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# **GOVERNANCE : ISSUES AND CHALLENGES**

## **B.P.A.G.-172**

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# **I.G.N.O.U.**

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# QUESTION PAPER

June – 2023

(Solved)

## GOVERNANCE : ISSUES AND CHALLENGES

B.P.A.G.-172

*Time: 3 Hours ]*

*[ Maximum Marks : 100*

**Note:** Attempt any **five** of the following questions, selecting at least **two** questions each Section. All questions carry **equal** marks.

### SECTION-I

**Q. 1. Explain the role of political and administrative executive in operational framework of governance.**

**Ans. Ref.:** See Chapter-3, Page No. 23, 'Role of Political Executive', 'Case Example' and 'Role of Administrative Executive'.

**Q. 2. Describe the ways of strengthening democracy through governance measures.**

**Ans. Ref.:** See Chapter-6, Page No. 55, 'Strengthening Democracy Through Governance: Measures'.

**Q. 3. "Stakeholders involvement in governance takes many forms." Elaborate the statement with suitable examples.**

**Ans. Ref.:** See Chapter-4, Page No. 35, 'Stakeholder Involvement in Governance: Forms'.

**Q. 4. Describe the initiatives of Information and Communication Technology in India.**

**Ans. Ref.:** See Chapter-8, Page No. 72, 'Information and Communication Technology Initiatives in India'.

### SECTION-II

**Q. 5. Elucidate the meaning, significance and principles of corporate governance.**

**Ans. Ref.:** See Chapter-10, Page No. 93, 'Corporate Governance: Meaning and Significance' and Page No. 94, 'Principles of Corporate Governance'.

**Q. 6. Write a note on sustainable human development.**

**Ans. Ref.:** See Chapter-11, Page No. 105, Q.No. 1.

**Q. 7. Explain the dimensions of decentralisation and local governance.**

**Ans. Ref.:** See Chapter-13, Page No. 124, 'Dimensions of Decentralisation and Local Governance'.

**Q. 8. Bring out the relevance of Corporate Social Responsibility.**

**Ans. Ref.:** See Chapter-15, Page No. 154, Q.No. 6.



# QUESTION PAPER

December – 2022

(Solved)

## GOVERNANCE : ISSUES AND CHALLENGES

B.P.A.G.-172

*Time: 3 Hours ]*

*[ Maximum Marks : 100*

**Note:** Attempt any **five** of the following questions, selecting at least **two** questions each Section. All questions carry **equal** marks.

### SECTION-I

**Q. 1. Explain the relationship between globalisation and civil society.**

**Ans. Ref.:** See Chapter-1, Page No. 7, Q. No. 6 and Page No. 3, 'Globalisation and the Civil Society'.

**Q. 2. Examine the role of non-state actors in governance.**

**Ans. Ref.:** See Chapter-3, Page No. 24, 'Operational Framework of Governance : Role of Non-State Actors'.

**Q. 3. "We can look at development through different approaches." Elucidate.**

**Ans. Ref.:** See Chapter-5, Page No. 43, 'Approaches to Development'.

**Q. 4. "In contemporary times, media plays a pertinent role in governance." Comment.**

**Ans. Ref.:** See Chapter-9, Page No. 81, 'Media and Governance'.

### SECTION-II

**Q. 5. Make an appraisal of the Panchayati Raj Institutions in India.**

**Ans. Ref.:** See Chapter-13, Page No. 126, 'Functions of Panchayati Raj Institutions: An Appraisal'.

**Q. 6. "Participatory institutions have been formed to move forward with the development agenda." Elaborate.**

**Ans. Ref.:** See Chapter-14, Page No. 137, 'Participative Governance'.

**Q. 7. Explain the features of sustainable human development.**

**Ans. Ref.:** See Chapter-11, Page No. 109, Q. No. 4.

**Q. 8. Write a note on Information and Communication Technology enabled Governance.**

**Ans. Ref.:** See Chapter-8, Page No. 77, Q. No. 1.

■■

# Sample Preview of The Chapter

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# GOVERNANCE : ISSUES AND CHALLENGES

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## BLOCK-1: GOVERNMENT AND GOVERNANCE CONCEPTS

### Globalisation: Role of State, Market and Civil Society



#### **INTRODUCTION**

Globalisation by an economist is the removal of trade barriers, promotion of foreign direct investment, admission of MNCs but by a sociologist it is multidimensional and has a complex framework in the nature of economics, culture, technology and politics. Globalisation is a process which interconnects nation-states and societies. It results in the bringing of important changes in one part of the world with the change in the other part of the world. Globalisation impressed the State, market and civil society to a great level. But critics argue that it damages local and national economies etc., and impoverishes the poor and vulnerable.

#### **CHAPTER AT A GLANCE**

##### **GLOBALISATION: CONCEPTUAL FRAMEWORK**

Globalisation is associated with economic, cultural, social, political and technological changes which have shrank boundaries and enhanced transnational movement of goods, services and capital. It gave birth to McDonaldization of food and culture, homogenisation of consumer interest, rising poverty and large scale spread of liberal democratic ideas. Helleiner suggests that globalisation is a dual process consisting of shrinkage of space and time due to technological advancements in transport, information processing and communications. The decision impacts the other parts of the world due to high speed connectivity and the world has become a global village. Ojha suggests that globalisation is a process of adapting irreversible changes challenging authority and welfare functions of the State and the developing countries. The European Commission (EC) defines globalisation as a process

which increases the interdependency between markets and production in many countries with the connection with trade in goods and services and flow of capital and technology. MNCs work with national bases and work under the supervision of the home country's authorities. Thompson was not happy with the EC's version and gave his own explanation. He says that the world economy is a novel structure made with disembedded economic relationships which work freely of national economies. The main actors are transnational corporations.

##### **GLOBALISATION: GENESIS**

It started during imperialism in the 16th century and reinforced during industrialisation. Robertson presents an intricate structure of globalisation in five phase, Which are:-

- (a) **1400-1750:** Germinal phase marked by the cessation of Christendom and the advent of nationalism in Europe.
- (b) **1750-1875:** Incipient phase which marked the creation of the nation-state and the starting of internationalism and universalism in Europe.
- (c) **1875-1925:** Take Off phase where the world was conceptualised as one global community.
- (d) **1925-1969:** Struggle for hegemony phase consists of the Cold War, establishment of the League of Nations and the United Nations and emergence of the Third World.
- (e) **1969-1992:** Uncertainty phase is a space exploration, space technology and acknowledgement of global environment problems and global mass media.

Some political and economic developments in the late 1980s and early 1990s, the world saw the collapse of the USSR and State socialism, breaking down of the Berlin Wall, privatisation of State industries etc.

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the rise of globalisation deregulated the banking system, liberalised trade exchange rates and growth etc. According to Thompson, between 1988 to 1998, all the governments in the world downsized their activities, the private sector expanded theirs and replaced governments as major economic players of the world picture. The Human Development Report found that the new markets grew, new actors such as MNCs and TNCs, regional blocks such as G-7, G-10, G-22 and organisation for Economic Co-operation and Development etc., were recorded post globalisation.

**PERSPECTIVES ON GLOBALISATION**

**Economic Perspective:** Advancements in IT and communication allows flexible accumulation. It helps in cross-border financial flows and coordination and reduces spatial barriers. Petras says that global capital expansion and accommodation was the result of political and technological change. Sklair defines globalisation as transnational practices referring to practices which spread State boundaries without originating at the State level. The global capitalist system influenced and controlled transnational practices and the global capitalist class did business from hegemonic nation-state. Castells argued that there was no global capitalist class but an integrated global network fixes economies and influences societies. Castells network society was the base to building IT and then global capital network.

**Socio-cultural Perspective:** Giddens explains globalisation as the product by a time-space distinctive process which shifted from local relations. It increases the network of social relations with far localities in such a way that local happenings were shaped by events many kilometres away and *vice versa*. According to Robertson globalisation is a dual process of shrinking of the world and the intensification of consciousness the whole world as a whole. Waters explains Globalisation as a social process making territorial constraints irrelevant over time and increasing awareness among people regarding the decreasing relevance of geographical constraints. He believed that globalisation is a part of the sphere of culture instead of economics or politics. It composed relationships negotiated through symbols representing values, preferences and tastes.

**GLOBALISATION AND THE STATE**

Complicated negotiation among sovereign governments, private corporations, international institutions such as World Bank, International Monetary Fund etc., influenced globalisation. It is guided by neo-liberal policies which expand capitalism via economic and strategic dominance. McMichael suggested that States faced limitations

under pressure from multinational agencies, global firms and global and regional free trade agreements. It is arguable that reduction of the State is directly proportional to the enlargement of the market and the market is the best place for equilibrium and division of labour results in absolute gain. Political interference should be allowed in the expansion of the market and its efficiency. Globalisation brings transformation of state. It changed from Welfare State to a Competition State which supports deregulation and privatisation. The public involvement is supposed to be reduced with the role of the State thus, becoming corporate in nature. The State is pushed towards global standards and is transforming. Bhaduri and Nayyar explained three types of State intervention in globalisation which are functional, institutional and strategic. Functional means to seek remedy for market failures, institutional means to seek to govern the market by setting rules of games for market players and strategic means to seek to guide the market. Every market operates under some political authority which sets some rules for market operation. The State set rules from Constitutional and legal framework for market operations, legislation on property rights to public investment in social and economic infrastructure. If in case a market fails then the State comes in and provides public facilities such as education, health, transportation etc. Markets are influenced by the internal conditions and by the forces in the State.

**GLOBALISATION AND THE MARKET**

It unites markets worldwide and shapes the working of economic agents which favours international markets. The market is organised on the basis of principles of demand and supply, self-regulation and competition. The motive of the market is profit which explains the allocation of resources through many economic activities. The firms survive with the efficiency of the market and with the innovation in production and distribution too. Globalisation supports limited government roles where it supports privatisation of public services and changes the rules in accordance with market concepts of competition and efficiency. The global market is a place where geo-political borders transcending control of nation-states. National barriers are removed to external trade and finance, deregulation of economy, expansion of portfolio capital, privatisation etc result in global markets. It is run by whole-scale liberalisation, deregulation and privatisation in commerce and production and it outsources selected services and selected production which earn good revenue. The global markets erased domestic boundaries and

united national financial markets. It happened after the collapse of socialist governments of Central and Eastern Europe. It spread capitalism worldwide. Capitalism led to the movement of capital in scope, speed and volume and increased social, economic and political power of capital. Globalisation resulted in (a) giving freedom to every individual to buy, sell, invest and get inputs from the market economy, (b) it gives opportunities to diversify risks and invest resources where he/she gets good returns, (c) people in jobs producing goods and services for international markets get higher income, (d) inward transfer of technology and know-how.

#### GLOBALISATION AND THE CIVIL SOCIETY

Globalisation makes the rich richer at the cost of the poor becoming poorer. It pollutes the environment, land, air and water and degrades culture in both developing and under developing countries. Civil societies try to protect themselves from its forces and encroachments. Civil society is the domain between economy and State which is made up of institutions, associations, social movements and forms of public communications. It works under formal rules made by higher authority which is the State. Diamond's institutional approach says that civil society is put into economic organisations, cultural organisations, informal and educational organisations, political organisations, etc. Civil society organisations are networks of groups formed from fulfilling certain interests which include local and external financial, private, charitable, social services etc. NGOs are the part of Civil society which work for environmental and social issues. Global Civil Society is an NGO at the global level for common goals and overcoming the spatial separations by working with great network spread in the world. Keane defined GCS as the vast group working across borders and are not in control of governments. They are a mixture of nonprofits, businesses, social movements, academics, artists etc. They work under a set of norms of conduct and rules. The State and market are the sources of remote decisions which do not impact communities and civil society gives a civic identity. A support for education, upliftment of women, etc., provide growth to GCS. Falk called globalisation from below which means a process involving transnational democratic forces to manage transnational market forces. It is also termed as grassroots globalisation. Bohmann explains GCS should adopt three important attributes of public spheres. They are- (1) participate in public discussions and are always open to diverse reasons. (2) remain committed to the ideals of freedom and equality, (3) always reach the maximum audience.

### **CHECK YOUR PROGRESS**

#### **Q. 1. What do you understand by globalisation?**

**Ans.** Globalisation has decreased the national boundaries and has introduced economic, cultural, political, social and technological changes. It invited McDonaldization of food, culture, higher corporate power and rise in poverty and homogenisation of consumer tastes. It invites liberal democratic ideas. This complex term is explained by Helleiner who stated that globalisation is a dual process shrinking space and time due to technological advancements in communication, transport, and information processing and actions and decisions taken in one direction or region of the world impacting other parts of the world due to faster connectivity and shrinkage of the world which has converted it into a global village. The European Commission described globalisation as a mechanism which increases interdependency between markets and production in many countries in trade in goods and services and increases flow of capital and technology. Globalisation is an economic process by the predominant neo-liberal deregulation regime and concomitant rolling back of the sovereign State control from transnational business practices. Globalisation is a legal, cultural, political and social phenomenon where socially it brings greater interaction among diverse populations. Politically, it shifts its attention to intergovernmental organisations such as WTO, the UN etc. Culturally, it brings exchange of ideas and values among cultures. Legally, it inspires to amend international law and enforce them worldwide. Globalisation creates new jobs and brings economic growth through cross-border flow of goods, capital and labour. It is often seen that these phenomena are not distributed equally across industries/countries. Globalisation provides opportunities and brings advantage to large corporations in developing a global free market in western world. Developing countries could catch up with industrialised nations with increased manufacturing, diversification, economic expansion which could bring improvements in people's standard of living. It increased social justice on an international level by focusing on human rights worldwide. The economic or political demotion of one country can create a domino effect through its trade partners. For example, the EU members such as Portugal, Greece, Spain and Ireland in 2008 faced a financial crisis. Globalisation is a polarised issue in the US where the entire industries disappeared and located in new locations abroad. It affected the middle class there. Globalisation increased homogenization. The

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big brands such as Starbucks, Nike, Gap, McDonalds which were the products of homogenization took commercial space in many nations and dominated the markets. Globalisation introduced new technology in all parts of the world such as products like cell phones, aeroplanes etc But Globalisation impacted the environment negatively due to economic development, industrialisation and international travel. Globalisation encourages global ties or making something accessible which is not restricted to a single territory. It has brought visible and regular changes in the health sector and individual well-being of societies. Globalisation removes barriers for the States from the technological deficits. It improves the industrial sector of both developed and underdeveloped countries by the flow of information and technology across borders. It gives birth to the advanced machinery which manufactures goods within territories and makes them available in all parts of the world. Politics gets affected by globalisation as it impacts the legislation of the States. The laws of developed States have been incorporated by other states by way of Ordinances. The dramatic rise of the GDP didn't help the countries with low assets that much but surveys and statistics show that the quality of life and growth have become better with globalisation. The most brilliant service provider of globalisation is the internet. The internet has increased the sharing and flow of information and knowledge, use of ideas and exchange of culture in many countries. Korea, Japan, Taiwan and China have used positive factors of globalisation the most to develop their economy and standard of living. The WTO, the IMF and the World Bank are the products or results of globalisation.

**Q. 2. State the reasons for the rise of globalisation.**

**Ans.** Some economic and political developments in the late 1980s and early 1990s are considered as the factor for the rise of globalisation. It consisted of the collapse of USSR and State socialism, fall of the Berlin Wall and triumph of western economic liberalism and it restricted economic privatisation of State industries, deregulations and budget cuts. The deregulation of the banking system, growth of technology, expansion of multinational and transnational corporations and liberalism of trade exchange rates and investments are also responsible for the rise of globalisation. Thompson explained that from the year 1988 to 1998 many governments in the world downsized their activities but private sectors flourished and replaced governments as major economic players on the world platform. It gave rise to new markets in service, financial and consumer, new actors such as

MNCs, WTO and international NGOs and INGOs, regional blocks and policy co-ordination groups such as G-22, G-10 etc., and OECD, new rules and norms in democracy, individual liberalism, human rights movements, agreements on global environment and peace and multilateral agreements such as Intellectual Property Rights, new means of communications such as internet, Mobile phones, fax machines, etc. Many scholars believe that with an increase in the Minimum Efficient Scale (MES) related to some industries, a domestic market is regarded as too small to satisfy the selling needs of these industries. In the last few decades capital barriers were reduced and increased capital flow between different economies. This enabled the availability for firms to receive finance. Global financial markets increased with global interconnectedness. Globalisation increased with the mobility of labour. People started to move between countries for work. These ideas spread across the world through free trade and connect countries with the movement of labour and capital. Neo-liberalism was adopted by many countries. The global governance via international institutions or growing alignment of national policies increased globalisation. A liberal democracy joined with free market capitalism with organised society. Transport improved and became easier globally. With the rapid growth in air travel increased the greater movement of people and goods in the world. Communication improved and became easier and information was shared around the world with the improved technology. This was also responsible for the rise of globalisation. Growth of Multinational companies with a global presence in many different economies and reduced tariffs for global trade by WTO spread globalisation.

**Q. 3. Explain the socio-cultural perspective of globalisation.**

**Ans.** Giddens defines globalisation as the result of a time-space distinctive process which changed from local relations. It mounts the network of social relations with abroad communities in such a way that local events were shaped by events many miles away and vice versa. According to Robertson globalisation is a double process of reduction of the world and the intensification of consciousness the whole world as a whole. Waters defines Globalisation as a social process making territorial constraints irrelevant over time and increasing awareness among people regarding the decreasing relevance of geographical constraints. He suggests that globalisation is a part of the area of culture rather than of economics or politics. It unites relationships negotiated through symbols