

# Editorial Introduction

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In our view administrative competence in the modern state is just as important for economic performance as 'getting the prices right'. Economic inefficiency can stem from excessive state intervention based upon rigid and non-accountable bureaucratic structures, but, like it or not, no privatisation programme can ever remove the main responsibility for economic management from the state and its administrative apparatuses. This being so, the current over-emphasis on prices in the policy debate has led to a neglect of the associated problem of administrative competence and left us dangerously under-informed about how to achieve the equally essential need for administrative reform.

This issue of the *IDS Bulletin*, like its predecessors in the public policy area,<sup>1</sup> has therefore been put together to attempt to draw attention to the distinctively *political* elements involved in the adjustment process, and to the distinctive contribution which political scientists can make to their better understanding. Briefly, this requires an analysis of two distinct but associated issues — the problem of economic regulation and of public provision.

Thus the modern state must adequately regulate the production process and guarantee the conditions under which exchanges between economic agents (whether public or private) can take place. Unless competition for scarce resources occurs within a legal and distributional framework generally regarded as legitimate, it will soon turn into antagonistic conflict and life will soon become 'nasty, brutish and short'. It is therefore impossible to privatise these responsibilities, because it is in their nature to be social, political and public.

They require the recognition of a set of universal ethical obligations which everyone must accept if anyone is to be able to pursue their own interests in peace and without fear. And this recognition can only be guaranteed through the effective development of a

*political* process — that is to say, one involving the collective development of a set of rights and obligations that will apply equally to everyone. A glance at the recent history of Lebanon, Uganda, Ethiopia or Iran will indicate just how difficult and important the development of these necessary conditions actually is in practice. Thus any set of 'adjustment' policies which, because of its apparently inequitable nature, appears to threaten the maintenance of the minimal degree of support required to sustain the integrity of the state cannot be adopted without immense *economic* cost.

But the state is now responsible for much more than the regulation of the relationships between individuals. In the socialist world it has attempted to control almost everything, but is now attempting to withdraw to some extent. In the developed capitalist countries there is extensive public provision of a wide range of goods and services. And in LDCs this role is even more central because of the greater imbalance between the power of the central institutions of the state and the underdeveloped nature of the private entrepreneurial class. This balance is shifting, especially in the Asian and Latin American NICs where a powerful domestic bourgeoisie is now emerging, but the state still plays a critical role in providing this new class with services, and in defending its interests in its relations with stronger foreign competitors. And the adequate performance of these functions requires the development of a competent structure of public service institutions — a least cost instrument of the general will — which will actually enable the political class to achieve these necessary social and economic tasks. Thus here, too, *economic* performance is an undeniably *political* matter, and can only be achieved through an interdisciplinary understanding of the links between politics and economics, public and private, which determine the basis for the adequate performance of both.

In our past issues we have focused more extensively on problems of policy and thus of regulation. Here we are now moving more directly to the detailed problems of service provision and thus of policy implementation. (From the macro-political to the micro-political spheres, to borrow the terminology of the economists.) We are therefore beginning to trespass on the field traditionally occupied by public administration

<sup>1</sup> *IDS Bulletin*

- 1984, vol 15 no 2,  
'Developmental states in East Asia: capitalist and socialist'.
- 1986, vol 17 no 1,  
'Developmental states and agriculture in Africa'.
- 1987, vol 18 no 3,  
'The Retreat of the State'.
- 1987 vol 18 no 4,  
'Politics in command?'

theory, and, indeed, several of our contributors have established reputations in that field. But I think it is fair to say that we approach the problems of administrative competence from a somewhat different perspective from the one which will be found in the public administration and management journals.

Their dominant concern has been to understand and extend the capacity to control what may be called the 'orthodox' bureaucratic model — the large-scale, centralised, hierarchical corporate structure (public or private) which has, for so long, served as the dominant mode of service provision and production. While the public agency and the joint-stock company are regulated through different external controls, their internal structures are remarkably similar, and have produced a substantial academic industry in public administration and management studies devoted to understanding and refining their capacity to function with maximum efficiency.

Now this literature presupposes that the structures they are examining function with reasonable competence — that goals are rationally set, accountability effectively enforced, managers concerned to maximise the interests of the organisation rather than their own, and so on. It is an essentially *functionalist* literature concerned with the system's maintenance rather than with change, very important for providing a scientific basis for the understanding of how such structures do operate in ideal conditions, but unable to come to terms with problems of systematic failure, or with demands for the radical transformation of the whole way in which public and private provision is to be organised.

Yet it is very evident that the current growth in interest in the problem of large-scale organisations in both the private and the public spheres derives from exactly such a sense of failure and demand for transformation. In LDCs in particular, there is a strong feeling that current levels of malfunctioning can only be explained by weaknesses in the basic organisational principles at work in the state, while a very influential literature concerned with the need for flexibility and decentralisation in large private corporations is also challenging their hierarchical and compartmentalised nature. The virulence of this 'new right' criticism is often as extreme as that displayed by the ultra-left in the 1960s and 1970s, the demand for 'revolution' just as strong. Yet the groups who are associated with these radical demands are not the politically marginalised, but amongst the most influential and powerful in the capitalist and socialist world. Indeed, the interesting thing about this phenomenon is the way it has crossed both ideological and national boundaries and completely altered the context in which the whole policy debate is taking place.

Thus our methodology is inter-disciplinary, critical and dynamic rather than one-dimensional,

functionalist and static, and, as such, will almost certainly involve some short cuts and crudities which experts in particular disciplines will find quite unacceptable. But at the same time, it will not involve the attempt to ignore or negate the significance of the logic of the 'orthodox' bureaucratic model, either in theory or in practice. This model is extraordinarily pervasive as a way of understanding and organising social provision in even the least developed societies. Both actors and observers use it as a point of reference against which to assess their own achievements, even where the gap between model and reality is extremely wide. To some extent we are arguing that that gap is a function of the fact that the model *is* inappropriate and unworkable in many of the environments where it has been set up.

But to demonstrate this, we have to start from a close and sympathetic evaluation of that model and of its positive potential — it has, after all, not established its world-wide influence on the basis of universal failure. It *is* the best structure to perform certain functions given the right conditions. Thus an important part of the collection will be concerned with an evaluation of that model (see the early part of my own article), and with an exposition of its continued relevance and of the conditions for its success in particular contexts (in the articles by White, Leonard and Crook).

But the problem of political and economic restructuring which is at present under way in LDCs, also involves a process of fundamental administrative reform and, therefore, a reevaluation of the way in which the traditional disciplines have dealt with it. We are therefore also concerned to look at the underlying theoretical critique of the existing model (in my article) and to provide a number of case studies which deal with particular aspects of it which we consider particularly important. Thus Beckman's article deals with the general debate about 'state failure' in Africa, and with the nature of the fundamental changes in social structure and organisation which, in his view, are likely to lead to significant improvements in the long term. Kaplinsky deals with the crucially important changes that are taking place in the structure of large-scale manufacturing industry where the new 'flexible specialisation' approach involves major changes in the traditional bureaucratic model. And the articles by Chambers and Wood deal with the obstacles which traditional structures put in the way of attempts to provide effective services to the poor, and suggest the need for alternatives which will make it both possible and necessary for state provision to be associated with effective autonomous activities on the part of those who need it most.

Thus, despite our critical orientation, our main concern is to produce positive rather than merely negative results. Given the infinite nature of human aspirations and the limitations inherent in human

capacities, it is never difficult to produce a damaging 'critique' of existing structures which can then be traded very profitably in the academic market-place. But where real people are suffering great deprivation at the hands of incompetent organisations, to simply leave the matter there is nothing less than irresponsible. Thus we are looking for alternatives which will not be mere utopias, but politically and organisationally plausible in the real (and usually very imperfect) conditions in which domestic and foreign agencies must operate in the Third World right now.

In some situations major transformations may now be possible, given the way in which the current economic crisis has forced even the most conservative regimes to think about restructuring. In others only the most marginal improvements may be possible in limited places. Our concern is to demonstrate that political science and political economy can make a valid contribution to the better solution of these problems, and thus produce an effective and beneficial link between theory and practice.

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