Que 13. NPM is touted as a revolutionary 'Public Management Reform'. In this light, explain the reasons for adoption of NPM.

The disenchantment with the state led to what Habermas calls a dual crisis for the state - a crisis of legitimacy + financial crisis.

A sweeping change in the way govt. functioned was sought in the form of NPM or Entrepreneurial Govt, The reaso which envisaged the adoption of market practices into the govt.

The reasons for the same are:

(1) ECONOMIC

Rising public expenditures owing to welfarism, increasing corruption led to a financial crunch for the state & economy was missing.

(2) PHILOSPHOICAL

Being influenced by the New Right Philosophy, PCA an increasing emphasis was put on the role of market to serve citizen needs.

(3) POLITICAL

There was also readiness amongst the Political Executive to reform the govt. system to deal with the rising alienation of the people from the state.

(4) INTELLECTUAL

The Algor Committee Report titled 'A govt. that works more and costs less' and other such publications provided a complete roadmap to bring out the need transformation.

(5) WASHINGTON CONSENSUS

There was increasing pressure from the international financial institutions to bring about reforms in governance to implement the aid conditionalities.

Thus, the reasons for adoption of NPM were many and were aimed at increasing public sector efficiency. Such a trend was also visible in developing countries like India in the form of LPG Reforms.

Que 14. Globalization has redefined the role of the state. But it is different from a Laissez Faire state. Discuss.

Globalization requires the dismantling of a regime of controls, restrictions, secrecy and delay. It has made the state more responsive, transparent, open and accountable. It advocates a liberal economy and a 'minimalist state'.

It is markedly different from a laissez-faire state which advocate a <u>COMPLETE SEPARATION</u> of the govt. and the economy. It seeks to abolish all kinds of tariffs, duties or subsidies.

Globalisation on the other hand has redefined the state role from a <u>doer to an enabler</u>. It has now acquired a new role of a '<u>regulator</u>.'

For instance, owing to globalisation, the govt. has to protect domestic agriculturists through <u>subsidies or impose CVD (counter vailing Duties)</u> on imports to ensure a level playing field. This is in contrast to a '<u>Free Economy</u>' proposed by the Laissez faire state.

The laissez faire state also left everything including public welfare on the market but a globalised state instead focuses on <u>collaboration with different stakeholders like</u> the private sector (PPP), NGOs (education - PRATHAM), community (joint forest management) and the citizen (social audit).

Thus, though both globalisation and laissez faire state advocate a 'small state', the difference is of degree and kind.

Que 15. NPM is dead, long live DEG. comment.

NPM touted as a revolutionary public sector reform was aimed at achieving the 3Es by emphasising on 'Marketised State' but in the process faltered on some accounts :

- The private sector values of profitability, productivity, competitiveness over shadowed the public sector values of equality. justice and accountability.

- The managerial principles and practices became an end in themselves & policy concerns were overlooked.

- There was a marked absence of clear accountability of public sector or the gout.

- The greatest loophole of NPM was treating citizen as a customer, leading to an uneasy relationship between the citizens and the politics.

The revolutionary idea of NPM thus led to distancing of citizen and the state. This disaggregation was replaced by re-integration provided by Digital Era Governance. It emphasised on 'need-based wholism' and digitalisation of gout. operations, making G2C and C2G interaction more frequent and convinient.

For instance, 'MyGov' initiative of the gout. enables citizen to present their ideas, express their grievance and participate in a host of gout policies. Digital tech has thus made gout more citizen-friendly.

'NPM is dead, long live Digital Era Governance' became the catch phrase.

However, DEG was not meant to replace NPM but to __complement__ it and better serve the needs of the people. For instance, the '__PRAGATI__' __App__ enables the PMO to directly monitor the __PPP projects__.

Both NPM and DEG are thus empowering the state as well as the citizen.