



## GLOBALISATION AND IMPACTS ON PUBLIC ADMINISTRATION

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### Abstract:

According to Cerny Globalisation is "the convergence of economics and politics across borders into single dominant model, a variant of liberal capitalism aligned with neo-liberal politics" or "the intersection of different form of both convergence and divergence." Giddens interprets these developments as "the emergence of a world economy, a world polity and perhaps a culture, in short, the emergence of a world society". Lastly Chandler touches upon the "Americanization", which underlines the culture orientation. Meaning of the New World Order and Globalisation The new world order denotes a "system of collective world security where states and peoples can live in peace with each other, ideologies aside" and "observe each other's borders and maintain collective security interests". Public sector organizations are now under worldwide pressures to enhance their productivity by increasing efficiency. "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 world that implies efficient public administration. Thus, empowering citizens has been a key component of recent reform wave surrounding public administration.

**Keywords:** Globalisation, Indian Administration, E-Governance, Entrepreneurial Government.

### INTRODUCTION

Either we tackle it as a concept or as a fact, the first thing we can say about Globalisation is that it is chewed up and swallowed a lot. Kettl rightfully says that while approaching to the year 2000 there is not a speech that ends up without making reference to Globalisation. Secondly, despite certain emphasis there is a set of definition of Globalisation, which varies according to the standpoints and the ideologies of the persons concerned. According to some, this is a new ideology of capitalism and some describe it as a "new form of imperialism". According to Cerny Globalisation is "the convergence of economics and politics across borders into single dominant model, a variant of liberal capitalism aligned with neo-liberal politics" or "the intersection of different form of both convergence and divergence." Giddens interprets these developments as "the emergence of a world economy, a world polity and perhaps a culture, in short, the emergence of a world society". Lastly Chandler touches upon the "Americanization", which underlines the culture orientation. From a general point of view, Globalisation can be considered as a process in which extension of information, circulation rate of capital has gained a significant momentum and in which the obstacles in front of this circulation are eliminated. It is difficult to find an area that this process did not affect and touch: national borders, values, cultures, policies, institutions and actors etc.

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Perspectives on Globalisation and the New World Order although the concept of world order is not new, it became fashionable after World War II. With the emergence of the Soviet reformist leader Mikhail Gorbachev, who called for global restructuring, openness, a new way of global thinking, peace for all, superpower cooperation, and an end to the Cold War, the concept of a new world order reemerged. Following the Helsinki Summit in September 1990, U.S. President George Bush increasingly used the term. Today, the concepts of the new world order and globalism have become the subject of serious study. But what do they actually mean?

Meaning of the New World Order and Globalisation The new world order denotes a "system of collective world security where states and peoples can live in peace with each other, ideologies aside" and "observe each other's borders and maintain collective security interests". The Persian Gulf War was arguably fought in the service of the new world order, and President Bush announced that the war was waged to "stand up for what is right and condemn what is wrong". However, with the fall of the USSR, the concept of the new world order garnered a diverse meaning and consequently became vague.

Globalisation means many things to many people. Economists consider Globalisation as a step toward a fully

integrated world market. Some political scientists view it as a march away from the conventionally defined concept of the state, with territorial sovereignty and the emergence of nongovernmental power players in the world order. Business school academics and consultants apply Globalisation to a "borderless world", and others view it as a phenomenon driven only by private-sector firms, not by governments. All discussions of Globalisation deal with the question of borders—"the territorial demarcations of state jurisdictions, and associated issues of governance, economy, identity, and community"

The main target of the Globalisation process, which affects many dynamics of social life, is the nation states. On one hand the area of the state's sovereignty has been narrowed and on the other hand its functions, functioning and responsibilities as shaped after the World War II were redefined. The state has abandoned to market forces, the areas that it occupied after 1945, under the influence of the new right policies. With the applications of privatization and deregulation, state's role on production, accumulation and distribution was weakened and its regulatory role came to the front line. This transformation symbolizes a transition from interventionist state to regulatory or arbitrator state. Not only the state and its socio-economic functions were transformed, but also state's institutional organization and its functioning, the judicial rules on which it is dependent, personnel regime and lastly conceptualization of public services entered into a thoroughly transformation process. This transformation could be described as a shift from the public administration to new public management (NPM). NPM considers that public sector can be managed as in private sector and the values and operational techniques of the private sector can be adapted to public sector. "It advocates treating citizens like customers, separating public administrators from the public policy process, and convincing both that government is nothing more than a business within the public sector".

As a scholar has mentioned, "Globalisation has been accompanied by the creation of new legal regimes and legal practices and the expansion and renovation of some older forms that bypass national legal systems". Within the context of elimination of transnational commercial disputes, the role of national legislation was receded, yet the role of international commercial arbitration centers has gained significance. This development can be interpreted as the privatization of jurisdiction. The concrete indicator of this development is the increasing number of international commercial arbitration centers. In 1993, there were 127 arbitration centers. On the other hand, in the countries, where there is a separate jurisdiction order for public administration, the dependence of public administration to administrative law is seriously eroded and the function of administrative law

is transformed. A scholar suggests that "in global era, administrative law now appears to be moving from its role as a surrogate political process that legitimates new extension of public power, to one that legitimates new blends of public and private power and/or private power used for public interest ends". While the Globalisation process has been eroding the state's sovereignty within the national borders, it has also modified the way of using the existent authority of the state. In this context, we can say that there were two-dimensions of authority delegation: authority delegation within the national borders and at international level. Therefore a two-dimensional erosion of state's authorities is in question. While the state's economic, political and judiciary authorities are transferred to the transnational powers, it is forced to share its existing authorities with the other actors. The result of Globalisation is not only the loss of state's power but also the change of ways and methods of using the remainder of its power. This transformation is expressed through the concepts of governance and new public management. Governance has redefined the use of public competence and suggests the joint use of this authority not only by the official actors but also by the unofficial actors and it gives importance to the role of non-governmental organizations. New public management considers the delivery of public services as a technical issue and instead of the concepts like public interest, conformity to the law; it substitutes the management-related concepts such as profitability, productivity and the customer preferences. Briefly, both the governance and the new public management lead to the elimination of the political content of the public services and their reduction to a technical activity. The change of state's role lies beneath the transformation resulting from Globalisation process. While the sovereignty is eroded, the nation state itself becomes the actor materializing the transformations that is appropriate to the demands of Globalisation. In the era of Globalisation the main function of state is to secure the functioning of the market mechanisms. It is the state itself that ensures the adaptation of structural and legal mechanisms based on the conceptualization of social state, or welfare state, to the new function. The reflection of this transformation on the administrative structure of the state is the emergence of the new institutions that shall provide the functioning of the market mechanism. Therefore in many European countries and in Turkey, while the state is under pressure for being reduced for the benefit of the market, it is continuing to widen its institutional structure in order to secure a healthy competition environment.<sup>1</sup> The regulatory agencies have become the widespread model of the organization of the global era. As it is known the pioneer of these agencies is the Interstate Commerce Commission, which was established independent from the executive body in 1887 in USA (Huntington, 1996: 58-59). According to Pauliat (1998: 7-8), there are more than 50 regulatory agencies in the USA. When we take into

consideration their organization, functioning and their status vis-à-vis the executive body, regulatory agencies fit well in line with requirements of the Globalisation. Their wide autonomy from the executive body, their outstanding budgetary and staff possibilities, their independence from the strict rules and in some cases, during the decision process, the representation of the interest groups are compatible for the expectations of governance and new public management approach.

### **Impact of Globalisation on Indian Administration:**

**1. Entrepreneurial Government:** 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. The entrepreneurial government is the answer to the present administrative malaise. Efficiency and productivity, the hall-mark of 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 Globalisation. Public sector organizations are now under worldwide pressures 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.

**2. Changing Role of Bureaucracy:** The process of economic liberalization 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 realization that with the switch over to Globalisation, liberalization 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.

**3. Reinventing the Government:** New Public Management (NPM) has had the most significant impact on reshaping public administration to cope with the challenge of Globalisation. 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, decentralization 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 been 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 emphasizes on output and providing monetary incentives to increased performance and empowering managers.

**4. Public Service Reforms:** The policies of World Bank, IMF, And WTO pursued the developing countries and compel them to adopt free market economy by introducing liberalization and privatization policies in their public sector. These public service reforms firstly adopted in 1980s in UK and other Western countries and in 1990s India adopted, which is also known by different names, viz., New Economic Policy, Structural Adjustment Programme, privatization, liberalization, deregulation and contracting out. The impact of free market economy on the concept of government, structure of government and also on the way of governance is 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 on.

**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 a 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:** 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. Recognizing the increasing importance of electronics, the Government of India established the Department of Electronics in 1970. The subsequent establishment of National Informatics Centre (NIC) in 1977 was the first major step towards e-governance in India as it brought information and communication in focus. In the early 1980s, use of computers was confined to very few organizations. The advent of personal computers brought the storage, retrieval and processing capacities of computers to government offices. By late 1980s a large number of government officers had computers but they were mostly used for word processing. Gradually, with the introduction of better software, computers were put to other uses like managing databases and processing information. Advances in communications technology further improved the versatility and reach of computers, and many Government departments started using ICT for a number of applications like tracking movement of papers and files, monitoring of development programmes, processing of employees' pay rolls, generation of reports etc. However, the main thrust for e-Governance was provided by the launching of NICNET in 1987 the national satellite-based computer network. This was followed by the launch of the District Information System of the National Informatics Centre (DISNIC) programme to computerize all district offices in the country for which free hardware and software was offered to the State Governments. NICNET was extended via the State capitals to all district headquarters by 1990. In the ensuing years, with ongoing computerization, tele connectivity and internet connectivity came a large number of e-Governance initiatives, both at the Union and State levels. A National Task Force on Information Technology and Software Development was constituted in May 20, 1998. While recognizing Information Technology as a frontier area of knowledge per se, it focused on utilizing it as an enabling tool for assimilating and processing all other spheres of knowledge. It recommended the launching of an 'Operation Knowledge' aimed at universalizing computer literacy and spreading the use of computers and IT in education. In 1999, the Union Ministry of Information Technology was created. By 2000, a 12-point minimum agenda for e-Governance was identified by Government of India for implementation in all the Union Government Ministries/Departments. Furthermore, this process of

integration of government services by internet technology increased in last decade with rapid growth. Almost every department and every Ministry now can be accessed with just a click on internet on your desktop. Indeed the process of transformation from governance to e-governance has improved the quality of services with proper accountability, easy accessibility, accurate storage and transparency in the system.

**7. 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 decentralization. Thus, empowering citizens has been a key component of recent reform wave surrounding public administration.

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