

IMPACT OF LIBERALISATION ON PUBLIC ADMINISTRATION



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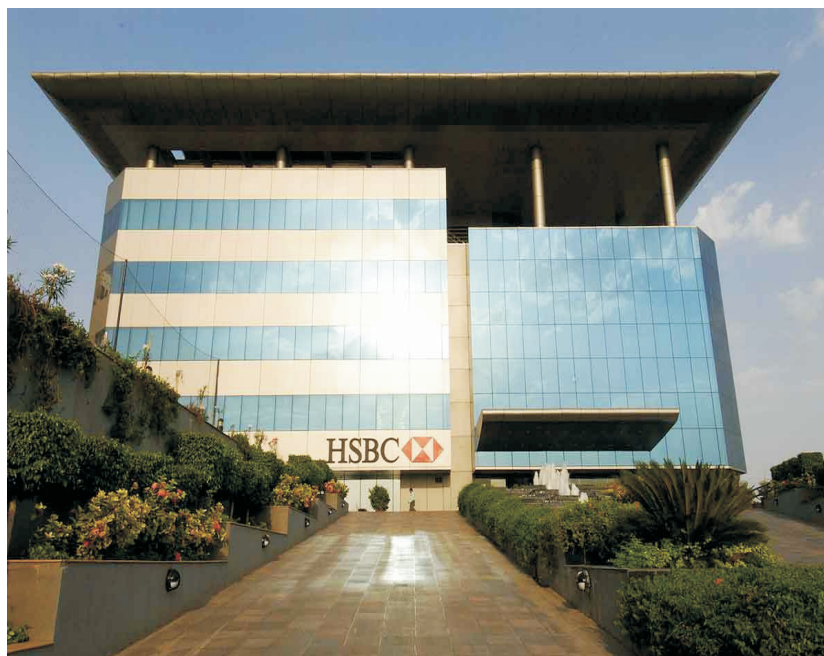
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ABSTRACT:

Globalization, Liberalization and Privatisation are increasingly changing the character of the state and the nature of Public Administration. Responding to challenges posed by globalization and liberalization has not been an easy issue for Public Administration. A number of strategies have been adopted by scholars and practitioners to cope with the pressures of liberalization. These need to be discussed in terms of the paradigm shift that is tending to change the nature and character of Public Administration. The

impact of globalization/Liberalisation is observed in the following areas :

KEYWORDS

Liberalisation, Globalization, Privatisation, Public Administration.

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INTRODUCTION

1.Public service Reforms : One of the dominant reasons which compels consideration for public service reforms is adoption of free market economy in 1980s in UK and other Western countries and in 1990s in India , Which is also known by different names, viz. , New Economic Policy, Structural Adjustment Programmer, Privatisation, liberalisation, deregulation and contrasting out . The impact of free market economy on the concept of government, structure of government and also on the way governance are on the agenda of discussion world over. It is based on the perception that private is good and public is bad .The consequences of free market reforms on government and governmental business are generally described as the new way of governance, government by the market, reinventing government, new public management, sharing power, slimming of state, hollowing out of state and so on¹.

2.Reinventing Government: New public Management (NPM) has had the most significant impact on reshaping public administration to cope with the challenges of globalization . The policies of developed and developing countries are being increasingly influenced by NPM and reinventing government prescriptions .These are : Privatization and deregulation, establishing market like mechanisms, decentralisation and debureaucratisation. The recent thinking revolves around the fact that the business principles need to be introduced and effectively adhered to in conducting public business. It has stated that by NPM and reinventing government advocates ‘that government should not only adopt the techniques of business administration but also adopt the values of business. The basic principles for reinventing government are : steering rather than rowing, empowering rather than serving : injecting competition into the service delivery ; transforming rule – driven organization, meeting needs of the customers not the bureaucracy; from hierarchy to participation and leveraging change through the market .

The NPM focuses on management, not policy and on performance appraisal and efficiency. It deals with converting public bureaucracies into agencies which deal with each-other on a user pay basis, It also uses quasi –market and contracting out to foster competition. It is style of management which aims at cutting cost, reducing public expenditure and a style of management which emphasises on output and providing monetary incentives to increased performance and empowering managers.²

3.Entrepreneurial Government : Today, the government office is seen as a dusty moth-eaten, dingy, paper –infested hovel chockfull of babus, which is feudal in its outlook, hierarchical in structure, antediluvian in its procedures, dilatory in examination of issues and secretive in its dealings with customers .The common man views the government functionaries as exploiters rather than facilitators or providers.³

The entrepreneurial Government is the answer to the present administrative malaise. Efficiency and productivity, the hall-mark of entrepreneurial government are two areas where considerable changes have resulted due to constant pressure of globalization. Public sector organizations are now under worldwide pressure to enhance their productivity by increasing efficiency. Along with cutting down waste and increasing output, the public bureaucracies are trying to simultaneously facilitate better delivery of services.

4.Changing Role of Bureaucracy: The process of economic liberalisation in its basic conceptual formulation seeks a reduced governmental intervention in the economic sector, thus implying a reduced role for the bureaucracy in the process of development. There has to be a realisation that with the switch over to globalisation, Liberalisation and privatization, the bureaucracy will have to play the role of a catalyst for change. In the new economic order the bureaucracy has to function as a helper, an accelerator, a booster.

5.Good Governance : The key items on the development agenda of the 1990s have reform of public administration and issues of governance amongst their priorities. ‘Governance’ deals with the capacity of the government to design, formulate and implement policies and in general to discharge their functions. Good governance is more than a mere word that implies efficient public administration. It is the process of building and enduring bridges between the state and the society at large through effective and people-oriented mechanisms of administration.

The concept of good governance was conceived in 1989. It found mention in World Bank Report on Sub-Saharan Africa. It defined good governance as ‘a public service that is efficient, a judicial system that is reliable and an administration that is accountable to the public’. Good governance is associated with efficient and effective administration in a democratic framework.

It is equivalent to purposive and development-oriented administration which is committed to improvement in quality of life of the people. It implies high level of organizational effectiveness. In simple words, good governance can be considered as citizen friendly, citizen caring and responsive administration.

6.E-Governance: A search for alternative delivery systems has always attracted the attention of experts in public administration. Since 1980s, Many scholars have been advocating privatization as well as E-governance as such solution E-Governance is the application of IT to the process of government functioning to bring Simple, Moral, Accountable, Responsive and Transparent (SMART) governance. The speed and transparency associated with E-Governance have the potential to make public administration responsive and efficient.

7.Bringing the State Back IN: Globalisation is perceived as the spread of liberalization on a universal scale with liberalisation essentially meaning the process of freeing the economy from state control. In other words, the economy operates as per the market forces and not as per rules/regulations laid down by the state. Now the big question is : how and where does the state figure in the backdrop of globalization? As a consequence of globalization and indeed, according to an increasingly accepted view, as a precondition, the state has been withdrawing/retreating/abstaining from many areas of the economy. A liberalizing state is focusing on the core areas such as defence and foreign affairs leaving other areas open to private players both domestic and foreign. At the same time, precisely because the state is retreating, private enterprises as well as the non state actors such as voluntary agencies, self-help groups and community based organizations are automatically filling the vacuum.

The current trend is toward the blatant capitalist subjugation of the globe in the garb of neo-liberalism, so far as the Third World State is concerned, the issue is not State versus Market, but changing the character of the state in order that a vital power shift can take place from the bourgeois-feudalism bureaucracy combine to a genuine people’s democracy. The market-Friendly and marginalized state

would pave the way for capitalist world development, whereas the Third World needs an altogether different model of development that will assure general welfare of the masses and an equalitarian social life free from exploitation and deprivation. The World Bank sponsored 'rethinking the State' is on close inspection a fraud on political theory, including theories of public administration.

The World Bank – touted State- minimalism and market –friendly approach to Third World development poses serious problems for the State-led development efforts in countries, like ours, where the government has to mobilise social efforts to struggle against poverty, ill-health, malnutrition and the forces of inequity and injustice in a feudal-capitalist social regime. As Paul Streeten has forcefully argued : “the issue really is not to get the government off our backs and let there be market; the real issue is : to have a strong State with an expanded agenda, though a different one, differently implemented from that which the state has commonly adopted in many developing countries⁴.

It could be viewed that while ensuring that the state is not deprived of its regulatory function, it is not such a bad idea if the state withdraws or at-least, substantially withdraws from the non-essential sector of the economy. It should, however, continue to maintain a visible presence in social sectors like education, health and so on.

8. Empowering citizens : Globalisation from below has also witnessed the rise of grass-roots, people's active participation at the local level in areas such as women's empowerment, education for all, human rights including the rights of the poor, consumer rights , environmental protection and decentralisation .Thus , empowering citizens has been a key component of recent reform wave surrounding public administration.

IMPACT OF GLOBALISATION-LIBERALISATION ON INDIAN ADMINISTRATION

Under the forces of globalisation –liberalisation recent decades have seen a shift towards reduced role for the state and Government in all countries. India could not have remained unaffected by these global trends. In India, the impact of globalisation-liberalisation is visible in the following areas:

1. There has to be a transfer of functions, powers and resources to the state. This can be done according to the overall plan laid down by the Sarkaria Commission on centre-state relations. The Inter-state council, since its inception in its eight meetings held so far has completed consideration of all the 247 recommendations on centre- state relations. Of these 247 recommendations, 57 have not been accepted by the Council/Administrative Ministries, 175 have been implemented and 15 are at various stages of implementation.

2. Self-governing institutions where the people themselves take over the functions of the state would have to be encouraged, sustained and nurtured. These would include municipal bodies, panchayats, cooperatives, voluntary organisations and the like. The passage of the Constitution 73rd and 74th Amendment Act, 1992 marks a new era and provides constitutional status to the Panchayati Raj and Municipal Institutions. This Provides broadest representative base that exists in any country of the world – developed and under – developed.

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3.The right-sizing of Government and the structural reform of the bureaucracy can get off to a flying start if the government decides to privatise both public sector undertakings as also departmental enterprises within a strict time limit, while at the same time contracting out many of its own activities to the private sector .

Several initiatives have been taken in the wake of the recent economic reforms: The Build-down-Lease-Transfer (BOLT) Scheme has been launched by the railways in order to attract private finance in railway projects on leasing terms. Maintenance of railways stations and colonies are being tried out for privatization. All catering in the trains is being source out to private contractors. In pursuance of the Industrial Policy Statement of July 24, 1991 disinvestment of partial government equity in selected PSEs was undertaken for the first time in 1991-92. Beginning from 1991-92, 14 rounds of disinvestment of government shareholding have taken place in 39 PSES and a total amount of about Rs. 18, 288 crore has been realised.

4.There is a widening area of services which are currently being performed in-house in the Government, but which can be outsourced to the private sector.

These may include designing, construction and maintenance of Government buildings, residential colonies, railways stations, maintenance of monuments, lawns and gardens, catering, postal deliveries, carriage of mail, security of all non-sensitive buildings, reservations in railways and airlines, computer-related services.

CONCLUSIONS

Thus, due to globalization public administration seems to be moving more towards protection of citizen's rights, accountability, ethical values, research and training. Emphasis has shifted to good governance, E-governance and corporate governance as the framework of administrative analysis. The Concepts of work, authority and role of state are changing. The accent on participation, transparency, decentralization and accountability is urging the scholars to revamp administrative structure and process to meet emerging challenges. A basic requirement in the context of economic reforms is the dismantling of the regulatory structure. Besides, it is also necessary to shake off the sloth of public administrators to provide a vigorous response to the challenges posed by the economic reforms.

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