the Greeks to the 18th century, the job of lawgivers was widely regarded as fostering the virtue of citizens. Originally, this may have been mainly topromote the health and strength of the state. Later, the salvation of individuals of individuals became a religious issue, but what was needed to please God usually involved many of the virtues that otherwise were already thought to contribute to the strength of the state. This kind of state, a protector and promoter of virtue, was a paternalistic state, acting like a father, whose job was to *punish*, but which otherwise was relatively indifferent to the welfare of citizens. Being virtuous, citizens were expected to be able to care for themselves, or stoutly do without. Only the truly destitute and helpless, the widows and orphans, the halt and the lame, could expect care from the state or, at least, the Church.

From the 17th to the 18th century there was a revolution in this approach. John Locke held that the purpose of government was simply to protect natural rights, i.e., protections of life, property, and liberty. This meant that the virtue of the citizens was no longer the principal concern of lawgivers. Locke's apologia for the Glorious Revolution (1688) to Jeffersonian democracy in America (1789) and to the 19th Century Liberalism of people like John Stuart Mill (1806—1873) went on searching newer perspectives for a liberal state.

When the Liberal government elected in Britain in 1905 decided to institute old age pensions, these were at first intended to only be for the "deserving" elderly poor, who, after all, could not be expected to go back to work like the young and healthy poor, but it definitely signaled a reversal, as much as Prohibition in America, since such benefits in the liberal order had consistently been the concern of civil society and private prudential and charitable arrangements. Now the government would be providing positive benefits, with many voices expressing the point of view that every citizen (or simply every person) had a right to equal benefits, and that denying benefits to the "undeserving" was moralistic, inequitable, reactionary, and unfair.

Nevertheless, there was not much of a compromise of basic principles. That began to change thanks to the influence of two events : (1) the Russian Revolution, and (2) the Great Depression. The Russian Revolution took place in a country that did not have a liberal order, either politically or economically. In terms of orthodox Marxism, it was no place for the kind of revolution predicted by Marx for capitaiist countries. Nevertheless, Lenin figured that history could be speeded up a little, and others thought that if the evils of capitalism could be avoided altogether, so much the better. If the Soviet Union could succeed without private property, markets, or capital, it would immediately establish a new paradigm. This began to attract radicals and the credulous almost immediately. The Depression then added to this. If Western economies collapsed, despite the liberal order, while the Soviet Union survived and did fine, then some intermediate set of institutions, at least, seemed indicated.

This resulted in the basic form of the welfare state, though it took the new order a while to mature and to completely repudiate the moral basis of the old liberalism. The New Deal in the United States was principally sold in terms of the "deserving" poor, since most people without jobs knew that it wasn't by their choice and were willing to contemplate the government taking over economic responsibilities if no one else could. Even the crown jewel of the New Deal, the Social Security system (1938), was sold as a retirement plan that depended on one's own earnings. It was not until 1960 that the courts clarified the fact that social security "contributions" were simply taxes for benefits that could be expanded or revoked at the political will of Congress. Contributors never had property rights to monies taxed for the system, which had always been evident in the circumstance

that benefits terminated at death, even if none had ever been paid, and were not inherited like other forms of wealth.

In Britain, the Depression killed the Liberal Party and brought to office for the first time the Labour Party, whose ideology was overtly socialistic and which represented a strain in Britain of public opinion, small but intellectually weighty, that admired the Soviet Union. Not much came of this at the time, but after World War II, the Labour government that was elected in 1945 and stayed in office until 1951 set out to nationalize many industries and institute classic welfare state programs like the National Health Service. These measures, with rationing and capital controls, stiffled the British post-War economy for some years. Meanwhile, the United States blasted off into post-War prosperity. With the return of the Conservatives in 1951, the British economy did better, but the nationalizations and social welfare programs were not reversed. The power of the labour unions continued to grow until by the 1970's people were speaking of the "British disease", whereby the unions stifled modernization and efficiency and prevented the government from liquidating unproductive government industries, especially coal mines that were no longer profitable. The principle seemed to be that business only exists for the purpose of providing jubs, even if they cannot profitably provide a good or service. And the jobs better maintain the workers in the style to which they had become accustomed.

Meanwhile, there had been a revolution in American politics. Lyndon Johnson's "war on poverty" began in 1964 as a project with liberal mottos—"not a handout, just a hand," etc. Like the liberals of the 19th century, and the New Dealers of the 1930's (as Johnson himself had been), Johnson was thinking that with a little help, with the best modern sociological knowledge, the poor would quickly be up and off on their own. The Secretary of Health, Education, and Welfare, Joseph Califano, testified to Congress that poverty would be abolished in 10 years. After fifteen years (1966—1981), including continuous Democrat control of Congress and a Democrat President from 1977 (Jimmy Carter), the poverty rate was about where it was at the beginning of the project (14%). Johnson also created Medicare and Medicaid as federal programs, to provide medical care for the elderly and the poor. This was widely believed, feared or hoped, to be the first step in government health care for all; and Johnson invited Harry Truman to the signing of the Act, since Truman had been frustrated in trying to follow the British into socialized medicine after World War II (whether Truman tried very hard is a good question).

Even though the war on poverty manifestly failed in its original intention, it became a matter where the purposes shifted with the ideology. The "progressive" idea came to be that everyone was simply owed an income. There was no difference between deserving and undeserving poor, no difference between virtue and vice—which now was dismissed as a fiction of religious and moralistic fundamentalism—and no difference between people working for a living privately and the government simply giving them money. The public never believed or approved of such notions, but they exerted a strong influence through elite opinion and militant political activism. And since these were always presented by the media as enlightened and compassionate ideas, anyone believing otherwise was consistently put on the defensive and portrayed as the most cruel, selfish, and mean spirited persons imaginable.

The strength of traditional liberal ideas, indeed, overcame the full force of elite horror and execration with the election of Ronald Reagan articulated quite nicely many of the ideals of the liberal order, and he managed to get rid of some of the more worthless programs of Johnson's Great Society, he had no intention of reversing the New Deal. At the same time, his opponents could think of no worse charge than to ascribe such an intention to him. Since only a reversal of the New Deal would truly restore liberal ideals, this still left the terms of the debate confused. And since everyone tended to see politics as a dualistic, bipolar conflict, between Right and Left, or between Conservatives and "Liberals" (i.e. in American terms, socialists or welfare statists), it was easy to smear the ideals of the liberal order as part of a conspiracy by Conservatives to reestablish Segregation and the other illiberal diseases of the Old South. Since Conservatives, indeed, very often would have preferred a paternalistic state more than a truly liberal one, as a movement, however energized by Reagan, they were poorly situated to clarify things. Just as drug prohibition was producing in the 1980's the same phenomena of crime and gansterism as had alcohol Prohibition in the 1920's, it was nevertheless agreed upon by Conservatives and "Liberals" that such paternalistic laws were the right thing, however vile the consequences.

Thus, although presumably refuted and repudiated by Reagan and Thatcher, the welfare state actually marches on. Elite opinion has learned nothing and forgotten nothing and continues, as for the last forty years, at least, to exert a constant pressure towards greater socialism. Conservatism, of course, is a relative term. If Conservatism is simply to call "Stop", as William F. Buckley said, this would mean actually retaining the principles of the New Deal. Since neither Reagan, nor Newt Gingrich,

nor George W. (or H. W.) Bush, have ever breathed a word against the New Deal, and occasionally even praise Franklin Roosevelt, they obviously are quite comfortable with one foot in the welfare state. When the other foot is closer to paternalism than to liberalism, this promises little hope for genuine progress towards liberal ideals.

That such movement would indeed be progress has been well revealed by events and by theory. The reproachful presence of the Soviet Union, as a successful social and economic order devoid of the trivial freedoms of civil society, guaranteeing a full life to all, crashed in ignominious failure between 1989 and 1991. The reputed prosperity and efficiency of the "command economy" was all a fiction, promoted well enough to deceive, not only credulous crypto-socialist economists like John Kenneth Galbraith, but even the CIA, which consistently overestimated the size of the Soviet economy. Thus, all the eggs that needed to be broken (i.e. millions class enemies killed) to create the workers' paradise turned out to be an exercise in monstrous and cruel futility. Yet elite opinion in the West continues to think that price controls and other command economic regulations, together with rights to jobs, income, housing, education, medical care, etc., are still the direction called for by political and social progress.

European states that never went as far as the Soviets, but did put in place large systems of welfare benefits and job protections, consistently experience poor to non-economic growth and persistent high unemployment. What had been the British disease now looks like the French disease, as French truckers, for instance, regularly freeze French transportation to demand an even lower retirement age, greater benefits, etc. In the liberal state, such things would not be political issues.

Theoretically, Public Choice economics reveals why in the welfare state, as has been said of the National Health Service, "useless work replaces useful work." That is, it nicer to g t something for nothing through rent seeking than to actually create and run a business that avoids bankruptcy and provides something that people want. The costs of political appropriations are dispersed among the public, and the benefits concentrated in the hands of the privileged individual while the benefits of generating wealth economically are dispersed among the oblivious consumer, while the costs are concentrated private precarious business. When government protects and subsidizes businesses or order to "save jobs," it can even make the procedure sound noble and compassionate. This is aptly called "corporate welfare,"

but politically it sells as well to labor unions as to business. Thus the steel tariffs instituted by George W. Bush buy votes and money from the steel industry and steel union, while everyone, including those put out of their jobs when their employers, operating at the margin of profitability, are put out of business, pays the higher prices of steel.

As the welfare state runs up against fiscal failure, the rebound can as well be back towards paternalism as towards liberalism. The greatest evil of the welfare state, indeed, is that it is designed to protect people from the consequences of vice.

1.2 Principals of the Liberal State

Based on ideas of the enlightenment and the French revolution, the 19th century developed the model of the liberal state. This liberal state was based on a number of principles :

(1) the state, it's government and it's laws were based on a written constitution which limited the authority of the state versus it's citizens, protected the rights of the individual citizen, and defined his dutied;

(2) the state was to guarantee individual liberty; in transitional periods, servitude was phased out. Privileges of the nobility and clergy were cancelled;

(3) State and Church were clearly separated. As the church, in the past, in the past, had taken to functions now monopolized by the state, church property was confiscated to a large extent and turned into state property;

(4) communal property often equally was confiscated or dissolved, turned into individual property;

(5) freedom of trade was introduced; monopolies, privileges of guilds abolished;

(6) some liberal states, in order to break regionalism (regional historical privileges, structures) instituted an administrative reform implementing centralization and a structure of departments;

(7) education, at least from secondary education upward, was the task of the state, not any more of the church;

(8) in economic policy, the liberal state proposed a policy of laissez-faire;

(9) law codes (civil and penal law) were published.

The 19th century liberal state was a constitutional monarchy. The right to appoint a cabinet with a prime minister or chancellor was with the king; parliament, now permanent, was to exercise a checking function, by approving or not approving budgets, debating political issues or demanding individual portfolio ministers to resign.

Supporters of the liberal state were burghers, the middle class—entrepreneurs, bankers, property owners, and intellectuals.

The liberal state had antagonized the Catholic Church and resulted in strained state-church-relations. Parliamentary politics throughout much of the 19th century was marked by the rivalry between conservatism and liberals often advocating the extension of the franchise in hope to win more voters. This policy ultimately favoured the Labour Movement.

1.3 The Philosophy of the Liberal State

Liberalism can be understood as a political tradition a political philosophy and a general philosophical theory, encompassing a theory of value, a conception of the person and a moral theory as well as a political philosophy. As a political tradition liberalism has varied in different countries. In England the liberal tradition in politics has centred on religious toleration, government by consent, personal and, especially, economic freedom. In France liberalism has been more closely associated with secularism and democracy. In the United States liberals often combine a devotion to personal liberty with an antipathy to capitalism, while the liberalism of Australia tends to be much more sympathetic to capitalism but often less enthusiastic about civil liberties.

According to J.S. Shapiro, the term 'Liberalism' which is a Spanish word emerged from the name of a political party, the 'Liberals' that in the early 19th century advocated constitutional government for Spain. To him, later on the term 'Liberal' was taken over in other countries to designate a government, a party, a policy, and an opinion that favored freedom as opposed to authoritarianism.

Earnest Barker explained that by its very name it tried to vindicate peculiar interest in the cause of liberty. Originally it was a passion for the right of the individual citizen to carry on his life according to his own will, at once protected and respected by his own state. It was a protest from the days of the Magna Carta, against arbitrary imprisonment and arbitrary taxation. It was also a claim for liberty of speech, of meeting, of discussion etc. The liberty of discussion was widened to mean further the right of the members of a state to constitute its own government and to determine its policies by free debates and the right to vote. It upholds the cause for freedom from the unjust and hampering restraints imposed on his actions, thoughts, beliefs and worship by the government, the church, institutions and traditions. Political liberalism has following basic elements :

Natural Law, Equality, Limited government, Laissez-faire Economics, Rationalism, Intellectual Freedom, Toleration, Secularism, Progress, Education, were viewed as the instruments of real social progress.

The medieval producer attained his individual end through an activity, which at every stage bound him to the rules of conduct, which were ethically sanctioned. Wealth was regarded as a fund of social significance and not of individual possession. But the rising commercial classes were opposed to any sort of restraint, even the ethical one. As soon as the capitalist spirit began to attain a predominant hold over man's mind, the capitalist individual started claiming for the freedom of economic pursuit. The pursuit of wealth for its own sake became the chief motive of human activity. They raised their voice against any sort of interference, whether by the ecclesiastical authority, or by the state itself.

Political liberty in this sense is simply the area within which a man can act unobstructed by others. Coercion implies the deliberate interference of other human beings within the area. 'By definition', Maurice Cranston rightly pointed out, 'a liberal is a man who believes in liberty' (Cranston, 459). In two different ways, liberals accord liberty primacy as a political value. First, liberals have typically maintained that humans are naturally in 'a *State of perfect Freedom* or order their Actions ... as they think fit. ... without asking leave, or dependidng on the Will of any other Man' (Locke, 1960 [1679]; 287. Mill too argued that '[T] he burden of proof is supposed to ith those who are against liberty; who contend for any restriction or prohibition. ... The *a priori* assumption is in favour of freedom ... '(Mill, 1991 [1859]: 472). This might by called the **Fundamental Liberal Principle**

(Gaus, 1996 162—166) : freedom in normatively basic, and so the onus of justification is on those who would limit freedom. It follows from this that political authority and lsw must be justified, as they limit the liberty of citizens. Consequently, the central question of liberal political theory is whether political authority can be justified, and if so, how. It is for this reason that social contract theory, as developed by Thomas Hobbes (1948 [1651), John Locke (1960 [1689]), Jean-Jacques Rousseau (1973) [1762]) and Immanuel Kant (1965 [1797]), is usually viewed as liberal even though the actuall political prescriptions of, say, Hobbes and Rousseau, have distinctly illiberal features. Insofar as they take as their starting point a state of nature in which humans are free and equal , and so argue that any limitation of this freedom and equality stands in need of justification (i.e., by the social contract), the contractual tradition expresses the Fundamental Liberal Principle.

The Fundamental Inberal Principle hold that restrictions on liberty must be justified, and because he accepts this, we can understand Hobbes as espousing a fliberal political theory. But Hobbes is at best a qualified liberal, for he also argues that drastic limitations on liberty *can be* justified. Paradigmatic liberals such as Locked not only advocate the Fundamental Liberal Principle, but also maintain that justified limitations on liberty are fairly comest. Only a limited government can be justified; indeed, the basic task of government is to protect the equal liberty of citizens. Thus Joha Rawls's first principle of justice : 'Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system for all' (Rawls, 1971 : 302).

Liberalism is based on the assumption that the individual initiative contains within itself some necessary seed of social good. Accordingly, it has always tended to make an antithesis between liberty and equality, because it has seen in liberty that emphasis upon individual action which inspires him to move towards his own destiny of progress in his own way and according to his own capability and It has seen in equality the outcome of authoritarian intervention which trespasses into the private domain of the individual, hampering the smooth growth of individual personality. As a doctrine, early liberalism was directly related to individual freedom; it sought, almost from the outset of its history to limit the power of the government within the framework of constitutional principle and to enlist such fundamental rights which the government of the state was not entitled to violate, though the fact was that the rights were secured in the interest of the propertied class, not the common people. They not only nurtured the attitude favouring the breakdown of the system

of public assistance, but also answered to the growing need of the bourgeois class who were getting afraid of the working community's effort to combine for self-protection and their attempt to assert rights both in parliament and in the courts of law. The early liberals upheld that the nexus between master and man was purely economic one and not a partnership implying reciprocal social duties.

In its initial phase of evolution liberalism was associated with the principle of *laissez faire* economy and most of the times supported the cause of the minimum state interference. The early liberals were mostly bothered about the coercive involvement or restrictive movement of the government in the economic sphere and they were concerned with the tariffs and regulations of the government in this respect. John Stuart Mill marked the distinction between authoritative and non-authoritative intervention by the government, demanding that the authoritative action of the government be restricted to the minimum required for the upholding of justice. In addition to providing minimum welfare services, a liberal state was supposed to maintain a free order. The liberals felt that the state must perform some positive functions, like the legislation and enforcement of anti-monopoly regulations, certain consumer protection measures, the regulation of the state-funded schools and the like. The ideal government, then, ensures that no agent, including itself, has arbitrary power over any citizen. The key method by which this is accomplished is via an equal disbursement of power. Such a disbursement would make it more difficult for an agent, or the state, to possess the resources, economic or otherwise, that would allow them to exercise arbitrary interference over another (Pettit, **1997 : 67).**

The notion of liberal state sought to curtail the absolute authority of the government. The concept gained its strength from the philosophy of John Locke who made the governmental powers subservient to popular consent and natural rights of the individuals. He justified the overthrow of government by revolution whenever the government went against the natural rights of the people. This notion stands on the assumption that there is an inherent basic rationality of human being. The liberals believed that only by using reason man could create a new system of living that would bring happiness to man in this world. As rationalists, the liberals held all institutions to be amenable to natural law and thereby indirectly urged that all such institutions should be upheld or criticized and explained in terms of natural law. Indeed it was this rationalist attitude of mind that urged the liberals to emphasize the autonomy of the individual. The concept gained its strength from

the philosophy of John Locke who made the governmental powers subservient to popular consent and natural rights of the individuals. He justified the overthrow of government by revolution whenever the government went against the natural rights of the people.

For Berlin and those who follow him, then, the heart of liberty is the absence of coercion by others; consequently, the liberal state's commitment to protecting liberty is, essentially, the job of ensuring that citizens do not coerce each other without compelling justification. However, despite the powerful case for negative liberty, many liberals have been attracted to more 'positive' conceptions of liberty. Although Rousseau (1973 [1762]) seemed to advocate a positive conception of liberty, according to which one was free when one acted according to one's true will (the general will), the positive conception was best developed by the British neo-Hegelians of the late nineteenth and early twentieth centuries, such as Thomas Green and Bosanquet (2002 [1923]). Green acknowledged that '...it must be of course admitted that every usage of the term [i.e., freedom] to express anything but a social and political relation of one man to other involves a metaphor ...It always implies ... some exemption from compulsion by another ... (1986 [1895] : 229). Nevertheless, Green went on to claim that a person can be unfree if he is subject to an impulse or craving that cannot be controlled. Such a person, Green argued, is '...in the condition of a bondsman who is carrying out the will of another, not his own' (1986 [1895]: 228). Just as a slave is not doing what he *really* wants to do, one who is, say, an alcoholic is being led by a craving to look for satisfaction where it cannot, ultimately, be found.

For Green, a person is free only if she is self-directed or autonomous. Running throughout liberal political theory is an ideal of a free person as one whose actions are is some sense her *own*.. Such a person is not subject to compulsions, critically reflects on her ideals and so does not unreflectively follow custom and does not ignore her long-term interests for short-term pleasures. This ideal of freedom as autonomy has its roots not only in Rousseau's and kant's political theory, but also in John Stuart Mill's *On Liberty*. And today it is a dominant strain in liberalism, as witnessed by the work of S.I. Benn (1988), Gerald Dworkin (1988), and Joseph Raz (1986).

An older nation of liberty that has recently undergone resurgence, is the republican, or neo-roman, conception of liberty. This conception has theoretical roots in the writings of Cicero and Niccolo Machiavelli (1950 [1513]).

What has come to be known as 'new', 'revisionist', or 'welfare state' liberalism challenges this intimate connection between personal liberty and a private property based market order (Freeden, 1978; Gaus, 1983a; Macpherson, 1973: ch. 4). Three factors help explain the rise of this revisionist theory. First, the new liberalism arose in the late nineteenth and early twentieth centuries, a period in which the ability of a free market to sustain what Lord Beveridge called a 'prosperous equilibrium' was being questioned. If a private property based market tended to be unstable, or could, as Keynes argued (1973 [1936]), get stuck in an equilibrium with high unemployment, new liberals came to doubt that it was an adequate foundation for a stable, free society. Here the second factor comes into play : just as the new liberals were losing faith in the market, their faith in government as a means of supervising economic life was increasing. This was partly due to the experiences of the First World War. The third factor underlying the development of the new liberalism was probably the most fundamental : a growing conviction that, so far from being 'the guardian of every other right' (Ely, 1992: 26), property rights generated an unjust inequality of power that led to a less-then-equal liberty (typically, 'positive liberty') for the working class. This theme is central to contemporary American liberalism, which combines strong endorsement of civil and personal liberties with, at best, an indifference, and often enough an antipathy, to private ownership. Once again, the seeds of this newer liberalism can be found in Mill's *On Liberty*. Although Mill insisted that the 'so-called doctrine of Free Trade' rested on 'equally solid' grounds as did the 'principle of individual liberty' (1991 [1859]: 105), he nevertheless insisted that the justifications of personal and economic liberty were entirely distinect. And in his *Principles of Political Economy* Mill consistently emphasises that it is an open question whether personal liberty can flourish without private property, a position that Rawls was to reaffirm a century later.

The impact of the World War II enhanced the extent of state activity. 'In Great Britain the experience of a highly successful socialist command economy yielded the Beveridge Plan for a managed mixed economy, while in the Unitedd States war involvement entrenched the managerialist tendencies of the Roosevelt' (John Gray, Liberalism, p. 36). Even where the socialist ideology laid no direct or indirect impact, there developed a tendency favouring the growth of the activist state and mixed and regulated market, instead of a free one.

In Nozick's view the minimum state would exist only to protect the Lockean

rights, i.e., the rights to life, liberty, property, possessed by man in the state of nature. However Robert Nozick almost mentioned nothing about the financing of the minimum state. The most promissing alternative approach was offered by F.A. Hayek (The Road to Serfdom, 1944) and by the Public Choice School. Hayek warned against the adoption of socialist policies by the western nation and he suggested that these nations must travel along the classical liberal line. It added strength to the current neo-liberal thought, supporting the policy of minimum control on economic activities. Hayek tried to derive the basic liberal rights from a conception of justice that is procedural in nature. The basic rights, as conceived by Hayek and Rawls were based on justice, which in Kantian terms entrenches the autonomy of the individual.

Liberalism has always been subject to attack and criticism from different quarters, both intellectually and politically. Conservatism, socialism, collectivism and the like severely attacked the basic tenets of liberalism. Conservatives proclaimed that relations of authority are natural aspects of the natural form of social life. Conservative thinkers like de Maistre and Burke maintained that the elements of authority, loyalty, hierarchy and order are the central themes of political life, not the equality or liberty; they are particularists. Socialists favoured the progress towards a classless egalitarian society and like the Conservatives and unlike the liberals they mostly repudiated the abstract individualism.

1.4 Weberian Conceptualisation

A systematic theory of bureaucracy had been evolved by Max Weber as an extension of his notion of 'Ideal Type'. He conceived of bureaucracy as a formal organization, which evolved out of the larger considerations of socio-political and historical forces. The concept of legal domination centrered around a unique relation between the rulers and the ruled and this defined the position of the bureaucrats. The bureaucratic form, according to Weber, is the most efficient organizational form for large-scale, complex administration that has been developed under the conditions of a liberal democratic state.

In describing the legal—rational authority system, Weber noted six major principles.

1. A formal hierachical structure

Each level controls the level below and is controlled by the level above. A formal hierarchy is the basis of central planning and centralized decision making.

2. Management by rules

Controlling by rules allows decisions made at high levels to be executed consistently by all lower levels.

3. Organization by functional specialty

Every task of the organization is to be done by experts, and the basis of recruitment must depend on the principle of selecting 'right person for the right job'.

4. An "up-focused" or "in-focused" mission

If the mission is described as "up-focused", then the organization's purpose is to serve the stockholdes, the board, or whatever agency empowered it. If the mission is to serve the organization itself, and those within it, e.g., to produce high profits, to gain market share, or to produce a cash stream, then the mission is described as "in-focused".

5. Impersonality

The idea is to treat all employees equally and customers equally, and not be influenced by individual differences and personal value preferences or bias.

6. Security of tenure

There must be protection from arbitrary dismissal without any rational justification.

Defined rights and duties prescribed in written document, employment based on technical qualifications, merit or seniority based promotions, a career based on fixed salaries etc. are some of other principles prescribed in Weberian conceptualization of bureaucracy.

The bureaucratic form, according to Parkinson, has another attribute i.e., **Predisposition to grow in staff "above the line"**.

Weber failed to notice this, but C. N. Parkinson found it so common that he made it the basis of his humorous "Parkinson's law". Parkinson demonstrated

that the management and professional staff tend to grow at predictable rates, almost without regard to what the line organization is doing.

The bureaucratic form is so common that most people accept it as the normal way of organizing almost any endeavor. People in bureaucratic organizations generally blame the ugly side effects of bureaucracy on management, or the founders, or the owners, without awareness that the real cause is the organizing form.

Max Weber laid stress on the following elements of a Bureaucracy :

- Division of Labor
- Hierarchy of Authority
- Rules and Regulations
- Impersonality
- Career Orientation
- Clearly specified functions
- Unified control and disciplined functioning

According to Max Weber

- Bureaucracies are rational
- have chains of command
- maintain specification of authority;
- follow clear lines of responsiblity
- abides by the rules of impersonality
- emphasizes on productivity and record keeping

Bureaucracy as conceived by Max Weber is based on the notion (of) legal-rational authority, an authority that is acknowledged as legitimate being inherent in the administrators in the hierarchical structure.

At the hands of Weber, bureaucracy emerged as neutral, hierarchically organized, efficient and inevitable in contemporary society. This was the ideal type bureaucracy. In fact the ideal type is never actualized. The characteristics of bureaucracy were: precision, continuity discipline, strictness, and reliability and it is superior to any

other form of organization in precision, stability, maintenance of ciscipline and reliability. These characteristics made it technically the most efficient form of organization. Max Weber has defined bureaucracy in terms of its structural characteristics. It has some behaviourial traits. Bureaucracy has been viewed in terms of achievement of purposes.

Unit 2 ❑ Evolution of Liberal State : Beckground

History wits the evolution of the Nation-State in two phases :

- **transition from feudalism to the absolutist State** Serfs reproduced via their own lots replaced slaves. They enjoyed relative freedom - but were bound to the land. The system could be managed without large scale military.

- **transition from the absolutist state to the liberal State,** followed by the rise of towns.

Outside feudel order, hartered by King, ruled by Councils of Burghers. Towns paid taxes directly to the kings. Serfs who the manors found work in the cities. King used towns as power base – often abrogating the Laws of Return. Absolutist state required structural reform to replace the decentralized decision making of feudalism.

Evolution of modes of production from to mercantile and then mercantile to capitalistic one necessitated the growth of a centralized state system with a uniform legal structure. In course of tume manufacture became more important. Guilds became non aristocratic power structures. Growing urban population meant that agriculture had to be commercial. Trade began to open in the 14th century. King needed standing army.

Taxation was needed to support standing army. Standing army could be used to suppress nobles.

The Rise of Absolution and the Nation-State system could be attributed to the following events.

A. The Reformation and the Religious Wars

1517 Martin Luther in Wittenberg

1519-1531 Zwingli & Calvin

1533 Henty 8th-Divorce from Catherine of Aragon – Aunt of Chas V – of HRE

B. Reance and the Holy Roman Empire – MAP

1520 Charles V declared HRE – Defender of the Church in Austria, Hungary and German states.

1646-1547 Schmalkadan War – Protestant German Princes-revolt against the HRE – HRE wins.

1552 Second Schmalkadan Uprising – the time supported by Henry II of France – German Princes wins.

1555 Peace of Augsburg

1 Princes of Germany can choose their religion between Lutheranism and Catholicism – but not Calvinism.

2 Cujus Regio, ejus Religio – "the religion of the prince is the religion of the people".

3 Ecclesiastical Princes (define) lose there lands if they convert to Lutheranism.

4 Protestant princes retain land won-Calvinism entered German States – contrary to the terms of Augsburg.

1608 Elector of Palantine proposed Evangelical Union - to unite protestant states of HRE vs Hapsburgs.

Maximillian of Bavaria organized the Catholic League in opposition to Evangelical Union

C The thirty years were – 1618 – 1648, followed by the enactment of the TREATY OF WESTPHALIA (1648). The trealy maked the very first recognition of the secular state.

The 17th and 18th century saw the emergence of the "great powers" Europe.

1 Growth of Bureaucracy

2 Growth of Official Diplomacy – establishment of missions

3 Mervantilism

4 Empire Building – Mercantile Imperialism.

During this period capitalism required that private investors must invest their money. Mercantilism was found anti-capitalist. Absolute state meant that

investors had to get charter from monarchy. This idea had to be hanged giving place to the ideals of liberalism.

1 Freedom of choice

2 Equality among at least some set of competitive elites

3 Laissez Faire economy – keep your hands off

4 Self regulating economy

5 Participation in policy making – DEMOCRACY

6 Primacy of property rights

The democratic ethic arose from liberalism which led to the rise of secularist politics [absolutist states] arising out of the philosophis of enlightement followed by reformation in Europe. he idea of William of Occan (13th century) that freedom to purse a personal relations with God (Reformation) was emphasized. The notion of Enlishtenment that the freedom to pursec knowledge outside of the Church— i.e., knowledge of the world, not constituted by god found significationce. The value of freedom to constitute the political world separately from the religions was highlighted. The attribute of liberalism, the freedom to pursre Individual intersts without subordination to the state found expression. History again witnessed the outbrack of liberal revolutions:

First liberal revolution was USA – .17676

French Revolution 1789 French people overthrow their aristocracy.—

1793–England form coalision with Specin, Prussia and the nethrelands againrt France.

1795-Paris revolt put down by commander of Paris, Brigade, Napoleon.

Napoleon rewarded with Command of Fra Army in Italy.

The Libral states were formd of different parts of Europe.

Now the Bourgeoisie had enfrachisement, there were reforms in the conditions of the work the Bourgeoisie had enfranchisement, there are reforms in the conditions of the working class; role of the Nobels was reduced - & eliminated; interests of the states shifted from the "Passions" of the rulers to the "Interests" of the economy and its elite.

Unit 3 ❑ Democracy

Structure

1.1 Introduction

Democracy is more than a mere theory. It is a way of living. *A. d. Benoist rightly observes that* The highest measure of democracy is neither the 'extent of freedom' nor the 'extent of equality', but rather the highest measure of participation. *Abbie Hoffman says that* 'Democracy is not something you believe in or a place to hang your hat, but it's somethign you do. You participate. If you stop doing it, democracy crumbles.' *Abraham Lincoln narrates that* elections belong to the people. It is their decision. If they decide to turn their back on the fire and burn their behinds, then they will just have to sit on their blisters.' As I would not be a slave, so I would not be a master. This expresses my idea of democracy.' *Abroham Lincoln (1809-1865) defines quite approriately that* 'Democracy is the government of the people, by the people, for the people'.

Democracy, literally, is rule by the people (from the Greek domon, "people," and krotos, "rule"). This can be contrasted with oligarchy and autocracy, rule by a few people or a single person. The word "democracy" has acquired a highly positive connotation over the second half of the 20th century, to such an extent that even many dictatorships claim to be democratic and often hold pre-arranged show elections to garner legitimacy, both internally and internationally, Most contemporary political ideologies include at least nominal support for some kind of democracy,

Finally, democracy is used to describe a set of social patterens that are perceived as being associated with democracy. These patterns include various political rights and civil liberties, such as freedom of speech. A democracy in which these patterns occur is sometimes referred to specifically as a liberal democracy. However, there is no necessity that a democracy accomodate individual liberty, as in the case with illiberal democracies.

3.2 History of Democracy

The term "democracy" was coined in Ancient Greece in the 6th century BC. Athenian democracy is ofter seen as one of the earliest examples of a democratic system. However, only a monority of the adult male population of Athens could vote. Women, slaves, and metics were excluded. On the other hand, poor they were, all Athenian citizens were free to vote and speak in the Assembly. This is often seen as a form of direct democracy. But Athens also had representative leaders, most selected by allotment rather than elected. It has also been argued that some of the early Indian states were democracies.

3.3 20th century waves of democracy

20th century transitions to democracy have come in successive "waves of democracy", some associated with wars and revolutions. In some cases thre was as explicit imposition of democracy by external military force. Some view this as a form of liberation. World War I resulted in the creation of new nation-states

in Europe, most of them nominally democratic for example the Weimar Republic. It did not at first affect the existing democracies: France, Britain, Belgium and Switzerland kept their system of government. The rise of fascist movements, and fascist in Nazi Germany, Mussolini in Italy, Francisco Franco's regime in Spain and Antonio de Oliveira Salazar's regime in Portugal, Limited the extent of democracy in the 1930s, and gave the impression of an "Age of Dictators." The status of most colonies remained unaffected.

World War II brought a definitive reversal of this trend in western Europe. The occupation of Germany and its successful democratisation from above, served as a model for the later theory of regime change. However, most of Eastern Europe was forced into the non-democratic Soviet bloc. The war was followed by decolonisation, and again most of the new independent states had nominally democratic constitutions.

In the decades following World War II, most western democratic nations had a predominantly free-market economy and developed a welfar state, reflecting a general consensus among their electorates and political parties. In the 1950s and 1960s, economic growth was high in bth the western and communist countries, later it declined in the state-controlled economies. By 1960, the vast majority of nation-states were nominally democracies, although the majority of the world's populations lived in nations that experienced sham elections, and other forms of subterfuge (particularly in Communist nations.)

Subsequent waves of democratization broght substantial gains toward true liberal democracy for many nations. Economic malaise in the 1980s, along with resentment of communist oppression, contributed to the collapse of the Soviet Union, the associated end of the Cold War, and the democratisation and liberalisation of the former Soviet bloc countries. The most successful of the new democracies were those geographically and culturally closest to western Europe, and they are now members or candidate members of the European Union.

Much of Latin America and Sougheast Asia, Taiwan and S Korea and some Arab and African states—notably Lebanon and the Plaestinian Authoriry— moved towards greater liberal democracy in the 1990s and 2000s.

Freedom House argues that there was not a single libral democracy with universal suffrage in the world in 1900, but that in 2000 120 of the world's 192 nations, or 62% were such democracies. They count 25 nations, or 19% of the

world's nations with "restricted democratic practices" in 1900 and 16, or 8% of the world's nations today. They counted 19 constitutional monarchies in 1900, forming 14% of the world's nations, where a constitution limited the powers of the monarch, and with some power devolved to elected legislatures, and none in the present. Other nations had, and have, various forms of non-democratic rule.[3]

Their evaluations may be disputable: for example, New Zealand enacted universal suffrage in 1893. Freedom House omits that on the gound that New Zealand was not fully sovereign and due to certain restrictions on the Maori vote. Some states have changed their regimes after 2000, for example Nepal which has become a non-democracy after the government assumed emergency powers because of defeats in the Nepalese civil war.

The number of liberal democracies currently stands at an all-time high, and has been growing without interruption for some time. As such, it has been speculated that this trend may continue in the future to the point where liberal democratic nation-states become the inversal standard from of human society. This prediction forms the core of Francis Fukayama's "End of History" theory.

3.4 Forms of Democracy

Classically termed *pure democracy*, is a political system where the people vote on government decisions, such as questions of whether to approve or reject various laws. It is called *direct* because the power of making decisions is exercised by the people directly, without intermediaries or representatives. Historically, this form of government has been rare, due to the difficulties of getting all the people of a certain territory in one place for the purpose of voting. All direct democracies to date have been relatively small communities; usually city-states. The most notable was the ancient Athenian democracy, where voting is used to decide policy directly without intermediaries.

All modern democratic states are *representative democracies*, where free and open electrions are used to select representatives who then manage all or most of the public policy of the society. Representative democracy is so named because the people do not vote on most government decisions directly, but select representatives to a governing body or assembly. Representives may be chosen by the electorate

as a whole (as in many proportional systems) or represent a paricular subset (usually a geographic district or constituency), with some systems using a combination of the two. This form of government has become increasingly common in recent times, and the number of representative democracies experienced such explosive growth during the 20th century so that the majority of the world's population now lives under representative democratic regimes.

Liberal democracy is a type of representative democracy where the power of the government is limited by the rule of law and separation of powers, while the people are guaranteed certain inviolable liberties and rights. Illiberal democracy is a type of representative democracy where there are no or only weak limits on the power of the elected representatives to rule as they please.

In common usage, democracy is often understood to be the same as *liberal democracy*. Liberal democracy is, strictly speaking, a form of representative democracy where the political power of the government is moderated by a constitution which protects the rights and freedoms of individuals and minorities (also calld constitutional liberalism). The constitution therefore places constraints on the extent to which the will of the majority can be exercised. An illiberal democracy is a democracy where these rights and freedoms are not repected. Note that some liberal democracies have emergency powers which can make them temporarily less liberal, if applied (by the executive, parliament, or via referenda).

The term "liberal" in "liberal democracy" does not imply that the government of such a democracy must follow the political ideology of liberalism. It is merely a reference to the fact that the initial framework for modern liberal democracy was created by liberals of the late 18th and early 19th centuries. Since then, many non-liberals have given their support to liberal democracy—and, indeed, contributed to its growth.

Liberal democracy is sometimes the de facto form of government, while other forms are technically the case; for example, Canada has a monarchy, but is in fact ruled by a democratically elected Parliament. In the United Kingdom, the sovereign is the hereditary monarch, but the de facto (legislative) sovereign is the people, via their elected representatives in Parliament, hence a democracy.

Although they are not a system of government as such, it is now common to include aspects of society among the defining criteria of a liberal democracy. The presence of a middle class, and a broad and flourishing civil society are often

seen as pre-conditions for liberal democracy.

Western support for democratisation is almost always associated with support for a market economy. In western countries, they do seem inseparable, but that is a geographically and historically limited view. China, which is not a liberal democracy, contains elements of a market economy. Many free-market proponents believe that the emergence of capitalism pre-dates the emergence of democracy, which leads some theorists to conclude that there is a historical sequence at work, and that market economics is not only a precondition, but will ultimately *ensure* the transition to democracy, in cuntries such as china. However, many Marxists and socialists say that capitalism and true democracy are at best unrelated and at worst contradictory.

The most liberal of the many criteria now used to define liberal democracy, or simply "democracy", is the requirement for political pluralism, which is ususally defined as the presence of multiple and distinct political parties. The liberal-democratic political process should be *competitive*, and analogies with economic markets are often used in this context.

The liberal-democratic constitution defines the democratic character of the state. In the American political tradition, the purpose of a constitution is often seen as a limit on the authority of the government, and American ideas of liberal democracy are influenced by this. They emphasise the separation of powers, an independent judiciary, and a system of checks and balances between branches of government. European constitutional liberalism is more likely to emphasies the *Rechtsstaat*, usually translated as rule of law, although it implies a specific form of state or regime.

Liberal democracy is also defined by universal suffrage, granting all citizens the right to vote regardless of race, gender or property ownership. However, the universality is relative: many countries regarded as democratic have practised various forms of exclusion from suffrage, or demand further qualifications (except for being a citizen), like a registration procedure to be allowed to vote. Voting rights are limited to those who are above a certain agg, typically 18. In any case, decisions taken through elections are taken not by all of the citizens, but rather by those who shoose to participate by voting.

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Libera democracies also tend to be characterized by tolerance and pluralism; widely differing social and political views, even those viewed as extreme or finge, are permitted to co-exist and compete for political power on a democratic basis, although this rarely occurs in practice due to public rejection of radical agendas that seek to overthrow liberal democracy. Liberal democracies periodically hold elections where groups with differing political views have the opportunity to achieve political power.

Liberal freedoms : The most often quoted criteria for liberal democracy take the form of specific rights and freedoms. They were originally considered essential for the functioning of a liberal democracy, but they have acquired such prominence in its definition, that many people now think they are democracy. Since no state wants to admit it is "unfree", and since its enemies may be depicted as 'tyrannies' by its propagandists, they are also usually contested.

- Right ot life and security of person.
- Freedom from slavery.
- Freedom of movement.
- Equality before the law and due process under the rule of law.
- Freedom of speech.
- Freedom of the press and access to alternative information sources.
- Freedom of association and assembly.
- Freedom of education.
- Freedom of religion.
- An independent judiciary.
- The right to own property, and to buy and sell the same, is often seen as a liberal freedom bound up with the above, though this is a very hotly contested proposition.

In practice, democracies do have specific limits on specific freedoms. For example, laws against defamation limit certain types of speech. There may also be limits on antidemocratic speech, on attempts to undermine human rights, and on the promotion or justification of terrorism. In the United States, during the Cold War, such restrictions frequently targeted Communists. Now, they are more commonly applied to Islamist organizations perceived as promoting terrorism, or to racist groups, In many democracies, some Islamist media face speech restrictions, exemplified by censorship of satellite brodcasting in France, and also by proposed bans on some Islamist websites in several countries. Most democracies have procedures to ban suspected terrorist organisations, sometimes, crities claim, without a prior judicial procedure. The European Union has an official list of banned organisations, which critics claim overrides the freedom of association in the European Convention on Human Rights and th national constitutions.

The common justification for these limits is that they are necessary to guarantee the existence of democracy, or the existence of the freedoms themselves. For example, allowing free speech for those advocating mass murder undermines the right to life and security. Opinion is divided on how far democracy can extend, to include the enemies of democracy in the democratic process. If relatively small numbers of people are excluded from such freedoms for these reasons, a country may still be seen as a liberal democracy. Some argue that this is not qualitatively different from autocracies that persecutes opponents, but only quantitatively different, since only a small number of people are affected and the restrictions are less severe. Others emphasize that democracies are different. At least in theory, also opponents of democracy are allowed due process under the rule of law. In principle, democracies allow critic and change of the leaders and the political and economic system itself; it is only attempts to do so violently and promotion of such violence that is prohibited.

Western support for democratisation is almost always associated with supposrt for a market economy. In western countries, they do seem inseparable, but that is a geographically and historically limited view. China, which is not a liberal democracy, contains elements of a market economy. many free-market proponents believe that the emergence of capitalism pre-dates the emergence of democracy, which leads some theorists to conclude that there is a historical sequence at work, and that market economics is not only a precondition, but will ultimately *ensure* the transition to democracy, in countries such as China. However, many Marxists

and socialists say that capitalism and true democracy are at best unrelated and at worst contradictory.

3.5 Illibral Democracy

An illibral democracy is a political system where democratic elections exist, and the government is elected by a democratic majority, but is not restrained from encroaching on the liberty of individuals, or minorities. This may be due to a lack of constitutional limitations on the power of the elected executive, or violations of the existing legal limitations. The experience in some post-Soviet states drew attention to the phenomenon, although it is not of recent origin. Some critics of illibral regimes now suggest that the rule of law should take precedence over democracy, implying a *de facto* Western acceptance of what are called "liberalised autocracies."

3.6 Four Conceptions of Democracy

Among political theorists, there are at least four major contending conceptions of democracy.

On one account, called **minimalism**, democracy is a system of government in which citizens given terms of political leaders the right to rule in periodic electrions. According to this minimalist conception, citizens cannot and should not "rule" because on most issues, most of time, they have no clear views or their views are not very intelligent. Joseph Schumpeter articulated this view most famously in his book *Compitalism, Socicalism, and Democracy*[4]. Contemporary proponents of minimalism include William Riker, Adam Przeworksi, and Richard Posner.

A second view is called the **aggregative conception of democracy**. It holds that government should be a system that produces laws and policies that conform to the vector-sum of citizens' preferneces. A good democratic goverment is one that produces laws and policies that are close to the views of the median vecter — with half to his left and the other half to his right. Anthony Downs laid out this view in his 1957 book *An Economic Theory of Democracy*.

A third conception, **deliberative democracy**, is based on the notion that democracy is government by discussion. Deliberative democrats contend that lews and policies should be based upon reasons that all citizens can accept. The political arena should be one in Which leaders and citizens make arguments, listen, and change their minds.

Participatory democracy, a fourth conception, holds that citizens should participate directly, not through their representatives, in making laws and policies. Proponents of participatory democracy offer varied reasons to support this view. Political activity can be valuable in itself, it socializes and educated citizens, and popular participation can cheek powerful elites, Most importantly, citizens do not really rule themselves unless they directly decide laws and policies.

3.7 Political Legitimacy and Democratic Culture

For countries without a strong tradition of democratic majority rule, the introduction of free elections alone has rarely been sufficient to achieve a transition from dictatorship to democracry; a wider shift in the political culture and gradual formation of the institutions of democratic government are needed. There are various examples (i.e., Revolutionary France, modern Uganda and Iran) of countries tht were able to sustain democracy only in limited form until wider cultural changes coocurred to allowtrue majority rule.

One of the key aspects of democratic culture is the concept of a "loyal opposition". This is an especially difficult cultural shift to achieve in nations where uransitions of power have historically taken place through violence. The term means, in essence, that all sides in a democracy share a common commitment to its basic values. Political competitors may disagree, but they must tolerate one another and acknowledge the legitimate and important roles that each play. The ground rules of the society must encourage tolerance and civility in public debate. In such a society, the losers accept the judgment of the voters when the election is over, and allow for the peaceful transfer of power. The losers are safe in the knowledge that they will neither lose their lives not their liberty, and will continue to participate in public life. They are loyal not to the specific policies of the government, but to the funcamental legitimacy of the state and to the democratic process itself.

3.8 "Democracy" vs. "Republic"

The definition of the word "democracy" from the time of ancient. Greece up to now has not been constant. In contemporary usage, the term "democracy" refers to a government chosen by the people, whether it is direct or representative.

In constitutional theory and in historical usages and especially when considering the works of the Founding Fathers of the United States, the word "democracy" refers solely to direct democracy (traditionally called pure democracy), whilst a representative democracy where representatives of the people govern in accordance with a constitution is referred to as a constitutional republic. Using the term "democracy" to refer solely to direct democracy retains some popularity in United States conservative and Libertarian debate.

The original framers of the United States Constitution were notebly cognizant of what they perceived as a danger of majority rule in opperssing freedom of the individual. For example, James Madison, in Federalist Paper No. 10 advocates a consitutional republic over a democracy precisely to protect the individual from the majority.[6] However, at the same time, the framers carefully created democratic institutions and major open society reforms within the United States Constitution and the United States Bill of Rights. They kept what they believed were the best elements of democracy, but mitigated by a constitution with protections for individual liberty, a balance of power, and a layered federal structure.

Modern definitions of the term "republic", however, refer to any state with an elective head of state serving for a limited term, in contrast to most contemporary hereditary monarchies which are representative democracies and contitutional monarchies adhering to parliamentarism. Older elective monarchies are also not considered to be republics.

3.9 The Democratic State

Though there remains some philosophical debate as to the applicability and legitimacy of crieria in defining democracy (see philosopher Charles Blattberg, *From Pluralist to Patriotic Politics : Putting Practice First*, Oxford and Nw York: Oxford

University Press, 2000, ch. 5. ISBN 0-19-829688-6) what follows may be a minimum of requirements for a state to be considered democratic (note that for example anarchists may support a form of democracy but not a state):

- That there is a *demos*, a group which makes political decisions by some form of collective procedure. Non-members of the demos do not participate. In modern democracies the demos is the adult portion of the nation, and adult citizenship is usually equivalent to membership.
- That there is a *territory* where the decisions apply, and where the demos is resident. In modern democracies, the territory is the nation-state, and since this corresponds (in theory) with the homeland of the nation, the demos and the reach of the democratic process neatly coincide. Colonies of democracies are not considered demociatic by themselves, if they are governed from the colonial motherland: demos and territory do not coincide.
- That there is a *decision-making procedure*, which is either direct, in instances such as a referendum, or indirect, of which instances include the election of a parliament.
- That the procedure is regarded as *legitimate* by the demos, implying that its outcome will be accepted. Political legitimacy is the willingness of the popultion to accept decisions of the state, its government and courts, which go against persoanl choices or interests. It is especially relevant for democracies, since elections have both winners and losers.
- That, in the case of nation-states, the state must be sovereign: democratic elections are pointless if an outside authority can overrul the result.

The presidential system of democratic government has become popular in Latin America, Africa, and parts of the former Soviet Union, largely by the example of the United States. Constitutional monarchies (dominated by elected parliaments) are popular in Northern Europe and some former colonies which peacefully separated, such as Australia and Canada. Others have also arisen in Spain, East Asia, and Variety of small nations around the world. Former British territories such as South Africa, India, Ireland, and the United States opted for different forms at the time of independence. The parliamentary system is popular in the European Union and neighboring countries.

Officially non-democratic forms of government, such as single-pary states and dictatorships are more common in East Asia, the Middle East, and North Africa.

Freedom House considers many of the officially democratic governments in Africa and the former Soviet Union to be undemocratic in practice, usually because the sitting governement has a strong influence over election outcomes. Many of these countries are in a state of considerable flux.

3.10 Dissent

Anarchists oppose the actually existing democratic sttes, like all other forms of state government, as inherently corrup and coercive. For example, Alexander Berkman[8] refused to recognize the Commonwealth of Pennsylvania enough to defend hmself at his trial. Many social anarchists tend to support a non-hierachical and non-coercive system of direct democracy within free associations. As may be expected among anarchists, there is disagreement.

Some Individualist anarchists are vocal opponents of all or some forms of democracy. Benjamin Tucker said, "Rule is evil, and it is none the better for being majority rule... What is the ballot? It is neither more nor less than a paper representative of the bayonet, the billy, and the bullet. It is a labor saving device for ascertaining on which saide force lies and bowing to the inevitable. The voice of the majority saves bloodhsed, but it is no less the arbitrament of force than is the decree of the most aboslute of despots backed by the most powerful fo armies."[9] Pierre-Joseph proudhon says, "Democracy is nothing but the Tyranny of Majorities, the most abominable tyranny f all, for it is not based on the authority of a religion, not upon the notbility of a race, not on the merits of talents and of riches. It merely rests upon numbers and hides behind the name of the people."[10] According to Robert Graham, "in *General Idea of the Revolution* Proudhon ostensible rejects both unanimous and majoritarian direct democracy. Read more closely, however, his criticisms can be confined to national forms of direct democracy designed to replace representative government but which will effectively perform the same political function." He saus, that for Proudhon a "person is only obligated to do that which he has freely undertaken to do" and therefore, the "only form of direct democracy compatible with this conception of obligation is one in which

it is recognized that a minority which has refused to consent to a majority decision has assumed no obligaton to abide by it. Majority decisions are not binding on the minority. Any agreement to the contrary would itself be invalid because it would reuqire the minority to forfeir its autonomy and substantive freedom."[11] Central to Prodhon's national of contract is the idea of self assumed obligation. Hence, Prodhon's opposition to Rousseau's social contract. He says, "What really is the Social Contract? An agreement of the citizen with the government? No, that would mean but the continuation of [Rousseau's] idea...The social contract is an agreement of man with man...by which man and man declare themselves essentially producers, and abdicate all pretension to govern each other."[12] Some far right and monarchist groups also oppose democracy.

3.11 Advantages and Disadvantages of Democracy

Crities of democracy as a form of goverment allege it has inherent disadvantages, both in practice and by its very nature. Some of these may be shared by some or all other forms of government, while others may be unique to democracy.

1. Ethnic and Religious Conflicts

For historical reasons, many sttes are not culturally and ethnically homogeneous. There may be sharp ethnic, linguistic, religious and cultural divisions. In fact, some groups may be actively hostile to each other. A democracy, which by definition allows mass participation in decision-making theoretically also allows the use of the political process against 'enemy' groups. That may be especially visible during democratisation, if the previous non-democratic government oppressed certain groups. It is lso visible in established democracies, in the form of anti-immigrant populism. However, arguably the worst repressions have occurred in states without universal suffrage, like apartheid South Africa and Nazi Germany.

The collapse of the Soviet Union and the partial democratisation of Soviet bloc states was followed by wars and civil war in the former Yugoslavia, in the Caucasus, and in Moldova. Nevertheless, statistical research shows that the fall of Communism and the increase in the number of democratic states were accompanied by a sudden and dramatic decline in total warfare, interstate wars, ethnic wars, revolutionary wars, and the number of refugees and displaced people.[13] See also

the section below on Majoritarianism and Democratic peace theory. The Greeks start the democracy.

2. Bureaucracy

A persistent libertarian and monarchist critique of democracy is the claim that it encourages the elected representatives to change the law without necessity, and in particular to pour forth a flood of new laws. This is seen as permicious in several ways. New laws constrict the scope of what were previously private liberties. Rapidly changing laws make it difficult for a willing non-specialist to remain law-abiding. This may be an invitation for law-enforcement agencies to misuse power. The claimed continual complication of the law may be contrary to a climed simple and eternal natural law-although there is no consensus on what this natural law is, even among advocates. Supporters of democracy point to the complex bureaucracy and regulations that has occurred in dictatorships, like many of the former Communist states. Democracies are also criticised for a claimd slowness and complexity of their decisions making.

3. Short-term focus

Modern liberal democracies, by definition, allow for regular changes of government. That has led to a common critism of their short-term focus. In four or five years the government will face a new election, and it must think of how it will win that election. That would encourage a preference for policies that will bring short term benefits to the electorate (or to self-interested politicians) before the next election, rather than unpopular policy with longer term benefits. This criticism assumes that it is possible to make long term predictions for a society, something Karl Popper has criticized as historicism. Besides the regular review of governing entities, short-term focus in a democracy could also be the result of collective short-term thinking. For example, consider a campaign for policies aimed at reducing environmental damage while causing temporary increase in unemployment. However, this risk applies also to other political systems.

4. Plutocracy

The cost of political campaigning in representative democracies may mean that the system favours the rich, a form of plutocracy who may be a very small minority of the voters. In athenian democracy, some public offices were randomly allocated to citizens, in order to inhibit the effects of plutocracy. Modern democracy

may also be regarded as a dishonest farce used to keep the masses from getting restless, or a conspiracy for making them restless for some political agenda. It may encourage candidates to make deals with wealthy supporters, offering favorable legislation if the candidate is elected-perpetuating conspiracies for monopolization of key areas. However, United States economist Steven Levitt claims in his book Freakonomics, that campaign spending is no guarantee of electoral success. He compared electoral success of the same pair of candidates running against one another repeatedly for the same job, as often happens in United States Congressional elections, where spending levels varied. He concludes:

> "A winning candidate can cut his spending in half and lose only I percent of the vote. Meanwhile, a losing candidate who doubles his spending can expect to shift the vote in his favor by only that same I percent."

Ownership of the media by the few may lead to more specific distortion of the electoral process, since the media are themselves a vital element of that process. Some critics argue that criticism of the status quo or a particular agenda tends to be suppressed by such media cartels, to protect their own self-interests. Proponents respond that cosntitutionally protected freedom of speech makes it possible for both for-profit and non-profit organizations to debate the issues. They argue that media coverage in democracies simply reflects public preferences, and does not entail censorship.

5. Lack of Political Stability

One argument for democracy is that by creating a system where the public can remove administrations, without changing the legal basis for government, democracy aims at reducing political uncertainty and instability, and assuring citizens that however much they may disagree with present policies, they will be given a regular chance to change those who are in power, or change policies with which they disagree. This is preferable to a system where political change takes place through violence.

Some think that political stability may be considered as excessive when the group in power remains the same for an extended period of time. On the other hand, this is more common in nondemocracies.

6. Effective Response in Emergency

A pluralist democracy, by definition, implies that power is not concentrated.

One criticism is that this could be a disadvantage for a state in wartime, when a fast and unified reponse is necessary. The legislature usually must give consent before the start of an offensive military operation, although sometimes the executive can do this on its own while keeping the legislature informed. If the democracy is attacked, no consent is usually required for defensive operations. The peole may vote against a conscription army. Monarchies and dictatorships can in theory, act immediately and forcefully.

However, actual research shows that democracies are more likely to win wars than non-democracies. One explanation attributes this primarily to "the transparency of the polities, and the stability of their preferences, once determined" by which "democracies are better able to cooperate with thier partners in the conduct of wars." Other research attributes this to superior mobilisation or resources, or selection of wars with a high chance of winning.[14]

7. Corruption

Research by the World Bank suggests that policical institutions are extremely important in determining the prevalence of corruption: democracy, parliamentary systems, political stability, and freedom of the press are all associated with lower corruption.[15]

8. Poverty and famine

Statistically more democracy correlates with a higher gross domestic product (GDP) per capita, a higher score on the human development index and a lower score on the human poverty index. However, there is disagreement regarding how much credit the democratic system can take for this. One observation is that democracy became widespread only after the industrial revolution and the introduction of capitalism, following the increase in economic growth and in turn increase in general prosperity, reduced poverty. There are individual exceptions like India, which is democratic but arguably not prosperous or Brunei, which has a high GDP but has never been democratic. One objection might b that nations like Sweden and Canada today score just below nations like Chile and Estonia on economic freedom but that Sweden and Canada today have a hgher GDP per capita. However, this is a misunderstanding. the studies indicate effect on economic growth and thus that future GDP per capita will be higher with higher economic freedom. It should also be noted that Sweden and Canada are among the world's most capitalist nations according to the index, due to factors such as strong rule of law, strong property

rights, and few restrictions against free trade. Critics might argue that the Index of Economic Freedon and other methods used does not measure the degree of capitatlism. preferring some other definition.

Even if economic growth has caused democratization in the past, it may not do so in the future. Some evidence suggests that savvy autocrats may have learned how to cut the cord between growth and freedom, enjoying the benefits of the former without the risks of the latter. A prominent economist, Amartya Sen, has noted that no functioning democracy has even suffered a large scale famine. This includes democracies that have not been very prosperous historically, like India, which had its last great famine in 1943 and many other large scale famines before that in the late nineteenth century, all under British rule. However, some others ascribe the Bengal famine of 1943 to the effects of World war II. The government of India had been becoming progressively more democratic for years. Provincial government had been entirely so since the Government of Inida Act of 1935.

3.12 References

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Unit 4 ❑ The New Managerialist State

Structure

4.1 The New Managerilist State

During the 1980s, Thatcherite ideology affected 'the real world' through the practices of management. Apparently simply a neutral social technology. 'The New Managerialism' is really the vehicle by means of which neo-liberal ideas actually inform institutional practices. In New Labour's case, in the public sector, this is via the so-called New Public Management approach. This involves the marketization of the State's governing and administrative practices, the transformation of public service individuals into 'entrepreneurial subjects' and the adaptation of the mchinery of state to the mission of 'entrepreneurial governance'. Central to this reconstruction of governance and the state is the enthusiastic adopter of a 'Public Choice' apprpach to the public sector. This shifts the balance of incentives from input to output, and in Britain in the 1980s led to the contracting cut of services, the spread of internal markets and outring privatization. It is the main source of the drive to re-constitute citizens as consumers.

'Choice' now becomes one of the key 'modern' values in Tony Blair's discourse also. Actually, there is no identified yardstick of public demand for marked choice in the system. Undoubtedly, many people would quite like to be able to choose a good secondary school for their children and an efficient hospital to be ill in, wherever they live and however rich or poor they may be - a quite different matter. Choice enhances quality of provision for the poorest, helping to tackle inequalities while it also strengthens middle class commitment to collective provision'; the purpose of public service reform was to deliver in a modern, consumer-focused fashion. As Catherine Needham rightly observed, 'ministers have begun to steo back from the explicit language of consumerism and competition, while still

continuing to endorse the principles behind them' (*Citizen-Consumers*, p25).

The New Public management 'empoers' civil servants to abandon the principles of political impartality and, like private-sector CEOs, 'take ownership' of there sectors, in a more 'agency-driven' style. It replaces professional judgment and control by the wholesale importation of micro-management practices of audit, inspection, monitoring, efficiency and value-for money, despite the fact that nither their public role nor their public interest objectives can be adequately re-framed in this way. For this purpose, an army of managers is required, who know little of the content of their field, but know everything about strategies of managerial control - and a regiment of consultants to advise clients how to 'creatively' fudge their monitors. More widely, it fosters the concerted drive to introduce corporate business leaders into every sector of public life in order to spread a climate favourable to 'entrepreneurialism'. As the private corporations and advisers on loan from business become more and more practically entrenched at the centre of government, and their representatives actively 'volunteered' at more local levels, so 'the corporate enterprise' itself becomes progressively the new model of the state.

The state's 'educative' function combines intensive micro-management and centrlisation of targets with more streategic interventions exercised culturally and at a distance. The latter is a neo-Foucauldian, 'governmentality' approach - controlling behaviour and outcomes not by direct constraints but through the consent and freedom of individuals. This approach does not require a mass conversion to entrepreneurial values. Instead, knowing that individuals can occupy various subject positions, the New Managerialism aims to re-produce all of us in the new position of practising 'enterpreeurial subjects', by dostering certain 'capacities' while down-grading others, shifting individual behaviour indirectly by altering the environment in which people work, and operationalising new values by 'modernising' old practices. The wider point is to inculcate in the population at large a new *habitus* ('culture-change'): making into a new kind of common sense those habits and practices which the new 'free-market', consumer-focused conception of 'governance' requires. This approach is effective well outside the machinery of state. Slowly but surely, everybody becomes his/her own kind of 'manager'. The market and market criteria become entrenched as the *modus operandi* of 'governance' and institutional life. Media commentators and the press concentate on the issue. They may object to this or that pices of New Labour-centralised 'managerialism', but

seem unable to place the logic from which these arise. Democracy has long since faded as a practical ideal. Except in the banal form of liberal-democracy, Tony Blair has not had a single thought on the subject over two terms in government. The general public seems to have swallowed this managerialist discourse whole.

The passing-off of market fundamentalism as the new common sense has helped to drive home the critical lesson which underpins the 'reform' of the welfare state: the role of the state nowadays is not to support the less fortunate or powerful in a societ which naturally produces huge inequalities of wealth, power and opportunity, but to help individuals themselves to provide for all their social needs - health, education, environmental, travel, housing, parenting, security in unemployment, pensions in old age, etc., the main recipient being the new middle-class majority. The rest must also be targeted. This now referred to as 'the two-tier society'. However, it is manifestly the lynchpin of public sector 'modernisation'. It sounds the death-knell to the old notion of 'the public realm', the social conception of the individual and the basic-democratic idea of collective provision. Ot *combines* economic neo-liberalism with a commitment to active government.

More significantly its grim alignment with the broad, global interest and values of corporate capital and power, the neo-liberal project is paralleled by another, subaltern programme, of a more social-democratic kind, running alongside. however, one strand the neo-liberal - is in the dominant position. The opther strand - the social democratic - is subordinate. What's more, its hybrid character is not simply a static formation; it is the process which combines the two elments which matters. The process is 'transformist. The latter always remains subordinate to and dependent on the former, and is constantly being transformed into the former, dominant one.

To explain it in terms of Britain, it reveals New Labour's double character. The political scientist Andrew Gamble long ago pointed out that left parites in government are often subject to contrary pulls - one towards realising their governmental programme, the other towards doing what is necessary to win electoral support and hold on to power. These frequently conflict. New Labour's subaltern programme is driven by the second of those imperatives. It is the necessary 'cost' of maintaining loyalty amongst its traditional supporters, whilst it govefnmental project favours a quite different set of interests. This is not necessarily just opportunistic calculation. Many Labour MPs have persuaded themselves that New Labour is still fundamentally attached to 'old' Labour values, which will somehow

eventually reassert themselves; and the Blair government itself defends its massive departures from these old values by rhetorically 'spinning' its verbal continuity with them. It must therfore find space in its programme to address these subordinate pressures and constituencies - provided they are not allowed to de-rail the progress towards a more developed market state.

There is another consideration. The full-blown neo-liberal drive to the market state in Thatcherism had its costs. Its brutalism antagonised many in society, including some of its original supporters. But moving to the full blown market state via a subordinated social-democratic route has the advantage of addressing some of the problems of the residuals and losers - those who are likely to benefit least from the neo-liberal route. It is authentically a 'hegemonic' strategy, even though it may not be capable of producing a stable hegemonic outsome. It aims to wil enough consent to build subordinate demands back into its dominant logic. The social-democratic route to neo-liberalism may turn out in the end to be what Lenin might have called 'the best shell' for global captitalism.

This subordinate part of the New Labour programme involves a certain measure of indirect taxation and redistribution, reforms like the minimum wage, family tax credits, inducements to return to work, in the second term, to build up of concern about the delivery of public services, including a substantial injection of public funds into health and education. Public service delivery in the second term is really the key as to understanding how this hybrid New Managerialist regime functions. New Managerialism is now committed to improving the delivery of public services. But its means of achieving this are impeccably 'new managerialist'. It has adopted the top-down managerialist approach of centralised control, supplemented by the rich panoply of 'the audit culture': the exponential expansion of public service r anagers over professionals at the coal face; unachieable targets; socially uniformative league tables; perpetual montitoring; moralistic 'shaming'; the merciles proliferation of pointless bireaucratic detail; the introduction of selectivity under the guise of 'diversity', vulgar hectoring by public sector ministers re-trained in the new managerialist approach. Every change in the public sector *must* be accompanied by a further tightening of the 'modernising' screw. The government knows that the price which must be paid for this is 'more modernisation'.

The kind of 'reform' implied must meet the following criteria:

(a) it must open the door to private investment or blur the public/private distinction;

(b) it must meet market criteria of efficiency and value-for-money;

(c) it must put managerial authority in command;

(d) it must reform working practices in a less collective, more individualised direction;

(e) it must stimulate competition and divide workers by introducing incentive pay schemes and undermining collective bargaining;

(f) it must weaken the bargaining power the unions;

(g) it must reduce the size of the workforce and the cost of the service;

(h) it must hold public sector pay in line well behind the private sector;

(i) the service must be remodelled along 'two-tier' lines by introducing selectivity.

In short, marketisation and privatiosation, whether forntally or incrementally introduced, is what 'reform' now *means*.

New Labor 'hybridisation' has its political antecedents. Its immediate ancestor is Clintonian regime. Clinton borrowed from the Democrats, borrowed from the Republicans, and moved the whole wagon-train further towards the market. The essence of this 'transformism' game depends in pulling selectively, and in an ordered hierarchy, from opposing political repertoires, maintaining a double-address to their different public. It delivers what Philip Bobbit calls 'the market state', or, more simply. a '*social democratic variant of neo-liberalism*' (in exactly the same way that Thatcherism delivered a 'neo-liberal variant' of classic Conservations). It is a sign of the reduction of politics to public relations and the mainpulation of public opinion.

The reduction of the citizen to consumer, and the 'privatization of need' a the centre of the market model, are thus the absolutely crucial but unspoken foundations to this managerialist approach. It is not a passive victim of sociological change but an active agent in its unraveling. It's simply one more 'market response to consumer demand.

'Enterpreneurial governance', its advocates advise, promotes competition between service providers, favours the shift from bureaucracy to 'community', focuses not on inputs but on outcomes (deliver), redefines clients as consumers, de-centralises authority through 'participatory management', and prefers market

mechanisms to administrative ones)Osborn and Gaebler, quoted in Du Gay, p13). Its neo-liberal origins are hard to disguise. Far from breaking with neo-liberalism, 'entrepreneuril governece' constitutes its continuation - but in a transiformed way. 'To govern better the state is to govern less but more "entrepreneurially" (Du Gay).

The entrenched neo-liberal orthodoxy is that only the private sector is 'efficient' in a measurable way. The public sector is, by definition, 'inefficient' and out of date, partly because it has social objectives beyond ceonomic efficiency and value-for-money. It can only save itself by becoming more like the market. This is the true meaning of 'modernisation'. Public sector workers who oppose this drift are represented as immured in the past, seriously 'out of date' and therefore 'the enemy within'. They too must be 'modernised'. Of course, in fact they are grossly under-rewarded in relation to the private sector, and deeply excluded as partners in the drive to improve the services they actually deliver - the objects, but never the subjects, of 'reform'. The whole concept of 'the public interest' and 'the public good' has collapsed. The proposition that markets are the only measure of 'the social good' - advanced by Hayek, adopted by Mrs Thatcher and reivented by New Labour - has been swallowed, hook, line and sinker. Marketisation is now installed in every sphere of government. This silent revolution in 'governance' seamlessly connects Thatcherism to New Managerialist approach. Meanwhile, the whole concept of 'the public interest' and 'the public good' has colloapsed. It to has been declared obsolete. The proposition that markets are the only measure of 'the social good' - advanced by Hayek, was adopted by Mrs Thatcher and reinvented by New Labour. marketisation is now installed in every sphere of government.

4.2 Impact of the Managerialist Approach in terms of Great Britain

Stuart Hall *looks at key elements in New Labour's strategic adaptation of the neo-liberal agenda.*

The Labour election victory in 1997 took place at a moment of great political opportunity. Thatcherism had been decisively rejected by the electorate. But 18 years of Thatcherite rule had radically altered the social, economic and political

terrain in British society. There was therefore a fundamental choice of directions for the incoming government.

One ws to offer an alternative radical strategy to Thatcherism, attund to the shifts which had occurred in the 1970s and 1980s; with equal social and political depth, but based on radically different principles. Two basic calculations supported this view. What thatcherism seemed to have ruled out was both another bout of Keynesian welfare-state social democracy, Wilsonian-style, and another instalment of old-style nationalisation. More significantly, Thatcherism had evolved not just an effective occupancy of power, but a broad hegemonic basis for its authority. This 'revolution' had deep philosophical foundations as well as an effective popular strategy. It was grounded in a radical remodelling of state and economy and the 'colonising' of civil society by a new neo-liberal common-sense.

The 'globalisation' of the international economy, the technological revolution and the rise of a new individualism and the hegemony of neo-liberal free-market ideas paved the way for a sea-change which overtook the world in the 1970s. It still constitutes the 'horizon' which everybody - including the laft-in required to address.

The other choice was, of course, to adapt to Thatcherite/neo-liberal terrain. In a progound sense, New Labour has adapted to neo-liberal terrain in a significant and distinctive way. It s critics are still not sufficiently clear about what the nature of that adaptaion is. The fatal decision is to follow Conservative spending priotities and commitments, the sneering renunciation of redistribution)'tax and spend!'), the demonization of its critics)'Old Labour!'), the new ethos of managerial authoritarianism ('We know that we are right'), the quasi-religious air of righteous conviction ('Either for us or against us'), the reversal of the hsitoric commitment to equality, universality and collective social provision.

The welfare stte had been Labour's greatest achievement, then savaged and weakened under Mrs Thatcher. Its de-construction was to be New Labour's historic mission. The two-tier society, corporate greed and the privatisation of need were inevitable corollaries. This was glossed positively as 'modernisation'. The Prime Minister's recent claims that New Labour's reforms of schools and hospitals (i.e. the re-introduction of selectivity and creeping privatisation) are 'firmly within Labour's historic battle for social justice'. This is claimed to have given importance to communities rather than to open the door to private investment. New Labour

does have a long-term strategy, 'a project': what Antonio Gramsci called the 'transformism' of social democracy into a particular variant of free-market neo-liberalism. Pragmatism is the flexible, crafty, incremental implementation of a strategic programme. However, new Labour has adapted the fundamental new-liberal programme to suit its conditions of governance - that of a social democrate government trying to govern in a neo-liberal direction while maintaining its traditional working-class and public-sector middle-class support, with all the compromises and confusions that entails. It has modified the classic anti-statist stnce of American-style neo-liberalism by a 're-invention of active government'. This is not a return to government as we have known it, but a revolution in 'governance'. The term 'governance' is itself not a synonym for 'government' but the signifier of 'a new process of governing, a changed condition of ordered rule', specifically designed to blur the difference between state and civil society. As Paul Du Gay argues, this involves 'a new rationality of rule', in which 'political government has been re-structured in the name of an economizing logic'. It *combines* economic neo-liberalism with a commitment to 'active government'. More significantly, its grim alignment with the broad, global interests and values of corporate capital and power - the neo-liberal project. This is what people invoke when they insist, definsively, that New Labour is not, after all, "neo-liberal'. The fact is that New Labour is a *hybrid* regime, composed of two strands. however, one strand - the neo-liberal - is in the dominant position. The other strand - the social democratic - is subordinate. What's more, its hybrid character is not simply a static formaion; it is the process which combines the two elements which matters. The process is 'transformist. The latter always remains subordinate to and dependent on the former, and is constantly being 'transformed' into the former, dominant one.

The political scientist Andrew Gamble long ago pointed out that left parties in government are often subject to contrary pulls - one towards realising their governmental programme, the other towards doing what is necessary to win electroal support and hold on to power. These frequently conflict. New Labour's subaltern programme is driven by the second of those imperatives. It is the necessary 'cost' ofg maintaining layalty amongst its traditional supporters, whilst its gocernmental project favours a quite different set of interests. This is not necessarily just opportunisticcalculation. Many Labour MPs have persuaded themselves that new Labour is still funfamentally attacked to 'old' Labour values, which will somehow eventually reassert themselves; and the Blair government itself defends its massive

departures from these old values by ehetorically 'spinning' its verbal continuity with them. It must therefore find space in its programme to address these subordinate pressures and constituencies - provided they are not allowed to de-rail the progress towards a more developed market state. Thus New Labour's 'balancing act'. its two-step shuffle - and the way it has become mired in endless 'spin' in order ro square the impossible circle.

There is another consideration. The full-blown neo-liberal drive to the market state we saw in Thatcherism had its costs. its brutalism antagonised many in society, including some of its original supporters. Prople thought new-liberalism 'red in tooth and claw' a step too far. Even many of Mrs T's most fervent converts eventually abandoned her for reasons of electoral calculation. But moving to the full blown market state via a subordinated social-democratic route has the advantage of addressing some of the problems of 'the residuals' and losers - those who are likely to benefit least from the neo-liberal route. It also takes account of some of the 'costs' and the social upheaval which its 'trans-formism', will create. It is authentically a 'hegemonic' strategy, even though it may not be capable of producing a stable hegemonic outcome. It aims to win enough consent as it goes, and to build subordinate demands back into its dominant logic. Forging a plausible or pragmatic pathway from left to right, carrying a proportion of its old supporters with it on particular points, dividing and confusing the oppositions, and winning a measure of consent for the project, may serve to establish neo-liberal society on firmer, less contested foundations. Certainly, the confusion which its double-headed strategy sows in tis own ranks obscures the long-term objective and prevents a coherent and organised opposition from emerging. The social-democratic route to neo-liberalism may turn out in the end to be what Lenin might have called 'the best shell' for global capitalism.

Unit 1 ❑ Social Democratic Welfare State : Socialist State

Structure

1.1 Background of Social Democratic Ideology

As the British middle class grew, the disparity between their new wealth and the poverty of the lower classes became conspicuous and embarrassing to them. In large part, this did not make much difference in liberal ideology. What the lower classes needed was virtue, not unqualified support, and it was simply the business of the successiful and virtuous to "visit" the poor, exhort and upbraid them, give them as much aid as is appropriate, and straighten them out, Those hearkening to such concern and advice straightaway become productive and successful. Those indifferent to the abvice become the "undeserving" poor, left to swallow in their own self-imposed poverty, drunkenness, and squalor. "Civil society is the basis of liberal ideology, the sphere of private action, respecting rights of person, property, and contract, protected by government but otherwise left alone by it. The existence of civil cosiety only makes sense if virtune need not be the concern of government. With these new ideas, there would be no "underserving" poor. What would be needed was a new social order, a thoroughgoing political order that would simply provide to all whatever they needed. This aptly came to be called "socialism." At first none of this was of much political effect, but it began to gnaw at the edges of the liberal order.

Often, the term "Socialism" is used to specifically denote Social Democrats, although in many countries *Socialism* is a broader concept containing reformist Social Democrats and many kinds of revolutionary Communists and sometimes Anarchists.

The Social Democratic ideology currently came into being by a break within the Socialist movement in the early 20th century. One reformist group of Socialists rejected the idea of a Socialist revolution, and instead tried to achieve the Socialist ideals through Democratic means. Many related movements, including Pacifism, Anarchism and Syndicalism, arose at this time and had various quite different objections to the "class war" concept espoused by most Marxists.

Historians claim that several key figures were important in this shift: the Russian Prince Peter Kropotkin, César de Paepe of the Belgian International Working Men's Association, and Jean Jaures who led the French Socialist Party until his assassination on July 31; 1914, one day before the general mobilization of forces that began World War I.

A slow shift of European public opinion from 1880-1914, especially in Germany, had aligned nationalist and Capitalist forces politically favour of confronation and war, and generally silenced Pacifism and discredited revolutionary Anarchism. Moderate Syndicalist and Socialist views of such leaders as César de Paepe and Jean Léon Jaures were gradually marginalized by concessions to the Labor Movement, especially in Germany, which from 1900-1914 instituted the shortest working week, longest vacations, and best fringe benefit programs in Europe - all while arming from the conflict that most European powers expected.

The priod 1914-1962 in Europe was dominated by World War I, World War II, and the Cold War, culminating in the construction of the Berlin Wall. Although social democrats had been influential in this period, and a moderate breed of Eurocommunism had developed, in general Nationalist, Fundamentalist and Capitalist forces were seen as allies of the United States, and there was some suspicion of Social Democrats as potentially "soft on Communism" and seeking to implement something like Stalinism in Western Europe.

During the 1960s and culminating in 1968, these concerns were dispelled, and the countries that would later join in the European Union generally followed a path set by (Christian or Secular) Social Democrats, who differed little on core policies.

Today most conservative parties are in favor of a slightly less generous program of social democrats.

Since the 1960s, differences between all forms of Social Democrats and Communists have grown. Now-a-days, Social Democrats are in favor of a Capitalist market economy, but with a strong and large government. Many Social Democratic parties are also shifting emphasis from the traditional goal of creating a socialist economy to human rights and environmental issues. In this, they are facing increasing challenge from Greens who view ecology as fundamental to peace, and require reform of money supply and safe trade measures to ensure ecological integrity. However, Greens, Social Democrats, and more extreme Socialist parties have often cooperated in a so-called Red-Green alliance.

It should be noted that Kari marx didn't think well of social democrats and similar groups. In Communist Manifesto of 1848 he stated that workers should seize the control of means of production from the capital owners and form a state dictatorship of working class. This is in sharp cantrast to social democratic ideas, such as workers' unions and employers' unions debating over the wages of the workers to better the working people's living conditions.

Some believe that the late-20th-century Europe, culminating in the 1992 formation of the European Union, demonstrates that developed nations should cooperate under the general policies of Social Democrats to achieve a lasting peace. Whether similar policies can work elsewhere is a matter of much debate, especially in the antiglobalization movement, where advocates on both sides argue about the degree to which regulation has forstered growth and tolerance. Some argue that the protectionist policies followed by Social Democrats to protect fragile national economies during growth or redulding, are exactly the policies that developing nations are today prevented from following by the IMF. Beyond that, as in the early 20th century, there is substantial difference of opinion depending on general views of Capitalism.

It is an interesting phenomenon that Social Democrats ofted succeed in their aims to the point of political irrelevance - then spend some time out of favor with coters who turn to more Conservative parties, e.g. Margaret Thatcher, who than inherit economies with the strong educational and infrastructural foundations favored by Social Democrats.

However, also these Conservative successors are often perceived a going to far for comfort, particularly in foreign policy, trade, and warfare, so Social Democrats might never disappear, even if the entire original program of Socialism had been accomplished. Through the 20th century, few of the benefits instituted by any Social Democratic government have been successfully repealed by successors: an income tax, universal medical insurance, tuition-free university education, are seemingly permanent features of most European nations. The services may very in quality but never seen to be withdrawn completely - the gains made by Social Democrats politically are seemingly seen by the public as public goods. In Canada, however, cutbacks by successive Progressive Conservative and Liberal governments in the last two decades have succeeded in reducing the effectiveness of the Social Democratic measures that had been implanted under previous governments (Liberal and Liberal in coalition with New Democrats).

1.2 Basic peinciples of socal democratic welfare state

A welfare state is that state which is ordained by statute to undertake direct & explicit responsibility for the basic well being of its people. It represents a modified version of the liberal view which originally supported market society mode. However, originally the idea of the welfare state was introduced by prince Bismarck, the Garman chancellor. Bismarck wished to strengthen monarchial absolutism in Prussia and to make it most power ful state in Germany. He was opposed to bothe liberalism & socialism. Infact he sought to introduce 'state socialism' in an attempt to counter the appeal of socialism. His policy of state socialism included a series of reforms giving workers various forms of insurance which market the beginning of the welfare state.

In England the idea of welfare state was introfuced by Herbert Henry asquith during his prime ministership. Asquith belonged to the Liberal party. The National Insurance Act was passed during his regime. it protected many workers from the effects of sickness & unemployment. Fuller expression to the idea of the welfare state was given in the famous Beveridge report which was prepared William Henry Beveridge a social reformer & a British civil servant. A wide range suggestion including the proposal for a free national health service, family allowances, government action to maintain full employment and universal social insurance from the beginning

till the end, which included unemployment, sickness and accident benefits, old-age & widows' pensions, grants and maternity benefits. The acceptance and implementation fo most of the recommendations of the Breveridge report turned England to be a model welfare stete.

Basically a dramatic change in favour of welfare state took place in the aftermath of the first world war. The Russian revolution of 1917 led to the abolition of private in that country, institutionalised the ascendancy of the stte through central planning & thus made the state control all economic activity. The free market society created large inequalities among human beings & promoted oppressions to the vulnerable sections of the society-workers, peasants, consumers etc. With the enormous growth of the labour force in industrial cities, freedom of contract in practice meant freedom for factory owners to hire and fire there workers to minimize their profits with the consequent insecurity & suffering of the workers. Freedom of trade was not restricted to commodities; labour was also treated as a commodity. The result was inhuman conditions for the workers, child labour, slam housing, free sale of poisoned mat and other things injurious to health. When freedom of enterprise was interpreted as the total absence of regulation on busines & industry, it brought disatrous consequences for society.

Great depression of the 1930s which caused enormous economic hardship in the world & spurred the state to experiment with counter cyclical policies to restore economic activities was another landmark. By the second world war another event unleashed which led to the collapse of the colonial rule in the world & to the emergence of newly developing nations of Asia & Africa. These nations heralded the advent of the activist state for governance. The state took on new roles & expanded existing ones. But the improvement was not much.

Gradually the idea of the welfare state became popular in France, Italy, West Germany, Sweden, Australia & New Zealand but it was hardly encouraged in the USA which maintained its faith in the merit of an open, competitive system.

Though for these countries the policy for the welfare state became almost indispensable. Because first, they had to deal with the problem of wide spread poverty, secondly they ahd a long tradition of social support for the poor & the needy. With the increasing urbanization, the traditional basis of social support for the poor was eroded. So the state had to assume greater responsibility. However, due to extreme shortage of resources, they could set up welfare states only on

a subdued scale. To some extent foreign assistance was also utilized for the purpose. But the functioning of the welfare state in these countries was adversely affected due to bureaucratic iefficiency & corruption.

In short welfare state stands for a state that provides from various types of social services for its citizens for example social security which means financial assistance in the case of loss of job. death f the bread winner, prolonged illness etc. besides free education public health, poor relief supply of milk, fuel & transport to the needy at subsidized rates. To provide these services it resorted to the policy of progressive taxation that is those who have higher income & wealth are reuqired to pay higher rates of takes. It is a type of redistribution of wealth in society. Welfare state system was a means of mutual assistance & self reliance where all citizens were provided with respectable livelihood including housing employment, adequate standard of living & opportunities for advancement in life.

Basic principles of social democratic welfare state are as follows :

- This type of state seeks to achieve the objectives of socialism through democratic method.
- Gives precedence to civil liberties & political rights of the citizens.
- It tries to make provision of social & economic right progressively by expanding the social safety network.

Its social policy is based on social justice & welfare of the citizens which are projected as the objects of mass appeal and mass support during denocratic elections. Therefore the democratic socialist model merges with the welfare state model. That is the reason the system prevailing in England since 1940s is regarded as on appropriate example of both these models.

Social Democrats are supporters of a moderate from of Socialism. In general, Social Democrats worldwide today are in favor of :

Private enterprise, but strongly regulated to protect the interests of workers, consumers and small enterprise (in stark contrast to liberarin and some green approaches, e.g. Natural Capitalism which minimizes regulation by controlling commodity prices more directly).

An extensive system of social security network (see welfare state), notably to counteract effects of poverty and to insure the sitizens against loss of income following illness and unemployment.

- Ensuring good education, health care, child care, et cetera for all citizens through government fundings.
- High taxes (necessary to pay for the former), especially for the higher income groups.
- Estensive social laws (minimum wages, working circumstance, protection against firing).
- Generally support environmental protection laws (although not to the extent of Greens).
- Generally support of anti-zenophobic and non-fundamentalist legislations (pro-choice, anti-racist, anti-homophobic, some environmental laws specifically opposing monoculture) (although not to the extent of anarchists).
- A foreign policy based on "international solidarity."

Social Democratic parties are among the largest parties in most countries in Europe. Globally, some studies claim, more people share the basic ideals of Social Democrats than of any other political movement.

Social Democratic Parties :

- Belgium (Dutch language): Socialist Party Differencly (SP/A) - Socialistische Partij Anders
- Belgium (French language): Socialist Party (PS) - Parti Socialiste
- Canada : The New Democratic Party
- Quebec, Canada : The Parti Quebecois
- Denmark : The Social Democrats, socialdemokraterne
- Finland : The Social Democratic Party of Finland
- France : The Socialist Party, Le Parti Socialiste
- Germany : Social Democratic Party of Germany, SPD - sozialdemokratische Partei Deutschlands
- Netherlands : The Party of Labour, PvdA - Partij van de Arbeid
- Norway : The Labour Party (DNA) - Arbeiderpatiet

- Romania : Partidul Social Democrat (PSD) - Social Democrat Party
- Spain : Spanish Socialist Party, PSOE - Partido Socialista Obrero Espanol
- Sweden : Swedish Social Democrat party, SAP - Sveriges Socialdemokatska Arbetarparti
- United Kingdom : The Labour Party

Common criticism of social democracy :

Critics of social democracy often point out that the individual rights suffer as everyone, and especially the less-wealthy, are forced to by the pathways set by the social security network, in which rules are set by the state. For example, children get a free education and possibly a free meal in public school, but only if they choose the public school. Thus, and because of the high taxation, most families just can't afford to not sent their children to public schools. Because of this, and other reasons, the once important family unit has lost its power. For one, it is economically beneficial for the young to move into their own 'digs' for studying. Some go as far to claim that the role of parenthood has been shifted to the state, or that welfare state would be more accurately described as 'client society' as individuals are state nurtured from cradle to grave.

However, with huge population, shortage of resources, rampant corruption & bureaucratic inefficiency the popularity of this system is declining. It is not possible for the system to cope up with the demands for subsidies & reservations provided for the poor a underprivileged who out number the general category people. Hence for further social and economic development of the country, emphasis is now being given to LPG concept that is liberalisation. privatization & Globalization. The collapse of the Soviet Union in 1990s sounded the death knell of the ever expnding state. The scope of the states intervention in production, prices were curbed, encouragment was given to the adoption of market friencly strategies. This reform phase began in 1991 & the ideology of a welfare state is now in a state of disarray & confusions.

1.3 Socialist State and its Administration

The term Socialism may refer to a political doctrine, an economic theory, a vision of an ideal society, or a description of an existing society organised alsong *social* lines - that is, for the benefit of all, rather than for the profit of a few.

The key idea of socialism include: a) placing at least some of the means of production and distribution of goods and services into collective ownership, and b) cooperation in place of competition. In some versions of socialism, collective ownership is limited to control of natural resources and utilities. In such state, there is a mized economy with varying degrees of government ownership and private ownership. In others, there is a view that economic planning and control should be centralized in the state. Centrally planned state socialism is generally referred to as communism. For the sake of clarity, ths distinction will be maintained in this article.

Many socialist thinkers argue that free market economics, a hallmark of capitalist systems, generally results in profits for a few at the expense of the many. Many advocates of free markets, particularly in America, dispute this contention, claiming that people generally prosper as a result of free market economies; hence that Capitalism works for the benefit of all.

However most socialists, as distinguished from communists), do not seek to remove the capitalist system, only moderate it's workings to produce a more equitable distribution of wealth.

Socialism has thus been integrated with capitalism in many European countries and in ther parts of the world. These systems are referred to as social democracies. Social democracy typically involves state ownership of some corporations (considered strategically important to the people) and participation in ownership of the means of production by workers. This can include profit sharing and worker representation on decision-making boards of corporations. Social services are important in social democracies. Such services include social welfare for the disadvantaged and unemployment insurance.

Likewise, market economies have integrated some aspects of socialism in the United States and other democratic countries. Democratic countries typically place limits on the centralization of capital through anti-trust laws and limits on monopolies.

Ownership of stock has become common for middle class workers, both in companies they work for and in other companies (see mutusal fund). Unionization has led to profit-sharing. Social welfare and unemployment insurance are mandated by law in the US, UK, Canada and other market economies.

Branches of Socialism :

Since the 19th century, socialist ideas have developed and separated into many different streams. Notable ideologies that have been referred to using the lebel "socialism" are :

● African socialism ● Anarchism ● Arab socialism ● Communism ● Democratic socialism ● Evolutionary socialism ● Fabianism ● International socialism ● Libertarian socialism ● Marxism ● Social democracy ● Syndicalism.

Democratic socialism is a political movement propagating the political ideals of socialism in a democratic state, or in other words: anti-authoritarian Communism. Most democratic socialists typically advocate a mixed economy with generous welfare provision, and re-deistribution of wealth. People or groups who describe themselves as democratic socialists, are generally further to the left and more radical than the more moderate social democrats. Many people see Scandinavian countries such as Sweden as a model of democratic socialism.

The National Socialists (Nazis) under Adolf Hitler claimed to be "socialist". However, post-World War II political science generally considers these to be conflicting ideologies (*See* Socialism and Nazism.)

Various Catholic clericl parties have at times referred to themselves as *Christian Socialists.* an example is the Christin Social Party of Karl Lueger in Austria before and after World War I. Such parties are generally not considered to be socialist, either.

Marxism and communism may be further divided into :

● Castroism ● Council Communism ● Left Communism ● Leninism ● Maoism ● Stalinism ● Trotskyism

Socialist form of state is bsed principally on class struggle between the dominant & the dependent classes & on the revolutionary method to overthrow capitalism & on full scale socialisation of major means of production viz. land buildings, mines, forests etc. After the Bolshevik Revolution in 1917 this system

was established in the erstwhile USSR. Other countries like Hungary, Poland, East Germany, Bulgaria, Rumania though adopted this system either independently or under the aegis of the then USSR & remained its satellites till the dissolution of the Soviet bloc itself in 1991. Albania came out of the Soviet bloc in 1968, it has since relinquished socialist system. Besides Yugoslavia, Mongolia & Southern Yemen who adopted socialist system independently and remained part of the theird world have since relinquished this system. On the other hand countries like China, Vietnam, North Korea and Cub though do not follow it rigidly but adopted socialist system independently.

The bourgeois thinkers believe that interests of workers social & economic rights, education helth & all these provisions may be protected by this system although they hardly care to protect civil liberties & political rights of the citizens, though the socialist thinkers contend that system ensure enlargement of the rights and freedoms of citizens and continuous improvement of their living standards as social, economic, and cultural development programs are fulfilled. Enjoyment by citizens of their rights and freedoms must not be to the detriment of the interests of society or the state, or infringe the rights of other citizens. Socialist thinkers believe that

- it is a society in which powerful productive force and progressive science and culture have been created, in which the well-being of the people s constantly rising, and more favourable conditions are being provided for the all-round development of the individual.
- It is a society of mature socialist social relations, in which, on the basis of the drawing together of all classes and social strata and of the juridical and factual equality of all its nations and nationalities and their fraternal co-operation, a new historical community of people has been formed—the Soviet people.
- It is a society of high organizational capacity, ideological commitment, and consciousness of the working people, who are patriots and internationalists.
- It is a society in which the law of life is concern of all for the good of each and concern of each for the good of all.
- It is a society of true democracy, the political system of which ensures effective management of all public affairs, ever more active participation of the working

people in running the state, and the combining of citizen's real rights and freedoms with their obligations and responsibility to society.

- Developed socialist society is a natural, logical stage on the road to communism.

The supreme goal of the socialist state is the building of a classless communist society in which there will be public, communist self-government.

- The main aims of the people's socalist state are : to lay the material and technical foundation of communism, to perfect socialist social relations and transform then into communist relations, to mould the citizen of communist society, to raise the people's living and cultural standards, to safeguard the country's security, and to further the consolodation of peace and development of international co-operation.
- The foundation of the economic system of the socialist state like former USSR is socialist ownership of the means of production in the form of state property (belonging to all the people), and collective farm-and-co-operative property. Socialist ownership also embraces the property of trade unions and other public organizations which they require to carry out their purposes under these rules. The state protects socialist property and provides conditions for its growth. No one has right to use socialist property for person gain or other selfish ends.

Article 11 of erstwhile USSR enumerated that 'State property, i.e. the common property of the Soviet people, is the principal form of socialist property. The land, is minerals, waters, and forests are the exclusive property of the state. The state owns the basic means of production in industry, construction, and agriculture; means of transport and communication; the banks; the property of state-run trade organizations and public utilities, and other state-run undertakings; most urban housing; and other property necessary for state purposes'.

Article 12 said that 'The property of collective farms and other co-operative organizations, and of their joint undertakings, comprises the means of production and other assets which they equire for the purposes laid down in their rules. The land held by collective farms is secured to them for their free use in perpetuity. The state promotes development of collective farm-and-co-operative propetry and its approximation to state property. Collective-farms, like other land users, are obliged to make effective and thrifth use of the land and to increase it s fertility.'

Article 13 stipulated that 'Earned income forms the basis of the personal property of Soviet citizens. The personal property of citizens of the USSR may include articles of everyday use, personal consumption and convenience, the implements and other objects of a small-holding, a house, and earned savings.'

The personal property of citizents and the right to inherit it are protected by the state in a socialist society. Property owned or used by citizens shall not serve as a means of deriving unearned income or be employed to the detriment of the interests of society.

The state exercises control over the measure of labour and of consumption in accordance with the principle of socialism: "From each according to his ability, to each according to his work." It fixes the rate of taxation on taxable income. Socially useful work and its results determine a person's status in society. By combining material and moral incentives and encouraging innovation and a creative attidude to work, the state helps tansform labour into the prime vital need of every Soviet citizen. The supreme goal of social production under socialism is the fullest possible satisfaction of the people's growing material, and cultural and intellectual requirements. Relying on the creative initiative of the working people, socialist emulation, and scientific and technological progress, and by improving the forms and methods of economic management, the state ensures growth of the productivity of labour, raising of the efficiency of production and of the quality of work, and dynamic, planned, proportionate development of the economy. The economy is managed on the basis of state plans for economic and social development, with due account of the sectoral and territorial principles, and by combining centralized direction with the managerial independence and initiative of individual and amalgamated enterprises and other organizations, for which active use is made of management, accounting, profit, cost, and other economic means.

Importance of "Socialist Administration" :

A large part of the globe is currently having a distinctly different form of administration that deserves careful study and analysis. Comparative public administration as a branch of public administration will be a poor and incomplete intellectual pursuit without socialist administration. Again there are some innovative administrative practices followed in some o the socialist countries at different times that might have considerable relavance to, at least the de then 'third' world countries.

Again the problems of socialist transformation deserve careful scrutiny both form practical and theoretical point of view. What has been going on in the socialist would is intellectually changing in terms of study of interaction between socialist theory and practice.

Particularly from the point of view of 'third' would countries, development performance of the socialist countries has important lessons for the on-going 'development' enterprise of the third world.

More fundamentally, as the Sussex socialist Development Group pointed out revolutionary socialist development opens our eyes to the possiblity of 'alternatives' in social transformation. To quote the Sussex Group : "First they have broken — in most cases decisively the autonomous power of private capital over politics, production and distribution, adrogated the dominance of the low of value in its capitalist form, and embossed upon a development path which does not rely on the dynamic of private ownership and enterpreneurship.

Second, they have brought about certain fundamental transformations in the economic, political and social realms — which reflect the long-standing aspirations of revolutionary socialist movements every where, and the basic principles of the founding fathers of 'scientific socialism' : most notable, the nationalization of industry, socialization of agriculture, adolition or limitation of markets and the establishment of a comprehensive planning structure and a political logical system bent on the transition to an ultimate communist society."

"Lenin's Concept of "Socialist Management" :

Following the basic tenants of marxism, Lenin wrote extensively on 'building socialism' replacing the preceding mode of production which was based on private capitalist ownership. Post-revolutionary situation demanded speedy economic reconstruction by adopting consciously formulated strategies of management. Lenin analyzed Taylor's system known as 'Sciencific management' which he wanted to introduce.

Lenin's effort was directed toward the application of sound management principles to remove the barriers to increased social production, to enable the social character of socialist production to blossom in full measure, to base production on the foundation of relations of cooperation, and to make full use of scientific and technological knowledge and equipments.

Administering the country in Lenin's view meant, "directing the organizational development of socialist society". The need of the hour was an integral systems apprach to manage the processes of building socialism. A powerful economy was surely to be created. But what was more important was the skillful, scientifically founded single general system and harmonious sum total of economic, political and ideological relations.

Management, in this context can be tentatively sub-divided into technical, socio-economic and socio-political components. Technical management was concerned with the functioning of the productive forces and here Lenin attached considerable significance to the status of the fully participating working class, their working conditions and dominant interests. Technical management is closely associated with, and governed by the second component socio-economic management that is determined by property relations.

The third component in Lenin's scheme - socio-political management — stands for the establishment, functioning, and development of the political organization of society. Production relations are based on the type at property, political relation hings on power, above all state power.

The class approach to management meant analysis of intra-class relations, identification of inter-class groups and funding out the national, professional, age and ideological differneces. The class, party approach to solving the problems of administration was a paramount importance to Lenin. In running effective revolutionary government by the working class, broad sections of the masses had to be brown into administration. Unlike under capitalism, the producers of the material goods would themselves be the full fledged masters of production, the direct subjects of the technical, socio-economic and socio-political management.

In Lenin's view, leadership and management must be organically liked. In other words, the science of leading the masses and the science of administrating the country would form essentially a single, integrated science of social management.

The speciality of management job was greatly emphasized by Lenin. Decisions must be scientifically taken. This would be followed by powerful organizational work to implement a programme decision.

Organization, as applied to social relations was conceived in two senses: one, an individual nucleus of collective of people with at least a minimum degree of

coherent form, another the sum of such nuclei united into a whole. Organization is a function of management. It is management that establishes, arranges in proper order various collectives and nuclei, and systematizes and adjusts economic, political and social organizations generally. In both micro organizational tasks, the party, according to Lenin, had a crucial role to play.

As a keen observer of social life, Lenin noticed that small proprietors were trying to evade state accounting and control and indulge in profiteering and speculation. The 'disorganizing' tendencies, particularly among the petty — bourgeoisie, where aimed at creating social chaos and anarchy and thereby preparing the ground for capitalist restoration. To combat these anarchic tendencies Lenin established accounting and control on a national scale.

after the october Revolution, the tasks for the new state were manifold. Keeping ideological stand intact both internally and externally, the new soviet state had to constantly grapple with counter-revolutionary forces. At the same time, the practical needs of steering and managing the socialist transformation had been of paramount importance. In discussing the principles of socialist management, Lenin, therefore had to combine philosophical outlook and managerial firmness together. 'Administration,' in the capitalist content, as Lenincommented was primarily political, since the main purpose was to preserve the rule of the exploiter classes and prevent revolutionary action by the oppressed and the exploited. By contrast, administration in post-revolutionary Soviet State had a special feature, "probably for the first time in modern history of civilized nations, it deals pre-eminently with economics rather than with politics" As mentioned earlier, 'socio-political management was identified as an essential component of management. So, the meaning of political economic separation, in Lenin's conceptualization of administration, has to be seen in its proper context.

Lenin's formulations had been firmly anchored in Marxism, at the same time; these were reflective of the practical requirements of a real-life socialist system operating under challenging domestic and international circumstances. There was obviously an attempt to balance the ideological needs and the practical needs.

Critics have been prompt to point out that acceleration of material production by emulating capitalist management techniques including the tenets of Taylorism generated the undersirable features of proprietorial organizations. For instance, the workers were subordinated to top down control, most decisions come from above

and shopfloor labour was manipulated for managerial convenience.

In Lenin's vision, the state was to be an instrument of self-government. He realised the threat of bureaucratization of government being divorced from the people, kept pondering over the idea of self-government, actually saw it as the essence of socialism.

Lenin's writings on building socialism and socialist management are too vast to be encapsulated in a single chapter. He combined in himself the rare attributes of a great philosopher, a far-sighted statesman-politician and affirm believer in the victory of socialism through people's collective effort supplemented by sound management principles.

The Chinese Administrative System-Features and Trends :

Administration in Socialists countries have to face all the problems of developing societies engaged in rapid economic development with inadequate resources. The insistent emphasis on responsiveness of the official state administrative machinery to the party apparatus creaes all sorts of problems. It leads to continuous conflicts between party units and the official government agencies hold accountable for the administration of particular programme. It also creates dilemmas of individual choice to the person who is both a public official and a disciplined party member, reducing his initiative and willingness to experiment.

Even since the revolution in 1949, Communist china has gone through several stages in its political development, reflecting shifts in political objectives and power relationship. In the early years from 1949 to 1957 the emphasis was on social reconstruction following the long war years, and the launching of projects for rapid economic development with special stress on heavy industry. The Soviet model was consciously taken as a guide and the stte bureaucracy was mainly relied on for implementation. During 1957 a complicated intra-perty debate led to the movement known as the 'Great leap Forard". With what proved to be over ambitious objectives for rapid progress on all fronts. The CCP took a more commanding role using the slogan "politics takes command", and the state opportunity was downgraded as over-bureaucratized. Centralized economic planning was dropped in favour of a decentralized effort ot stimuble agricultural production through rural communes without sacrificing industrial development. A breakdown in this campaign, resulting in a several economic crisis from 1959 to 1961, ushered in a period of retrenchment that lasted through 1965.

Mao resumed the political offensive again in 1966 by launching the "Great Proletarian Cultural Revolution," aimed at rectifying the deviations by the CCP from Maoist policies. The widespread internal turmoil which was spearheaded by Red Guard revolutionary groups loyal to Mao had two impotant political consequences. the CCP leadership was purged and its organizational effectiveness vastly reduced, the people's liberation Army emerged as the primary power centre From 966 to Mao's death in 1976, an unstable equilibrium was maintained during which military influence was sharply curtailed and "moderate" and "radical" factions taught for superiority with the CCP. Glorification of Mao increased as his actual participation in governance declined. The official state structures, which like the party, had suffered during the Cultural Revolution, regained authority and responsibilities. The long anticipated power showdown triggered by Mao's death late in 1976 brought about a victory for the more moderate and pragmatic elements in the CCP. Pragmatiosm as a basic approach has been reinforced since then and stress has been placed on efforts towards rapid progress in promoting a programme of "four modernizations" of industry, agriculture, science and technology and the military.

The post — maoist leaders, especially Deng Xiaoping, have viewed reform of the bureaucracy as necessary for realization of the "four modernization" and have taken steps toward bureaucratic rationalization and professionalization. Specific measures have included opening up access to advanced education at home and abroad, greater stress on technical qualification for initial recruitment, replacement of bureacrats by de-emphasising senority in favour of expertise, structural streamlining which has sharply reduced the number of ministries and agencies in the state councl and the size of their staff, and renewed emphasis on direct public controls over lower level officials through the ballot, public opinion polls, and other devices Burceaucratic personnel "are expected o be revolutionary, well-educated, and professionally competent." However, the evidence available so far does not prove that fundamental, institutional and ideological changes have taken place in China. By combing maoist and more technocratic principles the new leadership hopes to achieve stability, by efficiency and production. The overriding consideration has however remained the some that is to make sure that the bureaucracy remains politicized.

1.4 Current / Recont Changes of Chinese Administration

The current administrative reform in chian started in 1979. It represents a major effort on the part of the Chinese communist party and government and is an element in the comprehensive political, economic and social reforms introduced in post — Mao china, The goal of administrative reform is to upbate public administration will keep pace with economic modernization.

The administrative reform consists of three major parts, differnetitation of party and government functions with more power and greater responsibility to governmental agencies, decentalization of decision-making power, and structural functional rationalization of governmental bureaucracies.

In past 1978 china the national goal and the priority of programmes have shifted from continuous revolution to economic development. This shift requires the public administration to change its role as organizer and mobilizer of the revolution to administrator and manager of development, especially economic growth. Simiolarly administrative functions and structure must adept to play the new role.

Since 1980, reformers have made efforts to differentiate the power and function of the government and party bureaucracies. The current reform has brought about three main changes.

1. Separation of government bureaucracies from party bureaucracies at the grassroots level in the rural areas : At the central, provinciaal, and country levels, government bureaucracies exist parallel with party bureaucracies. Yet at the grassroots level in the rural areas they had been combined with the people's communes ever sing the late 1950's. Then the village and township governments were dissolved. The people's communes merged with the government and party bureaucracies as well as with the economic cooperatives. It became the single infrastructural institution in the rural area. The Fifty People's Congress decided in 1982 to re-establish the village and township governments. In October 1983, the central committee of the Chinese communist party and the state council issued a joint order that village and township governments be re-established throughout the country, the infrastructural party

and government bureaucracies and cooperatives be separated as in dependent institutions. Towards the end of 1984 most of the villages and townships in the country had set up their governments. Statistics of that time revealed that government bureaucracies, party bureaucracies and cooperative was separated in 80.3% of all the people's communes.

2. Reduction of concurrent offices held by part leaders in governments, before the reform, party secretaries, specially the first secretaries, usually concurrently hold high offices in governments at the same level. For instance the party secretary at the provincial committee was at the same time the governor or his deputy in the province. The secretary of the commune's party committee was concurrently the chief executive at the grassroots level. The reform has reduced the concurrent offices held by party leaders in governments. The permier is no longer at the same time one of the secretaries of the central party committee. None of the governors is concurrently the first secretary of the provincial party committee.

3. Clearkdefined and differentiated power and functions between the government and party bureaucracies, the reform reasserted that government bureaucracies at all levels are the executive agencies of the people's congress at each respective level. They exercise government power and administer public affairs within their jurisdiction. Functionally, they carry out the decisions made by the people's congress, implement the policies and laws of the state, make sure that state plans are fulfilled and formulate and execute welfare programmes in education, health, public security, civil mediation and administration.

The reform has completed separation of government bureaucracies from party bureaucracies at all levels and differentiated their power and functions. While the absolute supremacy of the Chinese communist party in formulating policis remains unchanged, more latitude and greater responsibility for policy implementation have gone to the government bureaucracies. The reform has reduced the party's involvement in public administration. Reforming efforts centered on reducing direct management by the central government and transferring decision-making power and responsibilities to institutions at lower level. Provinvial country and village governments have acquired more decision making power in local economic planning resource management and foregin trade. They have also in creased their authority to supervise and coordinate production and marketing within their jurisdiction. New local

governments are able to diversify their production and exploit regional advantages for rapid growth. But the main thrust of decontralization is to increase the power of the enterprise and to reduce government intervention in economic management at the central level, as well as at the provincial, the country and the grassroots levels. The administrative reform aims at distributing macro decision-making power to the local governments and micro decision-making power to the enterprises. The enterprises have increased their power now. The following functional responsibilities are transferred to them: independently using capital, adopting new techonology, drawing up and executing their own yearly and long term plans, being their supplies and marketing their secondary products whose prices are not controlled by the government, managing their production, owning the net profits made namely the profits left after paying taxes and interest — and being accountable for losses in production, selecting, recruiting and dismissing employees, or electing their lower managers. The current administrative reform includes structural reorganization of the bureaucracies and improvement of personnel management. It has bee applied at all levels of central and local bureaucracies. Under the principles or organization simplicity and streamling of the bureaucracy, the structural reorganization involved merging agencies with similar or overlapping excessive sector commissions. The reform has also strengthened line controal and coordination at the central level by placing responsibility for achieving and maintaining a balanced economy in the hands of the Economic Commission of the State Council rather than in those of the functional ministries.

The reformers believe that when the strategy has been decided, the cadres determine everything. Therefore the priority of the current administrative reform is to improve personnel management. The aim is to recruit civil servants with a broad educational background and competence, who are younger than their predecessors and have greater political integrity. The reform of government personnel management has abolished de facto lifetime tenure for civil servants by enforcing retirement ages — 65 for minister, 60 for senior executives and other male civil servants, 55 for female civil servants. The second thrust is to reduce redundancy and to institutionalize the rotational in — servic training and development of civil servants. The reform had trimmed the state council stall from approximately 50,000 to 39,000 a quarter of the posts was relinquished. The number at all provincial staff has shrunk from 180,000 to 120,000 people.

In addition to these changes in personnel management, reforms have tried

to improve recruitment, rewards, evaluation at performance and procedures for resignation and dismissal. They have already introduced elections and contracts for some recruits, position allowances and greater mobility.

Prior to the current administrative reforms, the bureaucratic Chinese public administration was in a crisis over centralization and a lack of differentiation of power and functions were its characteristics. On the one hand party organizations took the place at government bureaucracies, exercised their power and performed their functions on the other hand the government bureaucracies involved themselves in the direct management and control of the production, supply and marketing of the economy. Bureaucratic unresponsiveness and inefficiency could not longer be tolerated in the present drive for economic development and modernization. The current administrative reform above is the main mechanism to improve administration and encourage developmtn.

The administrative reform means, in its essence redistribution of power and structural reorganization at this new state of development in china. The redistribution of administrative power is a mixture of centralization and decentralization. The current reform though expanding the decision-making power of the lower echelons and localities, emphasizes the decentralization of decision-making power to enterprises and cooperative economic units.

In the structural reorganization of government agencies, the emohasis has been on rationalizing the bureaucracies by developing formal organization and reducing informal organization. With the stress on rule by law instead of "rule by will" reformers have made great efforts to work out laws and regulations which have confirmed the differentiation of powers and functions.

Comparison between the Chinese and the Western Administrative Models :

There are some differences in the civil services of china and those of western countries, First, in china there is no independent and impartial recruiting agency like the civil service commissions of these countries. Whereas in other countries, government servants are non-party men elected on the basis of merit and open competition, in China memebres of the Communist Party receive preference and they are not recruited in accordance with the well-established principles of recruitment. The result is that most of the government employees and officials in china are committed communists.

Secondly, in China there is supposed to be harmony between policy members and administrators; both follow the same ideological and social base. Civil service are totally controlled by the Communist Party. Civil servants do not form any trade union.

The Chinese model of administration based on the Maoist ideal of "mass line politics" differs significantly from the western administrative systems used on the Weberian model of bureaucracy. Many of the structural and behavioural features of the Weberian model have been severely critised by Mao and he sought to either replace them or substitute some of them with other criteria in his own model of mass-based participative administration. The specific feature of the Chinese administrative model which distinguishes it from western models of administration lies in its emphasis on the "politicization" of administration; its stress on the ultimate political goals of administration and in the scope of its operations which is much wider and all encompassing in nature than western administrative systems.

The Chinese bureaucracy like its Western counterparts is also based on a hierarchy of specialized offices to which people are appointed in not essentially technical competence as stressed in Weberian model. The Chinese scheme favours the politically motivated generalist more than the apolitical technical specialist. In parctice this means considering a bureaucrat's social class origins, party membership and level of commitment to communist ideals, besides his education and technical skills.

TheChinese model does not enphasize "specialization" and "Professionalism" for various reasons. It is told that it too much importance is given to a limited member of technical experts it might discourage the spirit and initiative of the ordinary lower ranking members of the administrative netword, that is the "masses" upon whose efforts the Chinese model leans heavily for organizational success. The success of the higher-ranking bureaucrats would be judged by their ability to mobilise to the fullest, the cooperation, energy and initiative of their subordinates in the inplementation of decisions. The ordinary workers and lower level cadres should be made to feel capable of making positive contributions to the decisions that vitally affect their lives and optimistic about their abilities to compete for higher positions. The scope for upward mobility should be fully guaranteed in all bureaucratic organizations to increase the motivation and dedication to work of all cadres including the lowest in the hierachy.

Therefore, the functions of the Chinese administrators are not merely technical and political skils are required of them. As a result technical and political cousiderations are given importance in appointment as well as promotion of administrative personal.

Secondly, the Chinese model rejects the Weberian emphasis on the autonomy of bureaucratic organizations and the notion of an "impersonal and natural" burraucracy as an ideal for all societies. The bureaucracy in China operates within a political framework and qualities of political zeal and dedication to political objectives of a communist state are considered virtues, which every bureaucrat should cultivate. An apolitical and purely technical attitude to work is considered sterile and unproductive in Chinese model. The Chinese communists absolutely reject the need for organizational autonomy and phrases like 'departmentalism' and 'localism' are used for bureaucratic organizations trying to assert such autonomy. What this really means is that all organizational decisions are ultimately linked with the political goals of the state, which extend beyond organizational boundaries. Political interference within and outside the organizational decisions do not have undesirable social consequences and that administrators do not make mistakes and are efficient in their allotted tasks.

The Chinese reject the rational legal justification of authority and stress on more participatory leadership based on comradership among all levels of the bureaucratic hierachy. In the Chinese ideal of "mass line" politics, many procedures have been invented to reduce the effects of hierarchy in organizations. Most of the cadres have to spend a considerable part of their schedule dong manual work in rural areas alongside their subordinates. This is done to promote comradeship among various cadre levels and also to enable superiors to get an intimate knowledge about specific administrative problems in rural areas. Also, there are elaborate procedures for mobilizing support for decisions made at higher levels. A new policy is announced and explained by policy makers and then cadres at all levels are enocouraged to give thie suggestions and comments. The fullest participation of the employees at all levels is solicited the aim being that subordinates by taking an active part in decisions affecting them will identify more with the organization and contribute positively towards it. In Chinese organizations participations of subordinates is actively solicited through efforts to formalize and mobilize their informal social groupings. In every organizational unit there are work, study or discussion groups comprising eight to fifteen members who officers, arrange joint recreation, hold outside political study meetings and engage in group or self-

criticism. All these extra-curriculat activities are aimed at political indoctrination of cadres at all levels and to increase their incolvement in work.

Wage and status differences in hierachical grades exist in the Chinese bureaucracy but much effort has been made to undermine these by increasing organizational cohesion and communications across hierachical divisions.

Though in the Chinese scheme to ensure compliance to organizational goals, both coercion and a broad scheme of incentives (material and no material) remain important there is a constant endeavour on the part of the political authorities to get people to respond to what Etizioni calls "normative and social power". The organizational elements of the Chinese model are supposed to make this possible. According to the Chinese if these methods are applied in a proper manner the bureaucracy at all levels should respond increasingly to social pressure and patriotic appeals, making coercion and material incentives gradually redundant to ensure compliance to organizational goals.

In china no aspect of an administrator's life is considered completely irrelevant to his organizational performance, unlike the Weberian model, where a strict distinction is made between the bureaucrat's personal and official life. Various recreational activities and political indoctrination sessions are organized to utilize the spare time of the cadres to increase their work motivations and dedication to socialist goals. Work timing and schedules in government, organizations and offices may also be changed from time to time to suit political objectives. These efforts tend to make Chinese bureaucracies more total in scope and pervasive in character then their Western counterparts. Chinese cadres engage in more activities inside and outside the organization that bureaucrats do in the West. Finally, the Chinese do not believe in the concept at tenure posts or view bureaucracy as a career. Chinese bureacrats may hold posts for long periods but they serve at the will of the state. Besides, bureaucrats are frequently transferred from one post to another, up or even down the ladder to meet the changing demands of the developing economy. Manual labour in rural areas is considered as exxential part at their training.

The Chinese also stress the fact that administration should strive to minimize there rules and procedures so that all members specially the junior personnel who have new ideas and innovations to improve work, will be able to freely carry them out, Periodically special political campaigns are launched in China to reform organizational method and procedures and bring administration within easy reach

of the masses. They reject the notion of unit of command prominent in classical organizational theory and in the Soviet principle of "one man management". The Chinese stress on collective leadership and flexiible methods of consultation. Horizontally this means collective decision-making by party committees in consultation with administrators, technicians and workers. Vertically this means referring to many kinds of decisions up and down the various levels of the administrative hierarchy, often for ideas, reactions and approval. This procedure obviously results in delayed decision making to a certain extant and makes it difficult to specify responsibiluty at individual level but the supporters of the Maoist ideal believe that it would lead to increased cadre involvement in organizational goals and activities.

However the Chinese administrative system has many features in common with the Western bureaucracies. The Chinese bureaurcracy is organized as a hierarchy of specialized offices in pursuit of specific goals. Its primary task is the implementation of state goals in the social and economic spheres. Authority percolates from the upper to the lower of the bureaucracy and those at the top generally have more seniority or experience and receive more wages than their subordinates. Recruitment and promotion are based on universalistic achievement standards rules and written communications are widely used in Chinese organizations and offices are separate from office holders who can be replaced.

In the rational bureaucratic type, the chief concern is with achieving internal efficiency, through the maximum use of technical knowledge. In the Chinese conception the predominant emphasis is not finding ways to maximize the involvement and commitment of organizational participants, particularly at the bottom of the organization. The Chinese focus most of their attention on how subordinates are tied into the organization. The primary concern of the Chinese is with maximizing inputs rather than with getting the most return from limited inputs. Given her relatively low level of economic development and abundance of unskilled labour, advocates of the Chinese model claim that its implementation will produce full employment and involvement in organizations among participants, Thus producing more diligent, careful and creative work. In other wards the major emphasis of the Chinese model is that only greater involvement can produce greater actual efficiency.

Unit 1 ❑ Changing Profile of Governance

Structure

1.1 Introduction

The movements for assertions of identity and their political mobilization, and the trends of economic reforms, aggravated with the advent of globalization, have laid great impact on world politics and on the international community in the last decades of the twentieth century. Both have initiated debates regarding the role of the state, and that of government. The movements for assertions of identity, inevitably are aimed towards the claims of separate state and often are misdirected in the name of nation state. They challenge established regimes, but rarely address the real root of the problem. Actually they are organized with a view to satisfy the narrow self interest of few and normally never think beyond the institution of the state for the resolution of their problems and mostly they are politically motivated. The process of economic reform, on the other hand, seeks to roll back the state, especially in the productive and distributive aspects and makes market the most important actor. Globalization, marked by worldwide integration of markets and integration of national economies, 'enormously aided by the revolution in telecommunications and the elimination of informational lags and delays', had, paradoxically, generated formidable forces of division, disintegration and dissolution of multi-cultural and pluralistic societies. The growing trend of globalization and the multiple forces associated with it are making us more parochial, supporting the autonomy of the fragments, resulting in disintegration. Difference, and not unity, is now regarded as the source of strength.

The non-state actors, simultaneously have become very active and are constantly and consciously trying to secure development and to address the problem of poverty,

ignorance and social unawareness. The cumulative outcome of these multiple processes and forces has led to the decrease of erstwhile preeminence of the state and increased the power and influence of other actors like the market or the civil society, including various social movements and non-governmental organizations. Some feel that under the pressure of new challenges the role of the state may have suffered a setback in its original form, but the state as a regulator has assumed a renewed importance especially in the developing world.

Indeed the states are now struggling hard for maintaining their sovereignty and autonomy and are addressing the issue from their own standpoint and perception. The development states are trying their best to retain their dominance over the world market and the developing ones are in hard fight to maintain its existence in the global market against the constant pressure from the developed capitalist world. Despite the advocacy of a wider perspective of governance, the state still is the inevitable future not only for the countries like India, but also for the developed world, for one reason or the other. Moreover while effects of globalization and movements for assertions of identity have indeed weakened the power of the national governments, there have also emerged few contrary forces, which have compelled the state to remain in the center, whether as an actor in the international community or in the lives of the individuals. The debates like state vs. market never end with the absolute withering away of the state itself. The ascendancy of institutions of international economic and environmental governance has definitely posed a threat to the state itself in its original form and has shaken the erstwhile concept of sovereignty, but has not totally rolled back the state. The concepts of citizenship, democracy, rights, freedom, participation, accountability and legitimacy, the concepts that express their relationship between individual and the state have changed their earlier connotation. Extreme libertarians may take the view that both market and organization are not necessary, but realists feel that they are interwoven structures, the survival of each depending on the existence of the other. An efficient coordinating mechanism through interchange of information may make them both exist with full potential and it is here we need the state.

The following units seek to explore through its theoretical and empirical analysis, the impact of some of these processes of social, economic and political change on the role of the state in the recent years. It is hard to maintain a constant

balance between the needs of development and the rights of the poor people or that between the necessities of answering to the call of market based on the principle of free-competition and the considerations of equity and poverty..

1.2 Liberalism—A Conceptual Framework

According to J. S. Shapiro, the term 'Liberalism' is Spanish in origin. It emerged from the name of a political party, the 'Liberals' that in the early 19th century advocated constitutional government for Spain. To him, later on the term 'Liberal' was taken over in other countries to designate a government, a party, a policy, and an opinion that favoured freedom as opposed to authoritarianism. Professor Maurice Cranston observed that the word 'Liberal' had been adopted by the Spaniards for the policies they regarded as essentially English the principles of constitutional government and the rights of man. He reiterated that there was a plain etymological link between 'Liberal' and 'Liberty'. Although the word 'Liberal' was first heard in England in the early 19th century, the idea of liberalism inspired the Europeans long before.

Earnest Barker explained the meaning of the word in the background of its stages of historical development. He clarified that by its very name it tried to vindicate, or seemed to vindicate, a peculiar interest in the cause of liberty. Originally it was a passion for the right of the individual citizen to carry on his life according to his own will, at once protected and respected by his own state. It was a protest from the days of the Magna Carat, against arbitrary imprisonment and arbitrary taxation. It was also a claim for liberty of speech, of meeting, of discussion etc. The liberty of discussion was widened to mean further the right of the members of a state to constitute its own government and to determine its policies by free debates and the right to vote. Political flavour was added to civil liberty and the cause of affirmative and active democracy was given importance. The term liberty not only meant the freedom of the individual against absolute authority, but also included within its fold the cause for freedom from the unjust and hampering restraints imposed on his actions, thoughts, beliefs and worship by the government, the church, institutions and traditions. The Liberalism, and most prominently classical liberalism was the political theory of modernity. Its postulates are the most distinctive marks of modern life. The idea of liberalism bloomed around the basic philosophy of English liberalism that as a system of philosophy consisted of the following basic elements.

i) **Natural Law,**

ii) **Equality**, which was primarily a struggle for more equality as against the heriditary privileges of the few and later on, the new liberals invoked the principle of equality for securing rights to the workers, women and slaves.

iii) **Limited government**, which sought to curtail the absolute authority of the government. The concept gained its strength from the philosophy of John Locke who made the governmental powers subservient to popular consent and natural rights of the individuals. He justified the overthrow of government by revolution whenever the government went against the natural rights of the people.

iv) **Laissez-faire Economics**, which was also known as economic liberalism, Adam Smith (1723-1790) was the most notable advocate of economic liberalism in the 18th century Great Britain. According to him 'if restraints are placed on economic activities of men, their natural inventiveness and enterprise will be stifled, if these are liberated, there is bound to be a rapid and progressive improvement in the condition of human existence'. But H. J. Lake pointed out that Adam Smith's economic liberalism was only an elaboration of the liberal philosophy of John Locke.

v) **Rationalism**, keeps faith in the basic rationality of human being. The liberals believed that only by using reason man could create a new system of living that would bring happiness to man in this world. As rationalists, the liberals held all institutions to be amenable to natural law and thereby indirectly urged that all such institutions should be upheld or criticized and explained in terms of natural law. Indeed it was this rationalist attitude of mind that urged the liberals to emphasize the autonomy of the individual as against the authoritarianism of the state and the established church.

vi) **Intellectual Freedom**, was considered as another element of liberalism. It was derived from the conviction that all opinions, even erroneous ones, should have freedom of expression. Taking into consideration that man is essentially rational creature, John Milton (1608-1674), John Locke (1632-1704) and JOSS Mill (1806-1873) upheld the cause of intellectual freedom in different spheres.

vii) **Toleration**, the principle that was regarded as an element of liberalism. The doctrine of toleration was only an institutional device through which religious freedom of conscience and belief was sought to be protected. John Milton (1608-1674), John Locke (1632-1704) were two great advocates of toleration in the 17th century England.

viii) **Secularism**, implying a this–worldly attitude of mind, sought to liberate human mind from the influence of other worldliness by rationally persuading men to made their lives happy on this earth instead of looking at their future happiness in the other world.

ix) **Progress**, was considered as an essential element of liberalism. It began with the assertion that the future of man depended on his own hands and that he by using his brain could strive for perfection. The idea of progress had always been present in philosophical Empiricism, specially in that of Locke.

x) **Education**, was viewed as an instrument of real social progress.

The medieval producer attained his individual end through an activity which at every stage, bound him to the rules of conduct which were ethically sanctioned. Wealth was regarded as a fund of social significance and not of individual possession. But the rising commercial classes were opposed to any sort of restraint, even the ethical one. As soon as the capitalist spirit began to attain a predominant hold over man's mind, the capitalist individual started claiming for the freedom of economic pursuit. The pursuit of wealth for its own sake became the chief motive of human activity. They raised their voice against any sort of interference, whether by the ecclesiastical authority, or by the state itself.

Liberalism is based on the assumption that the individual initiative contains within itself some necessary seed of social good. Accordingly, it has always tended to make an antithesis between liberty and equality, because it has seen in liberty that emphasis upon individual action which inspires him to move towards his own destiny of progress in his own way and according to his own capability and it has seen in equality the outcome of authoritarian intervention which trespasses into the private domain of the individual, hampering the smooth growth of individual personality. As a doctrine, early liberalism was directly related to individual freedom;

it sought, almost from the outset of its history to limit the power of the 'government within the framework of constitutional principle and to enlist such fundamental rights which the government of the state was not entitled to violate, though the fact was that the rights were secured in the interest of the propertied class, not the common people. They not only nurtured the attitude favouring the breakdown of the system of public assistance, but also answered to the growing need of the bourgeois class who were getting afraid of the working community's effort to combine for self-protection and their attempt to assert rights both in parliament and in the courts of law. The early liberals upheld that the nexus between master and man was purely economic one and not a partnership implying reciprocal social duties. In its initial phase of evolution liberalism was associated with the principle of *laissez faire* economy and most of the times supported the cause of the minimum state interference. The early liberals were mostly bothered about the coercive involvement or restrictive movement of the government in the economic sphere and they were concerned with the tariffs and regulations of the government in this respect. John Stuart Mill marked the distinction between authoritative and non authoritative intervention by the government, demanding that the authoritative action of the government be restricted to minimum required for the upholding of justice. In addition to providing minimum welfare services, a liberal state was supposed to maintain a free order. The liberals felt that the state must perform some positive functions, like the legislation and enforcement of anti-monopoly regulations, certain consumer protection measures, the regulation of the state-funded schools and the like. Liberalism has always been subject to attack and criticism from different quarters, both intellectually and politically. Conservatism, socialism, collectivism and the like severely attacked the basic tenets of liberalism. Conservatives proclaimed that relations of authority are natural aspects of the natural form of social life. Conservative thinkers like De Maistre and Burke maintained that the elements of authority, loyalty, hierarchy and order are the central themes of political life, not the equality or liberty; they are particularists. Socialists favoured the progress towards a classless egalitarian society and like the Conservatives and unlike the liberals they mostly repudiated the abstract individualism.

The impact of the World War II enhanced the extent of state activity. In Great Britain the experience of a highly successful socialist command economy yielded the Beveridge Plan for a managed mixed economy, while in the United States war

involvement entrenched the managerialist tendencies of the Roosevelt' (John Gray, Liberalism, p.36). Even where the socialist ideology laid no direct or indirect impact, there developed a tendency favouring the growth of the activist state and mixed and regulated market, instead of a free one. In Nozick's view the minimum state would exist only to protect the Lockean rights, i.e., the rights to life, liberty, property, possessed by man in the state of nature. However Robert Nozick almost mentioned nothing about the financing of the minimum state. The most promising alternative approach was offered by F. A. Hayek (The Road to Serfdom, 1944) and by the Public Choice School. Hayek warned against the adoption of socialist policies by the western nation and he suggested that these nations must travel along the classical liberal line. It added strength to the current neo-liberal thought, supporting the policy of minimum control on economic activities. Hayek tried to derive the basic liberal rights from a conception of justice that is procedural in nature. The basic rights, as conceived by Hayek and Rawls were based on justice, which in Kantian terms entrenches the autonomy of the individual.

1.3 Evolution of Neo-liberal Thought

The period following the Second World War was marked by the dominance of Keynesian consensus. Dissident voices were hard to find. In 1960 F. A. Hayek published his *The Constitution of Liberty* that made an attempt to revive classical liberalism, though his voice was not heard till the late 1970s.

The most formidable proponent of free market theory who remained outside the post-Second World War consensus was Hayek, His wise and unique outlook had been able to provide a renewed version of liberalism, that was proved useful for the dismantling of the extensive welfare state system by Thatcher's New Right government and one that is accepted by the both major political parties in Britain today. Hayek's contribution could be found in the fact that he furnished both a critique of collectivism and socialism and provided a blueprint for a minimal state with free market relations as being efficient and just. His works filled the intellectual and moral vacuum that economic liberals, New Rights theorists like Milton Friedman were looking for since the middle of the twentieth century. Hayek's ideas centered around the basic tenets of the Austrian School of Economics. Hayek preferred a

subjectivist version of economic values, which led him to reject the objectivist idea that the value of an asset or resource is determined by its physical constitution or by the amount of human labour needed to make it. He mentioned that the chief criteria to determine the value of an asset or resource is the valuations and preferences attached on it by the individual. Thatcher who introduced privatization and monetarism and altered the post - Second World War consensus on the welfare state was inspired by Hayek's works. She acknowledged the inspiration she drew from Hayek's works and wrote on her ninetieth birthday in 1989, 'none of what her government had achieved would have been possible without the values and beliefs to set us on the right road and provide the right sense of direction. The leadership and inspiration that your work and thinking gave us were absolutely crucial and we owe you a great debt' (Thatcher cited in Lesheff 1999 : 148).

The Road to Serfdom (1940) set the tone of Hayek's formulations against collectivism, state planning and socialism. It was written at a time when collectivism had received impetus worldwide. Inspired by Ludwig von Mises' critical work on Socialism (1922) Hayek considered that socialism, planning and collectivism might expedite the loss of individual freedom. He reiterated that collectivism and totalitarianism, both make attempts to subvert individual ends, totally disregarding individual freedom and autonomy. In a nutshell, Hayek's economic and political order called catallaxy was spontaneously organized and plural in nature. Hayek contended that the business of government is to maintain law and order and to provide for public works that required huge capital outlays. It should not impose its views on moral questions on the individual rather it should allow the individual to search for his own destiny. For Hayek, independence, self-reliance, risk-taking, defiance of majority opinion, voluntary co-operation are the virtues for organizing a free and individualist society.

Liberals in general and Hayek in particular did not oppose the welfare state. They never upheld the view associated with Social Darwinism or never thought that the state and its officials should not bother about the adequate means livelihood to be earned by the weaker in the catallaxy. Hayek was disturbed by the shape welfare state took in Britain and not by the idea of the welfare state as such. For Hayek, division of labour and division of knowledge enable the market economy to function at a reasonably high level of productivity which make it possible to provide the

sufficient payments to be made outside the market to those individuals. In *The Constitution of Liberty* he was concerned with the threats on liberty when governments pursuing aims of welfare state, whether legitimate or not, tend to destroy freedom. Many believe that the welfare state in course of time may have become the cover to push for a more comprehensive socialism not intended by the original formulators of the welfare state. When Hayek wrote *The Constitution of Liberty* he was not so much concerned about the threat of overt socialism but he knew that the same ends may be pursued through other means. The difficulty with welfare ideology is that its aims are diffused and hard to precisely categorize, making it more difficult to conclusively reject by comparison with the more traditional socialist doctrines. The one aim that Hayek consistently opposed was the attempt by the state to ensure some absolute level of security against deprivation for its citizens as the basis for a more egalitarian distribution of incomes.

Hayek objected to a welfare state that deprived individuals of the opportunity of making arrangements for things like old-age pensions, health and housing by their own effort. He did not object to some form of compulsory insurance against unemployment, sickness and other aspects of social security and even considered the role of the state towards establishing these schemes but he constantly warned against the tendency towards a state monopoly. He lamented on the slow reduction of the principle of insurance in the field of social security for the latter's finances do not come from contributions but from taxation. Hayek felt that individuals receiving what they are entitled to in accordance with their contributions there has been an inclination to give what they need as if there is an objective criterion of need. Furthermore, it is impossible to identify and measure need and to presume that the state can do so. It only unduly empowers the state officials who administer the system and the politicians who decide about its ends. The problem of poverty needs to be resolved by cash transfers rather than collective uniform consumption of welfare goods, allowing the individuals the freedom to expand according to their desire. Another effect of the state playing a pivotal role in welfare has been the emergence of a vast bureaucracy whose officials tend to exercise tremendous discretionary powers and dominance over the individuals, The bureaucracy is keen to nurture the system or the practice for their careers depending on the continued expansion of the services of the state. They project themselves as superior to private

ones and use to play a decisive role, even in the fields where individual autonomy should be maintained. Hayek pointed out to the absence of an objective standard of health care. When the state decides the level of health care it is making a political and arbitrary decision about how their money has to be spent. Hayek basically contended that democratic methods are not as effective as market choice in expressing information about what the individuals want in the way of welfare services.

Hayek's objections to the welfare state also began from his considerations about the rule of law and efficiency. When officials have the power to discriminate between individuals quite often on subjective grounds of need the rule of law is violated. Regarding efficiency, he argued that the welfare state does not really help the people for whom it was originally designed, namely the poor. Instead it only helps in proliferation of administration. Even the redistribution argument is rejected on the grounds that the progressive income tax exploits the rich for the benefit of the middle class rather than the poor. The idea of progressive taxation violates the concept of 'equal pay for equal work' for those who produced most were penalized more than those who produced the least, enabling the majority to dictate to the minority. Moreover, it diverts resources into non-productive areas slowing down capital formation and preventing newcomers from entering the market. The most powerful argument Hayek made against the welfare state is that it might bring in a socialist society. He even suggested that the welfare state agencies employ similar measures to those employed by the totalitarian state to have its monopoly over information. Hayek believed that indiscriminate implementation of material equality destroyed a free society and the rule of law.

Hayek succinctly distinguished between misfortune and injustice and considered injustice as the outcome of intentional actions of individuals. Given his preference for a minimal society he characterized society as spontaneous, purpose-independent with none being able to predict or foresee the consequences or the outcomes of individuals pursuing their own conceptions of good. Hence social outcome are unintended. On this basis he rejected the criticisms of the free market as being unjust since it made some poor. He argued that in a free economy governed by the rule of law and justice poverty is not injustice for there is nobody to monitor the outcome and nor are its operations to be described as distribution of income and wealth. Free

market unlike social justice does not presuppose a distributor who could provide for the actual needs of the people as they arise and such an act is an unintentional one. The poor suffer out of misfortune and not the case in a free market. Hayek advocated state provision of a minimum income for the unfortunate but not of considerations of justice. The recipients of minimum income receive it not because they deserve it but rather it is to relieve their suffering. Here, Hayek argues like Popper that the role of a state is to mitigate unhappiness and avoidable suffering. Social justice, according to Hayek, is based on a certain moral consensus in society since he doubted the existence of a majority view to everything. The idea of social justice presupposes that among the various values it should receive precedence over others, which for Hayek contravenes the idea of diversity of ends that a free and liberal society stands for. Secondly, because of the ambiguity and indefiniteness regarding the relative merits of these values, the officials will have more power and exercise it in a discretionary way. This allows different interest groups to articulate their own subjective views and get them politically accepted. Too much power leads not only to corruption but also impotence. Hayek criticizes the welfare state, for under the garb of guaranteeing a minimum standard of living it only leads to the entrenchment of a certain specific group in a privileged position. It removes the spirit of independence from the individuals who begin to value jobs that guaranteed security and permanence rather than self-reliance, independence and innovation.

Hayek's economic model is similar to the one advanced by the Classical Liberals and has wielded considerable influence. The criticisms leveled against it are similar to the one that are made of the classical model. Basically, the market system is perceived as being imperfect and incapable of solving many human needs, a lacuna that the welfare state and government intervention rectifies. Arrow shows that individual preferences cannot aggregate to provide the best possible scheme of social welfare and the method of moving from individual preference to the social one is to be either imposed or dictated. Olson in the logic of collective action also points out this inevitable coercion to ensure fair contribution for the cost of collective or public good. However, Hayek dismisses these arguments on both ethical and practical grounds. He considers state planning, welfare schemes and excessive taxation as inimical to freedom by rightly pointing out to the need for a delicately balanced trade off.

Karl Popper in his The Open society and Its Enemies (1945), J. L. Talmon in his Origins of Totalitarian Democracy (1952), Sir Isaiah Berlin in his Two Concepts of Liberty (1958) made a significant contribution to the liberal intellectual tradition. Some of them upheld the logical and moral foundation of liberalism and some others defended the negative idea of liberty. Berlin developed that 'The value of choice, and therefore individual liberty, derives precisely from this radical pluralism of values'. Hayek's microeconomic perspective, and the individualist and subjectivist methodology discarded any objectivist theory of value. Contrarily, it supported the view that the value of an asset or resource, i.e., the economic value was conferred on it by the preferences or choice or valuations of individuals and not by the objectivist fact that its physical constitution or the amount of human labour determined its value.

As against the Keynesian Paradigm, and in opposition to the dominant view of the Chicago School (Milton Fried man), which held that monitory control would be the means for stable economic growth, the Austrian School of Economics maintained that the principal cause of the stagnation of the late 1970s was the discoordination of relative prices induced by governmental intervention (John Gray, Liberalism, p. 39).

1.4 Neo-liberalism

The middle classes of the 17th century England had to establish the liberal state, committed to the maintenance of liberal social order, by overthrowing the authoritarian rule. Mostly in the same tune the neo-liberalism has emerged as a powerful political ideology advocated by the world's ruling elite during the 1980's and 1990's, with the same interest to curtail the intervention by the state on the way of competitive market economy. The efficiency of market, competition, supremacy of individual choice over collective decisions have received additional weightage in the hands of the neo-liberals. The neo-liberals have attached special value to the power of market forces, determining the production, distribution and consumption of almost all goods and service. Accordingly, they have argued that the functioning of the market should not be hampered by the intervention of the government. Neo-liberalism supports the cause of sustained economic growth, rapid increase in the gross national product, leading to steady progress, free market operation unrestrained by government,

economic globalization achieved through free flow of economic goods and services all over the globe and adhering to the path of liberalization, privatization and globalization. Thus the neo-liberals advocate the policy of rolling back of the state, the state's role being confined to facilitate the efficient functioning of the markets.

The policies of privatization, deregulation and application of the principles of market operation facilitate the rolling back of the state. The state is not expected to be the direct provider of goods and services; contrarily the state is to be reinvented as a regulator. The philosophy of welfare state is no longer nurtured by the liberals, mostly like the early liberals, the neo-liberals seek to maximize individual liberty and freedom, energize the market mechanisms and encourage free competition.

The philosophy that provided intellectual support to the neo-liberal thought was the 'New Right' philosophy which propagated the value of individual rights and choice and advocated the approach, favouring non-interference by the government in the economic activities of the individual. In 1970's the term 'New Right' first originated to recognize the contribution of the group of scholars in Chicago University who advocated minimal role of the state and instead of it they supported the key role of market. They thought that any sort of subsidy is detrimental to the growth of the market. To them the market should be given full freedom in its operation for it can create wealth and productive employment. The New Right Schools of thought, inspite of intellectual differences, broadly maintained that state involvement leads to growth of monopoly, hike in budget and suppressing of entrepreneurial behaviour and initiative, limiting individual choice, over-production of unwanted services encouraging waste of time and resources and creating permanent field for inefficiency. To them, the state interference often exercises unnecessary dominance over the smooth flow of market interest, instead of taking active part in production of goods and services. New Right Schools of Thought lay stress on the regulative and productive role of the state. In view of this the New Right philosophers argue in support of **deregulation, privatization, lowering the rate of inflation, reduced rate of taxation, effectiveness of market forces** and to secure all these they want **institutional and constitutional reforms**.

This stream of thought led to the development of the NPM principles (New Public Management), mainly contributed by the New Right School of Thought (Public Choice School led by Black, Buchanan, Tullock and Niskanen; the Chicago

School led by Friedman; the Austrian School led by Hayek; and the Supply Side Economics School led by Laffer, Gilder and Wanniski), and business type managerialism.

In 1979, Margaret Thatcher came to power in Great Britain and Ronald Reagon in the United States; with the beginning of their regime the existing systems came under a major revision. The intellectual thought of the era found in so called welfare philosophy the seeds of idleness, lack of initiative, which took away from the individual his basic sense of discipline and enterprise. The individual surrendered all these things in the hands of the state and its government reducing the efficacy of the market forces. The new thought held that the bureaucracy was also responsible for this non-productivity on part of the private enterprise.

The possible incamations of the administrative reforms include

a) the concept of managerialism,

b) market based public administration,

c) the post-bureaucratic paradigm,

d) entrepreneurial government.

Cristopher Hood has termed these administrative reforms as the 'New Public Management' (NPM). The underlying principles of NPM are :

1) hands on professional management in the public sector ;

2) emphasis on explicit standards and measure of performance ;

3) giving greater stress on output controls not on procedures ;

4) disaggregating the units so as to create manageable units in the public sector ;

5) inviting greater competition in public sector ;

6) stress on private sector styles of management practice ; and

7) concentrating more on greater discipline and parsimony in the use of resources.

The above-mentioned strands, in one way or the other are rooted in the economic principles, particularly 'the new institutional economics'. The new institutional economics emphasize on the ideas of contestability, user choice, transparency and special incentive structures.

The processes of global restructuring have also had their special impact on civil society. A strengthened civil society is on the agenda of the neo-liberal thought. The neo-liberals however construct the market as the private sector and consider the state as the public sector. They either totally disregard the private realm of the family or lumps it into a very broad concept of civil society that includes market actors and which is counter posed to the state. The neo-liberal discourse on globalisation makes the state typically feminised in relation to more robust market by making the state subordinated to the market forces and making a case for minimum state. Contrarily the opposite view holds that the state is assuming a renewed role by becoming more akin to the private sector as it is internationalized to assist global capital and by enhancing its coercive and surveillance capacities.

Unit 2 ❑ Paradigm Shift in Public Administration

Structure

2.1 Shift of paradigms in Public Administration Context of Rise of the Concept of New-liberalism

In the immediate aftermath of the emergence of New Public Administration, Public Policy approach gained pre-eminent position among the more applied analyses of government systems. Within this broad approach have been two inter-related foci : the Policy Analysis and the Political Public Policy. Thus the objective of policy research is to provide relevant accuracy and useful information with a view to facilitate public policy process. Edward Quade defines the area as the form of applied research carried out to acquire a deeper understanding of socio-technical issues and to bring about better solutions. Attempting to bring modern science and technology to bear on society's problems, policy analysis searches for feasible courses of action, generating information and marshalling evidence of the benefits and other consequences that would follow their adoption and implementation, in order to help the policy maker choose the most advantageous action.

In the policy process models, on the other hand, interrelated stages of the policy process are identified. For instance, Quade sees five elements in the policy process, problem formulation, searching for alternatives, forecasting the future environment, modeling the impacts of alternatives, and evaluating the alternatives.

A different perspective has been chosen by Laurence Lynn who observes :

Public policy can be characterized as the output of a diffuse process made up of individuals who interact with each other in small groups in a framework dominated

by formal organizations. Those organizations function in a system of political institutions, rules and practices, all subject to societal and cultural influences.

Clearly, the stress here is on political interaction from which a policy is derived. Lynn argues that policy making "encompasses of political strategies, but also supervision of policy planning, resource allocation, operations management, programme evaluation, and efforts at communication, argument and persuasion."

One also finds in recent publication approaches that represent an amalgam of policy analysis as well as political public policy approach. Accordingly, Robert Reich argues that post war Public Administration has been influenced by both these distinct visions of how public managers would decide what to do : the first focuses on net benefit maximization, deriving from decision theory and micro-economics; the second relies upon interest group mediation, derive from pluralist theory.

Despite the importance of public policy approach to the understanding of the dynamic public systems, it seems to have lost some of its value recently. Ad, Owen E. Hughes notes, its methods are criticized for being too narrow and its conclusions of 'dubious' relevance to the task of governing. "However, public policy and policy analysis remain useful in attracting attention to what governments do, as opposed to the public administration concern with how they operate, and in using empirical methods to analyze policy. Stuart Nagel, in defense of the public policy approach argues that the traditional goals of public administration viz., effectiveness, efficiency and equity should be balanced with the three Ps as high level goals, meaning public participation, predictability and procedural due process. Thus the conventional public administration and public policy approach are complimentary to each other.

At this stage, a brief reference to 'post-modern' Public Administration may be made. Post-modernism is located in the moral principles of democratic and egalitarian policy generally labeled as 'constructivism'. It is based on the trilogy of post-behavioural tenets of Public Administration, namely the 'critical' theory, 'phenomenology' and the 'structural' theory. Obviously, post-modernists do not believe in any universal theory of Public Administration. Discourse Theory, propounded by Charles J. Fix and Hugh T. Miller is most radical of the post-modernist Public Administration conceptualizations. Discourse theory, while rejecting the policy-administration dichotomy, subscribes to the view that both policy and administration (formulation, implementation and administration of policy) may better

be grasped as public energy field. This field encompasses a variety of actors engaged in the policy process, viz. organizational institutions, voluntary agencies, the fourth estate and citizens' groups.

At the intellectual plane, the post-modernist theory appears to posses novelty and spirit of iconoclasm, but its total rejection of the so-called 'orthodoxy' of Public Administration, ignoring the phenomenal contribution that it has made to the evolution of the discipline, make the post-modernists only 'partial' purists.

Another conceptual construct which raised the eye-brows of intellectuals through for a short while only is the Public Choice theory that is based on the assumption that individuals act according to their own preferences and try to pursue their own aims in any situation. Thus, their rationality is determined by and limited to their knowledge of the situation. The Public Choice approach highlights the tendency of public servants to take recourse to an inefficient utilization of resources and exploitation of certain groups. Bureaucracies tend to accumulate tasks and resources and consequently, their effectiveness wanes. Thus, the approach advocates constitutional safeguards against exploitation, invention of 'polycentric' (as against monocentric) administrative systems, decentralization, de-concentration of power, federalism and transparency in the financial system. All this should lead to the availability of increased opportunities of choice for the consumer or the citizen.

It is obvious that all the explanations of Public Choice theory, its methodology, its ethical benchmark, and its recommendations challenge and contradict the basic premises of classical as well as neoclassical Public Administration. Little wonder, this approach has found very few supporters.

2.2 New Public Management

Ever since the discipline of Public Administration was given an identity more than hundred years ago, there has been a constant confluence of Management Science and Public Administration. The impact of FW Taylor was evident in the writings of L. D. White and W. F. Willoughby; the French scholar Henry Fayol built bridges between Management and Public Administration; Chester Barnard was the prime motivator of Herbert Simon; the contemporary Management guru, Peter Drucker has perspicaciously analyzed government bureaucracies from a managerial

angle; the fusion theory of Chris Argyris has been tested in the context of American federal government; and today the burgeoning world of Management Science has its penetrating effect on the intellectual development of Public Administration. This convergence appears as a natural consequence of the integrated development of the discipline since the core of Public Administration has always been its external political context as well as internal managerial dynamics. What is internal to a public administrative system is its process of management and what is external to it is its political (as well as socio-economic) environment in which it functions. It is universally accepted that most maxims, principles, guidelines and dictums of efficiency, economy and effectiveness have emanated from the writings of Management thinkers and they have been adopted and adapted by the scholars of Public Administration. Both Management and Public Administration are applied sciences. Hence leaving aside their individual contexts of control and accountability, there is no drastic differentiation between the two as far as their cardinal goals and roles are concerned.

Currently, if there is one 'paradigm' in the discipline of Public Administration, it is perhaps 'New Public Management' (NPM). This paradigm of NPM emerged on the heels of the movements of re-inventing government (1992) and good governance (1992). The sub-title of the book Re-inventing Government is How the Entrepreneurial Spirit is Transforming the Public Sector. If we closely examine this sub-title of book by David Osborne and Ted Gaebler, it would be evident that both these scholars were 'describing' what was already evident on the administrative scene. Hence, they were not essentially prescriptive but primarily descriptive while highlighting the presence of entrepreneurial governments. Truly, the movement of managerializing the government had started even before this monumental volume was published. Writings of these and other scholars had already appeared in 1980s (and even earlier) which highlighted the need for adopting in an effective manner sound management practices in government systems. One is reminded of what was happening about nine decades ago when Taft Committee was appointed to transplant Taylorism into the government system. Little wonder, some scholars have branded NPM as neo-Taylorism. Even if we avoid a debate on a neologism like 'neo-Taylorism', it must be contended that public administrative organizations have liberally borrowed modes and instrumentalities from its more vibrant sister discipline, Management.

A historical perspective would reveal that bureaucracies throughout the world have rarely responded effectively to environmental challenges on their own. They have generally lagged behind the times. In 1968 itself, when Dwight Waldo was organizing the first Minnow brook Conference, Peter Drucker had come out with his perceptive volume, The Age of Discontinuity which made a prescient analysis of the incompetence of bureaucratic government. One can even see this exasperation with straitjacketed bureaucratic system in the writings of Harold Laski, Warren Bennis, Robert Reich, Tom Peters and Alvin Toffeer and others.

It is ironical that remedies to bureaucratic ailments have been offered more by scholars of Management than by the wise men of Public Administration. But what goes to the credit of Public Administration scholars is their alacrity and competence to imbibe and incorporate the pertinent and the precious from any other discipline and mould it as per their own intrinsic agenda and ambrence New Public Management is only one such manifestation of this resilience of Public Administration.

The OECD believes that through NPM, public sector is being made more managerial. The introduction of a more contractual, participative and discretionary style of relationship between levels of hierarchy, between control agency and operating units, and between producing units, be they public or private. Further, the OECD avers that most countries are following two broad avenues to improve production and delivery of goods in services in public organizations. These two avenues are :

1. To raise the production performance of public organizations to improve the management of human resources including staff, development, recruitment of qualified talent and pay for performance; involve staff more in decision making and management, relax administrative controls while imposing strict performance targets; use information technology; improve feedback from clients and stress service quality; bring supply and demand decisions together [e.g. through charging users].
2. To make greater use of the private sector [to] promote a dependable, efficient, competitive and open public procurement system for contracting out production of publicly provided goods and services; and end monopoly or other protection for suppliers.

In sum, the OECD view on NPM involves the following aspects of administrative management :

- Improving human resource including performance pay.
- Participation of staff in the various stages of decision making, relaxing control and regulations, yet prescribing and ensuring the achievement of performance targets.
- Using information technology to an optimum level in order to make MIS more effective and enrich policy and decisional systems.
- Providing efficient services as clients and treating them as customers and even as members of the organization.
- Prescribing user charges for services in order to make the customers as more integral part of the public sector management.
- Contracting out services as a part of the privatization plan.
- De-regulation of monopolies and deconcentration of economic power among various organizations.

There has been a plethora of literature of New Public Management and one finds in the myriad writings certain common concerns and foci. Briefly, the most common attributes of NPM are :

- Focus on outputs, with greater stress on results rather than procedures.
- Strengthening professional management.
- Ensuring high standards and measures of performance.
- Greater emphasis on output controls.
- Increasing de-centralization of business decisional power.
- Greater accent in the public sector on adoption of private sector style of management practices, discipline and parsimony.
- Ensuring accountability, progressive leadership and greater understanding between political leadership and the public.
- Added responsibility of managers for results.
- Gradual decrease in the size of government.

Over the years there has been one important shift in the thinking of NPM, In the early stage of entreprencurial government, there was stress on de-governmentalization

and privatization which was sometimes called downsizing or rightsizing. The government was expected to be lean and meauint now once again, it has been recognized that the imperatives and inevitability of government's role and responsibility as a crucial facet of national life cannot be undermined. For developing countries particularly, the role of government in engineering socio-economic change and bringing about goal-directed progressive multi-dimensional development is likely to remain supreme. Therefore the contemporary emphasis is not on less government but on better government. This is where the value of sound managerial practices has permeated the field of public administration. A question arises as to why the scholars of Public Administration have not resisted the onslaught of a New Public Management on their discipline. Perhaps it is primarily because of the fact that howsoever newfangled New Public Management might appear to be, it has its organic linkages with 'old' Public Administration. Accordingly, one can surmise that traditional administrative and managerial theories which emphasized efficiency, effectiveness and economy have assumed a new form as integral components of New Public Management. The difference, of course, lies in the goals of the administrative systems in two divergent settings, but then NPM is not so much concerned with the goals of public administration, as with the strategies to achieve them. In this context, it ought to be appreciated that while the foremost concerns of New Public Administration has been with the goals, values and the spirit of public administration, New Public Management, on the other hand, is principally interested in the structure and style of public administration. There are certain elements of New Public Management that are perceivable in New Public Administration and vice-versa. Essentially, both are complementary to each other.

As we move towards the future we are likely to witness two parallel administrative realities. The first, anchored in New Public Management, would be more germane to the milieu in developed nations where the government is emerging as a facilitator and moderator of goal-directed change. The other reality will be more reflective of the enterprise of change in developing nations where the government's responsibility and role in tackling poverty and backwardness will remain prominent and legitimate for many more years to come. In a country like India, the traditional public administration focusing on organizational re-structuring and managerial efficiency will continue to be ensconced on a pedestal of time-tested authenticity. And besides,

the principal values and concerns of New Public Administration as well as New Public Management would also continue to perennially re-energize the discipline as well as the profession of Public Administration. Thus, in the foreseeable future, Public Administration is destined to flourish in a poly-paradigmatic environment facilitating its multi-faceted growth.

In looking at public administration there is a well-established and recognized model with along history and extensive literature. As it is more recent, new public management is nowhere in the same degree. There are likely to be problems of accountability, morale and ethics in the adoption of new public management and it is possible some managerial changes will result in little, if any benefit. There is, however, no reason to presume that the managerial programme will be dropped and the traditional model adopted again. There is not only a major theoretical shift under way affecting the public sector and the public services, but also with substantial impacts on the relationship between government, bureaucracy and citizens. As the reform programme progresses in different country, it appears more evident that the days in which formal bureaucracy and the traditional model of administration characterized government management are rapidly changing.

There has been a transformation in the management of the public sectors of advanced countries. The rigid, hierarchical, bureaucratic from the public administration, which has predominated for most of the 20th Century, is changing to a flexible market-bad from of public management. This is not simply a matter of reform or a minor change in management style, but a change in the role of government in society and the relationship between government and citizenry as well. Traditional public administration has been discredited theoretically and practically, and the adoption of new public management means the emergence of a new paradigm in the public sector.

This new paradigm poses a direct challenge to several of what had previously been regarded as fundamental and almost eternal principles of public administration. The first of these was that governments should organize themselves according to the hierarchical, bureaucratic principles most clearly enunciated in the classic analysis of bureaucracy of the German Sociologist Max Weber. The second principle was that, once government involved itself in a policy area, it became the direct provider of goods and services through the bureaucracy. Thirdly, it was thought that political and

administrative matters could be separated. The administration would be an instrument to carry out instructions, while any matters of policy or strategy were the preserve of the political leadership. This was assumed to ensure accountability. Fourthly, public administration was considered a special from of administration and therefore, required a professional bureaucracy, employed for life, with the ability to serve any political master equally.

By the beginning of the 1990s, a new model of public sector management was emerging in most advanced countries (Famham and Horton, 1996). The new model has several incamations, including : 'managerialism' (Pollitt, 1993); 'new public management' (Hood, 1991); 'market-based public administration' (Lan, zhiyong and Rosenbloom, 1992); post-bureaucratic paradigm' (Barzelay, 1992) or 'entrepreneurial government' (Osbom and Gaebier, 1992). Despite the differing names these essentially describe the same phenomenon.

In fact, managerialism is a 'determined effort to implement the "3Es" of economy, efficiency and effectiveness at all levels of government activities. Though the various terms—new public management, managerialism, and entrepreneurial government-may vary, they point to the same phenomenon. This is the replacement of traditional bureaucracy by a new model based on markets. Improving public management, reducing budgets, privatizing the scope of government or bureaucracy. Since the last two decades, the perception of government and governance has been changing at a rapid pace. The force of liberalization, privatization, globalisation and the revolution in information technology have broken many a myth about public administration. There has been considerable rethinking the way the governments now conduct their business, and they are looking more and more toward innovative solution to an increasing global problems and pressures. A multiplicity of new paradigms, theories and models has now been extended beyond the formally accepted boundaries of public administration.

A radical change in organizational culture is occurring, but not without cost. The new approach has problems, not the least of them the disruption to standard operating procedures and poor morale. There seemed to be a long way to go before a new results-based management could emerge, although there was no going back to the traditional model of public administration.

Issues arising out of liberalization, privatization and globalisation have radically altered the nature and scope of public administration. The discipline has to respond to the challenges of LPG. Public administration today is reflecting the changing nature of practice of government of developed as well as developing countries. The practices of traditional public administration are under increasing attack from neo-liberal economists, interest groups theorists and rational choice scholars. LPG and changes in ideological climate are likely to have a decisive impact on public administration and this is what is evident now. In fact public administration has undergone a sea change in response to new inputs from the contemporary socio-economic and political climate. Some of the issues dominating in public administration are : (a) centralization, viz, decentralization, (b) contradiction between growth and distribution, (c) nationalization vs. privatization, (d) command vs. liberal and (e) secrecy vs. transparency.

2.3 Welfare State

Since the Second World War the term welfare state has been increasingly used not only in political theory but also in political practice. The idea of institutionalizing state welfare crystallized by implementing Keynesianism to combat the effects of the depression and subsequently as a blueprint for social reconstruction of Western Europe after the Second World War. The momentum towards welfare legislation and poor laws picked up in the last two decades of the nineteenth century, in particular with Bismarck's social welfare legislations of 1883-89. This became the model for other European states in the twentieth century. Archbishop William Temple (1881-1944) introduced the term welfare state in Citizen and Churchmen 1941) to describe a state that makes substantial provision through law and administration for those in need, namely the sick, poor, elderly, disabled and indigent.

The underlying ideas of the welfare state came from varied sources. The French Revolution gave the notion of liberty, equality and fraternity. Bentham and his Utilitarian disciples emphasized the importance of the greatest happiness of the greatest number as the aim of state policy. Bismarck and Beveridge stressed on the reasons for social security and social insurance. The Atlantic Charter of 1941 mentioned four freedoms that included freedom from fear and want. The social liberals—Green, John Atkinson Hobson (1858-1940) and Hobhouse spoke of the

need for a state to remove obstacles to human self-development. This was in contrast to the classical liberals for whom the state was primarily needed to guarantee security governed by the principle of the greatest happiness of the greatest number. The social liberals did not accept the socialist contention to do away with the institution of private property, for they did not consider capitalism as the root cause of poverty and misery. Mill's revision manifested in Green's philosophy was the desire to create a middle class that would dutifully help the poor and convert the workers into small property owners. This balance between individual liberty and social security was reflected in the Beveridge Report (1942) that formed the original charter for British welfare state.

The dominant ideology of the post-Second World War period was Social Democracy. The Great Depression discredited laissez faire capitalism. It was difficult to visualize a market-led recovery to overcome the devastation to industries and economy by the war. The central themes of the post-War ideology of social democracy were socialization of the means of production, planning, social citizenship and equality. Socialization of the means of production was a third way between communism and capitalism because the community would have economic power without the rigid centralization characteristic of the former Soviet model. The overall coordination and planning by the state was complemented with decentralized planning initiatives, which meant worker participation and private enterprise. Planning was the second key element. In case of the British Labour Party, planned economic development meant guarantee of full employment and high standard of living with the state directing the policies of main industries, services and financial institutions. The Socialist Party of Austria understood it to mean a crisis-free expanding economy. It did not advocate socialization of the means of production nor planning but accepted the necessity of economic security by increasing national productivity. In Norway, there was a shift towards accommodating market forces and liberalization following large-scale planning and regulation in the 1940s. The Socialist Labour Party in Sweden undertook a grand plan of transforming the economic organization of the bourgeois society by giving the people the control over production. The idea of social citizenship was the third key idea. This meant extending the liberal principles of political equality into the social and economic spheres. In Scandinavia, Western Europe and New Zealand there were provisions for comprehensive universal

coverage in health, housing, unemployment benefits, educational aid and grants to the poor and equal benefits to all the individuals giving them the right to basic security and welfare.

Emergence of the concept of Neo-Liberalism

2.4 Alternative Conceptualization of Governance, not Exactly Government

Redefined sphere of the market, on the one hand, and rapid growth of the non-governmental sector, on the other, are the two major forces which have grown and prospered suggesting the state to speed up its own shrinkage, or at least preparing the way for a very ineffective state. It is precisely these two domains of the market and the non-governmental sector which have boasted up the alternative conceptualization of governance, reshaping the development discourse in the 1990s. The newly emerged definitions of governance have affected both the institution of national government and of local and global governance. According to these new concepts, governance is more a broad-based process, which encompasses state-society interactions and partnerships, and are therefore hierarchical. This sort of process-based rather than structure-based definitions of governance thus include a range of public and private organizations and their complex inter-relationships. Institutions of local governments (such as panchayats and municipalities); civil society organizations (ranging from social movements to non-governmental organizations, and from cooperatives to civic associations); and private corporations as well as other market institutions, are all relevant actors in the new sphere of governance.

The shift from the concept of government to governance has had quite distinct imperatives in the developed and developing nations. In the advanced capitalist democracies of North of the world there had been a fiscal crisis for a decade or two, which prompted the policy-makers to adopt the policies of deregulation and to minimize expenditure in social-utility sectors. These countries went ahead with the new strategies of public management replacing the inefficient and rule-bound bureaucracies, guided by welfare-state principles. They also started reorganizing the state itself like the private commercial sector. Privatization and liberalization, for these countries, have meant not a reduction in the role of the state, but rather a shift

in the modes governance from decommodifying bureaucracies to marketizing ones. 'Reinventing government', for example, have meant for them, the replacement of bureaucracy, which directly produces public services by ones, which closely monitors and supervises, contracted out and privatized services, according to complex financial criteria and performance indicators and of course, broad national interests and international obligations.

The imperative of globalization expresses itself in diverse institutional forms, from the spatially limited economic and political federation that is the European Union, to institutions seeking to inaugurate global regime in trade and environmental regulation. Together, these tendencies have effected a change in the state's role. The state is now supposed to act as the regulator of economic activity, as also its role as a provider of social service, The state must not be solely dependant on its role as the creator or motivator of social consensus. In the Southern part of the world, contrarily, governance discourse did not recognize and legitimize the crude situational reality. This part followed mostly the formula of governance prescribed by the Breton Woods institution, to catch the high speed train of development, imitating the developed world of the North. This was found to be the most important cause of the inefficient development performance of these states. It is well-known that governance was first problematized in a World Bank document of 1989 on sub-Saharan Africa, which suggested that the Bank's programs of adjustment and investment in that region were being rendered ineffective by a 'crisis of governance'. Good governance soon came to be equated with 'sound development management', and was defined as 'the manner in which power is exercised in the management of a country's economic and social resources for development' (World Bank 1992: 3). Its four key dimensions were specified as public sector management, which encompasses—1) **capacity and efficiency**; 2) **accountability**; 3) **the legal framework for development**; and 4) **information and transparency**.

2.5 Good Governance

The World Bank has identified certain salient attributes of good governance. These are :

1. Political accountability, including the acceptability of political system by the people and regular elections to legitimize the exercise of political power.

2. Freedom of association and participation by various religious, social, economic, cultural and professional groups in the process of governance.
3. An established legal framework based on the rule of law and independence of judiciary to protect human rights, secure social justice and guard against exploitation and abuse of power.
4. Bureaucratic accountability ensuring a system to monitor and control the performance of government offices and officials in relation to quality of service, inefficiency and abuse of discretionary power. The related determinants include openness and transparency in administration.
5. Freedom of information and expression needed for formulation of public policies, decision-making, monitoring and evaluation of government performance. It also includes independent analysis of information by the professional bodies, including the universities and organs of a civil society.
6. A sound administrative system leading to efficiency and effectiveness. This, in turn, means accepting wholeheartedly and maxims of 'value for money' and cost effectiveness. The notion of effectiveness encompasses the degree of global achievement as per the stated objectives and also the efficacy of the administrative system so that it can take secular and rational decisions and evolve within itself-corrective mechanisms.
7. Cooperation between the government and civil society organizations.

Thus it is clear that the term 'governance' has gone beyond the limitation imposed by the word 'government'. According to the new definition, government is a part of governance, the three branches of government, viz. legislature, judiciary and executive playing a very crucial role in the system of governance. Governance denotes that it can hardly ignore the importance of the critical components of the civil society viz. political parties, people's groups and citizens themselves. This new conceptualization lays stress on greater democratization and liberalization in the government system with an increased emphasis on accountability, rule of law, independence of the judiciary, right to information, and congenial coordination with civil society organizations. The stress is also on efficiency of the administrative system in making and implementing more rational decisions and taking more timely action.

The world-wide social and political struggles, that received special attention in the countries of the South, against unsustainable and inequitable forms of development created the field for the redefinition of development. This definition of governance has, in subsequent years, been revised and alternative conceptualizations have emerged, suited to particular conditions of both North and South. Not merely the market, the newer definitions recognize the plurality of actors involved in the process of governance, they also address themselves to the substance of governance. Governance is no longer simply civil service reform, or application of management strategies designed for the private sector in public organizations. Instead, there is now greater emphasis on participation, decentralization, accountability, and governmental responsiveness, and even broader concerns such as those of social equality and justice. Development is now not equated with mere economic growth, and the adoption of the human development perspective associated with the writing of Amartya Sen and Mahbub-ul-Hag, most recently linked also with the agenda of human right (UNDP 2000) has added new flavour to the concept of development.

Unit 3 ❑ Neo- Liberalist Administration in U.K. and U.S.A.

Structure

Re-inventing Government in U.K. and U.S.A.

3.1 Rise of Liberalism—A Historical Account

In the nineteenth century Britain, the state intervened in a number of areas in social and economic affairs with the purpose of alleviating mass poverty. Queen Elizabeth 1's parliament in 1601, enacted the first poor law. In 1834, the system of poor relief was rationalized and was placed under state control. Since then social welfare became a national concern rather than remaining a local one. Factory inspection and work safety regulations led to increased government intervention with purpose to improve the working conditions. In 1870, the Education Act stipulated that primary education should be under the purview of state's overall responsibility. In 1880s there had been tremendous economic hardships and misery; unemployment increased to an alarming rate leading to violent riots in London between February 1886 and November 1887. These disturbances had a profound impact on the middle class, leading to the rise of laissez faire liberalism. In this the findings of social science research also contributed a lot. Charles Booth's famous study on the **Life and Labour of the People in London** published in two volumes in 1889 and 1891 respectively, made a significant contribution towards this end. Booth discovered that 30.7 per cent of London's total population and about 35.2 of the city's East End were suffering in conditions of dreadful poverty, resulting from the effects of economic cycle, seasonal unemployment, old age, sickness and disablement. This study revealed that local poor law administration, which was managed by local authorities

was inadequate. Their duties were taken up by country Borough Councils in 1929 and then by the Unemployment Assistance in 1934 and finally by the National Assistance Board in 1948. This led to argue in support of the need for a state guarantee of the minimum living standard to the working poor. The demand for reforming the British system picked up momentum and between 1906 and 1914 successive liberal governments initiated changes with the help of the social liberals. School inspection and free school meal for poor children was introduced between 1906-07. In 1908 state pensions were introduced for the old people in need, above the age of seventy, thus, acknowledging the responsibility of the state to support a segment of the society other than the poor. The 1909 budget by Prime Minister Lloyd George introduced progressive income tax, increased death duties and imposed a tax on unearned wealth resulting from rises in the value of landed property. The arguments of Ricardo, J. S. Mill, Henry George, and Shaw were thus endorsed. Alongside old age pensions, Lloyd George also introduced sickness and disablement insurance similar to Bismarck's social insurance of 1888 that included social insurance against sickness, old age and disability and unemployment insurance for the workers paving way for the National Insurance Act of 1911.

The early twentieth century witnessed the rise of the force of collectivism. Fabian Collectivism and its increasing influence on the Labour Party was a prominent indication of it. The Fabians championed public ownership of basic industries and essential services. They drew elaborate plans for eradicating poverty and to create better opportunities for the less privileged. The Minority Report of the Poor Law Commission of 1909 stressed on the need to encourage among the poor, the habits of providence, thrift and self-help and to assist the poor to meet their special and elementary needs. The commission proposed that eligibility criteria for the relief grant should be decided on the basis of an urge for self-support and grant should be given to those for whom it is really necessary.

The British fought the Second World War largely under a command economy. The resources for the war machine were determined in a centralized manner by the National Government in which the Conservative Party and the Labour Party participated and the private consumption was mostly regulated by a universal ration system. Non-rationed items were heavily taxed and production was streamlined to 'the patriotic war effort'. The trade unions whole-heartedly supported the proposal

for post-war reconstruction for the benefit of the masses. This also won the support of Socialist intellectuals within the Labour Party and together they strengthened this process. The collectivistic thinking unleashed by the war was further reinforced by thousands of returning soldiers. The Labour government reformed, extended and simplified these provisions between 1945 and 1948 and put into practice a comprehensive social insurance scheme conceived by Beveridge in 1942. The Beveridge Report (1942) was a product of these war years, an attempt to ensure post-war reconstruction of England and was a move towards formation of a welfare state. Beveridge considered the state as necessary to abolish social evils and guarantee full employment, social security. National health service, public housing, old-age pension and a war against ignorance and illiteracy were accompanied with the process of formation of welfare state. He assumed full employment as a basic proposition and designed a social security system that would protect every citizen during his lifetime. He envisioned a society in which none are denied the basic necessities of education, health, care, work and decent housing because of poverty. It would be a society without fear formed on the basis of following principles : economic efficiency, social justice and individual liberty. To combat fear and insecurity generated by the First World War and the Great Depression, it was realized that the social liberals cannot relinquish the humane concerns of Hobson, Hobhouse and Dewey generation for securing social justice. The legacy of J. S. Mill's idea even after half a century of social liberalism also received adequate recognition.

The post-war enactments by the British Government - the National Health Service Act, the Education Act of 1944, the National Insurance Act and the Family Allowances Act - embodied the principle of universalism with the aim to make services available and accessible to the whole population in such ways as would not involve users in any humiliating loss of status, dignity or self-respect, neither would introduce any sense of inferiority, pauperism, shame or stigma in the use of a publicly provided service. The other reasons for ensuring universal social rights to all citizens are to prevent turmoil, revolution, war and change, illiteracy, poverty, disease, neglect and destitution. These acts were mainly meant to heal up the wounds which are outcomes of a rapidly changing industrial-urban society. Many of the services provided under the purview of these acts represented partial compensations for disservices, for social costs and social insecurities, ensuring care even during

premature retirements, accidents and the like, Tawney and Titmuss opposed commodification of education, health and the like. They contended that the continuous inequality demoralizes and perverts all social relationships. Titmuss observed that 'to grow in affluence then does not mean that we should abandon the quest for equality..... It is simply mark of an irresponsible society'. Marshall considered intense individualism and collectivism as the defining characteristics of the welfare state. The former bestowed on the individual an absolute right to receive welfare and the latter imposed a duty on the state to promote and safeguard the whole community. Marshall pointed out that the welfare state does not reject the capitalist market economy but circumscribes it since there are certain aspects of civilized life that can be attained only if the market is restricted or replaced.

A comprehensive welfare state came into existence after the War, though the liberal government before the First World War laid down the foundations of a welfare state. The Labour Party, winning election in 1945, worked towards the establishment of the welfare state, under the intellectual guidance of two liberals; Keynes and Beveridge. The labour government (1945-51) tried to combine its socialist ideals with Keynesian economic management. It nationalized a number of key industries creating a mixed economy. The Conservatives who regained power in the 1952 elections and governed for thirteen long years at a stretch did not reverse the changes. It worked within the framework of the welfare state. The Conservatives continued with the basic statist structure devised by the Labour Party. They, however, made minor liberalization specially during a brief period of Heath's Conservative government in 1970, which pledged to restore free markets. However, this policy was reversed within a year. The post-War Keynesian consensus continued for more than three decades. In the midst of an acute financial crisis the creation of the welfare state in Britain was an impressive achievement. Within a period of six years, major economic functions, including private sector, came under strong hold of the state. All these happened by means of persuasion, not by force. Labour Party's most famous policy was nationalization, by means of which governmental control was substantially extended to cover almost one-fifth of British GDP. One very important reason for its acceptance and success in economic terms was the Marshall Aid. Kostrzewa, Nunnenkamp and Schmieding (1990) convincingly argued that the Marshall Aid led to the buttressing and subsidizing the policies of the Attlee

government, which prevented its collapse and this success led to the subsequent conservative acceptance of the pragmatic intervention. The consequences of these policies led to the narrowing of the inequality gap, reduction in the levels of poverty and unprecedented economic growth.

By the middle of 1920s Keynes realized that Leninism was out to historically destroy capitalism, that fascism sacrificed democracy to save capitalism and the option before him was to save democracy by adapting capitalism. He recommended a control of expenditure and demand, rather than ownership and supply by the state. The key issue is employment for Keynes. To him, since the market by itself fails to provide for full utilization of resources, an intermediary stage should step in to manage the economy. If the economy grows too fast then the total amount of people's spending can be reduced by higher taxes, cutting public spending and making it harder to borrow money thereby slowing down the boom. In case of recession with goods unsold, factories closing and people losing their jobs the remedies are cutting taxes, increase government spending and make acquiring credit easier. This will increase demand for goods, needing more factories and workers to make them. By these measures it is possible to break out of the cycle of boom and slump and replace it with steady economic growth and permanent full employment. Keynes was convinced that these measures civilize and humanize the free market. Thus, the social liberals favoured welfarism for enhancing equality of opportunity by getting the state to remove disadvantages due to social circumstances. Keynes questioning the faith of the classical economic theory in the free market, provided for state intervention to ensure full employment and control of trade cycles. The acceptance of Keynesianism was first reflected in the New Deal in the United States and subsequently by the planners of Western Europe in the post Second World War period. Its ascendancy and dominance till the 1980s remained unimpaired, until and unless the New Right thinkers and followers led by US President Ronald Reagan and the British Prime Minister Margaret Thatcher challenged these provisions.

In US, the New Deal initiated by Franklin D. Roosevelt in response to the great Depression of 1930s ensured regulation of business, encouraged workers to organize unions to bargain collectively for better wages and benefits, equitable distribution of

wealth to alleviate individual suffering. The US government introduced programmes, like social security, government price supports for agriculture, unemployment and worker's compensation, federal guarantees for housing, public health care for the elderly, job training, federal aid to education and public funding for small business. They continued after the War. The Truman Administration offered a ten point programme with government aid that included price support, a minimum wage of seventy five cents per hour, the development of natural resources, adequate housings, aid to education, medical care and protection during sickness, accident, unemployment and old age. The Kennedy Administration envisioned a 'New Frontier' and the Johnson Administration called for a 'War on Poverty' which the Congress endorsed in the Economic Opportunity Act of 1964. Johnson's **Great Society** emphasized equity where there would be no poverty and all would have sufficient money incomes, public services and civil rights to enable them to participate with dignity as full citizens and the handicapped would be ensured a compassionate and caring society. In Canada the Liberal Party campaigned for the adoption of universal welfare policies. Michael Harrington (1928-89) in his book, **The Other America** (1962) highlighted that still there had been tremendous poverty among the ethnic minorities in U.S.A., the world's most affluent society and the fact that the poor were trapped in a 'culture of poverty'. Harrington observed that unlike the Third World poverty, which is general and extreme, in USA it is confined among the marginalized groups.

3.2 A Great Retreat

By the end of the 1970s, however, economy in Britain suffered a jolt, economic collapse being visible everywhere in the final months of the Labour Government in 1978-79. A comparison with Germany for the same period clearly brought out the relative failure of Britain. Unlike Britain, Germany adopted a more aggressive free market model with radical liberalization. Germany with its free market policy prospered much more than Britain. Interestingly, in a comparative perspective both Britain and Germany received Marshall Aid but Germany opted for the free market Mechanism and progressed while Britain with its interventionist policy stagnated. However, the reversal took place in 1979, which was the beginning of the large-scale

reform process initiated by the New Right Conservative Government of Thatcher. In 1979, Britain abandoning the policy of state intervention opted for a free market and started performing better, whereas in Germany with the adoption of earlier British practice in its economy, its growth rate and competitiveness started to decline. The 1980s in Britain witnessed monetarist policies to control inflation to improve the working of markets and a greater emphasis on the supply side policies intended to enhance the economy's supply of goods and services. These resulted in the impressive growth of productivity, substantially greater participation of the workers and reduction in unemployment, confirming the thesis that free markets have a strong effect in increasing the economic performance.

The continental model was based on a high degree of social insurance, which means high taxes and social transfers. The economy was highly regulated with extensive rights and security of workers with a high degree of invisible taxes and transfers. Market was not abolished as in the case of communism, but both price and income were controlled, taxed and supplemented to reach a satisfactory social outcome with social insurance. Though there were important variations within the various countries on continental Western Europe, yet there was a general similarity in providing extensive social insurance in contrast to the limited social insurance in the Anglo Saxon countries. The argument for extensive social insurance was that it made people more contended and happy which increased worker's efficiency, Security was an important consideration but the question centered around the linkage between security and efficiency. It was also linked to poverty alleviation and the problem of inequality. Extreme security did not lead to efficiency and innovation. It led to alienation, discontent and retarded just reward. In the continental Western Europe with the practice of state initiated social insurance, unemployment and taxes had increased and growth rate had declined. However, the countries with relatively free market system had performed better in all these indicators. In fact Europe should emulate the East Asia mode of welfare in which there was least state intervention and spending, the individual and the family were to support themselves through savings, insurance and mutual support. As a consequence, tax rates in East Asia were even lower than the Western free market economies, where there was little intervention in the labour market, but a great deal in tax and transfer system for benefiting the poor.

3.3 A Conservative and Neo-conservative Approach Towards Welfare State

It was the failure of the Great Society Programme in the United States in the 1960s that led to a reappraisal of the welfare state and liberalism by the Neo-Conservatives. The failures were identified as lack of resources, a cumbersome political system, lack of proper understanding of the underlying causes of poverty and overconfidence of the government to implement its various schemes. Though huge sums of money were spent it did not solve social problems. Instead it created social dependency and simulated social divisions and social unrest like race riots, inflation, worker's alienation and exaggerated increase in the individual's expectations. Great Society failed to do whatever the New Deal attempted. The New Deal served 'temporarily depressed but relatively stable lower and middle classes, people who were on the whole willing and able to work but who had been restrained by the economic situation. The Great Society tried to assist the severely deprived, those who actually needed not merely an opportunity but continuing long-term assistance - those whom Marx had called the 'lumpen proletariat'. Since the government itself was found puzzled in its task to go ahead with the programme of Great Society, a huge amount of money was invested, but output was very little.

Though the Neo-Conservatives are hostile to the Great Society, in principle they support the idea of the welfare state. In light of the Great Society they have rejected big government, and centralized administration, involving greater bureaucratization, local governments and a mixed economy with the market as the mechanism to achieve their ideal of the welfare state. Their ideal on the contrary is mutual aid or a 'social insurance state', providing security, comfort and elevation of its citizens without being paternalistic. They feel that market sustains economic growth, assures material abundance, distributes goods and services, redistributes income to the poorest, protects individual liberties and initiatives, and stabilizes society and the polity. They however reject free markets and unrestrained capitalism, as to them, it leads to social instability and indiscipline. They have never accepted collectivist planning, rationalization and centralization of the economy. They support the welfare state that Disreali and Bismarck pioneered in Britain and Germany respectively with the purpose of reconciling the masses to the ups and downs of a dynamic hierarchical

industrial economy. Traditionally, European conservatives are as critical of capitalism as the radicals and the Marxists for they dislike its selfish ethic. They believe in hierarchy and insist that the elite must take responsibility for the less privileged. Like the Marxists, they are outraged by the way the capitalists treat the workers.

The Neo-conservatives want a welfare state that functions within the framework of capitalism for the latter in comparison to other economic system delivers goods and satisfies the material aspirations of the people; it also ensures widespread and rapid upward economic and social mobility and provides the best available protection for individual liberty and the strongest base for democracy. 'Its income distribution is also right because it reflects a general belief that it is better for society to be shaped by the interplay of people's free opinions and free preferences than by the enforcement of any one set of values by government' (Kristol 1978 : 178). Its reliance on the market rather than government reduces burden on the government, guarantees individual responsibility and provides a powerful incentive persuading people to do what they should do. However, capitalism lacks a legitimate theory of distributive justice and needs a stronger ethic of self-restraint, hard work and social goals. Kristol calls for the establishment of a 'conservative welfare state by which he means the present American model of mixed economy and a bureaucratically managed democracy'. He distinguishes it from the libertarian plea for a minimal state and the democratic and non-democratic brands of socialism' (1978 : 126). He points out that the liberal conservative ideal of free society as advocated by Hayek and Friedmen will never appeal to the masses of modern society because it defends inequality as a necessary condition for progress under the capitalist economic order (Kristol 1979). Instead there is a need for a theory of distributive justice. However, he rules out Rawls' abstract egalitarian principle, for its failure to provide a moral justification of capitalism.

Moynihan in his report on guarantees income, establishes a nexus between black poverty, male unemployment and female headed households as a cause of structural deficiency in the existing system. He proposes greater recruitment of blacks in the military, creation of more jobs in postal services, increase in family allowances and assistance, replacing the earlier scheme, 'Aid for family and Dependent Children's (AFDC), where the amount of money was higher but it encouraged the recipients to avail of the benefits without having to work for it. At the same time, it was anti-poor

and anti-black, for coincidentally the majority of the poor were blacks. The basic presumption of Moynihan was to provide for support systems to black families. Beyond this, the nation was not responsible for whether they could make use of these opportunities or not. Bell proposed that the state must aim at securing a social minimum, 'a basic set of services and income which provides ... adequate medical care, housing and the like. These are matters of security and dignity, which must necessarily be the prior concerns of a civilized society' (1976 : 453-54).

Neo-conservatism thus rejects the redistributive ethic of the welfare state and the interventionist role of the government. It supports individualism as against collectivism and rejects claims of equality of conditions. It defends capitalism but within a framework of common good. It pleads for the corrected market as a mechanism to ensure social goals, revival of mediating structures, and restoration of pluralist political democracy. It emphasizes the importance of individual self-reliance and the role of voluntary associations in realizing welfare and thus pioneer an anti-state welfare model. Neo-conservatism like Hayek's critique has to be understood as a corrective to welfare state and capitalism. Unlike the conservatives the Neo-conservatives support social security, collective bargaining laws, guaranteed voting rights and a basic social minimum distributed through the state. In all this they share the liberal vision but unlike the liberals they do not desire wholesale income distribution but restrict it to basic social goods. While the liberals are ready to use state power to achieve social justice, Neo-conservatives see this as a concealed form of socialism and a direct threat to individual liberty. In the background of the Great Society and the War on poverty they observe that government policies in the United States has become too ambitious, redistributive. Increase in government activity not only deny, but also encroach on individual initiative and spontaneity. The Neo-conservative critique of welfare state and big government is more pragmatic. They do not oppose state regulation of the economy but feel that existing regulations in the United States strangle private resourcefulness and serve vested interests. Similarly, the social security programmes have been the main reason for the breaking up of families contributing to unemployment, reducing capital investment and generally make life difficult for the successive generations. They demand the provision of a basic social minimum but reject the culture of dependency. They find loss of dignity in existing welfarism. To them, the market may seem heartless but it is a better form

of organizing people's lives than the other available options. They fear politicization of society by the general expansion in governmental activity. Thus Neo-conservatives defend the status quo of corporate capitalism, the marginal state, civic religion and liberal democracy.

The Neo-conservative critique cannot be dismissed as merely a reaction to the policies and the system in the United States. Many of their arguments have resonance elsewhere, for instance, in Singapore there has been a form of welfare state that is just the opposite of the Beveridge model. The architect of modern Singapore, the former Prime Minister, Lee Kuan Yew dismisses the British model as entailing unlimited liability with a devastating effect on the Singapore economy. Singapore has a system of health, education, housing and welfare organized around compulsory saving and the principle of personal responsibility. Singapore shares the Neo-conservative outlook and stresses the importance of family value in sustaining a vibrant caring society. The Neo-conservative critique has led to the downsizing of the welfare state and rolling back of government. It has exposed the crisis within capitalism, and the crisis within Keynesianism and social democracy. It has put forward an anti-statist version of the welfare with a firm commitment to a vibrant civil society and individual liberty.

As a result of the Neo-conservative and the New Right critique, liberal and social democratic agenda in both United States and Britain has undergone a dramatic shift. An indication of this shift was the promise US President Bill Clinton made in 1996 to 'end welfare as we know it' by signing a law, the Personal Responsibility and Work Opportunity Reconciliation Act, also known as the welfare reform. This put to an end the culture of dependency.

Feminist critique Pateman (1989) argues that welfare state theorists ignore the fact that it is sexually divisive and patriarchal in nature, for it incorporates men and women differently as citizens. The central notion of citizenship is independence, which has three attributes : the capacity to bear arms, the capacity to own property and the capacity for self-government (1988 : 185). These characteristics have a gender bias as when the modern democratic evolution began in the initial years only property owning males could be full citizens and its legacy continues even toady, in the form of domestic subjection of women at home. The Welfare provisions have been established within the two-tier system of husband/wife and worker/housewife.

There are benefits that are available to individual workers and it is men who usually claim these benefits. There are benefits that are available to dependents of the individuals in the first category, which mostly women claim either as wives or mothers. Rarely do men, even poor men make claims for benefit solely as husbands or fathers. Women are the majority of recipients of many welfare benefits for they are most likely to be poor and single mothers and the reason that they are poor is because most women find it difficult to secure a job that will give them a decent salary. This is because the occupational structure is sexually segregated in spite of equal-pay legislation. Capitalist economic structure is patriarchal, divided into men's and women's occupations; the sexes do not usually work together ashuman labour, nor are they paid at the same rates for similar work. Most women's jobs are unskilled and of low status; even in the professions women are clustered at the lower end of the occupational hierarchy. For instance, in medicine women are normally gynecologists and pediatricians. Women by and large lack the means to be recognized as worthy citizens for they are considered as men's dependents by the welfare state as in case of the National Insurance Act of 1946. Pateman laments that men and single women are entitled to the pension if they could not engage in paid employment; the criterion of married women is the ability to perform 'normal household duties'. She laments at the fact that household work that constitutes the major part of job for most women has no value for citizenship, neither it contributes in determining the status of women. In order to achieve this, it is only then can a welfare state become a welfare society, when the patriarchal dichotomy between women and independence-work citizenship has to be eliminated.

3.4 Fate of Welfare State (Concluding Observations)

The theory and practice of the welfare state has become an important component of contemporary political theory. It is for the positive aspect of the welfare state that one can agree with Norman P. Barry's view that the critics of the welfare state often in a regrettably vulgar way challenge the basic tenet of welfare philosophy. The critics claim that welfare philosophy creates dependency rather than individual responsibility.

The idea of the welfare state is a brilliant blueprint for alleviating human misery within parameters of liberal democracy. Tawney appreciates that welfare states in

Western Europe have taken very positive steps in alleviating human misery. It has vindicated view of the democratic left that a decent and dignified life is an essential precondition for enjoying freedom. Tawney, however, criticizes that the welfare state has often been found as mechanical and bureaucratic. He, however, observes that there are marked differences in between the original vision of the pioneers of welfare state and the subsequent development that has taken place in the practice of the welfare state. Moreover, the idea of the welfare state originally set out by Beveridge was a safety not providing a real sense of security in a situation of exceptional circumstances; it was expected that the individual would normally pursue his normal regular activities. In such normal circumstances a person could live, bring up his family and even retire at the expense of the state. This 'cradle to grave' social security was to be given in rare cases and in utmost emergency. However, what actually happened was the extensive use of it, leading to high inflation, lack of competitiveness and innovation, and relative fall in growth rate with other comparable nations. One of the reasons for the collapse of the former Soviet Union is extreme 'cradle to grave' social security, killing initiative.

In view of such a situation the argument of Hayek and the New Right criticism worth mentioning. They reminded us the danger of what Berlin (1961) calls the positive freedom to enjoy food, shelter and leisure. Hayek and the New Right philosophers think it as misleading as this type of positive freedom leads to abuse of state power and in extreme case to fascism and communism. The New Right points out the economic gain of free society along with its political attraction. It contends that higher tax leads to loss of efficiency and redistribution measures reduce incentive. The cumulative effect of all these is a net loss for the entire society, both for the taxpayer and the poor.

The Welfare State concept, which emerged in the specific Western European context and realized after the victory of Second World War, created the belief that it would lead to unprecedented prosperity and social security for every single individual, would maintain simultaneously a democratic framework and would lead to enjoyment of personal freedom. However, the subsequent breakdown of the Keynesian consensus has led to serious modifications both in the theory and practice of the welfare state. One off-shoot of the welfare state theory is reflected in the anti utilitarian theory of Rawls that accepts that the welfare of society increases only if the welfare of the poorest is enhanced.

The notion of welfare state is essentially Western European with the long and entrepreneur in large. But what is forgotten that Sweden, the most popular example of the success of the welfare state with a tax rate of 70 per cent and cradle to grave social security system has become non-viable and was forced to initiate far-reaching capitalist reforms in the 1970s. Similarly, Germany under the sway of social charterism since the 1980s has been facing an unemployment crisis at 11.6 per cent and underemployment of women and youngsters, with many manufacturing concerns moving out of Germany. A very important reason for the weakness of the Euro has been detected as the social security network including pensions in Germany and France tradition of social democracy. It is alien in the United States where most people believe in the virtues of capitalism but also accept the need for some amount of monitoring over its working. Keeping this in view, for an uninterrupted two centuries, America essentially through a legal framework keeps a check on the growth of monopolies which hamper fair competition. The American system has evolved a mechanism to check the tendency of successful business to threaten the very dynamics of a free market by monopoly control. The philosophy of self-restraint imposes a moral restraint that resist the tendency to bypass the entire wealth to children by way of inheritance, to descendants and other near relations. The important societal code explains the existence of forty thousand well-endowed foundations in the US. The society gains, even without the pitfalls of social ownership of the means of production. The working of American capitalism teachers us that the will and the force of legal and political institutions and societal sanction of capitalism can control and restrict free flow of capitalist economic power to serve the social need.

Unit 4 ❑ Impact of Liberalization : Indian Administration

Structure

4.1 Neo-liberalist Role of the State—redefined in the context of Developing Nations

The movement of liberalization of economies, initiated by Margaret Thatcher in Great Britain and by Ronald Reagan in the USA, travelled across continents and reached Asia and Africa via Europe. The Asian and African nations were under terrible international pressure to adopt the norms and principles of a liberal economy. The impact of this significant economic restructuring was visible in their systems of governance. They had to welcome the blowing waves of liberalization, globalization and privatization, sometimes under pressure and sometimes with enthusiastic will. The two most populous countries of the world, China and India were no exception in this regard.

With the cross-national competitiveness in the economic system gaining pre-eminence, intensive new ideas in relation to the transformation of the governance system developed as a natural corollary. The concept of "Re-inventing Government"

developed by two American scholars, David Osborne and Ted Gaebler in 1992 became very popular and the concept of 'Good Governance' popularized in the same year by the World Bank also gained attention. The former construct, though Western in origin, was designed to be universalistic in its relevance and application, while the second one was meant more for the countries of the Asian and African nations having democratic form of government. The context that led the development of the concept of 'Re-inventing Government' was guided by following necessities :

1. The emergence of a post-industrial, knowledge-based, global economy had an undermining effect on the old realities throughout the world and created enormous opportunities at all levels to respond effectively to these realities.
2. Governments have to be "reinvented" in the sense of being more entrepreneurial and they must learn as to how to 'run like a business'. This would require discarding obsolete initiatives. The governments should opt for more profit, with comparatively less importance on social utility programmes. Governments must be eager to absorb new ideas.
3. The "catalytic governments" would inspire, guide and help communities, the private sector and the people. These governments should empower the community to run its own affairs effectively.
4. Governments encourage competition, accepting willingly competition with the private sector and facilitating similar competition among government agencies themselves. This would in all probability improve the effectiveness of economy.
5. The public sector organizations should now come out of its former rule-driven domain and must now be guided by the organizational mission. Its employees should have freedom to pursue organizational mission with the most effective methods they can follow in the context of their own working area.
6. Increasing stress should be laid on result-orientation through rigorous performance-orientated mechanisms.
7. Public organizations must become quality-conscious and introduce total quality management mechanism in their economy and polity.

8. There must be the effective encouragement of continuing innovation and reform in administration and a tireless effort in modernizing the public sector constantly.
9. Governments ought to become client-oriented giving more importance to the consumers of goods and services. The priority must be set in accordance to the needs of the customer (client or citizen).
10. Governments should explore newer avenues of revenue generation, developing profit-centers and must reduce cost, loss and misuse.
11. There is a need for making erstwhile reactive and curative governments more proactive or anticipatory.
12. Emphasis ought to be placed on greater participation, extensive teamwork and promoting decentralized government in place of an orthodox hierarchical system.
13. Governments and the public sector should become market-oriented and concurrently strike a balance between markets and the community.

The movement of reinventing government had a revolutionary influence on the governance system throughout the world. In the beginning of 1990s, certain Asian countries sought to introduce changes in their administrative systems. They adhered to the path of reinvention according to their own needs, circumstances and perceptions of the decision makers.

1. In the countries like Japan, Thailand, Indonesia the technocrats, including economists, were given special importance in policy-making. Recruitment and promotions in civil services became increasingly merit-based and highly competitive in some of these countries, like Japan, South Korea.
2. Total compensation including pay, perks and prestige became more competitive with that of the private sector and turned incentive based mainly in Japan, Singapore, South Korea, and Taiwan. Lucrative pay and perks were offered to attract the best talents.
3. A well-defined, competitive career path was devised, with special incentives for those who could prove themselves most effective. Japan, South Korea, Malaysia, Singapore, Taiwan, China took relevant policies for attracting and retaining talents in public services.

4. South Korea, Singapore, Japan, Taiwan laid additional emphasis on honesty while performing roles as civil servants.
5. People-oriented, sensitive and responsive bureaucracy was thought to be more important than the earlier rule-bound Weberian bureaucracy. Bureaucracy's responsiveness in dealing with people, big business houses, small and medium enterprises was felt necessary and adequate measure was taken to ensure that in Japan, South Korea, Taiwan etc.

Series of impressive changes took place in the structure and working of bureaucracies in most developing nations. However the more remarkable transformation was to be found in the bureaucrats' attitudes. Even a country like South Korea, whose bureaucracy was structurally very conventional, rigid and conservative until about two decades ago and was supportive of formalistic position of controllers and regulators, accepted happily new role of civil servants as motivators and facilitators of socio-economic transformation.

The African nations have also accepted the ethos and improving the performance of public services to enable them to effectively respond to the socio-economic challenges, though the movement of re-inventing government is yet to penetrate the real spirit of Asian and African bureaucracies. Most innovations brought about so far are in their childhood stage and the bureaucratic attitude in these continents is still overshadowed by its colonial and Weberian legacies. With the passage of time, a cultural transformation is likely to take place, which will force the governments of most third world nations to be comprehensively re-invented.

4.2 Re-inventing Government in India—The Context

Current discourses on democratic governance in India are in accordance with the developments in the global perspective and reflect trends in international development discourses and policy. Democratic governance in India is as well as affected by the developments in the realm of Western social science. The concept of Welfare state enjoyed a position of pre-eminence for over 40 years. The 1980s undoubtedly gifted several rich theories on neo-liberalism. In the Anglo-American world the ideology that threw challenge to the welfare state in the west, was yet to gain a solid ground in the countries like India. The grand claims about the 'rolling back of the state' were

yet distant thunder for countries like India, though other factors and events guided it in this direction. In fact, the challenges faced by the state in the last years of Mrs. Gandhi's regime were mainly internal, with secessionist movements for identity assertion in many regions, especially the Punjab and Assam, threatening the centralized system of political authority.

Curiously enough, even in the Western academy, this was a simultaneous movement to 'bring the state back in' (Evans et al. 1985). In India, the state did not need to be ushered in either in social theory or in political practice, because it already enjoyed a unique preponderance in society. In the years that followed, there were mainly two developments that threw serious challenges to the state as it had been customarily imagined in independent India. The first was the collapse of the Soviet Union, which provided an inspiration for the path-breaking trend for India's policies of economic development and the model of the omnipotent, centralized state system. Second, the disillusionment with the mixed economic policies, especially persistent poverty, and low rates of growth, already began to question the strategy of economic development. When the economic crisis (including the foreign deficits) left India with no other policy option but to allow the administration of the IMF-authored structural adjustment program, the policies of economic liberalization, inaugurated in 1991, set in motion a process of economic reforms whose short-term results appears to be economically ambivalent and socially chaotic.

Altogether, the weakening of state authority and with it, inevitably, some measure of erosion of legitimacy has had both exogenous and endogenous imperatives. The aggressive march of globalization, paved the way for economic deregulation and liberalization. The exogenous imperative has contributed heavily to the emasculation of the state, if not always to its retreat. The chief beneficiary of the development is undoubtedly the domain of the market, which has gained previously unthinkable pre-eminence in the last decade of the twentieth century. Since the imperative is exogenous in origin the new pre-eminence enjoyed by market forces mainly has benefited the transnational corporations. The retreat of the national state emphatically makes space for foreign capital, giving rise to resentment among the national bourgeoisie, which now demands a 'level playing-field'.

The endogenous sources of change include two major things first, there has been a gradual weakening of central power in the Indian federation and the second, the

state that has been viewed so far as the natural agency of development, now comes to be viewed as a perceptible failure, leading to a corresponding explosion in the activity of non-governmental organizations, especially in the field of rural development and empowerment of the people with a special emphasis on the women folk. Federalism that sponsored regionalization of the political and party system also in course of time has led to the emergence of various separatist movements demanding autonomy. The tendency towards political mobilization along ethnic and caste lines has been accelerated. As a result of these trends, the non-governmental sector, as well as the radical social movements, have become increasingly important agents of social transformation. Finally, the trend towards deinstitutionalisation, inaugurated during Mrs. Gandhi's regime, has been accentuated in subsequent years, most visibly through corruption scandals, nepotism, politicization of the most important sectors of development and ineffectiveness in enforcing the rule of law. This has resulted in institutional decay and the substantial erosion of the legitimacy of political authority. Altogether, a structural, institutional, and political emasculation of the state has reinforced the decline in state capacity.

4.3 Economic Reforms

Hayek's ideas find resonance in India too. In India there had been the overwhelming influence of the British Labour party in general and Fabian collectivism in particular. C. Rajagopalachari and his associates, the most importantly Minoo Masani rejected the Nehruvian state-centric planning in the 1950s. They considered a free market mechanism as the best possible economic arrangement for a democratic India. In 1959 he founded the Swantantra Party to fight Nehruvian socialism, emphasizing Gandhi's doctrine of Trusteeship. However, he rejected co-operative farming, pointing out that the same had caused acute shortages in the former Soviet Union, compelling it to import lot of food grains from the US and Canada. Rajagopalachari in 1965 considered that Nehru's plan to achieve industrialization was a failure due to heavy borrowing, centralized planning and a rigid permit license operation system. Masani from the same platform asserted that socialism was an unsuccessful doctrine and reminded about the dangers of increased state control. Hayek was echoed, when Masani emphasized on the fundamental values of liberty and free enterprise. Though the party had impressive electoral successes at the

beginning but subsequently it faded out in the early 1970s. However, the ideology it proclaimed was re-invented when India moved away from Nehruvian plank; from 1991 onwards India moved towards free enterprise and economic liberalization ironically under the stewardship of Nehru's own party, the Congress and through the liberal and confident hands of Dr. Monmohan Singh. Indian democracy faced distinctive challenges in the 1990s, leading to the beginning of almost a new phase in Indian politics and economy. The sources of these new challenges were both multiple and diverse, both exogenous and endogenous. These have affected the arenas of governance, development and politics of identity. The twin challenges of globalization and economic reforms on the one hand, and a distinctively new phase of identity politics, on the other have tended to exert contrary pressure, pulling it in opposite direction. If the first envisages a gradual curtailment of the role of the state, the second seeks to reinvent the state altogether, to give it renewed primacy as an agent of radical social transformation. The state and modes of governance are thus in the process of being redefined.

Since the mid-1980s, the public sector was undergoing major change as government was trying to respond to the challenges of technological advancements, globalization, liberalization and global competitiveness. Last two decades have seen wide-ranging reforms. The telecommunication revolution has changed the mindset of the people and government. It is argued that this represents a paradigm shift from the traditional model of public administration to new public administration. The theory of bureaucracy in its governmental context is being replaced by economic theories by markets.

Indian economy has been affected by four interwoven events in the 1990s; the collapse of Soviet Union in 1991, the Indians State's Capitulation to the fund bank dictated programmes of economic reforms the same year, the demolition of the four hundred years old mosque at Ayodhya on 6th December, 1992 and the publication of Francis Fukuvamas' classic, ***The End of history and the last man***, in the same year in U.S.A. Having different context, the four themes together nevertheless point to the 'fascinating historical and philosophical setting for the twenty first century', to borrow a phrase from Tom Wolfe engraved on the front cover page of Fukuyama's book. Official records underline that nearly four million precious human lives were lost in civic disturbances all over the world during the last decade. As many as 35

countries waking up to the call of democracy soon relapsed into autocracy. The number of prisoners were 2 million in 2001, representing a quarter of the world's total prison population (the data include the freest of all societies). Several studies reports that nearly 43 million people are excluded from health care even in U.S.A.; in India, 4 million people mostly belonging to the 22-35 age group have been the victims of AIDS, next only to South Africa. These led to think about the possible shift in the existing concept of state, governance and development.

The current phase of economic reforms, inaugurated in 1991, fostered the process of globalization in Indian society, and replaced Nehruvian approach of development. This trend has been reinforced by the emergence of a 'global civil society' as a powerful force. At the same time, the politics of identity also took a new shape. Before 1990s, the politics of identity had typically made attempts to the mobilize people around religious or linguistic or regional lines. In the years following 1990s, the religious identity of the majority community was politically mobilized with some narrow interests. The events like the demolition of the Babri Masjid or mass killing in Gujarat marked the rapid end to the phase of tolerance. Bharatiya Janata Party backed by RSS emerged as an important political force with some non-secular agenda and tuned the course of political debates on religious lines, contrary to the spirit of secularism. There has been another change in the Indian polity and society in the years following 1990s. While caste and even caste associations had always played a role in democratic politics in India, after the official acceptance of the Mandal Commission's recommendations by the V. P. Singh government in 1990, the politics of caste adopted substantially a revised course of action. Caste now remained no longer simply as an important basis of political support. With the emergence of the political parties claiming to represent particular caste interests, it had assumed more importance and had become a matter of concern. For many of these political transformations, the state started facing severe newer challenges.

These challenges have come from at least two quarters: first includes the process of globalization and its domestic proliferation, economic reforms leading to liberalization and the loosening of the grip of the state on the economy; and second encompasses the events like emergence of a discourse of civil society, defined substantially in terms of rapid growth of non-governmental organizations (NGOs),

aspiring to take part in many of the developmental programmes which were, until this time, in the domain of the state. Both these have posed challenges not only to the state, but also to existing modes of governance. Before 1990s world had seen that there were mostly centralized structures of governance, state exercising its control (may not be absolute) on economy through centralized planning. Even in formally federal structures, there was central control on the national economy. The 1990s have seen the articulation of a variety of alternative models of governance.

As least two of these models of governance pose a fundamental challenge to the state, though from radically different perspectives. The first is the imperative to roll back the state, mandated by the agenda of economic reform and globalization; the second, the contestation of state projects, practices, and discourses contained in the practices of social movements arguing for a radical participatory democratic politics. Contrary to these is the third model of governance which identifies the state as the center of power, and therefore makes the control of the state the main political motivation or the chief objective of its politics, the way the parties like the Bahujan Samaj party express through its programmes, ideology and practice. The fourth model of governance is expressed in the phenomenon of the NGOs, as they either try to take on developmental functions in ways that are imitative of state initiatives in this field, or to take on the work of implementing state policies and programmes as a franchisee or public service agent on contractual basis. The fifth model of governance brings together the state and community, sometimes in partnership. This model has got many followers though they differ from each other in the degrees of emphasis on the state or the community. Finally, the sixth model of governance supports the practice of decentralizing the state. They, however, look for the sort of initiative taken by the state in this respect and they believe in gradual devolution of functions (often inadequate) through constitutional amendments.

In the third world countries, an expanded role or 'governance' (which is an architectural cum managerial, rather than a political term for government) has come to take hold, which is visible in (i) the provision of public goods, loosely defined by local political consensus, (ii) the public private partnerships, run by profit motive and (iii) increasing role for NGOs and new social movements which are not democratically accountable. Stiglitz has pointed out in bold relief the 'discontents' of globalization in large parts of the world in his recent book. Stiglitz out of his experience as a

member in the World Bank has noted 'the devastating effect that globalization can have on developing countries, and especially the poor within those countries.' Keeping this is view, after about a decade of economic reform experiments in India since July 1991, initiated by the finance minister, Dr. Monmohan Singh, India has entered in the second phase of economic reforms. This would involve redefining the scope of state activity in the economic affairs. One of the areas of good and accountable governance in the context of ever-changing profile of global competition has been to ensure decentralized governance with people's participation in a way to allocate the benefits of globalization down to the entire population, including the downtrodden or the marginalized. The notion of good governance has been adopted as the guiding spirit of administrative transformation in India through a series of deliberations such as the Chief Secretaries Conference and the Agenda for Effective and Responsive Government adopted by the Government of India and by most state governments. Gradually, good governance has become a cardinal component of election manifestos of most political parties.

There has been a concern that unless the participation of the targeted beneficiaries in the development programmes is ensured the distribution of the fruits of development to the bottom layers remains unfinished. India has decided to go through the phase of reforms in her economy and polity. The liberalization programme, where growth, efficiency and effective international competitiveness are prime concerns for development, now has been promoted in a way to bring changes in the attitudes of the numerous large-scale, small-scale and household industries and also in agricultural sectors. Decentralization of economic power to the grassroots level therefore becomes essential not only for the sake of ensuring people's democracy, but also for ensuring higher rate of growth with equity. Our participation with emerging liberal global trading arrangements as defined by the WTO is now a foregone conclusion, and effective steps are to be taken such that transition to the new regime can bring gains to the economy and society. Decentralized planning, and associated devolution of power to the village panchayats are new institutional arrangements, which can be effectively utilized to meet the requirements of the economy in the emerging environment. The 73rd and the 74th Amendments to the Constitution have already initiated the process of administrative decentralization to the gram panchayats. They are now to be implemented by the state governments to effectively involve the

people with the task of rural development, and unleash a process of their empowerment, which has long been ignored in our march towards a socialist pattern of society. In fact, with the onset of the inevitable process of globalization into the Indian economy, the task of people's participation and empowerment through the institutions of decentralized planning becomes extremely importance in managing the growth process in our rural economy.

4.4 Governance, Development and poverty in India

In India, governance concerns necessarily have a wide ambit, encompassing a variety of spheres, other than that of exclusively formal institutionalized political and administrative structures. That these include :

1. the political (e.g., equal application of the rule of law, accountability and transparency, the right to information, and corruption in public life);
2. the economic (e.g., corporate governance, the regulation of the private sector, and financial markets), and civil society (in its various manifestations, not excluding uncivil associations).

The degree to which the activities in these varied domains reflect the substance of the concern for governance varies. For instance, initiatives in some of these areas-e.g. social movements-are participatory, but in many others they are not. Similarly, while some non-governmental organizations potentially offer more effective delivery even of public goods or services, they are not necessarily accountable or transparent, and several even begin to resemble the state and replicate statist models.

The tasks of development, as the Indian state has visualized, is clearly not designed as a developmental state in the East Asian sense. The development and along with the attendant task of reducing poverty, was viewed as the unique provenance of the state. The bureaucracy was the chief instrument for the accomplishment of this task. Though the ability of a bureaucracy schooled in the colonial tradition of governing to perform developmental functions came to be questioned fairly early (Potter 1986), the debate on state capacity generally is of more recent vintage. Some actors in the governance process, like the state, the market, NGOs have come ahead to take part in the development policies and programmes of poverty-reduction. The various activities, associated with

macroeconomic policies in alleviating poverty and promoting development are essentially guided by political culture and the nature of state and bureaucracy. Utsa Patnaik and Prabhat Patnaik argue that the reason for development failure in India is the attempt to promote capitalist development in the absence of significant land reform. The term 'developmental state', often used in the context of East Asian countries, describes states, which are dominated by developmental elites, political and bureaucratic, which use their authority and autonomy from dominant social forces to aggressively pursue developmental objectives. Democracy here is weak if non-existent, and civil society is deliberately weakened through repression, explaining the cause of very limited success of the development policies and programmes of poverty-reduction in India and in few other, if not all East Asian countries.

The absence of land reform necessarily meant a narrow base for capitalist development, that was, limited to upper-case landlords and rich peasants (mostly belonging to the middle castes), and had a dampening impact on the overall rates of growth of output and employment in the economy. In the aftermath of the economic reforms, Utsa Patnaik and Prabhat Patnaik argue, poverty ratios have risen everywhere except in the five states of Andhra Pradesh, Kerala, Karnataka, West Bengal, Tamil Nadu, and partially in Madhya Pradesh. In these states, it is not policies of liberalization, but rather factors such as the extension of the public distribution system to rural areas, state subsidy for food, and expansion in development expenditure, that account for the improvement in performance. Bob currie argues that there is no universal formula for the persistence of poverty or its reduction in different countries, and that a blend of explanatory and context-specific variables is needed to explain the variations. He opines that the politics of poverty reduction must associate itself with the language of participatory development, good government, and strong civil society.

New public management is nowhere near the same degree. There are likely to be problems of accountability, morale and ethics in the adoption of new public management and it is to be adopted with some managerial modifications to yield any benefit. There is, however, no reason to presume that the following discussion suggests that managerial programme will be dropped and the traditional model will be adopted again. There is a need for major theoretical shift affecting the public sector and the public services; it also will lay substantial impact on the relationship

between government, bureaucracy and citizens. As the reform programme progresses in different countries, it appears more evident that the mode of functioning and way of understanding the administration by the formal or traditional bureaucracy are rapidly changing and the model of administration is gradually moving towards managerial direction, leading to a fast change in the erstwhile concept of government management, now to be recognized as governance.

There has been a transformation in the management of the public sectors of advanced countries. The rigid, hierarchical, bureaucratic form of public administration, which has predominated for most of the 20th Century, is changing to a flexible market-based from of public management. This is not simply a matter of reform or a minor change in management style, but a change in the role of government in society and a change in the relationship between government and citizenry as well. Traditional public administration has been discredited theoretically and practically, and the adoption of new public management means the emergence of a new paradigm in the public sector.

This new paradigm poses a direct challenge to the fundamental and almost eternal principles of public administration. The classical public administration laid stress on the principles of hierarchy, unity of command, unity of direction, discipline, rule-bound mode of operation etc. It claimed that governments should organize themselves according to the hierarchical, bureaucratic principles most clearly enunciated in the classic analysis of bureaucracy by the German Sociologist Max Weber. It also expected the government to become the direct provider of goods and services through the bureaucracy, as soon as the government entered in the policy area. The classical public administration centered around politics-administration dichotomy. It was also thought that political and administrative matters could be separated. The administration would be an instrument to carry out instructions, retaining any matters of policy or strategy in the domain of the political leadership. This was assumed to ensure accountability and neutrality. It was also thought that public administration required a professional and efficient bureaucracy, with the ability to serve any political master equally.

By the beginning of the 1990s, a new model of public sector management was emerging in most advanced countries. The new model has several incarnations, including : **'managerialism'** (Pollitt, 1993); **'new public management'** (Hood,

1991); **'market based public administration'** (Lan, zhiyongand Rosenbloom, 1992); **'post bureaucratic paradigm'** (Barzelay, 1992) or **'entrepreneurial government'** (Osbom and Gaebier, 1992). Despite the differing names, these essentially describe the same phenomenon. In fact, managerialism is a 'determined effort to implement the "3Es" of economy, efficiency and effectiveness at all levels of government activities.

Though the various terms-new public management, managerialism, and entrepreneurial government-may vary, they point to the same phenomenon. This is the replacement of traditional bureaucracy by a new model based on markets. Improving public management, reducing budgets, privatizing the scope of government or bureaucracy. Since the last two decades, the perception of government and governance has been changing at a rapid pace. The force of liberalization, privatization, globalization and the revolution in information technology have broken many a myth about public administration. There has been considerable rethinking the way the governments now conduct their business, and they are looking more and more toward innovative solution to an increasing global problems and pressures. A multiplicity of new paradigms, theories and models has now been extended beyond the formally accepted boundaries of public administration. A radical change in organizational culture is occurring, but not without cost. The new approach has problems; it is difficult to bring change in standard operating procedures and poor morale. There seem to be a long way to go before new management can produce expected results, although there is no going back to the traditional model of public administration.

Issues arising out of liberalization, privatization and globalization have radically altered the nature and scope of public administration. The discipline has to respond to the challenges of **LPG**. Public administration today is reflecting the changing nature of practice of government of developed as well as developing countries. The practices of traditional public administration are under increasing attack from neo-liberal economists, interest groups theorists and rational choice scholars. **LPG** and changes in ideological climate are likely to have a decisive impact on public administration and this is what is evident now. In fact public administration has undergone a sea change in response to new inputs from the contemporary socio-economic and political climate. Some of the issues dominating in public administration

are : (a) centralization, viz., decentralization, (b) contradiction between growth and distribution, (c) nationalization vs. privatization, (d) command vs. liberal, and (e) secrecy vs. transparency.

4.5 Rolling Back The State

The process of globalization, and its implications for the state and governance suggest that, in a globalized world, the retreat of the state-or a least a diminishing of the pre-eminence it has hitherto enjoyed, is inevitable. State in general, and especially those in command economies are seen to have produced merely inefficiency and achieved little, even less than what they expected. They could produce neither growth nor equity. Gradually the belief that has come to stay is that the less state produces more efficiency and ensures growth. The ole debate about whether democracy and development are mutually compatible has since been rendered redundant, as states are variously advised to retreat, roll back, shrink, and downsize.

Before India embarked on the economic reforms, it had already moved from being a 'command polity' to a 'demand polity' (Rudolph and Rudolph 1987). On these accounts, the Indian state, despite occupying the commanding heights of the economy, was ineffectual in securing growth, in large measure due to multiple of demands articulated by different sections, and attempt by the Indian state to give response to all these demands to be fair to its democratic system.

Despite this buffeting about by popular pressure, and despite its vacillations, the state remained a 'week-strong state' (Rudolph and Rudolph 1987). The initiation of economic reforms by the Congress government under the premiership of Narasimha Rao in 1991 was undoubtedly a response to an acute fiscal crisis and a crisis of external debt that the state was facing. The viability of an economy hitherto based on centralized planning and the predominance of the public sector was now challenged. The unhindered flow of foreign capital and vice versa were suggested. It was the rather different path of opening up the economy to foreign competition, cutting back on public expenditure especially in the social sector, downsizing the state apparatus, and so forth. Most observers of the reforms process feel that economic liberalization has not really entailed a change in the nature of the state in India. It has entailed cutbacks on social sector expenditure, without effecting a

substantial change in the regime of bureaucratic controls, where rent-seeking through the grant of licenses and permits has simply been replaced by other forms of corruption. As Bhaduri and Navvar (1996; 146-47) argue,

> It should come as no surprise that the proposed escape from bureaucratic controls has led to a liberalization of corruption. It has neither unshackled the elephant nor uncaged the tiger..... We have simply moved from an old world of licenses or permits to a new world of percentages or kickbacks, for the neta-babu raj has remained the same. This raj is no less adept at corrupting market forces than it was at corrupting state intervention. That is the lesson to learn.

What was ensured then, was not a downsizing of the state, nor even (till very recently) disinvestments, but simply deregulation in certain areas. This implied the lifting of some controls, and allowing foreign investment on liberal terms, especially in the consumer goods sector. The Foreign Investment Promotion Board, whose inclusion in the endangered species list was only expected to be a matter of time, continued in existence.

Indeed the center and controls of power simply shifted from the Ministry of industry to a more high-powered bureaucratic office linked to the Prime Minister's Office, and one that is noticeably more generous in handing out licenses and preferential terms, leading to the growing anxiety of Indian business groups. So indeed can the numerous scams- in the stock exchange, as well as in the sugar, urea, telecommunications, and power industries- that have occupied the center of almost all political debates center-stage, with senior politicians, including a Prime Minister, being personally investigated for their role in these corruption scandals.

The state and markets have joined hands to ensure reform in the economic process. Its outcomes in terms of growth and equity have been less spectacular than was envisaged. The agricultural sector, which accounts for two-thirds of the working population, and contributes 30 percent to the gross domestic product (GDP), remains virtually untouched by the liberalization initiative. There has been a manifest failure to create employment as a strategy to combat poverty. The opening up of markets to global competition, and a non-selective approach to foreign technology and investment, have tended to widen the rural-urban divide, and reinforce an urban bias and have achieved a mere sustained pattern of economic growth.

Reforms have not ensured equity. It has been argued that, in the post-reform period, poverty has increased in all but five states of India (Sen and Patnaik 1997:20). The retreat of the state in this sense may have benefited the upper-middle and upper classes, by opening doors of prosperity, may have benefited the market by increasing the rate consumption of the upper-middle and upper classes, but it definitely does hurt the poor. Indeed, the 1994-95 report of the National Sample Survey indicates that the major beneficiaries of economic reforms have been the upper two strata of the population. This social group of 150 million persons, or 28 million households, represents the upper-middle and upper classes of India who provide a substantial market for consumer and luxury goods. On the other hand, there has been an increase in the absolute numbers of people below the poverty line, from 305.87 million in 1987-88 to 314.66 million in 1993-94 (Sharma 1999 : 229-30).

Thus on the one hand, their continues to be some hesitation to embark on disinvestments on a large scale, and to withdraw the state altogether from productive economic activity. On the other hand, there has been a more notable withdrawal from public expenditure in the social sector. On the whole, the state has sought to direct the process of economic reform in a manner that has provided lucrative rent-seeking opportunities to state personnel, especially members of the political and permanent executive. The nature of state intervention has been transformed more than the nature of the state itself has been, resulting in a growing incoherence and inconsistency.

The role of the World Bank and International Monetary Fund (IMF) in promoting economic reforms has neither ensured high rate economic growth and nor equity. Contrarily some aspects of globalization have diminished state sovereignty. These include the regime of international agreements connected with trade and environmental issues, including intellectual property rights and patents regimes, and also the emergence of a global or transnational civil society network, which often exercises powerful influence over policy-making. Increasingly, it is found that NGOs are being invited to participate in the deliberations of international bodies as non-state actors. All these phenomena suggest that though the state is not manifestly shrinking or retreating, exogenous factors connected to globalization are certainly posing significant challenges to its capacity for intervention, both within and without society.

4.6 Challenge to the State

The social movements pose a substantially different kind of challenge to the state in a variety of ways. These movements are variously interpreted as an ecological movement, a peasant movement, and a feminist movement and the like. These throw challenge to the projects, practice, and discourses of the state, especially in the sphere of development. Social movements have been increasingly visible aspect in mostly all sorts of societies, nurturing different kinds of and different levels of socio-economic development since the mid – 1980s. They were then generally referred to as grassroots movements or non-party political formations. In the 1990s, they have been often characterized as new social movements, in keeping in tune with the description of the women's, peace, and environmental movements in Europe in this period. In India, these movements have challenged the conventional paradigm of development; interrogated patriarchal relations in the family and society; questioned subordination on the basic of inherited caste status; mounted protest against development-induced displacement; and articulated newer and more egalitarian vision of the social order. During last 15 years there have been repeatedly such struggles as against displacement by dam projects, mining projects, and missile ranges, against the oppression of women in a patriarchal society, and of dalits by upper-caste Hindu society, against the role of multinational corporations in disasters like the Bhopal gas tragedy, against the threat of genetic manipulation to biodiversity, and against the patenting of indigenous genetic resources.

The new social movements, usually described as environmental movements do not always have environmentalism as their core concern. They are often in the nature of struggles by peasants, fishermen, and tribal communities for their survival and livelihood. Perhaps the best example of this is the Chipko Movement in the Himalayas. It was, for instance, also an attempt to protect local sources of livelihood from the aggression of timber contractors, and an assertion of the power of the local community over its forest resources. This is an important dimension of most of the so-called new social movements in India. These are not, as in the West, post-materialist movement of the middle classes, seeking to enhance the quality of life. Their central concern is life itself, these movements are often struggles for their survival. Though young middle-class persons have often acted as catalysts and

facilitators in the articulation of these movements, they remain essentially movements of the disprivileged, struggling for survival and claiming a right to only the most basic needs. Their rights, claims etc. are addressed to the state. They manifest, however, a considerable disillusionment with the developmental project of the state, as it intensifies the discrimination between the rich and the poor, with the structures and practices of governance which tend to consolidate the power of the already influential, and with the hollowness of a democracy which is unreceptive to the claims of the poor and powerless.

Narmada Bachao Andolan (NBA) is an example of the protest against the Sardar Sarovar Dam in the Narmada Valley, meant to reduce the ill effects of displacement, making it also a movement for social and economic justice. This is clearly a movement, primarily designed to effect the abandonment of the project as a whole, or at best, arrive at a compromise by which the height of the dam is lowered, and the area of submergence reduced. Medha Patkar of the NBA has said that the ideological perspective of the 'Andolan' is a 'combination of green and red values and ideas'. It is a movement for environmentally sustainable development. The NBA has consistently expressed a participatory vision of democracy, with the right to information being a necessary prerequisite for consultative and participatory processes of decision-making. It has protested against the denial of human rights and civil liberties to dam workers and protestors alike. In its disillusionment with 'the mainstream political process, the NBA has generally chosen the path of extra-parliamentary politics and protest, preferring not to align formally with political parties and politicians.

The campaign of the Mazdoor Kisan Shakti Sangathan (MKSS) in Rajasthan for the right to information is another example of such a social movement that has attempted to give primacy to the needs of transparency and accountability as important components of governance. Recalling the NBA's slogan *Hamara Gaon Hamara Raj* (our village, our rule), the MKSS has, demanded *Hamara Paisa Hamara Hisaab* (our money,.our accounts), claiming a public and social audit-over and above the financial-for development expenditure. To this end, the MKSS has, since 1994, held several public hearings, at the panchayat level in many districts of Rajasthan, exposing the disappearance of as much as 85 percent of development funds, and protested against the misappropriation money.

In different ways, then, such social movements quite fundamentally challenge the premises of the developmental state and seek to delegitimize its practices and projects. However, while such movements challenge the state, they do not seek to truncate its functions. They seek rather to make the state more sensitive and responsive to the needs and rights of ordinary citizens.

4.7 Shrinking the State—A Controversy

The view of the state advanced by the globalization-friendly model of governance, with its emphasis on shrinking the state and truncating its role in society, may be sharply contrasted with that implied in the political discourses of the historically disadvantaged sections of Indian society. Arguably the most striking example of this vision is contained in the ideology of the Bahujan Samaj Party (BSP), which finds authentic and powerful expression in the speeches and writings of its two leaders, Kanshi Ram and Mayawat. These leaders of the BSP have repeatedly argued that it is through the capture of state power alone that the groups they represent can hope to find justice. It must, of course, be noted that these ideas are characteristic of the dalit movement in Uttar Pradesh, which is in many important respects quite distinct from dalit movements in other parts of the country, especially those-as in Maharashtra or Tamil Nadu-which have a longer history of dalit protest.[1]

Ambedkar argued strenuously against the Gandhian model of decentralized socialism because it would only reproduce the inequalities of oppressive local power structures and in favour of the bureaucratized model of state socialism which became the hallmark of the Nehruvian model of development. In the Constituent Assembly debate, Ambedkar argued that leaving the task of industrialization to private enterprise would only perpetuate existing inequalities of wealth. The state must own and manage basic and key industries as well as agriculture, and must reorganize the structure of land ownership completely, so that the categories of landlord, tenant, and landless labour would simply disappear. This would only ensure the fullest enjoyment of the fundamental rights by the citizens. In terms of social organization, he argued for separate electorates and a geographical separation of the already socially separate dalits, through the establishment of exclusively dalit villages. Ambedkar apparently saw the route to dalit emancipation through state socialism, rather than through their empowerment in the democratic political process.

The ideology of the Bahujan Samaj Party in the 1990s shared with the Ambedkarite view emphasizes on the importance of the state. But it diverges from Ambedkar in view of the fact that BSP holds that neither capitalism nor socialism nor even communism can effect any change, because all the parties that represent these programs, and the social groups that control the structures of power, are consisted of the upper caste members; they argue that inequalities of economic power are a reflection of inequalities of political power. By controlling the state, dalits can reorganize the economy so as to obtain better wages, superior working conditions, and a more just economic order. All redistributive tasks are best undertaken by the state; therefore the state as the most important agency needs to be controlled by the disadvantaged dalits. When, however, the BSP came to power, the symbolic installation of Ambedkar statues all over Uttar Pradesh, rather than redistributive land reform was foremost on its agenda. This is an illustration of the ambivalence even contradiction of the Indian state. The logic of Kanshiram's aim of capturing political power is that in a society like India, political power is very important, and there is no other center of power equal to it, though not by militant mobilization or revolutionary social action by the dalits.

He instills a feeling of separatism in the dalits, because it is his belief that the condition of dalits can only improve through administrative and political autonomy (*swayattata*) and separation (*prithakkaran*) from the other part (*suvaarnas*) and separation (*prithakkaran*) of Hindu society. Nevertheless he is not in favour of a separate state for dalits or Harijans. Thus, reservations for dalits and electoral success for the **BSP** are meant to secure control over the permanent as well as the political executive respectively.

4.8 Non-governmental Organizations in Particular Sectors of Development

The non-governmental organizations have emerged as the most important institutional innovation of the twentieth century, which in its functions, objectives, and sphere of action, do not resemble with the voluntary associations. In India, the NGOs of the 1970s were used to follow largely Gandhian, tradition of voluntarism. Contemporary NGOs are, on the contrary, mostly bureaucratically structured and

these organizations, work in a wide range of areas. The most significant of these are developmental NGOs, through whom international donors increasingly channel development aid apparently for poverty reduction. A large number of NGOs are actively engaged in rural development. Clearly, there has, in recent years, been a sharp increase in the number of NGOs and the resources that they command. It has, for instance, been estimated that NGOs receive foreign funding to the tune of Rs. 9 billion (US$ b520 million) annually, and Rs. 10 billion if individual and corporate donations are also added. This represents virtually double of the comparable figure for the mid-1980s, approximately 25 percent of official aid; and 10 percent of the government's annual provision for poverty alleviation expenditure.

The Seventh Plan provided Rs. 1,500 million (US$170 million per annum) for NGOs involved in rural development; government funding has increased substantially. Indeed, the state has actively encouraged the growth of NGOs as active partners in the task of rural development. In 1986, the Council for Advancement of People's Action and Rural Technology (CAPART) was established under the patronage of the central Ministry of Rural Areas and Employment as 'a agency for catalyzing and coordinating the emerging partnership between voluntary organization and the government for sustainable development of rural areas' (CAPART1988). While CAPART is registered as an autonomous body, its main objective is to channelize development funds from the government to NGOs working in rural development sectors like rural technology, water supply, watershed management, and social forestry. If currently funds 6,370 voluntary organizations in as many as 16,697 projects.

NGOs are now competing with the government, mostly following the approaches of the government in rural development. In case of poverty alleviation, for example, some NGOs are imitating government interventions like the integrated Rural Development Programme (IRDP) or the Jawahar Rozgar Yojana (JRY); they seek to enhance the asset position and the income-generating potential of the poor, by providing them with opportunity to acquire land, to increase skills, or to make arrangement for credit or to ensure land improvement to make them more productive. Some others focus their efforts on primary education and health, housing and sanitation. The main difference between governmental interventions and those of NGOs is the distinctly smaller scale of the latter and another difference lies in the

fact that NGOs attach lesser importance to participation and mobilization than the government.

Recent years have seen an increasing tendency for the government to hand over developmental tasks to NGOs for implementation. The multilateral funding agencies like the World Bank are not enough confident with the managerial capacities of governments, and in their search for good governance, who would better manage the development programmes, have sought to channel funds directly to NGOs; their ability and willingness to reach the poor, even in relatively inaccessible areas and their capacity for innovation and experimentation are among the factors that make NGOs attractive to multilateral agencies like the World Bank, as also to donor countries. Indeed, it is estimated that 12 percent of development assistance worldwide is channelized through NGOs of the Northern hemisphere (Clark 1997:46). The Governments also find them useful because they offer cheaper and more efficient delivery systems than the leaky and corrupt government ones. They can also act as interlocutors, facilitating public consultation and ensuring the greater responsiveness of state agencies, and altogether creating sorely needed legitimacy. When the state transfers the implementation of development programs from its own departments to NGOs, this does not necessarily imply a rolling back of the state. Rather, the state now draws upon the skills offered by NGOs as 'public service contactors.' The NGO sector can easily become an alternate provider of goods and services, without strengthening the capacity of the community to influence state policies and action. Some observers of this process have expressed the fear that NGOs may become involved in providing service. The process may actually end up in empowering NGO personnel and leaders, rather than the poor and disadvantaged (Hulme and Edwards 1997). It is hardly surprising then, that many NGO leaders are to be found on commissions and other official bodies as consultants. The questions those may haunt are :

> To what extent do citizens lose basic political rights if the delivery of universal services and entitlements is entrusted to non-state bodies?
>
> Can the state devolve responsibility for implementation without losing control over policy and therefore losing responsibility for upholding the rights of its citizens?

To what extent the functioning of NGOs (specially in India) can ensure accountability and transparency?

The NGOs are also believed to be fairly vulnerable to the impact of local organizational culture, on their one hand, and the donor agencies, on the other. While the first leads to the reproduction of local biases within the organization, the second encourages NGOs to expand and organize themselves like donor agencies, with the attendant dangers of bureaucratization.

There are many NGOs which are primarily concerned with mobilization and transformation, rather than with service delivery. The work of the Tarun Bharat Sangh (TBS) in regenerating the natural water sources of the Alwar district in Rajasthan, or of the Mazdoor Kisan Shakti Sangathan in demanding the right to information are only two of the many exceptions. However, mobilization requires awareness, and the creation of awareness involves politicization; NGOs engaged in such activities, invariably find themselves threatened with greater harassment from the state than the NGOs engaged in service delivery.

Recent years have also witnessed the emergence of partnerships between the state and civil society organizations. Some of these are the product of state initiatives, while others are substantially community initiatives with only a marginal dependence on the state. Joint Forest Management (JFM) is perhaps that best example of the first type, as it institutionalizes a partnership between forest departments of the government, on the one hand, and rural communities, on the other. Of course, these processes have frequently been mediated by NGOs. In the early 1980s, programmes of social forestry were initiated to resolve a conflict between the forest bureaucracy (with its colonial legacy of centralized control) and local communities resentful of the latter's control. But these experiments failed to effect the genuine inclusion of user groups, to arrest deforestation and to build institutional capacity in community forest management. As opposed to these, JFM programmes, by making the local community a stakeholder in the protection and management of forests, have been markedly successful in creating incentives for a good working partnership. The community institutions have been found to be most successful when they are democratic and representative, founded on a commitment to equity, autonomy, and participatory decision making and have clearly defined the roles and responsibilities

of the leadership as well as ordinary members. By contrast, centralized decision-making systems, social heterogeneity, and sharp class differences have been found to militate against the efficacy of such institutions.

There are also several examples of unaided community initiative, perhaps the most striking of which is the story of Ralegan Shindi, in the Ahmednagar district of Maharashtra, which was chronically drought-prone till the mid-1970s when Anna Saheb Hazare retired from the army and returned to live in his native village. At this time, Ralegan Shindi could produce barely 30 percent of its food requirements. Hazare mobilized the community to build storage ponds and embankments to collect rainwater and contain the runoff, which eventually caused the groundwater table to recharge, and increased agricultural productivity. Anna Hazare also led a campaign for afforestation and a movement against corrupt officials. While earlier initiatives had won him recognition and felicitations from the state, Hazare for his anti-corruption campaign was victimized, harassed, and faced counter-allegations. An interesting variation on the state-community partnership model of governance is the **bottom-up model** in which the state follows the way shown by community action. One of the most striking examples of this is the work of Rajendra Singh and the Tarun Bharat Sangh in regenerating a dry, arid, and perennially drought-affected area of northeastern Rajansthan through a series of community experiments in water harvesting. Through community labor (*shramdan*), ponds and check-dams were built, bringing water and aquatic life to streams and rivulets, which had been dry for years, and irrigations and vegetation started in the lands around them. Though the TBS's initiatives against the marble miners of Sariska invited hostility and even violence from the police, today the government has itself acknowledged the contribution of the TBS in regenerating the forests and rivers, and inaugurated an imitative scheme of watershed management called PAWDI-the People's Action Watershed Development Initiative.

4.9 Democratic Decentralization vis-à-vis the State

Perhaps the only radical alternative to emerge from within the womb of the state itself, have been the Constitutional Amendments to devolve power to institutions of local self-government. The 73rd and 74th Amendments, enacted in

1992, made it mandatory for a two-to three-tier panchayat system to be constituted in every state, with direct elections to each of the three levels, viz., the village, block, and the district. Apart from reserving seats for the scheduled castes and tribes, provision was also made for one-third of the seats to be reserved for women representatives. The Gram Sabha (village assembly) was envisaged as the base of this democratic structure, though its powers and functions did not receive detailed elaboration. The Amendments also added a new schedule to the Constitution, enabling the state legislatures to 'endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government' (The Constitution of India, Article 243-G). The powers and responsibilities devolved to the panchayats would pertain to the preparation of plans for economic development and social justice, as also the implementation of such schemes. The mandatory provisions were implemented; in conformity legislations were enacted by the states, the enabling provisions were largely interpreted in a fashion, so that few real powers and responsibilities could be devolved to the panchayats. This was, in some measure, facilitated by the ambiguity surrounding the relationship between the three tiers, as also that between the elected institutions and the administration. Gram panchayats work under severe limitations in terms of both their planning capabilities and resources. Functions entrusted to them are sometimes even confusing and duplicated, inviting contradictions among the three tiers, among the panchayats and the government officials etc. For example, where panchayats are given the responsibility for local development works, the funds which could be deployed for development are distributed between centrally sponsored schemes, state governments, and Members of Parliament (under the Member of Parliament Local Area Development Scheme).

Concluding observations

We have, in the foregoing units, examined diverse visions of the state expressed in six models of governance. This is by no means an exhaustive list of the models of governance articulated as alternatives to the dominant model of the centralized, interventionist state that informed the vision of the state- and nation-builders at and after independence. As these various models contest and contend against each other,

no single model is likely to unseat or replace the currently hegemonic model of governance. Nevertheless, they are suggestive of the multiple contradictions and pressures that beset governance in India as it is presently constituted, and it is likely that in the years to come, each will leave its imprint.

Women, dalits, and tribals continue to face severe obstacles emanating from the structures of social and economic dominance in local society. These include cleverly manipulated no-confidence motions to unseat them from reserved positions; threats, intimidation, and even physical violence; and, most frequently, the use of traditional social power to simply exclude such groups from processes of decision-making. Despite such attempts, there is today a greater consciousness of the empowerment opportunities that such reservations offer. Thus, though these Amendments were intended to bring about both the democratization and the decentralization of governance, democratization-though the provisions for women as well as for members of the scheduled castes and tribes-clearly appears to have outpaced decentralization. So we will have to go along way with a strong will to attain the goal.

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মানুষের জ্ঞান ও ভাবকে বইয়ের মধ্যে সঞ্চিত করিবার যে একটা প্রচুর সুবিধা আছে, সে কথা কেহই অস্বীকার করিতে পারে না। কিন্তু সেই সুবিধার দ্বারা মনের স্বাভাবিক শক্তিকে একেবারে আচ্ছন্ন করিয়া ফেলিলে বুদ্ধিকে বাবু করিয়া তোলা হয়।

—*রবীন্দ্রনাথ ঠাকুর*

ভারতের একটা mission আছে, একটা গৌরবময় ভবিষ্যৎ আছে, সেই ভবিষ্যৎ ভারতের উত্তরাধিকারী আমরাই। নূতন ভারতের মুক্তির ইতিহাস আমরাই রচনা করছি এবং করব। এই বিশ্বাস আছে বলেই আমরা সব দুঃখ কষ্ট সহ্য করতে পারি, অন্ধকারময় বর্তমানকে অগ্রাহ্য করতে পারি, বাস্তবের নিষ্ঠুর সত্যগুলি আদর্শের কঠিন আঘাতে ধূলিসাৎ করতে পারি।

—*সুভাষচন্দ্র বসু*

Any system of education which ignores Indian conditions, requirements, history and sociology is too unscientific to commend itself to any rational support.

—*Subhas Chandra Bose*

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