

**CHANGING WORLD and CHANGING STATE:  
RETHINKING THE ROLES OF THE STATE**

**Prof Shikha Vyas-Doorgapersad**

Department of Public Management and Governance  
School of Public Management, Governance and Public Policy  
College of Business and Economics  
University of Johannesburg  
South Africa  
Tel +27 11 559 4720  
Fax +27 11 559 2144  
Email: svyas-doorgapersad@uj.ac.za

**Prof. Dr. Coskun Can Aktan**

Faculty of Economics and Management  
Dokuz Eylul University  
Izmir, Turkey  
Email: ccan.aktan@deu.edu.tr

**Abstract**

*In the modern era of governance, state is experiencing diverse transformation technologically, economically, politically, socially, culturally, demographically and so on. The paper classifies these transformative reforms into economic, political, socio-cultural, and technological changes and therefore redefining state in accordance with these change trends. The concern raised in this paper is: how did these transformations effect the role and the functions of the state? The desktop study utilises the use of literature and documents, hence follows a qualitative and analytical approach to answer this concern, that is a subject matter of this introductory paper.*

**Key Words:** *state, transformation, government, government reform, change trends, economic change trends, political change trends, socio-cultural change trends, technological change trends.*

**JEL Classification:** D73 H1, H11

## 1. INTRODUCTION

The classical philosophers, such as Plato and Aristotle viewed ‘state’ as a primeval institution originated in Rome and Greece. Plato, in his classic book *the Republic*, proposed the theory of an ideal state. As far as a state is concerned, Plato gives ideas about “*how to build an ideal commonwealth, who should be the rulers of the ideal state and how to achieve justice in the ideal state*” (Kumar, 2017: 1). Plato’s disciple, Aristotle, later prologue in his classic *Politics* emphasized on the concept Greek City-State considering state as a community that has a purpose for its existence. The purpose of his state include ‘ethics’ and ‘virtues’ (Kraut, 2017: 1). Other philosophers insist “*on the unique features of the modern state, with its extensive rule of law, citizenship rights, and broad economic and social responsibilities. A state is more than a government; that is clear. Governments change, but states endure*” (Sibanda, 2016: 156). States, globally, have faced (and still facing) endurances due to changed economic, political, cultural, and technological change trends. Some scholars see state (technologically, economically, politically and culturally), as a ‘connected world’ due to the innovation of World Wide Web opening of various social platforms, linking various cultures and political interactions globally. Economically, the state celebrates the accomplishment of capitalism as an outcome of the Cold War. The authors maintain that the globalisation may mean differently to various countries as it has varied dimensions of impact due to contextual dissimilarities.

The paper aims to holistically analyse the impact of these change trends on the state, and hence demand more scholarly debates in the near future in country-specific contexts.

## 2. CHANGE TRENDS AND IMPACT ON THE STATE

Globally, the state is under the insightful discussions considering what could be the redefined roles of the state, what functions the state must perform and how state can improve its performance and outputs.

This expansion demands re-thinking, re-defining and re-forming the new roles that state can incorporate to meet with the demands of globalisation. This section firstly defines the changes in conceptual terms, thereafter explores these change trends analysing their impact on the state.

## 2.1. Economic Change Trends and the Changing State

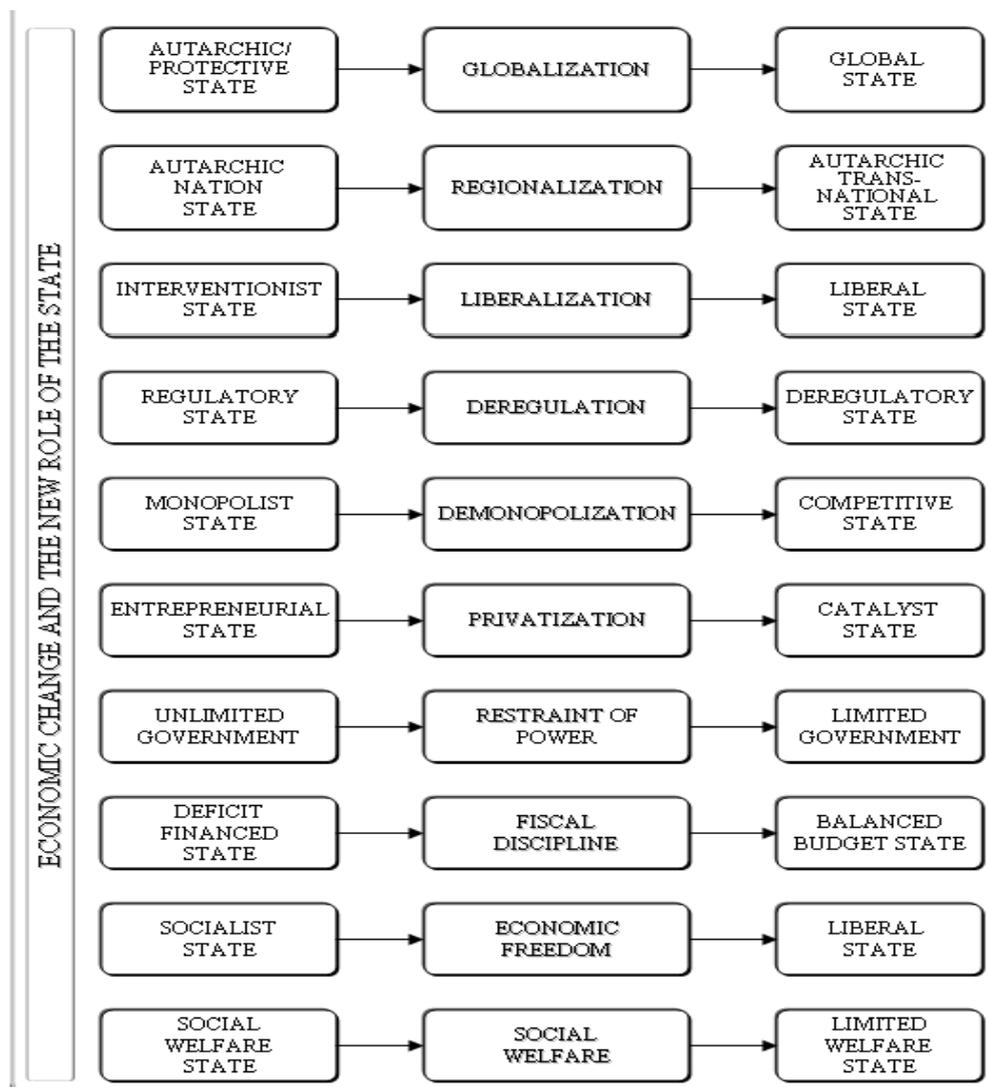
Globalization, regionalization, privatization, deregulation are major economic change trends and these movements have resulted in significant changes in the role of the state throughout the world. (Figure-1.) An autarchic nation state (that was basically “structurally biased against democracy”) (Fossum & Menéndez, 2011), due to *globalisation*, is no longer exist in many parts of the world and many state has integrated each other economically. *Regionalization* is on the other hand, a fact and the states within regional trade blocks have lost their absolute sovereign powers. Conventional nation state has transformed into trans-national state. Besides, state became more liberal, catalyst, deregulated, demonopolized etc. in various parts of the world. *Demonopolization* furthermore brought economic reforms to weaken protection of monopolies and encourage entry in all industries. *Privatization*, according to Aktan (2015) in its account is the most important policy towards economic liberalization. The *restraining of power* enhances limited government that ensures that power and authority are not exploited by the choosen leaders, hence promotes economic accountability. There is a shift from interventionist and social state bringing *liberalisation* and *economic freedom*, hence enhances the environment of liberal state. *Fiscal discipline* mechanisms help to protect taxpayers from the ‘give and take’ of the political processes that can lead to irresponsible fiscal policies (Lezar, 1994). This trend can create a balanced budget state that according to Lezar (1994) has a positive “effect of fiscal discipline on tax revenues”. A major economic trend was witnessed when a concept of *limited welfare state* was developed during 1930s. The sociologist Lester Frank Ward justified this move stating that “*the charge of paternalism is chiefly made by the class that enjoys the largest share of government protection. Those who denounce it are those who most frequently and successfully invoke it. Nothing is more obvious today than the single inability of capital and private enterprise to take care of themselves unaided by the state*” (Commager, 1950: 210).

In addition to all the above-stated economic trends conceptually, two major trends are witnessed contextually, such as economic globalisation and economic localisation (also called as decentralisation). This idea of changed economic trends was conceived during the retro years of Industrial Revolution, predicting that “*economic interdependence would prove stronger than nationalist passions*” (Drucker, 2017).<sup>1</sup> Therefore, under economic globalization, the state witnessed

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<sup>1</sup> Drucker’s ideas can also be found in this paper: Peter Drucker, The Age Of Social Transformation. The Atlantic Monthly; November, 1994; Volume 274, No. 5; Pages 53-80.

Figure 1: Redefining State In Accordance With The Change Patterns:  
 Economic Change Trends



Source: Coskun Can Aktan, Degisim Caginda Devlet, Konya: Cizgi Kitabevi, 2003. p.100.

the rise of multinational corporations and foreign direct investments (examples are United States of America, Taiwan, South Korea, Japan). The World Bank (2012), in addition, emphasises that the role of state in economic sector is to encourage competition as “market contestability (healthy entry and exit) and availability of credit information and contract enforcement are important to promote healthy competition”. In terms of credit information sharing, the World Bank (2012) highlights that the role of the state is to promote participation, ensure access and transparency, particularly in concentrated environments; private information sharing is less likely to emerge when banking systems are concentrated; state also has a role in increasing participation beyond banks to non-banks”, hence supports the economic globalisation driven change trends.

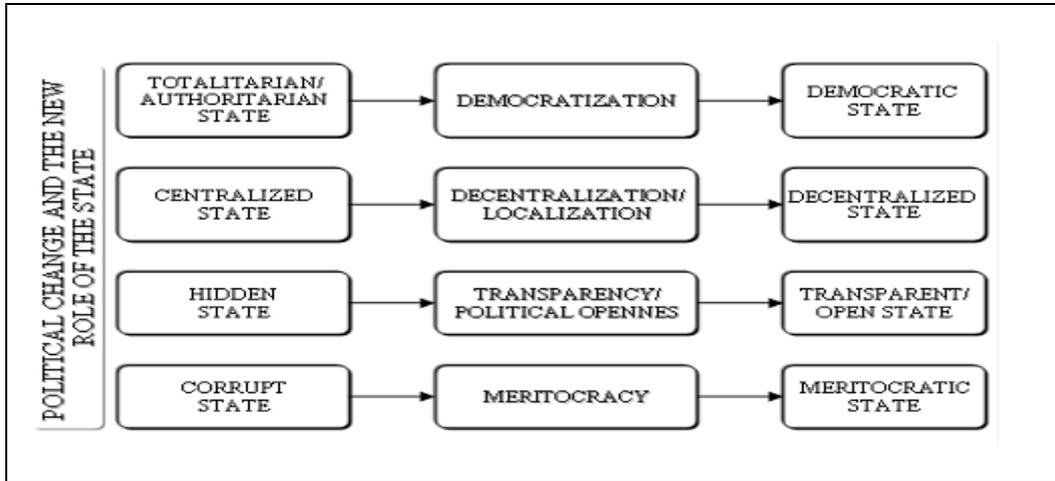
The economic change trend has also brought “*localisation that has increased the fiscal and economic powers to local governments*” (Aktan, 2015; also refer World Bank, 1999). These trends, according to the World Development Report (World Bank, 1997), have shifted attention from the sterile debate of state versus market to a more fundamental crisis in state effectiveness. In some countries the crisis has led to outright collapse of the state. In others the erosion of the state's capability has led non-governmental and people's organizations- civil society more broadly to try to take its place. In their embrace of markets and rejection of state activism, many have wondered whether the market and civil society could ultimately supplant the state. But the lesson of a half century's thinking and rethinking of the state's role in development is more nuanced. State-dominated development has failed, but so will stateless development. Development without an effective state is impossible.

## **2.2. Political Change Trends and the Changing State**

The direction of political changes, as stated in Figure 2, have experienced a move from authoritarianism to democracy, bringing new responsibilities for the state, as the importance of democracy lies in the fact that the government needs to develop partnerships with communities, consider their viewpoints and individuals, and deliver services to the community as a whole. The change has also brought decentralisation bringing “*decision-making back to the sub-national and local levels/spheres. The role of the nation-state gains increased importance as a mediating force between the forces of globalisation and localisation*” (United Nations Development Programme (UNDP), 1998). It can therefore be emphasised that decentralised and “*democratised administration is now defined as the organised governance of the state, to formulate and implement policies for*

*citizens. It is a transformation towards the applicability of a bottom-up approach”*  
(Vyas-Doorgapersad & Simmonds, 2009).

Figure 2: Redefining State In Accordance With The Change Patterns:  
Political Change Trends



Source: Coskun Can Aktan, Degisim Caginda Devlet, Konya: Cizgi Kitabevi, 2003. p.102.

This transformation demands accountability that is complemented with administrative reviews and transparency demanding openness of policies and procedures to stakeholders. The core of accountability and transparency is ethics (values, principles, morals, codes), and especially integrity that according to Cheema (2005) “*completes the continuum of accountability and transparency since it is essential to the concept of professional ethics. It is synonymous with incorruptibility or honesty. It requires that holders of public office should not place themselves under financial or other obligations to outside individuals or organizations that may influence them in the performance*” (merit) of their delegated official tasks and duties. This shift from corrupt state to meritocratic state has compelled states, globally, to establish anti-corruption regulations and agencies to combat maladministration within states. This has resulted into establishing accountability as a value-driven pillar of democracy compelling the state to hold organisations responsible for performance management, measuring the performance of state officials objectively, based on established key performance areas and indicators that are evidence-based. A meritocratic state is

now defined as merit based governance of the state, to deliver the outcomes (service delivery) effectively and efficiently.

The globalisation demands the domination of politics over the state that can be achieved through the collaboration of political and intergovernmental institutions such as European Union, the International Monetary Fund, the World Bank and the World Trade Organization. This integrated involvement brings establishment of intergovernmental, international, and global agencies. The examples are World Trade Organisation, International Monetary Fund and the United Nations, developing as political communities and evolving relationships beyond national and regional borders. These emerging global movements are therefore resulting into exceeding cross-border political movements, establishing international communication networks, and world-wide political alliances. These advanced international relations, trans-national and cross-border networks, are playing a significant role in global politics (especially in the field of human rights, anti-corruption strategies, environmental rights, and anti-terrorism activists). This trend has combined various countries with diverse powers into a single political society. Under this political globalisation, according to Göksel (nd), *“sovereignty-free actors, such as international governmental and nongovernmental organizations and ethnic groups influence the state’s authority in a situation of complex interdependence. Moreover, issues in global politics expanded to include economic, social and environmental questions (non-security issues often referred to as low politics) as well as geopolitical concerns. Third, the present era of global politics also involves the emergence of regional and global law (also described as cosmopolitan law or global humanitarian law) which challenges state sovereignty”*. The political globalization therefore may result in ideology-driven conflicts arguing the adoption of democracy, capitalism, socialism, or welfare state options that suit the political motives of countries world-wide. In addition, opportunities may be captivated where developed countries may impose their ideologies upon under-developed countries and countries in need of financial assistance, resulting into political tensions and conflicts.

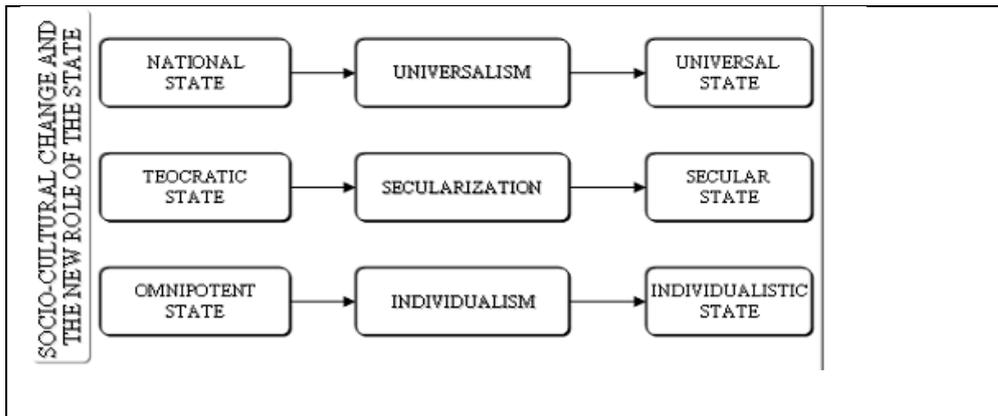
### **2.3. Socio-Cultural Change Trends and the Changing State**

In addition, there are socio-cultural factors that have given momentum to revolutionary reforms in states world-wide. These involve the relationship between the government and the governed; and develop a dialogue with open channels of communication between the government and communities. Laurence (2006) points out this transformative and re-defined role of the state that demand: *“all governments must now govern in a context where there are greater demands*

*for accountability for performance on the part of a better educated and less deferential citizenry, more assertive and well-organised interest groups and social movements, and more aggressive and intrusive mass media operating in a highly competitive information-seeking and processing environment". The social change trend has brought into discussion the idea of social justice "aims at creating a society based on the idea of equality and solidarity, the values of human rights, the dignity of every human being" (Mehlika, 2013). The cultural change trend, according to Mehlika (2013) has brought into practice the aspects of "cultural globalisation that will foster diversity when there is an interaction between boundaries leads to mixing of culture which results in pluralization. There is condensation and differentiation on ideas which brought many unique aspects of certain culture into lime light. The concept of globalization has gained popularity which would help in improving standards of life, without hampering the local tradition. Diversity itself has become a global value now which is been promoted by international organizations and movements".*

The major social and cultural changes are nationalism versus internationalism; secularization versus fundamentalism and individualism versus paternalism. We observe that state is now more universal, secular and individualistic (Figure-3).

Figure 3: Redefining State In Accordance With The Change Patterns: Socio-Cultural Change Trends



Source: Coskun Can Aktan, Degisim Caginda Devlet, Konya: Cizgi Kitabevi, 2003. p.103.

## **2.4. Technological Change Trends and the Changing State**

E-state offers *“a way for governments to use the most innovative information and communication technologies, particularly web-based Internet applications, to provide citizens and businesses with more convenient access to government information and services, to improve the quality of the services and to provide greater opportunities to participate in democratic institutions and processes”* (Fang, 2002: 1).

As a result of the development of communication and transportation technologies, the public demands an effective, efficient and seamless administration. With the invent of internet, various electronic facilities are available to the public. World Wide Web portals have created a one-stop shops for *“improving the delivery of public services to citizens. The basic idea of these portals is to provide a single, convenient place to take care of all the steps of a complex administrative process involving multiple government offices, bringing the services of these offices to the citizen instead of requiring the citizen to run from office to office”* (Gordon, 2002). Orthogonal to the division of power among the branches of government is the hierarchical organisation of supranational, national, regional and local governments bounded by geographical territory. Information and communication technology creates a ‘new accessibility’, overcoming temporal, geographical and organisational boundaries (Gordon 2002). The technological change trend has established new forms of digitalised networking and collaboration that are creative, innovative, accessible, across cross-boarders internationally.

## **3. THE WAY FORWARD**

State has been democratized and decentralized in many parts of the world in comparison to pre-1980 years. On the other hand, significant changes on the social and cultural values, norms, attitudes have also affected the state a great deal. The new state is based on citizenship, instead of national identity; is universal more than ever in terms of values; is moving towards secularism although radical religious movements are also increasing. Changes in the technological environment has brought government closer to the public in an accessible manner. Services are offered in a seamless manner without geographical and timely constraints, hence a new state is based on reformed methods of e-government, mobile-government, u-government with improved levels of communication and public participation.

The article henceforth infer the following imperatives as a way forward for further discussions, emphasising that new role of the state:

- has a catalytic understanding in that it is not centralized but decentralized; it does not provide goods and services directly to the people but through market mechanisms.

-stresses neither the extremely interventionist state nor the minimal state.

-supports the limited and *arbitrator state* where the responsibilities and functions of the state are reduced as much as possible.

-supports the rule of law based on the superiority of the law and the *individualist state* which safeguards the rights and liberties of the individual.

-supports the *liberal state* and not the authoritarian and oppressive understanding of the state.

-represents the *protective state* responsible for the lives and property of its citizens rather than a paternalistic state which hands out endowments.

-adopts the understanding of a *responsive state* which protects orphans, the elderly, the mentally disabled and the physically disabled. The responsive state is a concept completely different from the traditional *paternalistic state* of the 20th century.

-refuses a budget system which is based on a deficit principle. On the contrary, the state is viewed as an entity that has to spend according to its income.

-supports the balanced budget principle which is based on striking a balance between revenues and expenses.

#### **4. THREE IMPORTANT CHANGES FOR GOVERNMENT REFORM**

The world is changing, and so are the scholarly ideas about the state's role and functions. Three important changes are therefore witnessed in this regard (Aktan, 2003):

The first is rightsizing. After the collapse of command economies in the former Soviet Union and Central and Eastern Europe, and the fiscal crises of the social welfare state in most of the established developed countries, we started rethinking the proper sphere of the government. Economists agreed on the fact that the new

role and functions as well as the new power use must be determined in accordance with the new change trends.

The second is downsizing. It gained importance especially in the 1990's. The role and functions of the government are being limited and transferred to the profit sector or non-profit sector in many countries nowadays. Privatization is a technique that allows governments to transfer their activities to the private sector. Decentralization also limits the size of the government. It is possible to load some tasks to the non-profit organizations through the voluntarization.

Another change trend about government is "restructuring." With this reform, better services and low costs in government are aimed. Now, many countries are implementing total quality management to restore the government.

It is sure that the role and functions of the government will have to be different than what it was in the past. We are currently observing these changes. The government will have to play a significant role and function in certain areas. For example, law and order will remain one of the main function of all governments. Regulatory role by the government will be very important. Many goods and services that traditionally provided by government (such as energy, postal and telecommunications, transportation, education, health care, social security etc.) will be delivered by private sector. Deregulation and privatization will continue in many developed, developing and underdeveloped countries. Private sector will have to carry a greater burden in many areas that have traditionally been the responsibility of the governments. (Tanzi 1997; Tanzi 1999).

Globalization, according to Buchanan (2012), is often seen to have lowered the importance of the state, but in the end, the states that will remain the most successful in the face of globalization is those who adapt to the changes their role makes.

Each country is shaped and moulded by its history, political and government system, culture, demographics, geographical realities, and current events and trends. These realities can of course be analysed from various vantage points. Economist, for example, would be interested in broad macro-economic policies, economic growth trajectories, as well as international treaties and bi-lateral and multinational agreements; political scientists would be attracted to the system of government and political dynamics shaping individual countries; and social scientists would be fascinated by the heterogeneous demographical realities and diverse cultures of the region. Only once these, and other, perspectives are

combined, will a fuller picture emerge (van der Waldt & Vyas-Doorgapersad, 2016). Authors further emphasised that it is thus important not to embark on an investigation of government reforms “with a narrow, silo-mentality. Only comparative and multidisciplinary perspectives will reveal complex realities shaping” (2016) the new roles of the state.

## 5. CONCLUSION

This paper has discussed the new change trends and dynamics that shape the new world order. The world is changing, and so are the scholarly and practitioners’ ideas regarding the government’s role and functions. No doubt that the government is essential for the society. Maybe, the proper question to be answered is not “*is government necessary?*”, but ought to be “*how much government is essential for a good society?*” In other words, “*what should government do?*” is more appropriate question than the question of “*what does government do?*” *Most significantly, how governments, globally, are going to implement the new roles of the state meeting the demands of the change trends?* This paper does not aim to answer to these questions. Authors have only discussed that there are great changes in the world and these winds of change forces government and all organizations to rethink, and redesign their roles, functions, processes etc. and then put forward government reform. This is an aspect of on-going debates in country-specific contexts.

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