



BLOCK-2

Public Policy and Ideology

THE PEOPLE'S
UNIVERSITY

UNIT 5 IMPACT OF POLITICAL IDEOLOGY ON PUBLIC POLICY*

Structure

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- 5.2 Meaning and Nature of Political Ideology
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5.0 OBJECTIVES

After reading this Unit, you should be able to:

- Discuss the meaning and nature of political ideology;
- Examine the connect between political ideology and public policy; and
- Explain the challenges of evaluating the impact of ideology on policy.

5.1 INTRODUCTION

It is commonly felt that political ideology has an important role to play in the determination of public policies. Does political ideology impact public policies implemented in a country like India, which has a huge population with a variety of political ideologies? The political ideology of ruling party does impact the policy process, however, here we will not be talking about the State theories; namely Liberal, Marxist, Neo-liberal and so on. These have been discussed in Unit 3 of this Course already. Even if the ruling party proclaims to be Neo-liberal or conservationist, it is not easy to practice its party ideology, when it comes to policy orientation.

We have seen in our previous Units of this Course as to how multi-stakeholders play a crucial role in our governance; government is merely one of the actors in governance. In a multi-party democracy like India, it does not have the option of imposing its ideology on people. Parliamentarians (legislators) are thought to face many external pressures and internal constraints that curtail their freedom to choose policies they personally favour. This Unit would thus talk of political ideology in a wider sense. It will argue that ideology may, in fact, be a valuable tool for analysing the role of legislative elites. It will also examine the linkages

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between political ideology and its impact on public policy. First of all, it would describe the meaning of the terms ‘political ideology’ and ‘impact’.

5.2 MEANING AND NATURE OF POLITICAL IDEOLOGY

Political ideology is a coherent and consistent set of beliefs or goals, the government (or political party) should pursue. In social studies, a political ideology, as is believed, is a certain set of ethical ideals, principles, doctrines, myths or symbols of a social movement, institution, class or large group that explains how society should work and offer some political and cultural blueprint for a certain social order.

It is different from political culture, which is a coherent and consistent set of beliefs and principles. But political culture concerns itself with means that government should use to pursue its ends or goals- e.g., authoritarian vs. Constitutional government. A political ideology thus, is a coherent set of views on politics and the role of the government. Consistency over a wide range of issues is an important aspect of a political ideology.

Oxford Dictionary of English defines ‘impact’ as “the action of one object coming forcibly into contact with another”. It means a marked effect or influence. As defined by Rossi and Freeman (1993), “impact assessments are undertaken to estimate whether or not interventions produce their intended effects. Such estimates cannot be made with certainty, but only with varying degrees of plausibility”. In a wider context, Thomas Dye (2004) has noted that policy and impact enable us to know the consequences of policy on:

- Some specific target situation or group;
- ‘Spillover effects’ on situations or groups other than the target;
- Future as well as immediate conditions;
- Direct costs, in terms of resources devoted to the programme; and
- Indirect costs, including loss of opportunities to do other things.

The main objective of an impact assessment is to produce an estimate of the ‘net effects’ of an intervention. Since evaluation tests whether public policy has worked as intended, the policy impact seeks to measure how the public policy has actually impacted upon the problems to which it was addressed.

5.3 IMPACT OF POLITICAL IDEOLOGY ON PUBLIC POLICY

Political ideologies have *two* dimensions: i) goals and ii) methods. How society should be organised is related to goals. Methods are the most appropriate ways to achieve these goals. A few political ideologies are: Anarchism, Communitarianism, Communism, Conservatism, Democracy, Fascism, Liberalism, Nationalism, Populism, Socialism, Transhumanist Politics, and Religio-political ideologies.

In addition to the two dimensions mentioned, an ideology is composed of *four* basic characteristics. Beyond the simple left-right analysis, Liberalism,

Conservatism, Libertarianism and Populism are the *four* most common ideologies in the United States, apart from those who identify themselves as moderate.

At the international level, many nations adopt such particular ideologies, which are quite vague and unambiguous. But these ideologies carry an appeal to the heart and head and thus help them to secure their desired objectives in international relations. These ambiguous ideologies are referred to as ideologies of anti-imperialism, since most nations in the world seek to denounce actions of their opposing nations as imperialist actions.

Three vague and so-called *ambiguous* ideologies are:

- Ideology of national self-determination;
- Ideology of the United Nations; and
- Ideology of peace and human rights.

Giving an example of Pakistan's political ideology, it is believed by some that Pakistan is arguing for national self-determination and freedom struggle for justifying its support for terrorists operating against the people of Jammu & Kashmir (now a Union Territory). It, however, uses anti-Talibanism for justifying its policy of supporting US actions in Afghanistan, which also involves its decision to provide military support to the US operations in Afghanistan. The USA has used the principle of non-proliferation for justifying its decision to attack and occupy Iraq.

From this example, it could be deduced that the policies of the opponents are criticised as policies ignoring the interests of world peace. Even when a nation is engaged in a military action or is intervening in the affairs of another State, it attempts to explain and justify its action as a necessary course for strengthening the cause of durable peace and stability in international relations. This was done by the USA during the Gulf War 1991, and continues to be done. So even now in the 21st Century (Iraq and Afghanistan Wars are on). Hence, ideology is used by Nations for concealing the true nature of the policies they pursue behind the mask of pronounced peaceful intentions and for attracting the goodwill and support of people from every corner of the world.

Does political ideology affect public policies? Do governments follow the ideological demands of their electorate and do they respond, if there are ideological shifts at the individual level? Political ideology seems to be relevant for guiding specific policy decision (Hinich and Munger, 1994), especially, in the State-economy-relationship, the role of the government in regulating the relations among individuals, firms and State. For example, a more leftist ideology implies a favour for State intervention, and policies which are more in line with the preferences of workers, for instance employment protection. On the other hand, liberal/right ideology holds the opposite position. Even if confronted with the same problems, the policy responses derived from different ideologies are different. As a case in point, when faced with the financial crisis of 2008, different ideological leanings offered different solutions to the crisis, and in practice, some governments engaged in stimulus-programmes, others in austerity.

The underlying closeness between citizens' ideology and public policy is that individual-level ideology can be aggregated into political ideology, it also expresses itself by voting in elections, by which citizens' ideology is formally translated in the partisan composition of government. Then governments of a

certain ideological leaning introduce certain policies, e.g., more government intervention in the market in the case of left governments (Downs, 1957). Different ideologies on the input side will be translated into different policy inputs, maybe even political outcomes. Shifts in the ideology of citizens should precede shifts in public policy of elected governments. Do governments of a different ideological leanings actually differ in their policies? The question is, whether political ideology does indeed affect public policies?

Individual political ideology may also affect policy bypassing the electoral process. The median voter theory as mentioned by Anthony Downs (1957) predicts that policies pursued by both left and right wing governments converge towards the median. So, in the end, their policies may not differ that much, regardless of their political ideological label. If the electorate shifts to the left, we will witness a more left-inclined policy regardless of which party is in government. This is not only true for two-party systems, but also systems, where coalition of parties, a left block and a right block, compete and in turn occupy the political offices.

5.4 POPULAR POLITICAL IDEOLOGY AND PUBLIC POLICY

The question to be examined is: Does popular ideology affect public policies? In other words, is there any impact of popular political ideology, which operates circumventing the loose electoral link from voters to governments and their policies? The following analysis tests for effects of popular and government ideology on *three* policies: Employment generation and protection, social expenditure in health and education, and government size.

While these *three* policies selected for analysis share the feature that a left-leaning population expresses demand for more of each welfare, they differ regarding the question of whether the government has an interest based on the William Niskanen's argument about the size of the public bureaucracy (Niskanen, as we know gave the Budget-Maximising Model in 1968; wherein he suggested that rational bureaucrats will always increase the budget to increase their own power. This would lead to State growth, but social efficiency will be reduced). By setting policies about employment protection, the State sets the rules by which other actors, notably the courts and monitoring institutions have a bigger role to play. So, it is presumed that even if left and right governments differ, the effect of the free floating political-administrative system pursuing its own agenda will express itself in the two other policies without differences between left and right governments.

But the political ideology of government is presumed to be relevant for the handling of economic issues (Hibbs, 1977). Similarly, study by Pool and Rosenthal (1997) shows the impact of ideology on policies. However, while ideology was found to be a significant factor in voting behaviour, it is only one among several. At times, there is also a case for the opposite argument, viz that parties formulate their political programmes and their ideology in a relatively vague and broad way, in order to be attractive for voters from a broad range of ideological leanings (Maloney and Pickering, 2008). Citizens are presumed to vote for parties depending on the country's most prominent problems (Swank, 1993). The point is, there is little evidence that the connection between popular ideology and policy hinges on the composition of governments.

From the analysis, it is observed that all three policies are correlated, but explained to varying degrees by different factors; they all affect the relationship between the State and the economy, and are related to the factors such as economic development, popular ideology and government composition. Regarding popular ideology, the findings indicate that it affects employment protection, but neither the size of the Welfare State nor the size of government.

Regarding the effect of government composition, a government ideological orientation does not matter substantially for any of the three policies under consideration here. A government's ideology does neither matter for the State-economy-relationship, nor for the regulation of the legal relationships between the employees and the employers. There are substantial developments in each of these policies over the last decades. Contrary to employment protection, social expenditure and government size are strongly in vogue. Both are increasing constantly, but not due to the observable ideological shift to the left in the population.

Politics is about management of conflicts. Policymakers do not rely much on the policy analysis. To them, a political approach is better than a rational approach. Compromise and conciliation and a willingness to accept the modest net gains form the basis for conflict resolution. The search for mutually beneficial outcomes ('I will support your proposal if you support mine') and bargaining among diverse groups happen in the beginning of the political approach.

In the *Political Approach*, politics becomes a substitute for policy analysis. At best, policy analysis plays only a secondary role in the policymaking process, but it is a significant role. In this context, (Lindblom and Woodhouse, 1993) have observed: 'strategic analysis and mutual adjustments among political participants, then are the underlying processes by which democratic systems achieve the level of intelligent action that they do. Since time and energy and brainpower are limited, strategic analysis must focus on those aspects of an issue that participating partisans consider to be most important for persuading each other'.

Politics may well have a significant impact on policy, but to what extent does it make an impact on policy outcomes? Does it really matter from the point of view of solving or ameliorating problems? Recent research in policy outcome in India indicates that the impact of government policies on various aspects of economic and industrial outcomes (Gross National Product or GNP), employment, inflation, etc.) is at best marginal, compared with wider factors, such as the impact of the international economy. Furthermore, the fact is that policymaking and implementation take place in the context of past policies and earlier decisions, which severely limit choices and innovation.

Similarly, although the party in power has an important impact on a policy, it cannot bring about more policy change because of severe limitations such as commitments of the past, public opinion, bureaucracy and international constraints on the national policies. In short, "liberal democratic governments operate at the margin, seeking to react to developments they do not control and which often they cannot foresee". De Bono (1991) has also advanced the arguments that policymaking is all too frequently driven, less by moving towards objectives than by reacting to what he terms the 'rear-end' objectives. Of course, policy may be the result of what Charles Lindblom terms 'muddling through' (Theory of Incrementalism in policymaking, which believes in gradualism or taking baby steps in policy process in an incremental manner). However, this does not mean

that policymaking is of no value. Public managers identify weak areas within an organisation and make corrective changes.

Check Your Progress 1

- Note:** i) Use the space given below for your answers.
- ii) Check your answers with those given at the end of the Unit.

1. Define the term ‘Political Ideology’.

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2. Discuss the issue of impact of political ideology on public policies.

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5.5 EVALUATING THE IMPACT OF IDEOLOGY ON PUBLIC POLICY

Problems of evaluating the impact of policy programme of the government are innumerable and vary from country to country. Some notable problems are discussed here in brief:

Variations in Analysis of Policy Impact

Both outputs and outcomes are important to measure, but for different reasons. To answer what impact the policy has had is difficult. Evaluating the impact of a policy programme on the ‘quality of life’, for example, turns focus on what the idea of ‘quality of life’ means. James Wilson (1973) has argued that analysis of the effects of public policies is contingent on ‘where you sit’. According to him, if the research is carried out by those implementing the policy, then the research will show that it has delivered the right results.

On the other hand, if the research is carried out by independent analysts, it will show negative impact. In other words, the evaluation of the actual impact of policy on problems is a matter of wisdom or values rather than facts. Impact evaluators in the government generally lack research capabilities. Ambiguity, lack of appropriate bases for comparison and lack of concrete evidence increase the administrator’s control over assessments, or at least minimise the criticism in case of failure.

Political Influence on Policy Impact

Often, it is argued that policy outcomes are the result of political influence. When policy-makers constitute enquiries or research, as to the impact of their policies on health, education, unemployment and so on, they are engaged in shaping the

context and agenda within which problems are being defined and constructed. In this sense, therefore, impact evaluation takes us back to the start of the policy process. It means impact claims and constructions have to face the assessments, which are deployed by other political parties, interest groups, think tanks, researchers and so on, who seek to show how a policy is not working in order to make the case for their claims and constructions. For Lincoln and Guba (1985), who are critics of the quantitative approach to Impact Assessment, the political nature of evaluating the impact of a policy/programme means that more 'qualitative' forms of evaluation are necessary in order to counteract the distorting effects of apparently objective facts.

Complexity in Comparison of Policy Outcomes

Different nations produce and use different data, and those data have specific contexts. But comparing the sets of statistics is a very difficult exercise. However, even though there are such clear methodological problems with the idea of comparing policy outcomes, it is the case that in the modern world, outcomes are compared by the use of data produced by international organisations such as the World Bank (WB) and Organisation for Economic Co-operation and Development (OECD). Policy analysts and politicians seek to know why different political systems differ in terms of the actual outcomes: Why do countries spend certain proportions of their Gross Domestic Product (GDP) on health, rural development, education and so on? Why do the performance and effective implementation of policies differ from country to country? Explanations to such questions are, however different and complex.

Moreover, the study of impact and evaluation in public administration has been seriously neglected. It suffers not only from the lack of interest and initiative, but also from deficiencies on the methodological front. While doing impact analysis and fixing of standards, policymakers tend to rely on comparison with the past. Dror (1989) has observed that comparison with the past, in many respects, is misleading because it does not provide a 'zero point' for reliable conclusion. The experience of India, in particular, has amply demonstrated that borrowing successful models from countries very different to India have failed to make their impact on social improvement.

Check Your Progress 2

Note: i) Use the space given below for your answer.

ii) Check your answer with that given at the end of the Unit

1. Discuss the problems of evaluating the impact of ideology on policy.

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5.6 CONCLUSION

To conclude, it can be said that the political ideology plays an important role in public policy making and policy implementation. It is often used by a country for

justifying its own policies as well as for criticising and rejecting the policies of other nations, particularly opponents. Ideologies are seen as cloaks by the governments for hiding their real intentions, which include the intention to maintain and increase their power in international relations. Each foreign policy uses a number of particular ideologies as ideological weapons of defense as well as offence.

As pointed out, ideologies in international relations are a source of both cooperation and conflict. Nations with similar ideological orientations are very often in a position to cooperate with each other. On the other hand, ideological differences, almost always, act as a source of tension in relations, in particular, among different nations.

This, however, does not mean that ideology has no role to play in international matters. It is only one of the factors that influence the course and content of international relations. In contemporary times, ideologies provide to the nations some of the tools, concepts and terms for communicating their ideas and for carrying out actions in international relations. Ideologies are used by nations for explaining and justifying their policies and actions. They continue to provide to the policy-makers of each nation of the world, a basis for the formulation, justification and securing of goals in their national interests. In the wake of globalisation, the role of ideology, however, some argue has been getting more and more eclipsed.

5.7 GLOSSARY

Anarchism: It is a belief in abolition of all types of government and governance mechanisms in a cooperative manner without any force or compulsion.

Communitarianism: It is a philosophy that emphasises the connect between individual and community. It believes that in a society, the community relationships shape an individual's personality.

Communism: A theory or system of social organisation in which the community owns all property. In this type of society, people contribute and receive as per their abilities and needs.

Conservatism: A belief system that is based on traditional values and concepts. It opposes all types of change or innovation.

Fascism: Its a far right dictatorial and authoritarian system. It draws from ultra-nationalism and strict regimentation, as well as suppression of opposition.

Libertarianism: It believes in no intervention of State in society. An extreme Laissez-faire-philosophy that believes in minimal interference in people's lives.

Liberalism: It is a political and moral philosophy based on liberty, consent and equality.

Populism: An approach that attempts to appeal to ordinary people who feel that they are ignored by elite groups and interests.

Socialism: It is an economic and political system. It believes that means of production, that is land, labour, capital and entrepreneurship should be owned and operated by workers and not private groups.

Transhumanist Politics: It constitutes a group of political ideologies that generally express the belief in improving human individuals through science and technology.

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5.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1. Your answer should include the following points:

- Political ideology is a coherent and consistent set of beliefs or goals, the government (or political party) should pursue.
- It is a certain set of ethical ideals, principles, doctrines, myths or symbols of a social movement, institution, class or large group.
- It explains how society should work and offer some political and cultural blueprint for a certain social order.
- It is different from political culture, which is a coherent and consistent set of beliefs and principles.

- Political culture concerns itself with means that government should use to pursue its ends or goals- e.g., authoritarian vs. Constitutional government.
- A political ideology is a coherent set of views on politics and the role of the government. Consistency over a wide range of issues is an important aspect of a political ideology.

2. Your answer should include the following points:

- There are three types of ideologies; Ideology of national self-determination; United Nations; peace and human rights.
- These three ideologies are interrelated.
- They share the feature that a left-leaning population expresses demand for everyone's welfare.
- They differ regarding the question of whether the government has an interest in the size of public bureaucracy.
- The underlying closeness between citizens' ideology and public policy is that individual-level ideology can be aggregated into political ideology.
- It also expresses itself by voting in elections, by which citizens' ideology is formally translated in the partisan composition of government.
- Governments of a certain ideological leaning introduce certain policies, e.g., more government intervention in the market in the case of left governments, less in case of right.
- Policymaking and implementation take place in the context of past policies and earlier decisions, which severely limit choices and innovation.
- Public managers identify weak areas within an organisation and make corrective changes.

Check Your Progress 2

1. Your answer should include the following points:

- Variations in Analysis of Policy Impact.
- Political Influence in Policy Impact.
- Complexity in Comparison of Policy Outcomes.

UNIT 6 IDEOLOGY AND POLICY OF NEHRUVIAN VISION*

Structure

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Understanding the Nature of Nehruvian Ideology and Vision
- 6.3 Nehruvian Vision and Governing Policies
 - 6.3.1 Nehru on Economic Policies
 - 6.3.2 Nehruvian Vision on Agriculture Policies
 - 6.3.3 Nehru on Social Policies
 - 6.3.4 Nehru's Views on Public Administration
 - 6.3.5 Nehru's Views on Defence and Foreign Policies
- 6.4 Conclusion
- 6.5 Glossary
- 6.6 References
- 6.7 Answers to Check Your Progress Exercises

6.0 OBJECTIVES

After reading this Unit, you should be able to:

- Discuss the nature of Nehruvian ideology and vision;
- Describe the vision of Jawaharlal Nehru in the context of public policy; and
- Explain the essence of Nehruvian vision with regard to specific policies related to agriculture, nuclear technology and community development.

6.1 INTRODUCTION

Jawaharlal Nehru (1889-1964) with whom the word 'Nehruvian' is associated, subscribed to certain political, social and economic ideals. These ideals found place in his vision for independent India. Nehru was associated with the Independence movement since his teenage years and became a rising figure in Indian politics during the upheavals of the early nineteenth century. In 1929, Nehru was elected Congress President with the unstated approval of his mentor, Mahatma Gandhi. As President of the Congress Party, Nehru called for complete Independence or 'Poorna Swaraj' from the British Raj at the Lahore Session of Indian National Congress, and instigated the Congress's decisive shift towards the left.

A committed nationalist, Nehru and the Congress dominated Indian politics during the 1930s, as the country inched towards Independence. He wanted to see India progress industrially like the Western Nations, but without compromising on the ideas of equality, equity, social justice and freedom. This Unit would explain the

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nature of Nehruvian ideology and vision. It would also discuss Nehru's vision for India's social, agricultural, foreign and economic policies. We are studying Nehru's policy and vision in this Course as he laid the foundation of public policy in India. Without having a grasp of Nehru's vision and policy, it is not possible to understand the nature and essence of public policy in India today.

6.2 UNDERSTANDING THE NATURE OF NEHRUVIAN IDEOLOGY AND VISION

The term 'Nehruvian' simply means a philosophy or ideology espoused by Jawaharlal Nehru, the first Prime Minister of Independent India. Politically, the term 'Nehruvian' means a steadfast commitment to 'secularism', 'scientific temper' and 'inclusive liberalism'. In economic terms, 'Nehruvian' stands for active 'State intervention' in formulating the direction of the 'country's economy', and also 'planned development'. This means implementation of policies exhibiting a mixture of the 'Fabian socialist' ideals and the 'Soviet model' of planned economy. Socially, the term Nehruvian means a commitment to social well-being of the oppressed communities.

Now talking about ideology; in normal parlance, it simply means "a body of ideas concerning economic, social and political values and goals, which can posit action programmes for attaining these goals". The term 'ideology' is simply a set of opinions and beliefs that characterise a particular culture. 'Ideology' is a set of ideas that purports to give meaning to the past, to explain the present and to prognosticate the future". In other words, ideology is a set of ideas or principles, which seek to explain a phenomenon in particular, either to support or reject a particular socio-economic-politico-cultural order (Sapru, 2015).

Oxford Dictionary of English defines 'vision' as "the ability to think about or plan the future with imagination or wisdom". This simply means a mental image of what the future will or could be like. Jawaharlal Nehru is regarded as a 'visionary' leader who thought about or planned the future of India with imagination and wisdom. He is also known as the architect of modern India. Having clarified the meanings of 'Nehruvian', 'Vision' and 'Ideology', we can understand the philosophy behind Nehru's ideas and beliefs better.

After the British rule, which ended in August 1947 as we all know, Nehru was elected by the Congress to assume office as Independent India's first Prime Minister. The question of his leadership had already been settled in 1941, when Gandhi acknowledged Nehru as his political heir and successor. As Prime Minister, Nehru set out to realise his vision of India. With the adoption of the Constitution on 26 January 1950, Nehru embarked on an ambitious programme of economic, social and political reforms. Mainly, he oversaw India's transition from a colony to a republic, while nurturing a plural or a multi-party system.

Under the leadership of Nehru, the Congress emerged as an important party, dominating national and state-level politics and winning consecutive elections in 1951, 1957, and 1962. Nehru remained popular with the people of India, in spite of political troubles in the last years of his Prime Ministerial tenure, and the so-called failure of leadership during the 1962 Sino-Indian War. Nehru died on 27 May 1964 after a severe heart attack in New Delhi. In his lifetime, he was known as *Pandit Nehru* as he belonged to the Kashmiri Pandit community, while

Indian children knew him as *Chacha Nehru*. Let us now focus on Nehru's vision on policy and governance.

6.3 NEHRUVIAN VISION AND GOVERNING POLICIES

Nehru, as we all know, took over the office as the Prime Minister of India on 15 August 1947 and delivered his famous inaugural address titled "Tryst with Destiny". It read: 'long years ago we made a tryst with destiny, and now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially. At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom. A moment comes, which comes but rarely in history, when we step out from the old to the new, when an age ends, and when the soul of a nation, long suppressed, finds utterance. It is fitting that at this solemn moment we take the pledge of dedication to the service of India and her people and to the still larger cause of humanity' (Nehru, 1946).

Parekh (1991) has attributed this inaugural address to the national philosophy of India that Nehru formulated. For Nehru, as has been observed, modernisation was the national philosophy, with seven goals: national unity, parliamentary democracy, industrialisation, socialism, religious harmony, development of the scientific temper, and non-alignment. Nehru advocated "State-sponsored industrialisation, increasing the wealth-producing capacity and using atomic energy for civilian use" (Das, 2011). Let us now discuss his views on specific policies:

6.3.1 Nehru on Economic Policies

Nehru advocated a mixed economy, where the government-controlled public sector would co-exist with the private sector. He believed that the establishment of basic and heavy industry was fundamental to the development and modernisation of the Indian economy. The government, therefore, directed investment primarily into key public sector industries such as steel, iron, coal, and power; thereby promoting development with subsidies and protectionist policies. In the field of defining policies, Nehru's vision has been overwhelming. He was the major brain behind the Industrial Policy Resolutions of 1948 and 1956, and the promoter of the concept of public sector. He wanted policy to be oriented towards science, and in particular, Atomic Energy. Nehru laid the foundation of rapid industrialisation of the country and it was due to his vision and efforts that today India is regarded as one of the major technologically advanced nations of the world.

Under Nehru's stewardship, the public sector acquired a "commanding height" in the Indian economy. In the Parliament in May 1956, Nehru stated that: "he wanted the Parliament to realise how vast and unexploited a field lies there for the public sector to occupy, and the public sector is occupying. We do not mind if the private sector advances also, provided that in regard to basic and strategic things, the public sector holds the field" (Sapru, *op.cit.*).

Thus, it was Nehru's conviction that the public sector could play an important role in wiping out poverty and economic backwardness from the country to a significant extent. He also attached importance to the role of the private sector. He called them Temples of Modern India. He was of the clear view that "the

distinction between the public and private sectors was one of the relative emphasis...The private and public sectors cannot be looked upon as anything like two separate entities: they are, and must function as, parts of a single organism” (Khosla, 2015).

Nehru had advocated that sufficient *autonomy* should be given to the public enterprises. He was against the use of bureaucratic style of management for these enterprises. He clearly stated: “I have no doubt that the normal governmental procedure applied to a public enterprise of this kind will lead to the failure of that public enterprise. Therefore, we have to evolve a system for working of public enterprises where, on the one hand, there are adequate checks and protection, and on the other, enough freedom for that enterprise to work quickly and without delay” (*Ibid.*).

He was also opposed to rigid parliamentary control over them. “We cannot sit down in this house everyday and control public enterprises from here. It just cannot be done. But if we are too insistent, we shall lose a great deal of money, and it will develop a kind of static atmosphere, which is very bad for growing industry”(*Ibid.*). Thus, Nehru was keen on securing proper balance between parliamentary control and autonomy of the public enterprises.

Nehru’s preference for big State controlled enterprises, however, as per his critics, created a complex system of quantitative regulations, quotas and tariffs, industrial licenses and a host of other controls. This system, known in India as Permit or License Raj, was responsible for economic inefficiencies that stifled entrepreneurship and curtailed economic growth for decades until the liberalisation policies initiated by Congress government in 1991 under P.V. Narasimha Rao (Yergin and Stanislaw, 2002). Nevertheless, his vision of State sector in core and basic areas was way ahead of his times and carries import even today.

6.3.2 Nehruvian Vision on Agriculture Policies

Under the leadership of Nehru, the government initiated agrarian reforms alongside rapid industrialisation. He realised, as has been observed, that for industrialisation to be viable, it needed a supportive agrarian economy and a small-scale industrial base. His ideas on town planning-going beyond roads and parks to education, recreation, employment and business- were remarkably modern. Slums distressed him; he visualised a symbiotic relationship between the city and the village (Das, *op.cit.*)

A successful land reform policy was introduced, which abolished giant landholdings, but efforts to redistribute land by placing limits on landownership did not succeed to a large extent. Again, under Nehru’s leadership, government attempted to introduce large-scale cooperative farming, but its efforts were frustrated by landowning rural elites, who had considerable political support in opposing the efforts of Nehru. Agricultural production expanded until the early 1960s, as additional land was brought under cultivation and some irrigation projects began to have an effect. The establishment of agricultural universities also contributed to agriculture development. During Nehru’s leadership, Green Revolution was a huge success story. The Revolution was seen as an effort to diversify and increase crop production. It transformed Northern India as a large producer of High Yielding Variety of Wheat. The Green Revolution, however, has its share of critics with many environmentalists criticising it for use of excessive fertilizers. The Green Revolution has been criticised for creating

economic and regional inequalities too. However, we must not lose sight of the fact that this very Revolution brought self-sufficiency in agricultural production. It brought in new tools and techniques of production to the fore and put India high on agriculturally advanced countries' map.

6.3.3 Nehru on Social Policies

When we talk of social policies; we mean policies that aim to better the social conditions of targeted population. Education, health, legal benefits, social upliftment etc., are social areas, where Nehru focused and worked. Let us discuss these now:

Education: Nehru was a great visionary of education system of India. He advocated education for India's children and youth, believing it essential for India's future progress. His tenure oversaw the establishment of many institutions of higher learning, including the All India Institute of Medical Sciences (AIIMS), the Indian Institutes of Technology (IITs), the Indian Institutes of Management (IIMs), the National Institutes of Technology (NITs) and the Indian Institute of Public Administration (IIPA), New Delhi.

The dialectics of few "first-rate institutions" and a plethora of "institutions without 'any education'" disturbed Nehru. He wrote of academic freedom and supported foreign academic collaboration. At the same time, he was pained to see that many of the foreign experts were "second-rate stuff", and yet ironically, paid more than their much-abler Indian counterparts. He suggested a more effective deployment of Indians trained abroad through special recruitment channels, if necessary (Das, *op.cit.*).

Nehru also outlined a commitment in the Five-Year Plans to guarantee free and compulsory primary education to all children in India. For this purpose, Nehru oversaw the creation of mass village enrollment programmes and the construction of thousands of schools. Nehru also launched initiatives such as the provision of free milk and meals to children to fight malnutrition, adult education centers, vocational and technical schools organised for adults, especially in the rural areas (Agrawal, 2008).

Hindu Marriage Law: Under Nehru's leadership, the Parliament enacted many changes in Hindu Personal Law to increase the legal rights and social freedoms of women. On Nehru's insistence, Article 44 was incorporated into the Indian Constitution which states: 'the State shall endeavour to secure for the citizens a uniform civil code throughout the territory of India'. The Article has formed the basis of secularism in India (Erckel, 2011).

Most notably, Muslims had the freedom to keep their Personal Law in matters relating to marriage and inheritance. While Nehru exempted Muslim Personal Law from legislation, his government did pass the Special Marriage Act in 1954. The idea behind this Act was to give everyone in India the ability to marry outside the personal laws under a civil marriage. This Act declared polygamy as illegal, and also stated that inheritance and succession would be governed by the Indian Succession Act, rather than the respective personal laws.

Nehru and Reservation Policy: A system of reservations in government services and educational institutions was created to eradicate the social inequalities and disadvantages faced by people belonging to scheduled castes and scheduled tribes. Nehru also championed secularism and religious harmony, increasing the

representation of minorities in government. For him, solution to the refugee problem lay in rehabilitation and resettlement, not in handing out doles. He disapproved of the word 'dalit', because he believed it "stigmatised" the individual, and he was all for affirmative action (Das, *op.cit.*).

Nehruvian and Socialist Ideals: Nehru was convinced that India could attain economic prosperity on the basis of Socialism. He was committed to the philosophy of Socialism. But his concept of Socialism was quite different from the one defined by Marx and other political theorists. Long before India's independence, Nehru, in his presidential address at the Lahore session of the Indian National Congress in 1929, declared that he was a socialist and a republican and did not believe in feudal aristocracy. At the same time, his ideal of socialism implied individual freedom also. "I do not see why under Socialism, there should not be great deal of freedom for the individual; indeed, far greater freedom than the present system gives. He can have freedom of conscience and mind, freedom of enterprise, and even the possession of private property on restricted scale" (Nehru, 1946, *op.cit.*).

Nehru's visit to Soviet Union in 1927 was a landmark in the formation of his philosophical and political views. He turned decisively to democraticism and became an ardent supporter of socialist convictions. Nehru (*Ibid.*) has observed: "so long as private monopolies remain, it is not possible for any socialist structure of society to develop. It becomes essential, therefore, for society to control the major means of production and to prevent these monopolies from developing. If "democratic socialism" formed the ideological core of Nehruvian political economy, what he envisaged was a Welfare State based on people's consent, bereft of dogma and violence, and strongly grounded in ethical values.

His thoughts on planning, community development, decentralisation, employment, public health, family planning, secularism, and equal opportunities collectively bring out the "egalitarian India" he envisioned. He was critical of society's acquisitive tendencies, and thus endorsed the State's role in curbing them. He proposed that every village should have a panchayat, a cooperative society, and a school (Das, *op.cit.*).

6.3.4 Nehru's Views on Public Administration

Apart from the laying down of certain policies for the development of the country and the structures for implementing them, Nehru's contribution to the study and application of the science of administration is overwhelming. He had great interest in bringing about administrative reforms in the country.

The Indian Institute of Public Administration (IIPA), New Delhi with which he was associated since its inception as its President, is an example of his interest in improving and developing administration in the country. He took a lot of interest in the Institute's working and development. Nehru is credited for setting up of the structure of implementing certain policies and the choice of personnel to maintain the structure.

In setting up of the autonomous Atomic Energy Commission under the leadership of the renowned scientist, Dr. Homi Bhabha, Nehru evolved the right organisation. Likewise, he chose Professor Mahalanobis (called the "Father of Statistical Science in India") for directing the nation's highest Statistical Institute, namely Indian Statistical Institute, Kolkata (then Calcutta). These organisations, and many

more which were given autonomy with government control, were new patterns of organisations, which owe their emergence to Nehru's thinking.

Nehru anticipated the ills to which governance is vulnerable: corruption, administrative delays, and conniving links between the unscrupulous officials and the people. For him, civil service neutrality was a fiction, although he encouraged bureaucrats to cultivate objective and detached thinking. He wanted State governors to play their part strictly within the Constitutional framework and not perceive themselves to be a "superior class" (Das, *op.cit.*).

Nehru was also highly critical of corruption, which had come to pervade administration as well as the society. Nehru (1946, *op.cit.*) has pointed out: "the government, in spite of its best intentions, has become incapable of checking corruption among the rank and file and is shielding the police and other officials to save their faces. It can only succeed if it has the voluntary backing of the Indian police.

Nehru was the driving force behind Community Development and Panchayati Raj programmes. You all know how three-tier Panchayati Raj Institutions (PRIs) were started in various states; and also, the Community Development Programme (CDP), which was launched in 1952. Nehru believed that these could help in bringing administration nearer to the people. These were chosen as the via-media through which every active member of the public could be drawn to do something or other in some form or the other for the good of the community.

Nehru wanted to strengthen these institutions by giving them real powers. He was of the view that the officials' role vis-à-vis these institutions should be advisory in nature. He felt that the *Panches* and *Sarpanches* needed to be given greatest latitude to the extent of committing mistakes because he thought that such mistakes would help them learn and take care of their immediate and day-to-day problems.

He (*Ibid.*) rightly said: "The mistakes of Panchayat will not endanger the security of the country". To Nehru, the *Panch* was also an administrator. Every member of the Panchayat was an administrator in a particular sphere, and he should be recognised and respected as such. He wanted Panchayati Raj Institutions to continue. He lent support to the concept of democratic decentralisation. In the latter part of his Prime Ministership, he preferred to use Appleby's term 'Decentralised Democracy' rather than 'Democratic Decentralisation'.

6.3.5 Nehru's Views on Defence and Foreign Policies

After independence, Nehru wanted to maintain good relations with Britain and other Commonwealth countries and signed the London Declaration, under which India agreed that, when it becomes a republic in January 1950, it would join the Commonwealth of Nations and accept the British monarch as a "symbol of the free association of its independent member nations and as such the Head of the Commonwealth".

Although Nehru believed in peace and friendly relations with every country, he led the preparations and actual campaigns against Pakistan with regard to Kashmir. He also used overwhelming military force to seize Hyderabad in 1948 and Goa in 1961. He was keenly sensitive regarding the geostrategic and military strengths and weaknesses of India in 1947.

Nehru envisioned the development of nuclear weapons and established the Atomic Energy Commission of India in 1948. From the outset in 1948, Nehru had high

ambition to develop this programme to stand against the industrialised states, and to establish a nuclear weapons capability as part of India’s regional superiority over other South Asian states, most particularly Pakistan. Nehru commissioned the first study of the ill-effects of nuclear explosions on human health, and campaigned ceaselessly for the abolition of what he called “these frightful engines of destruction”.

His greatest contribution was his policy of Non-alignment during the Cold War. It meant that Nehru received financial and technical support from both power Blocks (US and the then USSR) in building India’s industrial base from scratch. It meant that India maintained neutrality towards both the Blocks. Steel Mill complexes were built at Bokaro and Rourkela with assistance from the Soviet Union and West Germany. His idealistic approach focused on giving India a leadership position in Non-alignment. There was substantial industrial development. Industry, in fact, grew 7.0 per cent annually between 1950 and 1965 almost trebling industrial output and making India the world’s seventh largest industrial country (Walsh, 2006).

Nehru has been regarded as the sole architect of Indian foreign policy. He sought to build support among the newly independent nations of Asia and Africa in opposition to the two hostile superpowers contesting the Cold War. Being a strong supporter of the United Nations, Nehru was taken aback by the Graham Report on Kashmir that suggested third party intervention. Emphasising that the country’s defence depended more on its morale than on weapons, he made a case for resolving contentious issues between India and Pakistan, particularly those related to mutually beneficial development projects, in a spirit of cooperation (Das, *op.cit.*).

On the international scene, Nehru was an opponent of military action and of military alliances. The speeches Nehru delivered in Parliament provided a brilliant analysis and evaluation of the contemporary developments across the world — from Sri Lanka’s Tamil question to foreign intervention in Indonesia, anti-colonial struggles in Vietnam and Algeria, de-Stalinisation, to Nepal. He welcomed the Soviet suspension of nuclear tests, but condemned Moscow’s intervention in Hungary. He was firmly against India intervening in disputes between other countries, except with the consent of the disputants (Das, *op.cit.*).

On 29 April 1954, Nehru signed with China Five Principles of Peaceful Coexistence known in India as the Panchsheel as the basis of the Sino-Indian border treaty. In later years, Nehru’s foreign policy suffered from increasing Chinese assertiveness over border disputes and Nehru’s decision to grant asylum to the 14th Dalai Lama from Tibet to the annoyance of China, which led to the Indo-China War in 1962. The War with China caused a radical shift. After that Nehru became more realistic and defence-oriented (Ganguly and Pardesi, 2009).

Check Your Progress 1

- Note:** i) Use the space given below for your answers.
- ii) Check your answers with those given at the end of the Unit.

1. Describe the nature of Nehruvian ideology and vision.

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2. Explain Nehru’s economic and social policies.

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3. Write a note on Nehru’s defence and foreign policies.

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6.4 CONCLUSION

Although Nehru attempted to lay down the country’s basic policies, the structures for implementing them and the principles of administration, he was unable to give a complete shape to the fundamental changes in the system of administration, which he thought essential for the post-independent democratic governance. The Nehru government not only maintained the privileges of the Imperial Services, but even guaranteed them with a Constitutional provision. Though, as he himself (1946, *op.cit.*) admitted, “they hardly fit into democratic structure and they produce that sense of class division which is the base of all our social structure”.

Despite commending Appleby’s recommendations for changes in India’s administrative system, Nehru was not able to do much to bring about a complete change. The new service structure, which was brought into existence, continued to reflect the same colonial type of rigid class divisions among the civil service structure. Thus, Nehru’s thinking and personal dedication and the goals he held supreme, even though could not be put into practice in letter and spirit, would continue to remain a source of strength and inspiration in building a better India.

Nehru is regarded as the builder of modern India. He has gone down in history as an outstanding statesman and political leader who devoted his life of passionate quests and gigantic endeavours to national development. He is considered a multifaceted personality—a statesman with an instinct for democratic fusion and Socialism, a charismatic leader with an international outlook of amity and friendship, a writer with a distinct vision, an upholder of peace and Secularism, a thinker on contemporary events and a leader of masses. This Unit elaborated some of his ideas and beliefs.

6.5 GLOSSARY

Community Development Programme: The Programme was inaugurated in October 1952. Fifty-five community projects were launched. The Programme was

extended to wider areas at the end of the First Five-Year Plan. Nearly one out of every three villages in India was brought within the orbit of this Programme.

Fabian Socialism: The Fabian Society founded the London School of Economics and Political Science in 1895. It is a British socialist organisation whose purpose is to advance the principles of Democratic Socialism via gradualist and reformist effort in democracies, rather than by revolutionary overthrow. As one of the founding organisations of the Labour Representation Committee in 1900, and as an important influence upon the Labour Party which grew from it, the Fabian Society has had a powerful influence on British politics. The members of the Fabian Society have included political leaders from countries formerly part of the British Empire, such as Jawaharlal Nehru, who adopted Fabian principles as part of their own political ideologies.

Green Revolution: It refers to a period when Indian agriculture was converted into an industrial system due to the adoption of modern methods and technology such as the use of High Yielding Variety (HYV) seeds, rust resistant strains of wheat, tractors, irrigation facilities, pesticides, and fertilizers. The Green Revolution within India commenced in 1965 under the leadership of agriculture scientist M.S Swaminathan, and led to an increase in food grain production, especially in Punjab, Haryana, and Uttar Pradesh. It made India independent in producing necessary crops in her own country, instead of depending on foreign exports. Many social activists although feel that this led to sociological and financial problems for the people of Punjab and Haryana and created an excessive dependency on chemical fertilizers and cash crops.

Hindu Law: There is a general law and personal law. Here we are talking about Hindu Personal Law. Hindu Law refers to the Code of Laws applied to Hindus, Buddhists, Jains and Sikhs in British India. It is governed by the Hindu Succession Act of 1956. It is a codified Law passed by the Parliament of India related to the Intestate (unwilled property), to amend and regulate the Intestate and Testamentary Succession under the Hindu Law but in some cases, the Indian Succession Act 1925 plays a major role. Earlier, women were not treated as equals to the males and did not have the same rights in the property. The Hindu Personal Law has various Acts and provisions that govern matters like Divorce, Marriage, Adoption, Succession, Property, Minority, Rights of the Son, Pious Obligation etc. which are governed by The Hindu Marriage Act, 1955, The Indian Succession Act, 1925, Guardianship and Adoption Act, 1956. The Main sources of the Hindu Law are the customs and legislation, from where the Law has been derived.

Ideology: Ideology is a body of ideas concerning economic, social and political values and goals.

Nehruism: Nehruism is the name given to the political ideology of Jawaharlal Nehru, India's first Prime Minister, encompassing values of justice, freedom and equality.

Panchsheel: It is a word which is drawn from Sanskrit language, which means five principles of peaceful coexistence, namely mutual respect, non-aggression, non-interference, equality and peaceful coexistence.

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6.7 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1. Your answer should include the following points:

- Jawaharlal Nehru is regarded as a 'visionary' leader who thought about or planned the future of India with imagination and wisdom.
- The term 'Nehruvian' means a philosophy or ideology espoused by Jawaharlal Nehru.
- Politically, 'Nehruvian' means a steadfast commitment to 'secularism', 'scientific temper' and 'inclusive liberalism'.
- In economic terms, the term 'Nehruvian' means active 'State intervention' in formulating the direction of the 'country's economy', and 'planned development'.
- 'Ideology' simply means "a body of ideas concerning economic, social and political values and goals, which can posit action programmes for attaining these goals".
- The term 'ideology' is a set of opinions and beliefs that characterise a particular culture.
- Oxford Dictionary of English defines 'vision' as "the ability to think about or plan the future with imagination or wisdom".
- It means a mental image of what the future will or could be life.

2. Your answer should include the following points:

- Rapid Industrialisation.
- Mixed Economy.

- Preference for public sector.
- Autonomy to public sector.
- Less bureaucratisation.
- Reforms in Personal Laws, education and health.
- Egalitarianism and non-discrimination.
- Upholding of Socialist Ideals

3. Your answer should include the following points:

- Nehru used overwhelming military force to seize Hyderabad in 1948 and Goa in 1961.
- He believed in policy of Non-alignment.
- Nehru sought to build support among the newly independent nations of Asia and Africa in opposition to the two hostile superpowers contesting the Cold War.
- United Nations' proposal of third party intervention in Kashmir was not liked by Nehru.
- He welcomed the Soviet suspension of nuclear tests, but condemned Moscow's intervention in Hungary.
- He was firmly against India intervening in disputes between other countries.
- His policy on giving refuge to Dalai Lama came in for sharp criticism.
- The War with China in 1962 caused a radical shift. After that he became more realistic and defence-oriented.

UNIT 7 POLICY IN CONTEXT OF LIBERALISATION, PRIVATISATION AND GLOBALISATION*

Structure

- 7.0 Objectives
- 7.1 Introduction
- 7.2 Policy in Context of Liberalisation
- 7.3 Policy in Context of Privatisation
- 7.4 Policy in Context of Globalisation
- 7.5 Conclusion
- 7.6 Glossary
- 7.7 References
- 7.8 Answers to Check Your Progress Exercises

7.0 OBJECTIVES

After reading this Unit, you should be able to:

- Discuss the meaning and importance of terms ‘liberalisation’, ‘privatisation’ and ‘globalisation;’
- Analyse the impact of liberalisation, privatisation and globalisation on national policy agenda; and
- Examine the constraints of world economic restructuring.

7.1 INTRODUCTION

The national policy agendas are being shaped by the waves and forces of liberalisation, privatisation and globalisation (abbreviated as LPG) and there is no doubt about the fact that the phenomenon is here to stay. As we partake of these three waves, we also experience the deepest nationwide social upheavals and turbulence in cultural values. Perhaps, the main reason for this is that the liberal democratic societies like the US, UK and India face the same issues: crime, unemployment, environment pollution, arms race, spread of health hazards caused by diseases and ageing population. There is, therefore, a tension between the spillover, which may be said to be taking place at a global level and the reality of the maintenance of national sovereignty. The point is that national policy agendas are being largely shaped and formulated in the face of events of LPG. This Unit will discuss the nature of LPG context and its impact on policy agenda.

*Contributed by Dr. R.K. Sapru, Professor of Public Administration (Retired), Panjab University, Chandigarh.

7.2 POLICY IN CONTEXT OF LIBERALISATION

Policies are made nationally but governed globally in the LPG context. Prior to New Economic Policy (1991), the Central Government had imposed various controls on Indian economy, e.g., industrial licensing system, price control, import restrictions, foreign exchange control etc. This dampened the enthusiasm of the entrepreneurs to set up new industries and gave rise to corruption, undue delay, inefficiency and ineffectiveness. New Economic Policy (NEP) was launched in 1991 as a policy measure with the assumption that market forces could guide the economy in a more effective manner than government control.

An important role of liberalised policy is to ease government controls and encourage economic development. Liberalisation is regarded as a method of how a State raises limitations on some private individual ventures. In other words, it means putting an end to these limitations and open multiple areas of economy. With the launch of liberalisation policy in India in 1991, the government regulated the private sector organisations to conduct business organisations with fewer restrictions. For developing countries, liberalisation has opened economic borders to foreign companies and investments. The objective of liberalisation has been to put an end to those restrictions, which are hindrances in the development and growth of the economy. The loosening of government control or lessening of government restrictions on various trade matters and industries depicts a liberalised policy.

Objectives of Liberalisation Policy

Some of the major goals of liberalisation policy are to:

- Increase competition amongst domestic industries;
- Encourage foreign trade with other countries with regulated imports and exports;
- Enhance foreign capital and technology;
- Expand global market frontiers of the country; and
- Attempt to diminish the debt burden of the country.

The primary objective of this policy is to make the economy of India the fastest developing economy in the globe with capabilities that help it match up with the biggest economies of the world. As already mentioned, liberalisation policies include partial or full privatisation of government institutions and assets, greater labour market flexibility, lower tax rates for business, less restriction on both domestic and foreign capitals, open markets and so on.

7.3 POLICY IN CONTEXT OF PRIVATISATION

It would be a mistake to overlook the significance and contribution of the private sector towards the enrichment of economy of the country. A public policy encompasses a wide spectrum of goals and objectives. It does include policy governing private organisations to carry out public functions. Private organisations come into existence under various laws and policies. Government companies can be converted into private companies in *two* ways:

- (i) By disinvestment;
- (ii) By withdrawal of governmental ownership and management of public sector companies.

When 100 per cent government ownership of productive assets is transferred to the private sector players, the act is called denationalisation. When private sector owns more than 50 per cent, but less than 100 per cent ownership in previously construed public sector company by transfer of shares, it is called partial privatisation. Here the private sector owns the majority of shares. Consequently, the private sector possesses substantial control in the functioning and autonomy of the company.

In a study of privatisation and the shift towards new public-sector management techniques, Martin (1993) has argued that “the national policy agendas are being shaped by the forces of global economic restructuring: The roles of the State in defining, protecting and promoting the public interest are being whittled away by a global campaign of privatisation and public sector commercialisation by the needs of transnational business.... Privatisation is being driven by the shift of important economic sectors to operation on a global scale. Industries such as telecommunications, finance and energy are being restructured to respond to the needs of an integrated world economy. The global structure of these industries demands their participation in the privatisation process”.

Looking at the bureaucratic self-interest approach, Gordon Tullock in his Book *The Politics of Bureaucracy* (1965), recommended the introduction of competition into the bureaucracy through contracting-out, privatisation and increasing competition between government departments by rewarding performance. The analysis and solutions he advanced in his 1976 IEA pamphlet did not have much of an impact in the 1970 s; however, in the 1980s and 1990s they came into their own (Self, 1993).

Advocates of the need to ‘reinvent government’ have argued that managerial changes involve a more market-driven decentralising policy process, in which there is a shift from hierarchy to participation and teamwork in order to manage a more complex society (Osborne and Gaebler, 1993). However, this remixing of government, sectors and instruments may also be viewed as measures aimed at increasing the capacity of government to maintain control (and legitimacy) in conditions of greater social, economic and political complexity and financial constraint.

In one of the most comprehensive surveys of the trends in public-sector management, the OECD (1992) reported that the most popular initiatives amongst member States comprised:

- Deconcentration of central government;
- Development of ‘agencies’;
- Reorganisation of public enterprises;
- Limits to the public sector;
- Privatisation;
- Decentralisation;

- New role of central management bodies; and
- Market-type mechanisms.

Thus, throughout the OECD countries, the picture is of a panoply of policies designed to make the public sector emulate private sector and bring the delivery of public services closer to citizens (OECD, 1993).

Objectives of Privatisation Policy

Some of the major objectives of privatisation are to:

- Improve the financial situation of the government;
- Reduce the workload of public sector companies;
- Raise funds from disinvestment;
- Increase the efficiency of government organisations;
- Provide better and improved goods and services to the consumer;
- Create healthy competition in the society; and
- Encourage foreign direct investments (FDIs) in India.

Thus, the principal objective of privatisation is to improve the economic position of the country.

Check Your Progress 1

- Note:** i) Use the space given below for your answers.
ii) Check your answers with those given at the end of the Unit.

1. Explain the nature of policy in context of liberalisation.

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2. Discuss the nature of policy in context of privatisation.

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7.4 POLICY IN CONTEXT OF GLOBALISATION

Globalisation like the terms ‘liberalisation’ and ‘privatisation’ has become popular worldwide. However, this term has evoked various conceptual, intellectual, political, economic and social reactions. Globalisation and its impact has shaped national policy agendas. Some scholars have expressed that globalisation has ended the major role of State and administration (Stever, 1988).

Meaning of Globalisation

The term 'globalisation' recognises no territorial boundaries and claims the entire realm of the world as one. It denotes integration and convergence of world powers, economic systems, and administrative practices. Globalisation has been defined by numerous scholars, as they look at it from different contexts. For economists, globalisation is an advanced step towards a fully integrated world market. Political scientists consider globalisation as a new world order with supranational and global governing bodies. Business scholars view it as unlimited opportunities in a borderless world. Others see globalisation as a phenomenon driven only by private sector corporations, not governments. Generally, globalisation is seen as a process of reducing barriers between countries and of encouraging closer economic, political and social interaction, which could vastly increase the ability of people everywhere to share knowledge about living standards. Globalisation is global market. In brief, globalisation is a multidimensional process, which entails negative as well as positive consequences.

Impact of Global Events on National Policy Agenda

Developing countries are particularly vulnerable to global events and actions and have come to depend heavily on the international community for financial and technical assistance. Consequently, national policies are interlocked with global issues. "Because poor countries generally have fragile politics and weak systems of accountability, with few autonomous institutions and little power to offset that exerting considerable influence" (World Bank, 1992).

The boundaries of the political system are no longer impermeable to outside pressures and influences. Public policy now takes place in a world system as well as in national political systems. The world has become a single social system as a result of growing ties of interdependence. The point is that there is a new kind of interplay between transnational companies and national and world economies. Anthony Giddens (2007) has observed that transnational corporations, growing economic integration, and the globalisation of communication and media are major factors that make for globalism. The policy makers in one country seek to emulate for becoming a part of the global environment.

With globalisation, there is a greater scope of interaction between a Nation State and other countries. A Nation State has now come to exercise less control on policy agenda than it was in the second half of the twentieth century. From the national perspective, this means that the policy agenda may be global, but the policymaking and implementation remain national. Thus, there is a new kind of interplay between transnational companies and the national and world economies.

Global politics has an added role to play in the determination of national policies, especially of developing nations. Global issues interact with national issues, which in turn interact with the local level issues. Globalisation posits that these layers are becoming ever more interactive and permeable and that a new policy is emerging. Most developing countries undertook significant liberalisation of their trade regimes during the late 1980s and the 1990s, slashing tariffs, reducing non-tariff barriers to trade and privatising public enterprises under the pressures of the World Bank and European countries.

Globalisation: Implications for National Policy Agenda

Today, the world is experiencing a high degree of globalisation and is feeling its impact. Globalisation has transformed the polity as well as the society. In fact, as

discussed earlier, globalisation has many consequences, both positive and negative, for societies and their governance systems. These impacts are not equally distributed to all nations, and by far the developed nations are prime beneficiaries, while developing nations are the marginal receivers of its benefits.

Second, there is a shift in the approach of the functions of the State. There is a global transformation of the State and public administration moving to market-driven and corporate-State ruled by Transworld corporations. It is often argued that the market-driven State is coercive and tends to serve the interests of the corporate capitalism.

Third, it is argued that globalisation is posing a serious threat to the State sovereignty, democracy and individual freedom of most developing countries. Supranational organisations such as the World Bank, International Monetary Fund (IMF), and the World Trade Organisation (WTO), as well as a host of other international organisations dominated by the superpowers – the United States, European, and the Transworld corporations – are forcing member-states to adopt globalisation-led decisions that may go against national interests. In the global age, identity becomes a fundamental issue, both on an individual and on a societal level. Serving primarily the interests of the globalising superpowers creates problems of poverty and underdevelopment.

Fourth, as already mentioned, globalisation is seen as a threat to the ecological system. Most developing and developed nations pay little heed to the preservation of the natural environment. The rate of global warming has been much higher in the recent decades. This has, in turn, resulted in increased average temperature of oceans, decline in glaciers and snow cover. There has been a 70 per cent increase in the greenhouse gases such as carbon dioxide, methane and nitrous oxide in the atmosphere in the past 50 years. The global increase in carbon dioxide concentration is due to use of fossil fuels and land-use change, while that of methane and nitrous oxide is primarily due to agriculture.

Fifth, Hancock (1989) labels superpower nations and the Transworld corporations as the 'lords of poverty'. Globalisation causes more unemployment through technological innovations, drains governing systems with tax subsidies and tax expenditures, and demands massive expenditures on security and military functions for policing and social control. The result is the increasing crisis in governance and public administration and eventual social revolutions at home and worldwide (LeFeber, 1984).

Farazmand (2007) has argued that globalisation will produce more war, not less as globalising forces and institutions will use violence to promote the goals of corporate globalisation. On the other hand, Giddens (*op.cit.*) claims that in global age, peace and security depend on the cooperation of nations, as well as the recognition that no nation, however powerful, can cope with the problems it faces alone. He has observed: "creating cosmopolitan nations – with an overall identity, but happy in their diversity – is the main way in which an effective international agenda can be forged and furthered".

Check Your Progress 2

Note: i) Use the space given below for your answer.

ii) Check your answer with that given at the end of the Unit.

1. Examine the impact of globalisation on National Policy Agenda.

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7.5 CONCLUSION

It is largely felt that in developing democratic countries, policy agendas are driven by global forces. Problems arise in a context in which economic and social conditions play a major role in shaping opinions and political strategies. For example, the economies that stuck with the planning model experienced slow growth, stagnation, or worse. The collapse of the socialist economies was but “the final nail in the planning coffin”. Since the 1990s, countries around the world have been actively engaged in privatising public enterprises.

However, the power of decision or policy and the capacity to implement it remains largely within the Nation States. There is therefore a tension between the spillover, which may be said to be taking place at the global level and the reality of the maintenance of national sovereignty. Against the pressure of global agenda, the fact remains that at times of crisis “governments are prone to withdraw from intergovernmental cooperation and supranational policy-making rather than move positively into closer collaboration”. Common issues and problems within a global context may be increasingly identified in international terms, but decision-making and implementation still remain largely within Nation States. The global socio-economic framework interacts with the political processes and policies pursued by governments of nation states. The success of Nation States in policy performance will diverge notwithstanding the convergence of the global policy concerns.

For some time, however, there appears to be a decline of globalisation worldwide. The UK’s withdrawal from the European Union signals that there is something wrong with ‘globalisation’ era. Now, it is felt that most countries want to remain independent in their monetary, fiscal, immigration and labour policies. Nevertheless, it is indeed a connected world or a globalised world. What happens in one part of the world effects the other. Foreign, defence and economic policies of US or UK are bound to effect the policies in India. The Covid 19 pandemic of 2020 and the subsequent lockdown of Nation States one by one shows that policy in the era of LPG can never be unaffected by the happenings around. All through the Coronavirus/Covid 19 scare the Nation States have been interacting and evolving/emulating policies followed by other Nation States. The vaccine developed by individual countries could be administered globally. This Unit dealt with the nature of liberalisation, globalisation and privatisation or LPG. It studied its impact on the policy process in different countries.

7.6 GLOSSARY

Coronavirus: It is a virus that travels from animals to human beings causing in the latter symptoms such as running nose, breathing problem, sneezing and could be fatal if no precautionary measures are taken or if the infected have co-morbidity

issues. The name “**coronavirus**” is derived from Latin corona, **meaning** ”crown” or “wreath”, itself a borrowing from Greek “garland, wreath”. Its new form is called Covid 19 which has spread worldwide in since March 2020 like wildfire.

Globalisation: This term is synonymous with the galloping expansion of the global market place.

Service Contract: It means the government’s use of a contract to activate a network.

7.7 REFERENCES

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7.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISE

Check Your Progress 1

1. **Your answer should include the following points:**

- New Economic Policy (NEP) was launched in 1991.
- As a policy it believed that market forces could guide the economy in a more effective manner than government control.

- An important role of liberalised policy is to ease government controls and encourage economic development.
- Liberalisation has opened economic borders to foreign companies and investments.
- It aims to increase competition amongst domestic industries, encourage foreign trade, enhance foreign capital and technology and expand global market frontiers of the country.

2. Your answer should include the following points:

- Advocates of the need to ‘reinvent government’ have argued that managerial changes involve a more market-driven decentralising policy process.
- Privatisation involves deconcentration of central government and reorganisation of public enterprises and decentralisation.
- Throughout the OECD countries, the picture is of a panoply of policies designed to make the public sector emulate private sector and bring the delivery of public services closer to citizens.
- Privatisation attempts to improve the financial situation of the government.
- It reduces the workload of public sector companies.
- Increases the efficiency of government organisations.
- Provides better and improved goods and services to the consumers.
- Privatisation encourages foreign direct investments (FDIs) in India.

Check Your Progress 2

1. Your answer should include the following points:

- The term ‘globalisation’ recognises no territorial boundaries and claims the entire realm of the world.
- It denotes integration and convergence of world powers, economic systems, and administrative practices.
- Globalisation is seen as a process of reducing barriers between countries and of encouraging closer economic, political and social interaction.
- There is a shift in the approach of the functions of the State.
- There is a global transformation of the State and public administration moving to market-driven and corporate-State ruled by Transworld corporations.
- Globalisation is posing a serious threat to the State sovereignty, democracy and individual freedom of most developing countries.
- Globalisation is seen as a threat to the ecological system.
- Most developing and developed nations pay little heed to the preservation of the natural environment.

Public Policy and Ideology

- Globalisation has been criticised to have increased poverty and inequality worldwide.
- It has caused more unemployment through technological innovations and drained governing systems with tax subsidies and tax expenditures.



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