The Intelligent Person's Guide to Good Governance

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The Concept or Good Governance

Governance as a term has gained prominence in public debates around the world in recent times. It is often used with the adjective *good* as if to suggest that what is under discussion is governance evaluated positively. To use the term in such a manner, contrary to the general impression, is not new. While the *Oxford English Dictionary* defines governance as 'the action or manner of governing', it also includes in its definition 'good order', especially in 'to set in governance'. Quotations provided in support of the definition are interesting. Two of them may be mentioned here. Going back in time, 'in good reule and in good governaunce' appeared c1400 and 'to remember and se to the good gouernaunce of his people' by Earl Rivers in 1477. Even the present distinction between government and governance seems to be anticipated. A quotation going back to 1656 is relevant, 'Wise Princes ought not to be admired for their Government, but Governance'. The distinction that is drawn at present briefly runs as
follows: While government refers to actions carried out within a formal legal setting, governance involves all activities of government along with informal activities even outside a formal governmental setting that are meant to achieve common goals. James Rosenau (1992: 4) defines as government those 'activities that are backed by formal authority, by police powers to ensure the implementation of duly constituted policies', whereas governance according to him 'refers to activities backed by shared goals that may or may not derive from legal and formally prescribed responsibilities and that do not necessarily rely on police powers to overcome defiance and attain compliance'.

Organisational Views

Good governance has been in discussion primarily because of the importance given to it by many international organisations, including the World Bank, International Monetary Fund (IMF), Organization for Economic Co-operation and Development (OECD), Asian Development Bank (ADB), Department for International Development (DFID) and Canadian International Development Agency (CIDA). The European Union, a major international alliance of European nations has put good governance on its agenda. The United Nations and some of its specialised agencies have tried to promote good governance. However, even though the importance of good governance has been stressed by all of them, their approaches have differed significantly. While the World Bank and the IMF,
for example, have tried to put up good governance as what is commonly known as a *conditionality* for aid, the United Nations has sought to support member-states in their efforts to implement good governance reforms. Emphasising good governance in bilateral and multilateral forums, the European Union has also sought to ensure good governance in its own functioning. These differences in their approaches are worth noting, since criticisms of prescriptions for achieving good governance are often criticisms of the approaches that underlie these prescriptions rather than criticisms of the prescriptions themselves.

Good governance became important as an issue for developing countries from the late 1980s onwards when two international funding organisations began to emphasise it. The World Bank and the IMF started paying attention to policy processes in states for which funding was being considered. This emphasis on these processes has been traced back by some analysts to this period when two important governments for these organisations, the Republican administration of President Ronald Reagan in the United States and the Conservative government of Prime Minister Margaret Thatcher in the United Kingdom, promoted neo-liberal market-friendly policies for their own countries and also for others around the world. However, it has also been suggested that the World Bank and the IMF arrived at similar conclusions independently in response to a series of crises faced in different parts of the world. Their dominant view seemed to be that these crises were brought about not by external economic events or natural calamities but by the failure of domestic governments to adopt right policies.
The region that has attracted the greatest attention is Sub-Saharan Africa. In a study, *Sub-Saharan Africa From Crisis to Sustainable Growth* (1989), the continuing economic crisis in the region is raised as an issue. It is argued that Sub-Saharan economies faced with falling per capita incomes need to grow by at least 4-5 per cent annually. Not just an enabling environment consisting of sound macroeconomic policies and an efficient infrastructure but also the building of capacities in Africa is needed to achieve it. 'A root cause of weak economic performance in the past,' wrote Barber B. Conable, the then President of the World Bank, in his 'Foreword' to the book, 'has been the failure of public institutions. Private sector initiative and market mechanisms are important, but they must go hand-in-hand with good governance—a public service that is efficient, a judicial system that is reliable, and an administration that is accountable to its public' (World Bank 1989 xii). Thus, structural economic reforms are necessary along with policy reforms. External aid, the study warns, will not be forthcoming unless there is an improvement of governance in Africa.

In its first report written expressly on the topic of governance, *Governance and Development* (1992), the World Bank reiterates its belief that good governance must go along with sound economic policies. The World Bank provides us with the definition of governance: 'governance is defined as the manner in which power is exercised in the management of the country's economic and social resources for development' It added 'Good governance, for the World Bank, is synonymous with sound development management' (World Bank 1992 1). The concern
with sound development management includes public sector management as well as the formation of rules and institutions that enable the conduct of business in a predictable manner and the promotion of accountability for economic and financial performance. Public sector management includes public expenditure management, civil society reforms, and the restructuring of the sector of public enterprise. Poor governance is readily recognisable. Some of its major symptoms are, the diversion of public resources for private gains, absence of law or arbitrariness in its application, excessive rules which impede the functioning of markets, allocation of resources in a manner that is inconsistent with the priorities of development, and a decision-making process that is not transparent. It is once again warned that there is an inevitable impact on the nature and extent of Bank support for countries where commitment to sound management development is in doubt and where a dialogue with the Bank does not lead to the desired change in policy. In a later publication, the World Bank describes good governance in the following manner:

good governance is epitomized by predictable, open, and enlightened policy making (that is, transparent processes), a bureaucracy imbued with a professional ethos, an executive arm of government accountable for its actions, and a strong civil society participating in public affairs, and all behaving under the rule of law (World Bank 1994 VII)

The following dimensions or sub-headings are again emphasised: public sector management, accountability, legal framework for development, and transparency and information.
In a speech at Transparency International delivered on 21 January 1998, Michel Camdessus, the then managing director of the IMF, spoke on the IMF and good governance. The text of the speech makes for an interesting reading. He notes that governance reforms have moved to the forefront of discussions at the IMF. This has happened because of the awareness that governance problems have a direct bearing on economic performance. Referring to the document, *Declaration on Partnership for Sustainable Growth*, adopted in September 1996 (IMF 1996), he notes that the objective is to promote good governance in all its aspects, including enforcing the rule of law, the efficiency and accountability of the public sector, and taking care of corruption.

The IMF goes about promoting good governance by ensuring that public resources are managed well and such systems are created that regulate private sector activity in a stable and transparent manner. It is after all necessary for the IMF to ensure that the funds provided are put to good use. The need for a regulatory environment for the private sector is felt in response to the Asian crisis and the need to create confidence for private capital inflows. It is important, Camdessus emphasises, to work together with other multilateral organisations, especially the World Bank (Camdessus 1998).

Let us now consider briefly the positions of other organisations on the issue of good governance. Good governance, for the OECD, is needed in view of the growing recognition that world financial crises stem from weaknesses in the institutions of governance. Key factors of good governance include technical and managerial
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competence of civil servants, capacity of government organisations, reliability, predictability, the rule of law, accountibility, transparency and open information systems, and participation. Participation is linked with democratic processes in the belief that governments that involve the public are in a better position to take good decisions which in turn enjoy better support once they are taken (OECD 1997). In a report on participatory development and good governance, it is clearly emphasised that for promoting developmental goals the emergence of more participatory societies is essential. Such societies ensure transparency and accountability (OECD 1997). The OECD has put emphasis at the same time, it has been pointed out, on the decentralisation of authority in governmental structures and the devolution of responsibility. There has been a demand for downsizing the public service and for the privatisation of many government activities (Lewis 1998). The ADB sees good governance as 'sound development management'. Governance affects economic growth and development. It has to do with institutional environment which has impact on the economic policies that are adopted by a government. What needs to be ensured is that a government does actually deliver to its citizens what it promises to deliver. The ADB has identified four elements of good governance, accountability, participation, predictability and transparency (ADB 1995). The DFID similarly looks upon governance in the context of the role of governments in promoting economic growth through the management of economy in such a manner that makes it possible for private sector and entrepreneurial developments to flourish. In its White Paper on making
governance work for the poor, the DFID policy on governance is stated clearly. Whether the states are effective in helping business grow and delivering services to their citizens depend on whether good governance is in place. Good governance requires capabilities of getting things done, responsiveness and accountability (DFID 2006). Finally, CIDA's definition is as follows:

By governance we mean the manner in which power is exercised by governments in the management of a country's social and economic resources. 'Good governance is the exercise of power by various levels of government that is effective, honest, equitable, transparent, and accountable."

In a document prepared for CIDA, the following characteristics are added, 'being informative and ensuring gender equality' (CIDA 1997: 1,5).

The European Union has been active in promoting good governance in countries to which it provides aid and technical assistance. As early as 1991, several European Council resolutions stated the belief that the presence of political institutions which enjoy democratic legitimacy provides the right basis for equitable development in developing countries. It is noted:

The Council stresses the importance of good governance. While sovereign States have the right to institute their own administrative structures and establish their own constitutional arrangements, equitable development can only effectively and sustainably be achieved if a number of general principles are adhered to - sensible economic and social policies, democratic decision-making, adequate governmental transparency and financial accountability, creation of a market-friendly environment for development, measures to combat corruption, as
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well as respect for the rule of law, human rights, and freedom of the press and expression (European Council 1991)

The Council and its member-states will support, it is affirmed, the efforts of developing countries to advance good governance. In the Cotonou Agreement, signed between the European Union and a number of ACP (African, Caribbean and Pacific) states in 2000, good governance has been recognised as 'a fundamental and positive element' of the partnership. It needs to be noted here that the European Union has also been quite active in improving its internal governance procedures. The European Union White Paper on good governance has stressed many of the reforms that it has been prescribing for other nations. The concern here is to address the democratic deficit that is perceived in the activities of the European Union. Unlike other democratic states or organisations where directly elected representatives legislate policies and laws, most decisions in the European Union are taken by the European Commission which is responsible to member-states but not directly to the people. The only directly-elected body, the European Parliament, has very little power to make or reject new European Union laws and policies and exercises only limited control over the executive (Bignami 1999, Liberatore 2004).

Finally, we need to consider the United Nations. Unlike pressures in the interest of market-friendly policies applied by the World Bank and the IMF, the efforts of the United Nations and one of its specialised agencies, the United Nations Development Programme (UNDP), have been directed towards supporting the efforts of member-states to move towards greater democracy and
participation. It is this support of efforts towards greater democracy which has kept United Nations out of controversy. In Governance for Sustainable Human Development, a UNDP policy document, it is clearly stated that the UNDP believes in building the capacity for governance for sustainable human development. Good governance and sustainable human development are seen as indivisible, for one cannot be achieved without the other. 'UNDP defines governance as the exercise of political, economic and administrative authority in the management of a country's affairs at all levels. Governance comprises the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, mediate their differences, and exercise their legal rights and obligations' (UNDP 1997: iv). Good governance has many attributes: participatory, transparent, accountable and equitable. It promotes the rule of law and effectively makes the best use of resources. Governance has no doubt to do with the state but it does not leave out the private sector and civil society, both of which have significant roles to play. Speaking at the first global conference on governance for sustainable growth and equity held at New York in 1997, Kofi Annan, the then Secretary-General of the United Nations chose to highlight the insight of the United Nations drawn from all the efforts made by it from Africa to Asia to Latin America in the following words: 'Good governance and sustainable development are indivisible.' He went on to say: 'Without good governance—without the rule of law, predictable administration, legitimate power, and responsive regulation—no amount of funding, no
amount of charity will set us on the path to prosperity' (Annan 1997). He reported that the expertise of the United Nations had expanded and its programmes now-touched virtually all the elements of good governance. The United Nations has emphasised building partnerships at different levels as essential to governance. The word 'governance' highlights the fact that a government does not act alone but in partnerships with all sections of society (United Nations 2000).

It should be recognised that not all initiatives to improve governance have been prompted by international agencies. Recognising the negative economic and social consequences of poor governance, states and regions have taken initiatives to improve governance on their own. The New Partnership for Africa's Development (NEPAD) adopted in 2001 by the Organization of African Unity (OAU) which renamed itself the African Union (AU) in 2002, needs to be noted in this context. It explicitly identifies poor governance as a major cause for the ills of Africa. Historical underdevelopment, it is admitted, is compounded by an inability to ensure sustained economic growth. The consequence is 'the entrenchment of a vicious cycle, in which economic decline, reduced capacity, and poor governance reinforce each other, thereby confirming Africa's peripheral role in the world economy' (OAU 2001: 6). The NEPAD initiative has two major components: the Democracy and Political Governance Initiative (DPGI) and the Economic and Corporate Governance Initiative (ECGI). The DPGI aims to reform political and administrative structures in member states and puts emphasis on democracy, transparency, accountability,
integrity, respect for human rights and the rule of law. States are required to ensure minimum standards of good governance and democracy and support each other in such efforts. The NEPAD initiative also includes a mechanism for peer review. The ECGI stipulates reforms in economic policy and public finance to ensure effective investments and the promotion of corporate governance.

**Critical Perspectives**

Critics have pointed out that the World Bank put forward the agenda of good governance to cover up the failure of its own programmes in Africa. The idea that the problems of governance were responsible for the continuing crisis, especially in Sub-Saharan Africa, provided the World Bank with an easy way out of owning its responsibility. A less uncharitable view is that the World Bank recognised the need for a fresh look at what was going wrong. In his 'Foreword' to the study *Sub-Saharan Africa* (World Bank 1989), Barber B Conable did admit that there was a need to learn from past experiences and mistakes. Later, in *Governance and Development* (World Bank 1992) it is claimed that, while the projects the World Bank finances may be technically sound, they fail to deliver due to the quality of governance. Efforts to encourage market-led growth do not succeed in an environment where investors are uncertain about future government actions. This is an admission of the failure of the belief that economic actions alone can solve developmental problems. The issue is not just of practical lessons. In an article on uses and abuses of the concept of governance, Cynthia
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Hewitt de Alcantara (1998) points out that by giving the concept of governance an important place, international lending institutions could escape from the intellectual and practical dead-end that they were faced with by their extreme reliance on free market ideals which had degenerated into economism. Demands were made upon borrowing countries crippled with debts and in need of capital to progressively liberalise their internal markets and to remove barriers to free trade. It was believed that the market would solve all problems once it was freed from political distortions.

When this did not happen, the need arose to look at public institutions. The concept of governance proved useful at this point for internal financial institutions and the donor community in general. It allowed for the retreat from economism and for the consideration of important social and political issues relevant for economic development. Moreover, it allowed for such a consideration in a rather technical manner. This was important to ensure because organisations such as the World Bank and the IMF have no mandate to involve themselves with political issues. It was also important to avoid giving the impression that they were intervening in internal political affairs of sovereign states. The discovery of institutional elements in market reforms led to a concern for good governance to make the neo-liberal economic programme more efficient. A close look at the programmes supported by the World Bank under the heading 'good governance' shows that they are meant to shrink the state and make it more efficient and at the same time shift the balance of power in favour of private individuals and groups.
One of the criticisms that this has led to is that the World Bank suffers from the technicist fallacy in believing that management of development is essentially a technical matter. Development cannot be conceived independent of politics, nor can good governance be defined simply in administrative or managerial terms. To do so is to have a naive understanding of a complex process (Leftwich 1993). Further, it has been argued that, while the notion of governance allows for the possibility of connecting the spheres of politics and administration, the manner in which funding organisations use the term involves a certain 'depoliticisation of political processes' (Doornbos 2001: 95).

Others have seen more than naivety in the approach of the World Bank. In a strong critique of the approach of the World Bank, D. Bandopadhayay (1996) sees the manner in which good governance has been presented by donor agencies to seek changes in the systems of governance in the Third World as nothing short of recolonialisation. He finds fault with the way in which forms of government are overlooked to clear the way for funding strategic allies and authoritarian regimes. He also finds fault with the manner in which transnational corporations are left out of the effort to bring goodness in their governance. To talk about good governance, he argues, means to bring about goodness in all the three sectors that are involved, government, civil society, and the corporate sector, including transnational corporations.

Specifically, he is against liberalisation that opens the economy of a Third World nation to the avarice of transnational corporations. This critique is taken forward by
Guhan (1998). He argues that the World Bank is less interested in an open polity than in an open economy. Liberal democracy in the approach of the World Bank has an instrumental and not intrinsic value. The criticism then of the World Bank is that it has not chosen to take a clear stand in favour of democratic societies against authoritarian regimes. Of primary importance for the World Bank is the extent to which a government facilitates the functioning of the market. Specifically, the World Bank is criticised for a conception of good governance that is 'narrowly techno-economic'. The World Bank deludes itself and others by considering that its conception of the state is 'politics-free', for the type of the state that it advocates is as much a matter of politics as of economics. Second, it is not clear how useful the prescriptions of the World Bank for liberalisation and related issues are in reality, as the evidence that has accumulated on the efficacy of the prescriptions of the World Bank are far from conclusive. Third, it needs to be kept in mind that the World Bank is not a neutral player. Apart from persuasion, it enjoys considerable leverage through its lending operations. Fourth, its expectation from the state is riddled with paradox in so far as a state that is expected to match its role to its capabilities is also expected to improve its capabilities for reinvigorating public institutions. In short, concludes Guhan, there is a real danger that the debate on governance will be marginalised due to the narrow and prejudiced framework set for it by the World Bank.

We need to consider now a criticism that is concerned with the manner in which the World Bank and the IMF function. It has been pointed out that these organisations
need to apply to themselves the standards of transparency, accountability and participation that they prescribe to others. They have undertaken some reforms in this respect, but they need to change further. One of the areas of concern is the voting structure of these organisations. They need to ask themselves how far they are able to give genuine stakes to all members, including developing countries. Apart from the voting structure, there are other reforms that are likely to improve their governance, including with respect to the role of the Executive Board and the diversity of approaches represented in their staff. It has been noted that their research directions and results have not been immune to the influence of large shareholders. Thus, there are good reasons, practical as well as related to principles, for these organisations to attend to their governance for the sake of improving their credibility in a changing world (Woods 2000).

The critique of the World Bank and the IMF that has received the greatest attention has been that developed by Joseph E. Stiglitz (2002). In his *Globalization and Its Discontents*, he has criticized the World Bank, the World Trade Organization (WTO), and particularly the IMF, for some of the problems of globalisation and suggested that for managing globalisation well these international institutions need to be reformed. They have as of now served industrialised countries—rather some particular interests within these countries, than the interests of the developing world. In a chapter devoted to the East Asia crisis, he pointedly blames the policies of the IMF for the problems in that part of the world and indeed for bringing the world to the verge of a global meltdown. In comparing
The performance of China and Poland with that of Russia, he argues that the success of these countries as against the failure of Russia can be attributed to their not following IMF prescriptions. One attribute of the successful cases is that there was no 'cookie-cutter' approach, lacking in adaptability, that was followed.

Regarding the United Nations, Thomas G. Weiss (2000) has argued that the contribution of the world body has been to correct the euphoria associated with the Washington Consensus and unquestioning faith in the normative principles of neo-liberalism. It has tried to move the debate from dismantling the state and jettisoning state institutions to improving and reforming democratic institutions. The UNDP in particular has shown that we need to move away from traditional public sector management and address issues of democracy and human rights. Concretely, through the annual Human Development Report (HDR) an attempt has been made to show how the people of the world, especially poor, live. The contribution of the human development index (HDI) has been to point out that human progress cannot be measured just in terms of per capita income.

Analytical Issues

Why has the term 'governance' become popular even outside the donor community? Alcantara's (1998) answer to the question deserves to be noted. She writes that the term governance serves different people in different ways. Thus, those who want to see a reduced role for the state
find it convenient to shift from *government* to *governance*. The reform of the state can thus be argued in a rather technical manner without giving the impression that a few basic political questions are being asked. On the other hand, those who are not interested in such an agenda find the term useful to highlight the role that other agencies can play in areas where the state cannot play a leading role. In this perspective, voluntary organisations can play a leading role in many areas, including in improving the social base of democracy. In short, the concept of governance, like other concepts in the debate on development, serves different and at times contradictory ends. Martin Doornbos (2001) has pointed out that the term is elastic, rich in vagueness, and is more likely to serve as a 'flexible carrier' to convey varying combinations of messages.

Indeed, this has happened already. A study of Malaysia and Singapore by Surain Subramaniam (2001) is instructive here. In Singapore, it has been shown, the debate is controlled and promoted by the government which sees its achievement in the field of good governance as a justification for the continuance of a strong government with authoritarian characteristics and for resisting demands for more democratic reforms. The government highlights the following elements of good governance: (a) an accountable and transparent government, (b) a government that takes decisions that will benefit the country and its people over the long term and (c) social justice which provides for equal opportunities for all, irrespective of race and religion. Rather than confronting critics directly the government changes the definition of governance to suit its political preferences.
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The good governance debate in Malaysia, on the other hand, is important only in the context of the pressure on the government to introduce democratic reforms. The formulation of policies concerning good governance by the Malaysian government has been a response to the pressure from the opposition. It has also responded to the criticism of its semi-authoritarian political system from outside. The Malaysian government has responded to criticism in three ways: (a) by trying to reduce the sting of criticism and adopting good governance as an objective of its official policy, (b) by trying to argue that indicators of good governance in Malaysia are much better than those cited by its critics, and finally (c) when it becomes clear that criticism cannot be deflected by the first two methods, by actually trying to address the relevant issues and improving governance. Even then, the author concludes, it is still too premature to presume that in Malaysia there will be sustained democratic reforms. The prospect of change towards a more liberal democratic system in Singapore seems even less.

If the term governance is elastic and that explains its popularity, this elasticity itself is likely to lead to its decreased importance. Doornbos (2001) already sees its decline, for he thinks the notion of governance is getting reduced to being just a figure of speech that has no importance. Several commentators have pointed out how difficult it is to define the concept precisely.

One of the difficulties that needs to be faced clearly is the manner in which the concept of governance has come to carry an important evaluating feature. If it meant just the action or manner of governing, then it would suffice to describe how the task of governance was carried out in a
society or by any other social group. But this is clearly not expected, for we are concerned with governance that can be evaluated as good. Even the World Bank definition is not free from evaluation, for it brings into consideration the management of the resources of a country for development. Now, development as a goal itself carries with it an evaluative aspect. It is thus important to know what constitutes or does not constitute development and whether it is desired at all. Second, even if consensus is achieved on these points, it remains open to decide what will qualify as sound development management. This is not just a matter of choosing the right means for achieving the stated objective. All the means at our disposal carry their own costs. It is important to know what costs are acceptable or not to a society or any other social group under discussion. Though it may not be uncommon to assert that a person needs an object at any cost, a close look at the situation is likely to show that what is meant is a range of costs, not all conceivable costs. The World Bank has chosen to define the problem in managerial terms, but this does not take away the task of evaluation. If governance or good governance is supposed to serve a particular purpose, then we need to be clear about that purpose. For the World Bank, it is development. It has already been seen how the UNDP discussion has shown that human progress cannot be measured just in terms of per capita income. The concept of 'humane' governance associated with the name of Mahbub ul Haq is relevant here. For him, the critical test of every action is the manner in which it meets the genuine aspirations of the people (Haq 1999: 29). This brings to mind Gandhi's simple principle. Whenever you are in doubt', said Gandhi, 'ask
yourself whether the step you are about to take is going to be of any use to the poorest man you have seen' (Iyer 1993: 418).

Thus, there are evaluations involved in any discussion of good governance. These evaluations, as Mohit Bhattacharya (1998) has shown, take us towards many shades of political philosophy that have concerned themselves with the question of what constitutes good government. The question of what constitutes good government is a political question in its broadest sense. In failing to raise this question, the World Bank does not succeed in depoliticising political processes but creates a nebulous domain of what may be called here *politics without politics*, a domain made immune from the examination of critical assumptions. One implication of unexamined assumptions is that it becomes possible to present a particular approach based on certain evaluations, even if they are made implicitly, as of universal significance. Tim Plumptre and John Graham (1999) indicate the problem of applying attributes of good governance to different situations. Different societies value outcomes differently. Thus, if Western cultures value efficiency, other cultures may value harmony more. While individual rights may be important in some cultures, others may emphasise communal obligations. Similarly, some cultures may seek economic development as their primary goal in contrast to others who may give greater importance to cultural richness. Who can claim that to seek efficiency is better than to seek harmony?

The matter does not rest with values but involves means as well. What may work or be desired in one society may not work in others. Their situations may be very different.
There are many examples of how prescriptions given by an agency such as the World Bank have not produced the right results. Alcantara (1998) has reported that in many Latin American countries burdened with problems of recurring economic crises the demand for good governance has been expressed by many persons representing civil society in terms of political participation, reactivation of local economies, and the protection of disadvantaged groups. This runs counter to the immediate requirement of economic stability as defined by private investors and official donors. In view of these conflicting pressures, a more limited task of public sector reforms has been attempted. Latin American bureaucracies have as a result been subjected to rounds of restructuring in many ways. While some successes have taken place, there have been reports of reforms having weakened efficiency and morale. This makes it difficult at least in the short run for governments to carry on with the routine task of administration. A case in point is a study of government reform in Thailand. Bidhya Bowornwathana (2000) examines it and concludes that it has not been of much benefit for the Thai people. This is for many reasons. Two of the important reasons are that (a) reformers assume that they can take over ready reform packages and use them for the Thai public sector and (b) they look upon reform as a managerial task rather than a political one. In the meetings of the reform commission, for example, there is much discussion on how to carry out a particular reform rather than who stands to gain or lose when it is carried out. The managerial perspective makes it easy to overlook the complex realities of the country.
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If evaluations are involved and if good governance, like good life, does not lend itself to a normatively neutral treatment, how are these evaluations to be made? Gandhi's principle, though clear, is not easy to apply. A less challenging approach, called 'reflective evaluation', has been suggested by Surendra Munshi (2004: 48). Reflective evaluation is 'the principle of thinking through one's value position and practice as a social actor'. It should provide the middle ground between subjective evaluations and excessive objectivism. While conventional evaluation brings in the criteria of evaluation from outside, it is the consensus of those directly involved that is important for reflective evaluation. This consensus, to be genuine, should be arrived at freely, independent of an imposition such as the will of a dictator.

Munshi considers the issue of good governance in the context of democracy, bureaucracy and industry. Thinking through democracy, it becomes clear that the indirect mode of democracy gives rise to politicians who are expected to represent the people and to govern in the name of the people. Modern democracies operate with bureaucracies which require bureaucrats to function in accordance with specific rules. Thus, representatives are expected to represent the people and bureaucrats are expected to function in a bureaucracy bound by rules. When representatives do not represent the people and bureaucrats operate outside rules, deviations take place. Looking similarly at industry, it plainly refers to diligence, useful work, and different branches of trade or manufacture taken as a whole. Useful work is supposed to contribute to the material welfare of society. A new society
has come into existence after the Industrial Revolution that marked the introduction of mass production based on technological innovations. This new society, known as industrial society, has seen in the recent past the emergence of powerful multinational corporations. Critical questions can be asked about our present situation. We may ask whether democracies as they are practised today operate according to the principle of representation. We may also ask whether industrial society as it exists today has run up against the limit of development. Further, we may ask whether democracy and industrial society in their present forms go together. These questions may make the issue of choice difficult. Yet, for those who choose a social formation that is both industrial and democratic, the values embedded in their choice and the implications of the choice can be shown by reflective evaluation. Broadly, it may be argued that this choice signifies the material welfare of society along with individual rights, and the public interest.

Based on these considerations and with the full awareness that a set of different considerations may lead to a different result, Munshi provides a definition of good governance. He prefers to arrive at it after an analysis rather than begin with it in the form of a subjective declaration of preference.

Good governance signifies a participative manner of governing that functions in a responsible, accountable, and transparent manner based on the principles of efficiency, legitimacy, and consensus for the purpose of promoting the rights of individual citizens and the public interest, thus indicating the existence
of political will for ensuring the material welfare of society and sustainable development with social justice. (Munshi 2004: 51-52)

It is to be noted that good governance involves considerations of process, persons, principles and purpose. All of these considerations have to be taken care of in order to arrive at an acceptable definition of good governance.
The debate on good governance inevitably leads to questions about the role of the state. It has been argued that the state is in crisis today and its future is uncertain. Is there going to be a place for the state as we know in the emerging world? Is the state going to wither away in a scenario very different from the one visualised by radical theory earlier? These are critical questions. Much depends on how the state is able to face the challenges confronting it. While it is wrong to overlook these challenges, it is also wrong to ignore the resilience of the state and the purpose it serves in social life. This chapter opens with a brief consideration of the state in Western political thought, for it is useful to see the present debate in the context of a long tradition that is often overlooked. If it is true that the history of humanity has not ended, it is true too that the need for learning from history has also not ended.
The Role of the State

In Western Political Thought

Aristotle writes in his *Politics* that all communities are established for seeking good but none more than the state—the highest of them all, which aims at seeking the highest good. This highest good is sought through the administration of justice which is the principle of order in a state. Such an administration of justice is needed because man perfected is the best of animals, but man separated from justice is the worst of all. Aristotle's state was the Greek *polis*, city-state, which for the Greeks living with the reality of rival cities promised the fulfilment of man's nature. This promise was held up to the citizens of a city, for the membership of this community was restricted. The pursuit of the highest good in a community bound by common aim, Aristotle tells us, was the justification for the state. For the Romans, on the other hand, importance shifted to the partnership in law that went beyond the boundaries of a city. For the Romans adherence to the rules of a community formed a people into a state. Thus, two critical ideas about the state found their expressions: the idea of a community bound by the common aim of seeking the highest good and the idea of a community adhering to a shared law.

From these early beginnings, the idea of the state found newer expressions in the history of Western political thought. It is generally believed that Niccolo Machiavelli, a man who lived his life through the brutal politics of his times and who was not known for an idealist view of
human beings, gave in his The Prince (1513) a meaning to the term 'state' that appears modern. The state's capacity to use force is the decisive consideration for him. It was left to Jean Bodin to bring in through the legal route the consideration of sovereignty in the discussion. Sovereignty for him is the distinguishing mark of the state. A state has sovereignty so long as it retains the right to make and change laws. Later, Thomas Hobbes gave full expression to the idea of sovereignty in *Leviathan* (1651). No power on earth, for Hobbes, compares with the sovereignty that the state exercises over its territory. Given his understanding of the nature of man, his justification for the obedience to the sovereignty of the state is that only through it individual human beings can live together in a peaceful manner. John Locke made the state less severe. He sees the state serving the purpose of the public good. If the government fails to promote the public good then it loses any claim to the consent of the ruled. Jean-Jacques Rousseau had a different view of the state of nature in comparison with that of Hobbes. For him, man who was born free could regain his freedom if united by a general will. The rights that he would gain by his social contract would be enforced by the collective force of all. Man could, according to Rousseau, be forced to be free. The idea of social contract that Hobbes, Locke and Rousseau shared in some ways could lead due to differences among them to different outcomes, from the support of absolutism as in Hobbes to the idea of an ideal republic as in Rousseau. It was Immanuel Kant who extended the idea of republic in his argument. The idea of republic is necessary for Kant in his quest for perpetual peace as his cosmopolitan ideal.
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Closer to the reality of his times, the idea of the state in the service of all found its critique in Karl Marx. For Marx, the state is an instrument of class exploitation, an instrument based on the use of force in the interest of the ruling class of capitalists, though not without manufacturing consent through ideology. For Max Weber, the state successfully claims 'the monopoly of the legitimate use of physical force' within a territory. The legitimacy of modern society, according to Weber, is provided by following adopted legal norms.

The use of force though vital has to be seen in its context. Even in Machiavelli's text, it has been pointed out, there are expressions which show that human beings willingly become subservient to the state due to many reasons, including patriotism. This patriotism assumed great importance with the rise of the nation-state. Weber's emphasis on force has to be understood in the context of the importance he assigns to legitimacy. As to the purpose served by the state, there seems to be a broad point of convergence on this point. From seeking the highest good as in Greek thought to making it possible to live socially as in Hobbes, the emphasis has been on the possibility of collective social life. If through this collective social life the public good is not served or if the general will of all is not honoured, then the state loses at least in principle its claim of consent and is reduced for survival to the use of just coercive means. This can be precarious. An important issue here is the extent to which the public good is served in reality. Do powerful particular interests significantly subvert general interests in a state? If they do, how do they affect the concerned state? What are the options in such a situation for the state or for that matter against it?
In concluding this brief overview of the role of the state in Western political thought, it may be said that the concerns expressed from the times of Aristotle and later the Romans to the times of Marx and Weber have recurred in the discussion on the state with each historical period throwing up issues that are relevant to it.

**Historical Characteristics or the State**

Eric J. Hobsbawm (1996) has drawn attention to historically specific characteristics of the state that we experience. This state may be called the sovereign territorial state or the 'nation-state'. These characteristics differ from the characteristics of older forms of political organisation in Western societies.

First of all, this political entity consists of a territory that is demarcated so that it is clear where the authority of one state ends and where the authority of another state begins. A continuous territory, as against the broken territory, gives the advantage of exercising the authority of a state without any possible interference from another state.

Second, within this territory the sovereignty is exercised which means no state other than the concerned state is recognised for the purpose. When a state imposes its authority on another state against its will, as in the case of military conquest, this brings the sovereignty of the conquered state to an end, at least till it is restored or recovered.

Third, within its territory, the state has the monopoly of making or enforcing laws as well as of exercising coercion.
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The exception being situations where a particular state willingly parts with its authority of making or enforcing laws as in the case of the European Union where member-states accept for specific purposes the laws of the Union. Similarly, the condition of exercising its authority over all those present on its territory allows for exceptions. A state makes a distinction between its citizens or subjects and citizens or subjects of some other states residing on its territory. The state has the authority of preventing any citizen or subject from leaving its territory, or a person belonging to any other state from entering it.

Fourth, the state exercises its authority over its citizens or subjects directly. When functional differentiations exist, regional or local governments do not replace the authority of the central government. They can only supplement it. Thus, state law has primacy over regional or local law.

Fifth, this direct rule, as against indirect rule, implies certain uniformity in the treatment of the inhabitants. There is in principle no limit to which this uniformity may be imposed, though there are variations in actual practice.

Finally, while it is possible to visualise a state composed of people without political rights, due to the revolutionary experience in the history of the West, most states, at least in principle, were turned into citizen states. This suggests the representative nature of the state with the people providing the source of sovereignty. The definition of the people entitled to take part in a form of public participation such as elections expanded over time with the march of democracy. Citizen status means, especially with respect to the treatment by the law, the equality of all citizens.
From the late 18th to the mid-20th century, Hobsbawm notes, states changed in significant ways. An important development was the extension of their capacities. These were much greater than enjoyed by pre-revolutionary absolute monarchies. Postal services and police forces, for example, could reach all corners of the state territory. With the disarming of the inhabitants, the state monopoly of the use of force was made effective. The functions of the state expanded to include education and social security. And with the requirements of the war, the state played a greater role in the management of national economies. The march of democracy was not without its price. With the democratisation of politics, a new element was introduced. This was the assumption that citizens constituted a community united by ethnicity and culture. Each nation, distinct from others, was entitled to form a separate state. Thus, a concept of nation-state arose that went against the idea of ethnic and cultural heterogeneity among inhabitants. The attempt to form homogeneous territories created its own compulsions, ranging from the transfer of populations to genocide.

Recent Challenges

It is interesting to consider the challenges faced by the state that demanded both an active role and its retreat in a changed situation. Joseph E. Stiglitz (2002) recalls that both the World Bank and the International Monetary Fund (IMF) owe their origin to the United Nations Monetary and Financial Conference that took place at Bretton
Woods, New Hampshire, in 1944. The effort was directed towards establishing a monetary order that could save the world from future economic depressions. The Great Depression of the 1930s was much on the minds of those who assembled at the Conference. The Depression had, among other things, led to a high rate of unemployment. John Maynard Keynes who was later to take active part at Bretton Woods had suggested earlier that, since lack of aggregate demand was responsible for the crisis, the government of a country could stimulate such a demand by its policies. Keynes was concerned about correcting a market failure by a collective action. Since he believed that the fortunes of national economies were linked, he saw the need for global collective action. Stiglitz points out that Keynes, 'the intellectual godfather of the IMF', saw the role of the IMF as facilitating the maintenance of global aggregate demand, particularly by putting pressures on governments of different countries to maintain full employment. It is ironical that, created with such economic thinking, the IMF is dominated today by 'market fundamentalists' who believe in markets, not in governments carrying out corrective actions (p. 196). The dramatic change of the World Bank and the IMF took place in the 1980s when Ronald Reagan and Margaret Thatcher preached free market ideology and these institutions became their 'missionary institutions' (p. 13).

Indeed, the IMF is not unaware of this background. In a Working Paper of the IMF, Vito Tanzi (1997) takes a historical view of the economic role of the state. He notes that between 1913 and 1980 there was considerable increase in public spending in industrial countries and
much expansion in the economic role of governments in all countries. One of the reasons for this was the manner in which Keynesian thinking was used to justify it. The goal was to maximise public employment so that the economy was less prone to market fluctuations. The other influence drew from Marxian thinking. The appearance of the Soviet Union and other socialist states and the manner in which central planning was seen by many intellectuals in the rest of the world created the demand for a 'mixed' economy which called for a large government role. Income redistribution was seen as an important policy objective with demand for public spending on health and education.

There were other influences at work as well. The concept of 'public good', made popular by Paul Samuelson and Richard Musgrave, required the government of a country to provide many such goods, for it was believed that without government effort there would be an inadequate supply of these goods. Further, the recognition that in the production of some goods positive or negative 'externalities' might be created which did not get expressed in the price of these goods meant that this was yet another case of market failure which required government intervention. The government was expected to regulate the price in such a manner that, while the price of producing goods that had desirable externalities could be reduced, the price of producing goods that had undesirable externalities could be increased. The argument about externalities was used for expanding the role of the public sector in diverse areas, especially health and education. In developing countries, moreover, it was believed in the 1950s
and 1960s that the government knew best what essential or necessary goods were. While high protection was provided to the domestic production of these goods, other goods, especially those considered luxury goods, were viewed unfavourably. These paternalistic policies are still to be seen. Thus, writes Tanzi, the state moved over the years from supporting the market to replacing it. This led to the realisation in recent years that the growth of state intervention in the market had meant that the state had neglected its own core activities. This neglect in turn had negative impact on the market, for the market required that the state carried out its core activities well. What are these core activities? Tanzi lists the following as core activities: law and order, administration of justice, honest governmental functioning, basic health care and elementary education. There is now a realisation that the state should play a smaller role in the economy. Rather than replacing the market in its allocative role, the state should take actions to make the market function better.

The story of the changing role of the state has to be seen in the context of the idea of the welfare state. Even though there are early indications of welfare measures in Europe, the idea became important after the Great Depression. Not restricted to just welfare measures for the needy, welfare came to be associated with broader social goals, especially of full productive employment. Influenced by the writings of Keynes, it was recognised that employment played a key role. While high employment would make funds available through a larger tax base for welfare, it would at the same time reduce the number of persons in need of special provisions of welfare. Against many arguments
that have been put forward in favour of welfare, including economic arguments, there has been a general criticism that through welfare measures what is taken away from those who are productive is given away to those who are not similarly productive. This reduces the incentive for productive work. Yet another criticism has been of the manner in which public institutions assigned the task of providing welfare provisions have functioned. If the welfare state meant a more active state which was promoted in Britain by the Labour government that came to power through the dramatic General Elections of 1945, it was also in Britain that the iron hand of Thatcherism upturned the consensus of the post-War Britain in favour of the free market economy. The crisis of the welfare state is often presented as a financial or economic crisis. While this is true and Thatcher used it for her purpose, it also refers, as has been pointed out, to the relations between state and society and includes such relations as between state, society and individual, and also between public, social and private. These are political questions that raise moral issues that need to be reconsidered (Parry 1985).

Faced with the challenge posed by the free market economy that found its ideological expression in Thatcherism, the state finds itself in a situation of retreat. Hobsbawm (1996) has identified general trends which affect even the most stable states. One of them is the emergence of supranational forces. They weaken the state in different ways. The creation of an economy dominated by these forces makes it difficult for the state to direct its national economy. International competition which makes it difficult to follow Keynesian policies at the national level.
reduces the power of the state to regulate employment or wages. The appearance of international banking institutions also undermines states, especially those that are not in a position to negotiate freely, for they pay by having to accept restrictive conditions for securing loans. Moreover, technological changes concerning transport and communication reduce the importance of territorial borders. This means the distinction between permanent and seasonal migration largely loses its relevance. It is possible for individuals to live or work in more than one state and be at the same time in contact with different parts of the world. The other trend that undermines the state has to do with the emergence of what has been called 'infranational' forces. The disintegration of socialist states has to be seen in this light. Secessionist movements undermine traditional state powers. Yet another trend that goes against the state is the manner in which inhabitants withdraw citizenship. This is, on the one hand, due to the decline of mobilisation by political parties or labour unions and, on the other hand, due to the rise of the values of 'consumer individualism'. Since this individualism recognises only consumption or advantage at the individual level, the state is not identified with the common good. The state is actually criticised when it appears to curtail the freedom of individuals in the pursuit of what they wish for themselves.

Several authors have drawn attention to the fact that the state is getting weakened. Two parallel developments are to be noted here. The increasing domination of the global economy by transnational corporations, some of which have become larger than many nation-states in
terms of their reach and financial capacity, is a reality. These corporations are in a position to dictate terms and for countries that need investments to extract the most favourable terms of investment. The threat that is used in negotiations is that if such favourable terms are not offered and a particular state is not in a position to make available investor-friendly policies then the investment will not be made or once made will be moved elsewhere. Given the ease of capital mobility that globalisation makes possible, such threats are not empty. Added to this problem for the state is the problem that, while the nation-state is bound by its territory, these transnational corporations are not. They operate in multiple locations and as a result are in a position to make their strategic plans beyond the boundaries of a nation-state; indeed the larger ones do it globally. Thus, the nation-state operates in a changed economic environment where its capacity to make policy impact is restricted. The other development that deserves attention is the manner in which the state has failed to deliver with respect to the expectations from it. Civil society organisations have come up everywhere in such a manner that, it has been pointed out, a veritable 'global associational revolution' seems to be underway. They seem to have appeared as if providing a 'middle way' between the sole reliance on the market and that on the state for meeting the pressing demand that neither the market nor the state is able to meet (Bhaduri and Nayyar 1996; Salamon and Helmut 2002).

Thus, among the challenges that the state faces, quite apart from the pressure put by lending organisations such as the World Bank and the IMF on states in the Third
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World seeking loans, there is the challenge of an ideology—such as Thatcherism which believed in letting the market alone generally free from governmental interference or at most with minimal such interference. The other challenge comes from operating in an economic environment where national boundaries are losing meaning and transnational corporations are able to operate in a manner that reduces the capacity of the state to regulate them. While secessionist movements weaken the state, the withdrawal of the citizens from effective participation in the polity reduces its legitimacy. Civil society organisations do not replace the state but often show the extent to which the state has failed to deliver.

Is *laissez-faire*, as some believe, one of the ways to handle the challenges faced by the state? Hobsbawm (1996) rejects this possibility. He reminds us that *laissez-faire* liberalism of the 19th century did not oppose the state itself but some state activities. The market could not function without guarantees by the state regarding law and security and the functioning of contracts. Attempts to implement free market policies since 1980 have shown their limitations, just as the Soviet experiment has shown how exclusive dependence on state power do not work. Indeed, if the documents originating from the World Bank and IMF on good governance are examined closely, right from 1989 when the study of Sub-Saharan Africa was published, there has been an emphasis on public institutions. The influence of the United Nations and Stiglitz who acted as the chief economist of the World Bank during a critical period, as Linda Weiss (1999) has argued, is visible in the *World Development Report* that
the World Bank brought out in 1997 under the title, *The State in a Changing World*. The report recognises that the pre-World War II expansion of the size and scope of governments was driven among other reasons by the need to address the problems created by the Great Depression. The post-War period saw further expansion as states expanded their activities in the direction of the welfare state. Recent dramatic changes in the global economy demand that we rethink the role of the state. The report goes on to observe: 'An effective state is vital for the provision of the goods and services—and the rules and institutions—that allow markets to flourish and people to lead healthier, happier lives. Without it, sustainable development, both economic and social, is impossible' (World Bank 1997:10). Some of the recommendations that are made such as bringing the state closer to the people and giving people a voice could very well have been made in a United Nations Development Programme (UNDP) document. The difference between Hobsbawm and the World Bank lies in the fact that, while for Hobsbawm the redistributive function of the state is critical, for the World Bank it is important to ensure that the state is effective as 'a partner, catalyst, and facilitator' so that markets may flourish.

Could the issue be of a strong state that is so to speak intervention-happy? It is instructive to read here the paper, 'State Power and the Asian Crisis' by Weiss (1999). Against the 'official' view of the crisis that blames the interventionist state for bringing the economies down by distorting market forces, she develops the thesis that it was in general the relative weakness of state capacity in the countries involved that made their economies prone to speculative investment. When this weakness is seen
together with the relative strength of the state power of the United States, then we realise how the United States through its independent action as well as through the action of the IMF gave the financial crisis an unusually severe and protracted form. She refers to a widely publicised statement of Deputy Treasury Secretary Lawrence Summers who is reported to have said in February 1998 that 'the IMF has done more to promote America's trade and investment agenda in Korea than 30 years of bilateral trade talks' (Weiss 1999: 333).

Moreover, there is no reason to assume that a state that believes in intervention (a strong state in this sense) may not at the same time turn out to be a soft state. It is good to recall what Gunnar Myrdal (1968) said more than four decades ago. In his *Asian Drama: An Inquiry into the Poverty of Nations*, he finds the state of this region reluctant to implement policies for the removal of poverty due to deficiencies in government, social and economic inequalities and vested interests in the status quo. It is this reluctance that characterises a state as a soft state for him. Similarly, commenting on the failures of independent India, Jean Dreze and Amartya Sen (1996: 8) have argued that to put the blame on the insufficient development of market incentives is inadequate. The Indian state has indeed shown 'overactivity' in some fields accompanied by 'underactivity' in others.

Should the state be made hollow? The term, the hollow state, has been used to refer to a situation where a government chooses as a matter of policy to contract out the delivery of public services to, non-profit agencies or for-profit firms, while retaining for itself just an integrative function, involving negotiating, monitoring and
evaluating contracts. Generally, in a less extreme form, it refers to a government agency relying on others for jointly delivering public services. This is the manner in which the state is supposed to move from bureaucratic to managerial. The problem with this approach is that, as has been pointed out, political principals can transfer tasks to their agents but they cannot transfer in the same manner legitimacy or for that matter responsibility. One does not reduce one's responsibility by paying someone else to perform a task. Moreover, if agents are chosen by bidding for contracts and if competition requires that bidding is done for each contract, then it is difficult to expect that agents will be willing to make long-term investments when they are not confident of reaping rewards across many contracts. This creates a situation where efficiency is required under conditions that may make it difficult to achieve (Milward and Brovan 2002). The original idea goes to David Osborne and Ted Gaebler (1992) who popularised in their book, *Reinventing Government*, the idea of countering bureaucratic malaise by bringing management into government. This approach has been criticised on many counts, one of them being that the idea of governments 'steering rather than rowing' is not new but one that goes back to the old controversy of policy versus administration (Williams 2000).

The Indian State since Independence

Jawaharlal Nehru played a significant role in Indian history not only as a nationalist leader in the freedom movement but also as the first Prime Minister of independent India.
In his famous speech, 'Tryst with Destiny', that he delivered on India gaining independence, he speaks of India awaking to life and freedom and thinks it fitting that on this solemn occasion 'we take the pledge of dedication to the service of India and a people and to the still larger cause of humanity'. As to the task ahead, he is clear:

To bring freedom and opportunity to the common man, to the peasants and workers of India, to fight and end poverty and ignorance and disease, to build up a prosperous, democratic and progressive nation, and to create social, economic and political institutions which will ensure justice and fullness of life to every man and woman. (Nehru 1947)

For the remaining part of his life till 1964 when he was the Prime Minister of India, Nehru tried to build the India of his dream. The building of the welfare state was an important aspect of this effort. In his letter to the Chief Ministers that he wrote in 1953, he reminds them that the difference between the colonial and the national government is that, while the outlook of the colonial government in social and economic affairs was a limited one, confined, for example, to some relief if a famine took place, the outlook of the national government is to prevent that type of catastrophic occurrence which took place previously. But to prevent people from starving is not enough. The welfare state that we are building, writes Nehru, must not just give relief when needed but also create opportunities of work. It is important to generate employment, for employment will ensure that the needs of the people are met. The demand that will be created by the greater purchasing power of the people,
moreover, will lead to greater production. To ensure that the people have a share and a sense of participation in the welfare state it is important to take care of the problem of mass unemployment (Gopal and Iyengar 2003: 148). Nehru was convinced that major economic problems could not be solved individually. They had to be viewed jointly and located in the context of the economic structure of the country (p. 38). His chosen instrument for the purpose was planning. In his letter of 1953 to the Chief Ministers he talks of the First Five-Year plan that he presented to the Parliament in 1951. He hopes in his letter that this plan will lay the foundation of all future plans. Indeed, during the period of the First Five-Year plan several visionary measures were undertaken. Major irrigation projects were initiated and the idea of setting up advanced institutes of technology formulated, with the first such institute being established in 1951. It was during this time that the idea of setting up steel plants was given shape which led to their actually being set up in the Second Plan which was generally believed to be oriented towards industry.

Nehru believed in the socialist pattern of society, though, it should be noted, the term 'socialism' in the Preamble to the Constitution of India was inserted later by Indira Gandhi through a controversial amendment. For building such a society peacefully and democratically planning was required. He clarified that for him there was no conflict between the private and the public sectors. Both went together. But this did not mean that private enterprises could be given full and unrestricted scope. The state had to come into the picture in a big way through the instrument of planning and regulation which included
all activities, public as well as private. The private sector had to play a role. The guiding principle though had to be what was good from the people's point of view, not from the point of view of a particular individual or group. Concretely, the socialist pattern of society meant for Nehru that everyone in the country had access to the primary things of life, such as food, clothing, housing, and so on. He wanted to achieve equal opportunity for all the people of the country (p. 156).

Nehru's legacy is variously assessed in India, though it is not denied that he wanted to build modern India with a vision. His dependence on the bureaucracy that was inherited from the colonial times was a major problem, for this bureaucracy, though successful in many ways, expanded over time and ended up creating what came to be known in India as the 'licence, control and permit raj'. If dams, steel mills and institutes of technology were created, so were numerous rules and endless red tapes. As far as Nehru's social agenda is concerned, if famines were prevented, the task of ending 'poverty and ignorance and disease' remained unaccomplished. As Dreze and Sen (1996) have shown, not only is India's performance poor in this respect but India has also been outclassed by many other developing countries. Indeed, with respect to elementary education, India lags behind even the average performance of the poorest countries of the world (pp. 2-3). Sen (1986) has argued elsewhere that it is the lack of political will that has prevented India from performing better.

From the time of Nehru's death in 1964 to the economic crisis of 1991, there was much that happened in India.
Gone was the vision of Nehru about building India. It was replaced by sectional politics where what could be extracted from the state and its patronage became more important than the collective fate of all. Populism became the rhetoric of politics. This was to extract its price later. Only two important developments may be briefly mentioned here that had impact on the Indian state. First, in 1975, a State of Emergency was declared in India on the recommendation of Indira Gandhi, the then Prime Minister, that lasted for nearly two years. This was the greatest challenge to democracy in India. Second, it became clear during this time that, with the Congress losing its hold on the electorate, coalition politics and power sharing had come to stay in India, creating its own compulsions at different levels.

It is useful here to take note of the economic crisis of 1991. We follow here the account of the crisis given by Amit Bhaduri and Deepak Nayyar (1996). The economic crisis was an external debt crisis when India was close to failing to meet its debt obligations. Two factors precipitated the crisis. Due to the reduced international confidence in India, it became difficult to roll over short-term debts. Second, massive net outflow took place in the foreign exchange deposits held by non-resident Indians as the crisis became visible. Foreign exchange reserves fell to such levels in January and June 1991 that on both occasions the reserves were inadequate to take care of imports even for a fortnight. Reduced to a desperate condition, the government explored all possibilities of crisis management, including of using gold to raise hard currency in the foreign market. As the options for the
government ran out, it made arrangements with the IMF and the World Bank for loans to meet its requirements of payment and also to restore access to borrowing abroad from other sources. The arrangements that were made with the IMF and the World Bank were of a standard kind that involved 'stabilisation' and 'structural adjustment'. The recommended measures under the stabilisation programme were carried out that resulted in, among other things, a substantial devaluation of the rupee in July 1991. Beginning July 1991, the government embarked on reforms in conformity with the structural adjustment programme that involved several areas of policy change.

The crisis did not appear all of a sudden, nor was it an outcome of circumstances beyond control. The crisis, as Bhaduri and Nayyar (1996) point out, was due to the failure of policy. With the mounting internal as well as external debt over the years, it was clear that if there was no policy correction the country would run into a debt crisis. Yet, nothing was done by the government except literally at the last minute when the situation went out of control. The government (both Congress and non-Congress) pursued its policy of 'economic populism', unmindful of its impact. During the 1980s, resource mobilisation was inadequate as direct tax rates were reduced, while indirect taxes, already high, could not be raised further for the fear that it would prove inflationary and put a heavy burden on the poor. Against inadequate resource mobilisation, there was substantial increase in public expenditure due to mainly 'the competitive politics of populism' and major defence spending. The productivity of expenditure was low, for a large proportion of it was devoted to consumption.
This low productivity could not sustain the interest rate at which the government borrowed. The policies in the 1970s and 1980s encouraged imports—added to these was the major import of defence equipment, particularly in the second half of the 1980s, much of which was financed from foreign borrowings. Against these imports, export performance and foreign exchange remittances were modest, the earlier boom in such remittances having tapered off.

Economic liberalisation in India that began on a dramatic note, according to Bhaduri and Nayyar (1996), was not based on strategic considerations. It was a crisis-driven response to a situation where there appeared to be no alternative but to accept externally imposed prescriptions. The government turned this necessity into virtue and soon started presenting stabilisation and adjustment programmes as if they arose from its strategy of development. Be that as it may, it seems obvious among some circles in India to argue that the economic crisis of 1991 showed the shortcomings of Nehru's approach to development. The Indian economy is believed to be advancing after the bureaucratic stranglehold has been removed. This seems to confirm the view that the market should be allowed to function without state intervention. That the matter cannot be resolved in a simple manner by considering the state and the market as alternatives has been shown by an important economic thinking that sees historically complex interaction between state regulation and the growth of the market. Referring to this thinking, Bhaduri and Nayyar (1996: 46) write: 'The bravado about free market efficiency and a minimalist State is historically illiterate and lends the wrong perspective to the problems
of economic liberalisation. There is no thinking, let alone clarity, about the redefined role of the State.'

The Future or the State

Hobsbawm (1996) sees the future of the state as uncertain. While the state has not been replaced by supranational or infranational entities, it is clear that it will have to be supplemented or replaced when it comes to global issues. This does not mean that there will be no need for the state. In so far as even an undemocratic state is more responsive to political pressures than a transnational corporation, it can help defend its people against the impact of global forces. The sudden collapse of the state, as recent events have shown, can lead to turmoil in the lives of the people.

In conclusion, we can say that it is not clear how the state will function within its territory and beyond it. Since territorial boundaries are not as significant today as they were before, the state will have to function at multiple levels. The European Union provides a possible organisational form within which for a larger unity the state gives up voluntarily some of its authority without losing its identity. Within its territory, the state will need to build different kinds of partnership. This much can be said based on our recent experiences. But we shall have to go beyond our recent experiences and think innovatively. Newer organisational forms will have to be considered to enable the state to function at multiple levels, from the global through the regional to the local level. Michael Zuern
(1999) has made one such attempt. Many such attempts will have to be made. It is clear that for functioning at multiple levels the state will need to work together with other entities. Similarly, within its territory, there will be need to think of suitable organisational forms of partnership which must include more and more partners and go beyond bipolar categories. It has been observed, for example, that the recent increase in public-private partnerships all over the world is driven by a desire to bring together best practices from both government and the private sector for better delivery of public services as well as for the creation of infrastructure. Drawing from what we learn from the discussion on good governance, the state will have to function efficiently for the purpose of sustainable development and social justice. In short, the state has to reinvent itself.

What are the best organisational forms for us in our present situation, having come a long way from the time of the Greek *polls*, which will ensure that human beings fulfil their humanity? How can the highest good be achieved in this situation? These are the questions that we need to ask ourselves. We need to return to these old questions in the context of our reality. The manner in which we answer these radical questions will determine whether the state has any future at all.
The idea of civil society has a big international circulation but rather limited conceptual clarity. It provides an illustration of the principle that conceptual clarity is needed not only for theoretical reasons but also for practical purposes. A concept that suffers from ambiguity can bring confusion in real life. The rediscovery of this idea in different contexts on the other hand shows that it responds to different social needs. This makes it important to consider the idea of civil society, preferably in different societal contexts.

Civil Society in Different Societal Contexts

Dorota Pietrzyk (2003) considers the concept useful in the context of post-Communist European societies which have adopted the path of liberal democracy after the collapse of communism. With the awareness that the idea of
civil society has deep roots in political thought, she sees the new experience of societies in Eastern and Central Europe where the idea was revived in opposition to the state in the 1980s. Civil society became a major force against state oppression. She sees civil society embracing 'a dynamic range of assumptions, values and institutions, which are indispensable as a precondition of democracy, such as political, social and civil rights, the rule of law, a public sphere and above all a plurality of associations' (p. 39).

To this understanding she adds the idea of civility as well as the concept of political culture. The problem faced by post-Communist European societies arises from weak civil culture and indifference towards public life. While weak civil culture relates to the experience under the state that allowed no space for it, indifference towards public life relates to a selfish attitude in the context of the transformation that is taking place at present. The movement from civil society against the state to civil society in cooperation with the democratic state needs to be promoted, for, as she sees it, there is mutuality between democracy and civil society. For a country like Poland, democratic institutions call for strong civil society. Freedom from politics or 'anti-politics' cannot ensure freedom. Liberal democracy presupposes participation by citizens in public life. When access to political activity is available only to supporters of an authoritarian regime, freedom from politics may ensure some freedom, but this is not the case when such an activity is required by a different polity that is being built. For Pietrzyk, it is clear that civil society is actualised by a plurality of associations engaged in political activity that opposes or cooperates with
the state depending on whether it is authoritarian or democratic. This civil society is distinct from the market as well as the state, though their interconnections in liberal democracy should not be overlooked. Actually, she sees civil society performing the balancing act between a properly functioning market economy and an adequate state.

This makes sense if we consider the role played by Solidarity, an independent Polish trade union federation, which was formed in 1980. If the events in Central and Eastern Europe brought civil society into discussion all over the world, then it can well be argued that it was Solidarity that caught the attention of the world the most. It represented the voice against Communist rule not only in Poland but in the entire Eastern Bloc, starting with the strike in Gdansk shipyards in August 1980 which spread quickly and led to victory within days of the start of the strike with Lech Walesa announcing at the gate of the shipyards that the right to form free and independent trade unions had been won. Solidarity had nearly 10 million members by the time of its first Congress a year later. This was far in excess of the membership that the Communist Party could claim for itself. After years of repression by the state, Solidarity had not only to be legalised but also allowed to participate in partially free elections in 1989. The manner in which the candidates of Solidarity won seats went beyond all predictions. Walesa became the President of Poland in 1990. Within months of his assuming office, the first division of the Red Army left Poland.

Pietrzyk reflects well the experience of resistance, but she does not examine closely the problem of what has been called 'the post-Communist letdown'. It is here that
Bronislaw Geremek (1992) is useful to us. Geremek, a mediaeval historian, was one of the advisers to Walesa from the earliest days of Solidarity. Suffering during the years of repression, he later played an important role in the Polish Parliament. Geremek recognises that the idea of civil society as 'a programme of resistance to communism' appeared in Poland during the late 1970s and early 1980s, principally in connection with the movement led by Solidarity. This movement confronted the powerful state apparatus which was outside societal control but also lacking in societal support. The idea was to isolate the apparatus and undermine its legitimacy by non-violent resistance. Suddenly, it became clear that 'we, the people' could come together and go beyond isolated individual dissents, forming solidarity based on common beliefs. In the negotiations of 1989, prior to the elections that were held that year, one party went by the name 'party-governmental' and the other simply by the name 'societal', thus giving recognition to the chasm between the Polish state and Polish society. From 1980 to 1989, Polish civil society was assertive, and this became a model for people living in other European countries under the Communist regime.

The euphoria of success in bringing down this regime gave way to the frustration as the reality of the transition to democracy had to be faced. Growing xenophobia, among other negative emotions, expressed the post-communist letdown. The expectation that the disintegration of communism will bring peace in these lands was not met. What went wrong? Geremek wonders whether the hope of creating a civil society was an illusion. He answers in the negative, for he recognises that the very idea of civil
society was a liberating idea in the oppressive condition of the Communist system. He admits at the same time that the belief that the civil society that was being formed during the period of struggle against communism would prove after its collapse to be a strong buttress for building a democratic order turned out to be illusory. The word 'citizen' that was used during the days of resistance as equivalent to the word 'civic' refers less to the state and more to 'one's membership in an authentic community', a community expressed by the term, 'civil society' (p. 10). The search for such a community proved effective against the totalitarian state but not after its collapse.

Is the idea of civil society to be given up for the task of building democracy? Geremek answers once again in the negative, for he believes that civil society has a role to play in the task, though its internal content has changed. He writes:

The civil society of 1980s was a projection into the future of division that rested upon an awesome emotional unity. The civil society of more than ten years later cannot and should not base itself on emotions, but on the building of carefully nurtured institutions; on the practical realization of ethical values; and on the involvement of the greatest possible numbers of people in public life. The main task now is constructing democratic mechanisms of stability such as constitutional checks and balances: civil education in the spirit of respect for law: and the encouragement of citizen activism. Civil society does not act in opposition to the democratic state, but cooperates with it. It no longer has to be a kind of 'parallel polis', but now can simply be part of the polls. (Geremek 1992: 12)

These words have current relevance. That more than a decade after Geremek's article was published the need
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persists for taking care of many disturbing trends not only in Poland but also in other societies in Eastern and Central Europe is recognised (Seleny 2007).

Geremek notes at one place that civil society plays an important role in the United States, though the term itself is not popular there. Multiple activities, such as social, cultural and professional, take place in the form of such voluntary organisations as associations or neighbourhood groups which are outside the control of the state. Let us turn to the United States now, not to a movement there but to the publication of an influential book. Robert Putnam published *Bowling Alone: The Collapse and Revival of American Community* in 2000, expanding the argument of an article that he had published under the same name in 1995. Between the publication of the article and the book, he delivered a lecture at the London School of Economics in 1999 to which he gave the title, 'Civil Disengagement in Contemporary America'. First of all it is the published version of this lecture (Putnam 2001) that we need to consider.

Central to Putnam's argument is his understanding of social capital which he contrasts with physical and human capital. While physical capital refers to a physical object that makes a person more productive, human capital refers to the capital that one acquires in human terms for improving productivity. His chosen examples are a screwdriver for physical capital and going to school for human capital. Similarly, social capital that refers to social norms and networks built on trust and reciprocity enhances a person's productivity and at the collective
level the capacity for efficient collective action. His main argument is that Americans have dramatically less social capital at present than what they had even 30 years ago. Over this time, he argues, there has been a transformation in the United States: 'Its citizens have become remarkably less civic, less politically engaged, less socially connected, less trusting and less committed to the common good. At the dawn of the millennium Americans are fast becoming a loose aggregation of disengaged observers, rather than a community of connected participants' (p. 135). Using the metaphor of bowling, a popular sport, he shows that while the number of people engaging in bowling has increased over the last decade, bowling in teams has declined by 40 per cent. Bowling alone, thus, stands for losing social connections. This is seen in the decline of membership in all kinds of organisations and the decline in different informal social activities such as attending club meetings, going to the church, organising picnics, and so on. Matters have gone so far that it seems people are disengaging with their families. Even married people are not just bowling alone but also eating alone.

The change that has taken place in American civil society or rather the retreat of Americans from civil society is not easy to explain. A major factor in the decline of civic participation seems to be 'generational replacement'. Other factors seem to be the growing urban sprawl that disperses locations of different activities, proliferation of two-career families, and, significantly, the advent of the television. There is a powerful correlation between watching the television, especially entertainment channels, and being a 'civic slug', though it is not clear whether watching the television makes people less engaged or people who are
anyway disinclined to be engaged watch the television. Putnam is unhappy about this development, for he sees costs attached to this 'social capital deficit'. The task before the Americans therefore is to figure out how to reconnect taking into account their current reality.

In his book, *Bowling Alone*, Putnam (2000) further explains why social capital is important along with physical capital of tools and human capital of training. Social capital is related to 'civic virtue' which is at its best when it is embedded in 'intense network of reciprocal social relations' (p. 19). While social capital has a private side in the form of 'networking' where it benefits a person engaged in a network in different ways, it has a public side as well. A person stands to gain by living in a community that is connected well. Thus, for example, if the crime rate in a neighbourhood comes down because families living there are collectively vigilant, then all those who live in the neighbourhood stand to gain, even a family that does not actively participate in maintaining vigilance. He indicates an important distinction here—the distinction between bonding and bridging. While bonding networks reinforce exclusive identities (such as the membership of an exclusive club), bridging networks are outward looking and include people from diverse backgrounds (such as participation in the civil rights movement). The argument in favour of social capital in any case is an argument for connecting socially and against excessive individualism. It relates to the concern with 'the breakdown of community' and ends with a plea for the Americans to reconnect with each other.

In a full chapter devoted to 'Democracy', Putnam takes forward his argument. He sides here clearly with
Alexis de Tocqueville who points out that, if a person sees the connection between his greatest private affair and a small public affair like a proposed road across his estate, he will understand the tie that unites private interests with general interests. Democracy, as John Dewey argues, begins at home and that home is the neighbourly community. This position, Putnam recognises, goes against an old American suspicion of voluntary associations. James Madison, for example, was critical of 'mischiefs of faction' because he felt organised groups could influence elected representatives to serve the interests of the few at the cost of the good of the whole.

Putnam's argument needs to be followed closely. Voluntary associations and the social network of civil society that are called social capital contribute to democracy in different ways: external, with impact on the larger polity, and internal, affecting the participants themselves. He goes back to Tocqueville on both points. Externally, as Tocqueville shows, a view represented by an association tends to take a clear shape. Diverse minds come together and are directed towards a commonly defined goal. Internally, associations help in broadening one's perspective, for, as Tocqueville writes, the heart is enlarged by the reciprocal action of men acting together. Thus, public deliberations not only ensure clearer outcomes but also teach the virtue of public participation. Against the criticism raising doubts about the usefulness of voluntary associations for democracy, Putnam argues that they are not a panacea for all that ails democracy, but, in allowing for active participation, they reduce the danger of hearing isolated opinions of people who have not engaged with
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each other. With the reduction in political participation, there is a real danger of politics becoming less moderate, for findings show that, when people disengage with such participation, those who are left to take decisions are generally people with more extreme views. It is true that large membership groups, such as the American Association of Retired Persons, can represent the interests of their members, but there is a need for a broader view of politics that goes beyond mere advocacy of narrow interests. Advocacy groups, as pointed out by Theda Skocpol, replace interacting groups of the old civic America and compromise the idea of shared citizenship. Moreover, a community rich in civic culture offers the possibility of overcoming selfishness for the sake of the common good. Thus, studies show that social capital is correlated with tax compliance or contribution to a public good such as public broadcasting. 'Social capital,' writes Putnam, 'the evidence increasingly suggests, strengthens our better, more expansive selves. The performance of our democratic institutions depends in measurable ways upon social capital' (p. 349).

In considering societal contexts within which discussions on civil society have been carried out in the recent past, we have considered so far Poland and the United States. It is to be noted that the decline of civic engagement took place in the United States, going by Putnam's data, at a time when Poland was becoming alive to the possibility of going beyond individual dissents. As far as Putnam is concerned, the task here is not to subject him to a systematic critique, but, in view of our having drawn from his research to the exclusion of others, it is important to
indicate briefly some points of criticism. Putnam equates social capital with civil society in an ambiguous manner. It is important to note that, while social capital primarily refers to socially committed persons, civil society puts primary emphasis on voluntary associations. An additional problem in his analysis relates to the manner in which he puts together such diverse forms of social capital as personal networks and large organisations having memberships across the nation and then assigns primacy to community. He is looking for 'a community of connected participants', for he is concerned about 'the breakdown of community'. He does not consider that the idea of shared citizenship may be impaired, not promoted, by provincial communities. The last point to be mentioned here is that by his assigning normative value to social capital he lends himself to the criticism that social capital can have positive or negative consequences depending on the manner in which it gets used in a specific situation. It is not enough to suggest, as he does, that bridging social capital can create broader identities. The primary issue is not whether broader or narrower identities are created. Broader identities may provide bridges not for a positive but for a negative purpose. The critical question here is under what concrete conditions can social capital serve a positive purpose.

Our last case is India. Rajni Kothari brought out in 1988 some of his published and unpublished writings relevant to the issue in a book which carried the title, State against Democracy: In Search of Humane Governance. Kothari, a political scientist, was active in opposing the State of Emergency in India that was declared on the recommendation
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of Indira Gandhi, the then Prime Minister, in 1975. The State of Emergency that lasted for nearly two years gave Indira Gandhi sweeping powers which brought Indian democracy to 'a grinding halt'. This was the first time in independent India that people were confronted with an open authoritarianism when democratic rights were suspended. In the context of this experience, Kothari took the initiative in cooperation with others in forming the activist organisation Lokayan which was honoured with the Right Livelihood Award in 1985. In his speech accepting the award, Kothari explained that Lokayan was an endeavour to bring together movements at the grassroots and new thinking and reflection so that through a process of 'dialogue of the people' issues could be raised that went to the heart of the great divide between the two Indias defined by different levels of access to resources and opportunities.

As Kothari (1988) sees it, we live through a crisis of the state. While there is a growing democratic consciousness which gets expressed in major assertions of people's rights, there is a failing ability of the state to respond to these assertions. The state is not in a position to be an instrument of security or liberation because of many reasons, principally due to conflicting pressures on it from global corporate interests on the one hand and parochial interests on the other. It is the polarisation between the state unable to function any longer in an autonomous manner and the growing demand of the people coming from diverse sources that sets the stage for the decline in moderate modes of dissent. The danger of finding solutions outside the framework of the state or for that matter
outside the framework of civil society becomes real in such a situation. It is the awareness of this danger that brings into discussion decentralisation in plural societies like India. A perspective of decentralisation can combine the framework of the state with sensitivity about the plurality of civil society. The central idea, concludes Kothari, is 'to civilise the state and to make governance more humane than has been the case so far' (p. iv). Indeed, for Kothari, civil society is 'a take-off point for humane governance' (p. 3), concerned as it is with restoring the principle of good life in the conduct of human affairs.

One can read in Kothari a commentary on the Indian experience from the time of Jawaharlal Nehru through Indira Gandhi and her son Rajiv Gandhi to the time when Viswanath Pratap Singh became the 10th Prime Minister of India in 1989. Moving from 'the erstwhile vision of making the State a condition for civilised existence' to 'the erosion of institutional space' and then to 'the techno-managerial response', he covers political styles of three generations of the Nehru-Gandhi family, a family which has played a dominant political role in India. Kothari, the critic, has received his share of criticism for his views. While he has been criticised for an ahistorical view of the state in believing that it could be an instrument of liberation, he has also been criticised for overlooking the central issue of classes and class conflicts. Moreover, it is possible to view the Emergency and its aftermath in a different manner. Andre Beteille (2003) has, for instance, shown that, if the state and public institutions in general are seen as enemies of the common people as tended to be done after the Emergency, then we move in the direction
of the populist conception of democracy. For Beteille, such a conception, unlike the constitutionalist conception of democracy, undermines legitimate authority and with it the rights of the citizen as an individual.

The Nature of Civil Society

For the Polish experience, as we have seen, a redefinition of the role as well as the content of civil society is important, depending on whether it operates with a totalitarian or a democratic state. It has also meant a shift from establishing emotional bonds to promoting democracy. Civil society seen as 'an authentic community' of a 'plurality of associations' engaged in actively resisting communism is different from civil society that differentiates between 'citizen' and 'civil' and is engaged with a state building democratic institutions. For the United States as discussed by Putnam, the point of concern is the manner in which Americans are turning into disengaged persons rather than 'a community of connected persons'. The threat that Putnam sees is not of totalitarianism but of, among other things, impaired democracy and a reduced sense of shared citizenship. Kothari has experienced the suspension of democratic rights during the State of Emergency in India, and he has drawn his lessons. It is civil society that can help in establishing humane governance.

What is civil society? Pietrzyk's definition, as we have seen, is quite general as it includes values, institutions, associations, civility and political culture. These features of civil society are considered specifically keeping in mind
the requirements of post-communist Poland from her point of view. She is interested in promoting democracy in Poland. Geremek is as interested in promoting democracy in Poland, but he sees more clearly the problems confronting Poland after 1989. He does not give us a clear definition of civil society. It is clear though he draws from the Enlightenment thought of civil society 'as a community of free and equal citizens' (p. 5), just as he relates with the writings of Antonio Gramsci based on the principle of human rights. Drawn from the Polish experience, he mentions that in the understanding of the participants themselves civil society meant not only individual dissent or small groups but also formal organisations such as the trade, farmers' and students' union. He also mentions the network of Citizens' Committees that the activists of Solidarity formed during the period of resistance. Putnam is interested in democracy as well in the context of the United States, and he too operates with a general understanding of civil society as voluntary associations and social networks. Kothari's interest in democracy and in civil society that can promote it carries with it a broad coverage. Civil society for him includes social movements and voluntary, self-governing institutions from all walks of life.

In all these views, the idea of community appears in one form or the other. The idea of 'an authentic community' as in the Polish experience needs to be considered along with the idea of 'a community of connected persons' as in the writings of Putnam on the United States. When Kothari took the Right Livelihood Award for Lokayan, his gratitude for the award was expressed in the name of 'the
Lokayan community of activists, scholars and intellectuals' and other individuals and organisations that had played a supportive role. Yet another point of convergence appears to be 'non-political politics'. All the authors reviewed here, reflecting on their national experiences, consider political action for promoting democracy. Even in Putnam's treatment, the value of political participation is noted. It is true that political action is visualised in different ways in different contexts, but the option of 'anti-politics' is not favoured. The point to note here is that the idea of politics is not considered in a narrow sense. The idea is to address the common good as Putnam suggests or to restore the principle of good life as Kothari sees it. It is important to be active politically, though not in the sense of a political party, for, as Geremek (1992) notes, 'there is no greater threat to democracy than indifference and passivity on the part of citizens' (p. 11). Indeed, Kothari emphasises that new social movements show the need for a redefinition of the scope of politics (Kothari 1985).

Carolyn Elliott (2003) has argued that, while Putnam looks at American society from the perspective of Tocqueville, the approach adopted in Eastern Europe and the Third World is more in the direction of the Lockean perspective (p. 13). This distinction goes back to the distinction drawn by Charles Taylor (2003) between John Locke and Charles Montesquieu. Their common point of departure is the medieval notion of society in the West which, unlike the ancient view, did not define society in political terms (pp. 46-47). Thus, civil society could be differentiated from the state, a distinction that was not made by the ancients. While the Lockean perspective
in simplest terms presents civil society as a source of resistance to the state, the Tocquevillian perspective going back to Montesquieu gives place to intermediate agencies which play a positive role in the polity. The argument presented by Elliott regarding differences in perspectives in different regions of the world needs to be contested. We have noted how the Polish debate has moved from resistance to cooperation. For India, Kothari has represented the view of the state as the liberator and also as an oppressor.

While the authors considered here do well to indicate the distinction between the state and civil society, they do not serve us well with respect to the distinction between the economy and civil society. The Polish resistance was sensitive to the oppression of the state, but it was not aware of the compulsions of the market economy. This was part of 'the post-communist letdown' that was not recognised. Putnam takes the market as given, and Kothari, it has been noted, neglects, critical as he is of economism, the role of productive forces in development (Mohanty 1991:158). Just as society was defined in political terms by the ancients, society was defined in economic terms with the rise of capitalism. In Buergerliche Gesellschaft, Karl Marx sees the material condition of life distinct from the state. The autonomy of this civil society is to be sought in the economic structure of society which provides the real base on which arises the legal and political superstructure, including the state. While Fredrich Hegel considers particular interests to fall within the domain of civil society and the universal interest to be the province of the state, Marx questions him on this point. For him, it is true that civil society is the battlefield of
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private interests, but the state is not above these interests. The state actually represents the common interests not of all but all the individuals of the ruling class. In the words of the *Manifesto of the Communist Party*, 'the executive of the modern state is but of a committee for managing the common affairs of the whole bourgeoisie' (Marx 1872: 8). Marx's idea, as Taylor (2003) has shown regarding the economy having its own laws distinct from the state can be seen in some ways as an elaboration of the basic Lockean idea of a pre-political community with its own motion of economic development. A further transformation of the idea is to be seen in the elevation of the market to a 'paradigmatic status', allowing for full freedom in its operation even beyond what was entertained by Adam Smith (pp. 51-61).

Returning to Hegel and Marx, is there any other difference between them on the question of civil society? Krishan Kumar (1993) argues, following John Keane, that Hegel's concept was richer and more complex than Marx's, even though Marx claimed to have drawn from Hegel. Civil society, for Hegel, is located between the family and the state. It includes the self-seeking behaviour of the market but is not confined to it. It is indeed an arena where modern man learns that as a member of society he must cooperate with others, even for the purpose of serving his interests. It is Marx who expands the economy to make it coterminous with society itself and then dichotomises between the state (the political order) and society (the realm of economic relations), identifying in the realm of economic relations, in the words of Fredrich Engels, 'the decisive element'. It is in this context that a reference to Alvin Gouldner is relevant here. While being critical
of Marx's reductionist concept of civil society, he sees in sociology the 'third way' between atomisation of the market and domination of the state. Tocqueville contributed to this classical tradition in sociology in the most remarkable manner. Antonio Gramsci's ideas can be considered along with his ideas. He too identifies a domain between economic structure and the state, a domain which he calls civil society. It is here that hegemony is exercised through consent and direction. Unlike Tocqueville, Gramsci sees this domain as one that needs to be radically transformed for the purpose of revolutionary change. Tocqueville and Gramsci seem to show the greatest relevance for our times. Though their differences are basic, it is possible to read them in a complimentary manner. Indeed, it may not be possible to opt for one against the other. The Polish example shows that civil society needs to resist the state, just as it needs to cooperate with it, depending on the situation. If Gramsci was useful to Poland before 1989, it is Tocqueville who may be more useful now in building a democratic society.

This brief discussion on the nature of civil society has consciously taken into consideration civil society in selected societal contexts and examined some thinkers in relation to certain issues arising out of these contexts. It seemed an acceptable way to proceed with a concept that has so many layers that any attempt at a systematic treatment is made difficult. The concept of civil society has been used in all possible ways. Even though the discussion here has not highlighted all the complexities, it has hopefully served to indicate some of these, though with an explicit purpose of reducing these as far as possible.
To pull different strands together, a working definition of civil society is proposed by Surendra Munshi (2007):

Civil society refers to that autonomous public space that is between the family or household and the state, excluding the market, where citizens voluntarily associate with each other in promoting what are considered as general interests or at the least such shared interests that are not viewed as going against the interests of all. While *civil* refers to the behaviour suitable to good citizenship, *autonomy* suggests the freedom of ideas and action that is valued, especially in relation to the state and political parties concerned with political power and also the private sector that is moved by the considerations of private profit. Depending on the manner in which the state is seen playing its role, this association may take the form of cooperation or contest or even conflict with it. Typically, civil society includes such groups as are formally identified as non-governmental or non-profit organisations as contrasted with governmental or for-profit organisations, (p. 15)

It should be emphasised that, in defining civil society in the manner, Munshi does not suggest that civil society forms an independent sphere of existence. He recognises that even its autonomy can at best be relative autonomy. As Neera Chandhoke (2003) has shown, there are compelling reasons to believe that, while we can conceptualise civil society as a site where people associate in particular ways, civil society and other spheres of social life constitute each other.

**Is Civil Society Relevant?**

The question refers in the first instance to the concept of civil society itself. Kumar (1993) is critical of excavating
the concept for putting it to use in current conditions. The concept has been used earlier by thinkers in different ways for different purposes. It will lead to confusion if different ways of using the concept are put together to form a supposedly scientific concept for sociological analysis. To retrieve an archaic concept, he warns, will prove to be an arid exercise. In reply to his critics, Kumar (1994) refers to the elasticity of the concept that he finds problematic. Civil society has meant many things to many scholars, some of them going against our current understanding. He once again sees problems in pursuing 'the seductive but perhaps ultimately specious idea of civil society' (p. 130). As if multiple layers of meaning assigned to the concept by earlier generations of thinkers was not bad enough, the popularity of the term in recent years has attracted, as Omar Encarnacion (2003) notes, diverse 'characters' of all persuasions who have used the term in different ways to suit their different agenda, resulting in confusion regarding even the meaning of civil society.

Apart from conceptual confusion, the question that is now being asked is whether civil society justifies the euphoria generated about it for solving the problems of the present world, especially after the Cold War. In Kumar's (1993) understanding, Poland after 1989 is a good example of the potential tyranny of civil society. Classical sociological thinking, especially of Marx, has taught us that 'society could be as pathological as the state' (p. 389). This is a lesson that needs to be kept in mind. More concretely, non-governmental organisations (NGOs) have been criticised precisely for promoting the very ills
that they are meant to alleviate, such as authoritarianism, corruption and lack of accountability (Encarnacion 2003). Through a case study of NGOs in Northern Ghana, Giles Mohan (2002), for instance, *comes to* the conclusion that the real beneficiaries of strengthening civil society through external aid had been the local elite. New institutional actors tend to get created as leaders or managers of the voluntary sector corner privileges for themselves and help in further delegitimising the Third World state. When a charitable view is taken of civil society, it is often used as a euphemism to hide deprivation. As people in troubled countries establish neighbourhood organisations or soup kitchens and as foreign aid flows into such activities, it will be wrong to overlook that we cannot make a virtue out of survival strategies. No prosperous society can be built upon such desperate attempts to fight deprivation in the absence of stable public support (Alcantara 1998). Moreover, some research findings, historical as well as contemporary, raise doubts about the connection between civil society and democracy. Civil society, in short, is not as virtuous as is often assumed (Encarnacion 2003).

Critical though this picture is of civil society, we must recognise that civil society is a major presence in the world today. It is seen that support for civil society initiatives within USAID has grown over the years (Encarnacion 2003: 709). According to the Johns Hopkins Comparative Nonprofit Sector Project, reporting data relating to 1995, the non-profit sector, excluding religious congregations, accounted for 1.1 trillion US dollars, employing close to 19 million full-time equivalent workers in 22 countries drawn from Europe, other developed countries and Latin
America for which the data was collected. If the non-profit sector in these countries is visualised as a separate national economy, it would be the eighth largest economy in the world. This does not include the work of volunteers, and, if the voluntary effort is included in these countries, it will further boost the number of persons engaged in the sector, taking the number of full-time equivalent employees to 29.6 million (Salamon and Helmut 2002: 335-38). The power of civil society is both enhanced and challenged by the growth of information and communication technologies. New technologies provide civil society groups with the tools to disseminate views and coordinate activity both within and across national borders. New technologies at the same time provide increased possibilities for universal access to information as well as new mechanisms for more direct participation in decision-making processes (Amoretti 2007).

The presence of civil society in global governance has increased over time. The emerging role of NGOs, for instance, in the United Nations system goes beyond the modest stipulation of Article 71 that the Economic and Social Council may make arrangements for consultations with NGOs. The number on the roster of NGOs with consultative status has grown from 41 in 1948 to 1,350 in 1998. With a meeting of the Millennium Forum in 2000, a new landmark in governing better together was reached (Alger 2002). Speaking on the occasion, Kofi Annan, the then Secretary-General, said:

Not only do you bring to life the concept of 'we, the people', in whose name our United Nations Charter was written, you bring to us the promise that 'people power' can make the Charter work
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for all the world's peoples in the twenty-first century In some circles of late, non-governmental organizations have acquired a bad name Barely had the pepper fog settled over the Seattle protests before NGOs were branded as confrontational or even contrarian, disruptive or even destructive, anti-technology or even anti-progress Those labels overlook the pioneering role of NGOs on a new range of vital issues, from human rights to the environment, from development to disarmament We in the United Nations know that during the cycle of world conferences of last decade, it was you who set the pace on many issues You get that through advocacy and through action, by pressuring governments and by working with governments as partners and implementers (Annan 2000)

As shown by Annan, there is a need to evaluate civil society objectively. To think that if the state does not deliver civil society can do so lends itself to the possibility of committing a double error. The shortcomings of civil society may be overlooked and at the same time the mistake may be made of seeing the state and civil society as opposite principles. They have to be seen in a balanced manner, even though this may prove challenging, theoretically as well as practically. Civil society is relevant if the need for the balance is kept in mind. In the balance between different spheres of social life moreover depends whether good governance can be realised. Is good governance not after all a participative manner of governing where different modes of partnership are worked out for sustainable development with social justice?

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