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## The Changing Role of the State

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Throughout the twentieth century, the role of the state has undergone significant changes. In the West, the demands for social and economic reconstruction after the Second World War led to the emergence of welfare states that assumed responsibility for protecting the relatively poor, equalising opportunities to health and education services, creating state-owned enterprises and managing macro-economic cycles. For the developing countries that became independent in the 1950s and 1960s, this was the model of the state they aimed to follow. During the 1970s there was growing concern over the capabilities of the state and public administrations in developing countries to undertake these responsibilities. The rise of neoliberal thinking and the development of New Public Management approaches in countries like the UK and New Zealand in the 1980s and 1990s led to an emphasis on the role of the market and a bias against public provision and state expansion.

Another major change to the role of the state has been caused by globalisation, leading to increased inter-dependence of states and changes to the concept of state sovereignty. The state has also been impacted by the rise of democratisation across the world and a growing emphasis on citizens as the source of legitimate state authority. This has given impetus to the recent trend for decentralisation and an emerging recognition of the importance of government at the local level.

### The role of the state

Batley, R., 2006, 'The Changing Role of the State in Development', Chapter 1 in eds. Nickson, A. and Alam, M., *Managing Change in Local Governance*, Commonwealth Secretariat, London

This short chapter reviews the development of the state from the beginning of the twentieth century to the present day, arguing that the state currently has fewer directly performed functions and works more in partnership with other actors. The wisdom of transferring the Western model of the 'extended' state to newly independent countries in the 1950s and 1960s is debated, along with the imposition of neo-liberalist ideals, in relation to minimising the state, during the 1980s and 1990s. In the last decade there has been a renewed concern with building state capacity and ensuring the effectiveness of public administrations, mainly via the

‘good governance’ discourse. The author argues that states in developing countries now need the capacity to move beyond focusing on creating a professional, meritocratic bureaucracy to also taking on the more managerial roles of partnering, promoting and regulating other actors.

Available at: <http://publications.thecommonwealth.org/managingchange-in-local-governance411-p.aspx>

## **New Public Management**

Throughout recent decades there has been a focus on ‘streamlining the state’ and creating professional public sector institutions. In the 1980s, following structural adjustment programmes, public administration reforms focused on ‘downsizing’ the public sector, primarily through job reduction, retrenchment and other attempts to control salary costs. From the 1990s onwards there has been an emphasis on ‘New Public Management’ reforms, first instigated in Western, developed countries and later transplanted to many developing countries. They encompass a broader set of reforms aimed at ‘building up’ the civil service, for example decentralisation, performance assessment, benchmarking, regulation, monitoring and sound financial management.

**Nickson, A., 2006, ‘The Factors Driving Government Reform’, Chapter 2 in eds. Nickson, A. and Alam, M., *Managing Change in Local Governance*, Commonwealth Secretariat, London**

The roles played by the World Bank and the IMF in promoting Structural Adjustment Programmes in the 1980s led to the ‘withdrawal of the state’ and a downsizing of the civil service. This short chapter argues that this paradoxically led to a requirement on the public administrations of developing countries to perform more complex roles. As the role of the state has shifted away from direct delivery of services, it has had to become adept at the regulation and enabling of multiple other actors, including the private sector, NGOs and lower tiers of government.

Available at: <http://publications.thecommonwealth.org/managingchange-in-local-governance411-p.aspx>

**Batley, R. and Larbi, G., 2004, ‘Changing Approaches to Public Sector Management’, in *The Changing Role of Government: The Reform of Public Services in Developing Countries*, Palgrave, Macmillan**

What is the theory behind the new trends in public service reforms? What are the pragmatic rationales for change? This study by the International Development Department at the University of Birmingham reviews both the theory and practice of public service reform, including neo-classical and new institutional economic theories. It describes the more pragmatic rationales for change in the management of public services and provides an overview of the new approaches to public sector management.

Full summary available in alphabetical appendix or online at:  
<http://www.gsdrc.org/go/display&type=Document&id=1226>

**McCourt, W., 2002, 'New Public Management in Developing Countries' in *New Public Management: Current Trends and Future Prospects*, ed. K McLaughlin, S Osborne and E Ferlie, Routledge, London**

Why has the scale of the implementation of New Public Management (NPM) in developing countries been only modest? Where it has been implemented, what has the experience shown? In what form is NPM applicable on a wider scale? This paper from the Institute for Development Policy and Management addresses these questions, highlighting the importance of adapting the NPM model to meet the needs of governments and their political contexts.

Full summary available in alphabetical appendix or online at:  
<http://www.gsdrc.org/go/display&type=Document&id=1266>

## **Citizenship and state legitimacy**

One striking feature of the modern state is the concept that citizens are the primary source of legitimate state authority. This understanding has led to an increase in measures to promote participation, accountability to citizens and democratic institutions, particularly at the local level.

**Eyben, R. and Ladbury, S., 2006, 'Building Effective States: Taking a Citizen's Perspective', Development Research Centre, Citizenship, Participation and Accountability, Institute of Development Studies, Brighton**

How can a citizen-centred approach to development build effective states by improving relations between state and society? This paper from the Development Research Centre on Citizenship, Participation and Accountability, gives an overview of current debates and analyses citizens' own views on these issues. It argues that a state's legitimacy is strengthened by civic participation, which often grows up around local issues, and can be empowered through donor support.

Full summary available in alphabetical appendix or online at:  
<http://www.gsdrc.org/go/display&type=Document&id=1994>

**Grugel, J., 2002, 'Democratization and the State', Chapter 4 in *Democratization: A Critical Introduction*, Palgrave, United Kingdom**

What type of reform is necessary to build a democratic state? Why do a number of developing countries find it difficult to bring about democracy by holding elections? This chapter from *Democratization: A Critical Introduction* examines the type of institutional reform that democratisation should involve. It argues that reforms so far have stopped at the introduction of minimal democracy, and therefore failed to produce fully democratic states. The reasons for this failure include weak state capacity, authoritarian legacies and the imperative of economic reform.

*Full summary available in alphabetical appendix or online at:*  
<http://www.gsdr.org/go/display&type=Document&id=1529>

## **External actors**

It is clear that over the last 50 years, the role of the state in developing countries has been shaped significantly by both multi- and bi-lateral external actors providing advice and resources. Donor support for good governance and 'state-building' interventions continue to shape the development of the state in developing countries. The resources below highlight the impact of external forces on the state and the need for donors to recognise their political role and ensure the appropriateness of their interactions.

### **Harrison, G., 2004, *The World Bank and Africa: The Construction of Governance States*, Routledge, London**

What are 'governance states'? How has the World Bank been instrumental in their creation in Africa? This book coins the term 'governance states' and describes the World Bank's role in their creation in Africa, using the cases of Tanzania, Uganda and Mozambique. The intimate involvement of the World Bank in the internal politics of these states is critiqued, as is the Bank's methodology and prospects for the future of governance states.

*Full summary available in alphabetical appendix or online at:*  
<http://www.gsdr.org/go/display&type=Document&id=1179>

### **Leftwich, A., 2008, 'Developmental States, Effective States and Poverty Reduction: The Primacy of Politics', United Nations Research Institute for Social Development (UNRISD), Geneva**

How can donors promote the emergence of states that facilitate poverty reduction? This paper from the United Nations Research Institute for Social Development (UNRISD) highlights the importance of politics in state formation and poverty reduction. Political processes shape the effective and developmental states that nurture the institutions needed to deliver poverty reducing growth and social welfare systems. Donors therefore need to support political processes and collaboration among local political players to help them create these institutions and effective states.

*Full summary available in alphabetical appendix or online at:*  
<http://www.gsdr.org/go/display&type=Document&id=3079>