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The Social Game between the Vote and the Democracy

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Abstract

From models of game theory, this paper attempts to question the nature collusion oligopolistic in imperfect markets vote and its true social benefit. Search to give reasons for ethical content which serves to change the electoral moral conduct and improves well-being in the public distribution of goods and services. In other words, answer the question, what should be the role of society in achieving better governance, or what must we do to improve as a community of voters? The priority challenge of contemporary societies is to instruct citizens for democracy, citizens with ability to choose and be elected. Educate political leaders, businessmen and society willing to work for the welfare of a nation without exception, not accepting corruption as a way of governing and being governed. That is the subject of this nodal essay research¹.

Keywords

Participatory Democracy, Representative Democracy, Social Control, White Vote, Social and Civic Responsibility

1. Introduction

The Italian Norberto Bobbio (2000) says that vote as a mechanism of choice is not typical of monarchical societies which began to form in the wake of the English Enlightenment. The House of Lords aristocratic government in England, for example, decided to force arguments, what was best for the people. The members of the most powerful families elected the Lords. Actually the political decisions are taken by the Congress, Assemblies and Councils, which say to the executive—president, governor and mayor—what to do and how do it. The represen-

¹This essay is one of the results of research on the New Public Management in Sabaneta Municipality, one of 10 municipalities of the Metropolitan Area of the Department of Antioquia, in the VU University Amsterdam with advisor PhD Alfons Van Marrewijk.

tatives of such bodies of power are elected under the mechanism of the popular vote (Bobbio, 1997).

If we accept, the economy gain is higher when politicians occupy public office than that outside it, then in a democratic the political candidate to achieve power depends on the support it receives from the other members of the community supporters and councilors as well as their ability to celebrate agreements with groups of voters (Mill, 2001). Hence, it is plausible to conceive the relationship between voters and political candidates as a competitive relationship between buyers and sellers, where the offers or promises of programs are used as tools to win votes (Uribe, 2000). Such electoral competition by favoritism carries to different candidates to submit government programs little differentiation. Similarities explained as *strategic opinion* in the distribution of cluster voters to achieve a winning position.

The conformation of a large number of voters around the same proposal achieves better benefits. In other words, the higher the larger social group votes are bargaining power; the greater the chances of successful candidate have (Shubik, 1992a). But perhaps the most important achievement collateral is to unite wills. A community works and is interested in the welfare of your region, who have common interests, which gradually generates political culture, citizenship training, attachment or love for your region.

The obstacles to cooperating or forming social groups can be seen, in two different forms, on the one hand as the problem of deciding on the division of profit of cooperation and on the other hand, the problem of ensuring that the agreement is carried out correctly. The first problem has a solution in the kind of public good that conglomerates social group; therefore the gain is equal to the service it provides good conglomerate. The second problem has a possible solution through mandate revocation if the successful candidate does not comply with the agreement (Uribe, 2000). In other words, the solution to these obstacles can be accomplished by creating laws to enforce compliance with the agreements (Shubik, 1992a).

2. The White Vote: A Sample Imperfect Political Culture

In the fable, “*Essay on the lucidity*” the Portuguese novelist José de Sousa (Saramago, 2004) highlights the power of decision maneuver and every citizen, to exercise their right to vote in white. It is a wonderful fable, in which the novelist reflects on the reasons why we vote, when often neither candidate effectively addresses the social and economic needs of the population. A story that invites us to be critical of ourselves, to urge in our own ignorance citizens. How does a voter defend democracy but knows how to exercise it properly? Is this, how to return an appropriate instrument of social growth in an instrument bind of backwardness and violence? I think which is why the abundance of selfishness and lack of social sympathy or of a genuine political consciousness in what we do.

When man is aware of the choices you make, he’s really free in his thinking and his political action. From there, the man can be moral as long as the man be educated properly on the sympathy of feeling with the other in other words responsible to others (Mill, 2002). From this perspective, the white vote or disagreement can be a mechanism for individual political pressure and solidarity, used to force a more responsible ethical attitude of candidates with the electors who choose to rely on them as doers of good public (Muñoz Cardona, 2009).

The white vote means the exercise of citizenship of an ethic of responsibility. It is the act of solidarity, through which citizens of a region come together in one mind sympathetic to reject the low quality of government programs or poverty of moral and ethical values of the candidates (Smith, 1997). To express this, the voters marked on the ballot, vote white.

In the [Colombian Political Constitution \(2005\)](#) the articles 103 al 106; 258 al 263 asked:

- The white vote is a form of electoral participation. It is a valid political position to prove the dissatisfactions against candidates.
- When the white vote constitutes a majority, of the total valid votes, the election shall be repeat only once.
- The white vote winning candidate no favors.
- The vote null and void not taken into account for counting of votes and is not interpreted as a sign of rejection, answer or rebellion.
- The white vote is an eloquent and censorship democratic candidates and political organizations that support.

According to what I read in the articles of the [Political Constitution \(2005\)](#), the only true in electoral practice, is that not the same voting in white that abstain from voting; because the blank votes not necessarily support the lack of solidarity of majorities, but yes abstentionism. For example: if elections for mayor of Sabaneta only 3% choose to vote, the candidate benefited wins with 3% or less, so is the candidate most citizens not want. Otherwise the case if 100% of voters decide to elect: 33% for the Liberal candidate. 32% in favor of the Conservative

candidate. 20% of invalid votes and 15% of white votes. Earn Liberal candidate elections by having the most votes. But if 20% of dissatisfied voters decide not to show his disappointment nullifying the ballot and choose white vote, then blank votes won with 35% and elections shall be repeated once, with different candidates.

That is the difference and perhaps the only importance of the white vote as democratic mechanism of opinion, forming citizen awareness and political culture². The disadvantage is that white vote vetoes the candidate and not the party or political machinery that supports which only represents a setback in the electoral finance micro-enterprises (Barreiros, 1995).

The democratic dilemma in a social state of law is presented, when the white vote is no longer negligible and becomes representative, or to show a high percentage of social disenchantment. However, what happens, says writer and novelist (Saramago, 2004), if the white vote despite being significantly lost in electoral elections: How will affect the distribution of seats among political parties winners? Who occupies the seats do not can occupy the white vote, how to capitalize on social discontent without threatening democracy?

In Colombia, for example, the National Electoral Council, NEC, democratic downplays the white vote if loses elections, so its percentage gain is redistributed, consciously or unconsciously, between party lists who received most votes in elections. Look at it.

In Colombia there are two formulas for calculating the *threshold* of the collegiate bodies, one for Congress and one for Councils and Assemblies. For the appointment of congressmen threshold formula is 3% of the sum of the valid votes. For appointment of Councilors and Deputies threshold formula is the *quotient electoral*.

$$\frac{\text{Sum total valid votes}}{\text{Total of seats to fill}} = \frac{\text{electoral quotient}}{0.5} = \text{Threshold}$$

The difference in the use of both formulas is that the *electoral quotient* is more strict on the number of votes for the attachment of *threshold* that the second which harms the competitive market of the vote in the regions, but favors the consolidation or stability of the traditional political parties which form a collusive oligopoly. For example if we assume that the total valid votes in a municipality are 1,000,000 and the total number of seats to be filled is 21 the *electoral quotient* would be 47,619 so the *threshold* would be 95,238 votes. Note that if the total valid votes increases so grows the *electoral quotient* and therefore increases the *threshold*.

But, if on the contrary is to choose 100 members of Congress should take into account the total national vote. If the total valid votes nationwide was 13,000,000. 3% would be 390,000 votes, the *electoral quotient* of 3900 votes and *threshold* would be 7800 votes; significantly increasing electoral competition between political parties for the highest number of votes. On one hand because it gains more political seats and strengthened as a party and on the other hand because once the list exceeds the *threshold* the Colombian State recognizes their legal status and helps them financially. In other words, the state funds the political campaigns of candidates.

After making the election and Indexes facts of valid votes, the formula for distribution of seats is done according to D'Hont indicator whereby calculating the proportional representation so (Bernardo, 2004):

- Divide the number of votes obtained by each list, first one, then two, then three and so on up out of all lists, the number of higher numbers which shall be equal to the number of seats available replace.
- Found the electoral quotient the last higher number of the series. All lists that have a number equal to or greater than the quotient will be the contributors of seats according to the total of votes achieved.

For a better insight, let us assume that in the city of Sabaneta is necessary to fill in the next election 21 seats for councilors. The total valid votes obtained in the different lists were 1,000,000 broken down as follows:

- The Liberal candidate 400,000 votes. 40% of total voting.
- Conservative Candidates list 250,000 votes. 25% of total voting.
- White votes 200,000 votes, 20% of total voting.
- CR list candidates 150,000 votes. 15% of total voting.

Since in the election results, the white vote did not win, then for the distribution of seats shall take into account the lists of parties that won the vote.

As the positions of seats needed to replace the Council of Sabaneta are 21, then, are ordered from highest to lowest, the first 21 numbers higher divisions obtained from different lists as well: 400,000; 250,000; 200,000; 150,000; 133,334; 125,000; 100,000; 83,333; 80,000; 75,000; 66,667; 62,500; 57142.8; 50,000; 50,000; 50,000;

²In 2011 Colombian elections for mayors, council and governor, in the municipality of Bello-Antioquia, for the first time won the white vote so that the elections should be repeating with different candidates. This story framework, because political confidence rebounded in the validity of the vote in white democratic mechanism, but above all, the importance of social union solidarity for the good of the community.

44,445, 41666.67, 40,000, 37,500; 36363.6. The quotient is 36363.6 to be number 21 in the series higher, as shown in **Table 1**.

Not excluded from the total valid votes the blank votes then the participation of political groups in the distribution of seats strengthens. The Liberal list, went from 40% of total vote to a 52.38% stake in seats. The Conservative list went from 25% of total vote to a 28.57% stake in seats. Radical Change list increased from 15% in total votes 19.05% stake in seats.

That is, all came gainful lists, with 20% of votes in white dividing by electoral weight (See **Table 1**). Therefore, the only way the white vote is significant, is when it wins elections, otherwise it becomes meaningless. Method of distribution of seats which contradicts the constitutional mandate stating that the white vote does not favor the winning candidate, because it is no so, because it does favor them, even at their party in achieving majority in collegiate bodies (Congress, Assembly or Council).

The great social paradox, posed by model white vote is as follows: although in a state of law the white vote is a democratic expression of dissent and moral imperative of political action leaders, stops being valid politically if not win elections, or when winning are preserved the political machines or electoral companies (Saramago, 2004). The white vote and own manifestation of a democratic and participatory state longer valid because lose elections and be meaningful unable to structural changes; on the contrary strengthens lists oligarchic political tradition (Kupferman, 1984).

Therefore, the market is an imperfect market vote because it is a strategic game that allows collusive oligopoly (Muñoz Cardona, 2009)³, the conclusion of agreements, political endorsements, and above because it ensures the permanence of tradition or oligarchic governments. In other words, the concentration of political power (Uribe, 2000).

If the white vote hasn't by law the ability to limit seats, or the action of political patronage of parties; then, democracy is a machine that not allowed to be questioned; that discredits the importance and validity of the vote as an expression of social construction (Bobbio, 1997).

For the white vote has power in the moralization of states, is necessary solidarity union voters, which is only possible, not as a plot but as citizen awareness of political responsibility (Mill, 2001). This is achieved if the voters, even unintentionally, act in solidarity, as if it were a cooperative social game, or non-zero sum (Smith, 1997). In the countries with low levels of awareness citizenship, the white vote does not teach democracy, by

Table 1. Definition of seats at council in Sabaneta town.

	Liberal List 400,000 votes	Conservative List 250,000 votes	C.R List 150,000 votes
Number of Votes divided by 1	400,000	250,000	150,000
Number of Votes divided by 2	200,000	125,000	75,000
Number of Votes divided by 3	133,334	83,333	50,000
Number of Votes divided by 4	100,000	62,500	37,500
Number of Votes divided by 5	80,000	50,000	30,000
Number of Votes divided by 6	66,667	41666.67	25,000
Number of Votes divided by 7	57142.8	35,714	21,428
Number of Votes divided by 8	50,000	31,250	18,750
Number of Votes divided by 9	44,445	27,777	16,666
Number of Votes divided by 10	40,000	25,000	15,000
Number of Votes divided by 11	36363.6	22,727	13,636
Percentage of participation of each list seats	52.38%	28.57%	19.05%

Source: Illustrative model.

³The collusive oligopoly is a kind of poster with power companies try to limit competition forces, by establishing explicit or tacit agreements to fix prices, production, limit entry or prevent rivalry between them. Among the factors favoring collusion, we have the small number of companies; area agreements, product and time, the weak legal system, and the ease to detect violations in the agreements. The vote in Colombia market it is driven by electoral oligopolistic firms, which seek to consolidate their market power through the vote with a number of political seats, governors, mayors and president. To do fund their campaigns with public money and private hire image consultant's international prestige, invest in political marketing and purchasing alliances with major constituencies.

contrast, is perpetuating political machines.

On the cover of the book *“Democracy in America”* published Trota say: *“Political societies are, what they make laws, but to prepare them in advance to be feelings, beliefs, ideas, habits of heart and mind of the men who compose what the temperament and education have made them”* (Tocqueville, 2010). If voters do not have the proper training of political citizenship with the other and with the other, the white vote will not be able to gain enough weight to moralize the action of political leaders, so that democracy will become increasingly imperfect in favoring the demagoguery, the guarantees and political patronage. In other words, the force lost programmatic vote for staking community unit growth and development of the region (Muñoz Cardona, 2009).

But if programmatic is vote the instrument of unity community around alternative or proposed public spending and investment that will enhance the growth and development of the region then the white vote is the complementary good, as is the conscious vote of acceptance to these proposals is the vote that excludes demagoguery and political clientelism. It's the vote that moralize politics.

3. Pressure Groups and Political Parties

To explain the importance of lobbyists (Muñoz Cardona, 2009), builds a theoretical model based on the Banzhaf index, where shows that the groups with the largest number of voters have more bargaining power than smaller turnout. What compels candidates agree groups of voters increasingly larger common interest, where they establish what the most pressing needs of its region are and what their contribution electoral voters. Maximizing profits the group as of candidates. It is should note, that this leads to a positive externality is to legitimize public power.

It is also possible to infer that small groups of voters are not significant to the triumph of a candidate, then regions of these groups fall in the economic and social backwardness. If each of the voters in a region votes according to your preference, and does not exist reasons that motivate them to join, or to fight, for the achievement of a common public good at all, then the democratic exercise lose its appeal communal good (Shubik, 1992a). This last statement becomes a great paradox, because if the candidate has no one to press in meeting their enforceable, then evade their commitments. That is, it is necessary for society: **First**, organized in groups, collectivizes by achieving coverage of public needs. **Second**, one mostly around one candidate, forcing the trustee to comply with enforceable. **Third**, keep the union citizen confidence around their institutions, which is possible with social pressure to enforce the candidate with its promises of social welfare (Muñoz Cardona, 2009).

It is necessary that society organized by community groups of voters able to negotiate public goods necessary for their region, thus guaranteeing the executions. That is, if the coalition candidate wins, then, must fulfill their promises of improvements in social welfare, but if you lose all voters who were with him also lose (Shubik, 1992b). Election results all show clearly the imperfections. In other words, the vote market does not necessarily is creator of political culture, as it can be a major factor of social imbalance because those communities that supported the losing candidate, they miss the opportunity to get the public goods that needed for their welfare (Tocqueville, 2010), (Mill, 1987).

Vote market leads to the formation of electoral microenterprises, which seeks revenue or profit, this is seats policies-ministries, embassies, councils, assemblies, senators, temporary jobs in public institutions; in other words, power institutional. Political representation reports image permanence and utilities to party offices (Uribe, 2000). The market voting is also a source of mongering and patronage because given the number of commitments made by the applicant with different communities, far exceed the investment budgets available, so that the political leader as well he did not want to be forced to default on the judgments (Kupferman, 1984).

The existence of a market vote makes it almost impossible to guarantee the honesty of elected as the elector, because of the possibility of trading votes and winning coalitions (Uribe, 2000). Where the plaintiffs to buy (voters), and the bidders sell (candidate) needs social and individual (goods and public office)⁴. We arrived at

⁴Spanish President Mariano Rajoy in 2011 enacted a congressional reform law, which seeks to deprive public officials many benefits popular vote. Law should also cover magistrates, congressional representatives, senators, and representatives, to improve public finances and moralize political activity. The reform proposals are: 1) The deputy will live only on their salary during his tenure. In addition, will not only retirement from the mandate. 2) The deputy contributes to Social Security. Everyone (past, present and future), currently the Congressional retirement fund regime will force Social Security immediately. 3) Congressional representative benefits participate in the Social Security system just like all other citizens. The pension fund will not use for any other purpose. 4) The deputy must pay your retirement plan, like all Spanish. 5) The congressional representative will vote for his or her own salary increase. 6) The deputy will present health insurance and participates in the same health system as other Spanish citizens. 7) The deputy must also comply with the same laws as the rest of the Spanish. 8) Serving in Congress is an honor, not a career. Members must fulfill their mandates (no more than 2 terms), then go home and seek employment.

one of the typical problems of states and of contemporary societies: How to achieve the ideal shape of a political society? How to achieve a society of men more prone to search the general welfare?

The ideal case of a society clear and conscious of their real needs, could lead to full social union, the consensus, the debate for the general good, this is to evaluate and support mostly to the candidate better political agenda. This implies that the union citizen or groups ensures the success of the coalition and therefore greater social benefits, which would lead to a non-representative democracy but social participation, where people come together to make decisions based on the utilitarianism, that is, in the great social benefit (Neira, 1994). In other words, the formation of large clusters of voters around the same proposal is an instrument of pressure imposed by the dictatorship of the number and its near-absolute control (Shubik, 1992a).

4. The Social Duty after Public Choice

Achieved the candidacy it gives way to payments⁵ commitments to coalition groups during political election campaign. The ruler appoints his new cabinet and paid special favors. To facilitate understanding arises the model of game theory proposed by Italian (Domenech, 1998).

4.1. Model Assumptions

- The election campaign was conduct for President.
- The President is rational and has a proper conduct of homo economicus, so you will always seeking to maximize their individual profits.
- The President has two decision strategies:
 - 1) Not legislate (**NL**) for the realization of public goods, because the society are obedient and fully complies with the payment of taxes, which are the main source of expenditure.
 - 2) Lawmaking (**L**). Enact draft laws with due support from Congress, meet the Development Plan.
- The Society is organized into groups of voters with different interests or relating to their own community.
- The society has the following order of preference strategies:
 - 1) Collaborate (**C**). If the president is honest and fulfills its enforceable.
 - 2) No Collaborate (**NC**). If the President is dishonest and does not comply with the enforceable. Contribute as little as possible, avoid taxes.

4.1.1. Formulation of the Model

Under the assumption that the President has a selfish conduct, homo economicus, the order of preference, as the ordered pair (President, Society) is⁶:

$$(NL, NC) = 6 \gg (L, NC) = 5 \gg (NL, C) = 4 \gg (L, C) = 3$$

As the President of conduct homo economicus, choose first option (NL, NC), in other words, the strategy does not legislate, not execute, not submit bills to the legislature, postpone commitments and generate savings irrespective of how this society. Strategy becomes more profitable if you consider that the new ruler assumes the cabinet in a year with ongoing budget outgoing president, this facilitates the decision not to legislate⁷. If the President keeps decision NL is generated in social groups voting disagreements, criticism and threats of arrest that will change the decision of NL.

The second best option is (L, NC). The President will prefer to a citizens who do not believe in its mandate (evading taxes and no obey) make enforceable, legislative acts, agreements, tax amnesties, approve bills. Groups try to convince voters that he is committed to the welfare of all citizens and going to comply his campaign promises.

The third best option is (NL, C). If the President notes that the company believes in him and is willing to comply with their tax payments, that is work with the state then take advantage of the good social image having

⁵When it comes to payments we refer to payments bureaucratic jobs, create new jobs, tax cuts, public works, more welfare, etc., and the commitments made during campaigns.

⁶Mathematical notation means more preferable $\gg \dots$

⁷Ideally, the new president took office fiscal year beginning 1 January, so that the outgoing president finishes his enforceable, the realization of the projects was plan in the Annual Budget Plan, and may be judged by what he actually did or failed to do. This measure will prevent the wrong version of funds. Similarly, the incoming president should participate in developing the fiscal year budget that begins his rule.

to avoid or divert spending towards private profit.

The fourth best option for President will be (L, C) he will prefer to acquire social commitments to a society willing to obey always. Option is less preferred for him because supposed to spend the entire budget of the investment plan in meeting all its commitments and therefore not generate savings for private benefit or private gain.

Let's assume that the Society has a group behavior. That is, each member approves and supports the benefit of cluster they represent and not shown have interest in supporting or defending interests of other groups (De Waal, 2011). Each group of voters believe in the goodwill of the president-elect so they contribute to the payment of taxes are willing to abide by the rules and obey them (Domenech, 1998).

The different groups of voters established the following order of preference, as the ordered pair (President, Society).

$$(L, C) = 6 \gg (NL, NC) = 5 \gg (NL, C) = 4 \gg (L, NC) = 3.$$

The first choice for the constituency is (L, C). The Society prefers to play to obedience, because they believe in the goodwill of the president in meeting payments or enforceable. Therefore if the president is correct and meets the covenants the groups also undertake to meet tax payments facilitating public spending.

The second best option for the constituency is (NL, NC). They prefer not to obey not submit *voluntarily* if the president does not comply with the agreement on the campaign trail, in other words with the payment of tax.

The third best choice for the constituency is (NL, C). Groups of voters will prefer willingly obey well the president did not fulfill its commitments provided to achieve a certain social harmony. Renounce their political power for the sake of social and civil stability.

Fourth groups of voters will prefer (L, NC). The last thing they will want to do is fall into irrationality upset the institutional and social structures, in other words the worst for the group of voters does not work despite the president keeps his promises.

Combined orders preferences behaviors between the President and the Society is obtained the following pay-off matrix, Table 2.

4.1.2. Understanding the Model

According to the decision strategy based on the principle of maxi-min, this is where the maximum and the minimum value are equal (See Table 2). The balance point of the game for the President is to count on social obedience of the governed that they dutifully pay their tax obligations though he does not comply the commitments made in the field or with the development plan, in other words take the political and personal gain rather than the art of making the public good. Observe two things:

First, if the President knows that Society is correct with their tax payments then he will prefer not to legislate as he has the possibility of obtaining a minimum gain equals four, but if he legislates his profit will be less or equal to three, (See Table 2). Therefore, if the president has a conduct of selfish behavior (selfishness, no social or maximizing his private benefits) then he will prefer not to legislate. (Smith, 1997: p. 551)⁸.

Second, to continue the political game, the President is preferable strategy would "not legislate" since although Society is organized in groups, is divided inside (See Table 3). Therefore, the Society ends opting for a selfish behavior (Hobbes, 1994). They get tired of being right, seek to evade taxes, help plunder the budget sup-

Table 2. Payment matrix.

President	Society	
	C	NC
NL	(4, 4)	(6, 5)
L	(3, 6)	(5, 3)

Source: Illustrative model.

⁸For the father of economics is natural the existence of moderate selfishness (self-love) in humans. Every man seeks for himself what is good or pleasing. Opposite case occurs with pure selfishness or not moderate (selfishness), which aims at the exclusive importance of personal feeling regardless of the other. Feelings of sympathy that are not even possible in a society of merchants, because of being the mistrust suspicion, anger at injustice and past experiences would not allow more exchange.

Table 3. Payment matrix for president and for society.

President	Society							
	C	NC	MIN		C	NC	MAX	
	NL	4	6	4	NL	4	5	5
	L	3	5		L	6	3	
MAX		4	6	3	MIN	4	3	6

Source: Illustrative model.

port corruption. Thus, the ethics of a society divided into groups degenerates due ethics of social altruism.

Given a President who does not—it is not honest—the criterion of individuality or power group number involves not work with this president, on the contrary with political deception ethically justify civil corruption (Hobbes, 1994). Evade tax payments. It is a society seeking, bribery, lying, cheating. Even when community leaders make oversight control do it for personal gain and not social (NL, NC).

As a result the benefit of the president up to six and the society up to five. Society, to evade taxes also increases their disposable income and consumer power in the very short term. That is, the policy is passed as a virtue to vice, degenerate institutions and culture of deception and consolidates political trap (Tugendhat, 1993)⁹.

We can conclude that under the assumptions of a president with behavior homo economicus and a society divided into groups or local interests that are no integrated. In the Table 2 the equilibrium point of the game is presented there where the president does not legislate and society does not comply their tax payments. Income or gain is maximum and equal to eleven: (NL, NC) = 11¹⁰. What, we can do? Will be that society is hopelessly doomed to suffer dictatorship unsupportive of selfishness? Who said Hobbes (1994).

4.2. The Social Paradox of Political Duty

However, it will change the course of a society divided into groups by the behavior of a society of solidarity, united around a common global social sense, then, the equilibrium point of the game changes (Rousseau, 1988). Since the behavior of society would build on the philosophical principles of fraternity and solidarity enlarged which will help to improve distributive social justice. This is requires the implementation of better public policies (Aristoteles, 2004)¹¹.

If society as a whole bind is more strategic, more unpredictable in their actions to the president, more threatening because is vigilant and it requires transparency of public administration. Because ceases to be acceptor and becomes more active, which leads her to improved social and political norms existing in good of all the community, in other words, to think as a whole (Rousseau, 1988).

To prove this, game theory raises another way to find the balance, in which players seek to be unpredictable in their behavior (Muñoz Cardona, 2009).

Taking the values President for the player of the Table 3. Let **P** and **Z** probabilities of occurrence of events for the rows of the matrix of society, where $P + Z = 1$.

So that $0 < P < 1 \wedge (1 - P) = Z$.

$$4P + 5(1 - P) = 6P + 3(1 - P) \Rightarrow 4P + 5 - 5P = 6P + 3 - 3P \Rightarrow 4P = 2 \Rightarrow P = 1/2 \wedge (1 - P) = Z = 1/2$$

⁹Without fear of being wrong, think Colombian reader, for example, in the most notorious corruption case in early May 2007 in the department of Chocó, where three children died of malnutrition and lack of medical resources for public attention. Done that shocked the country and forced the rulers of that department explain. It was find that, if resources had been deliver, but did stolen, by the councilors of the municipality. Politicians involved in the robbery accomplices were convict of murder. The community of Choco seems to be accustomed the continuous theft of public resources for health, education and social welfare.

¹⁰The solution of the game due to the elimination of dominated strategies. Yes legislate for strategy is dominated by the president not to legislate, then, not to legislate is a strategic decision optimal. In addition, by having society interest group behavior, but not social, collaborate eliminate dominated strategy, since no work will generate higher profits.

¹¹In Book VII of the Politics, Aristoteles (2004) argues that democracies vary according to its constituent citizens, and institutions that support it. The first principle of a democratic government is the freedom to allow each other to live as he pleases. The second the removal of public charges. The third integrate all members of society Hence, that education and good manners: respect and prudence are essential as Adam Smith affirmed.

Taking the values Society for the player of the **Table 3**. Let s and t probabilities of occurrence of events for the columns of the matrix of society where $s + t = 1$.

Such that $0 < s < 1 \wedge (1-s) = t$

$$4s + 6(1-s) = 5s + 3(1-s) \Rightarrow 4s + 6 - 6s = 5s + 3 - 3s \Rightarrow 4s = 3 \Rightarrow s = 3/4 \wedge (1-s) = t = 1/4.$$

The statistical expectation or average value of the strategic game is equal to:

$$4 \times 3/4 + 5 \times 3/4 + 6 \times 1/4 + 3 \times 1/4 = 9$$

$$4 \times 1/2 + 5 \times 1/2 + 6 \times 1/2 + 3 \times 1/2 = 9$$

This implies that the average gain value of the game is nine. Citizenship played in four 75% chances obedience social strategy, will comply “voluntarily” with their tax payments, and will play 25% strategy no social obedience. The Society promulgated by a reduced role for the state and require the President fulfillments to collaborate again. The President on the other hand, will play half of the time to legislate, and the other half not to legislate. What requires of the society a to remain united around the common good, to seek consciously social welfare and, therefore to control the action the economic selfishness of president, to be vigilant in public spending, to investigate how it spends public money, in other words, to be more participatory socially and politically (Cortina, 1999).

A society of altruistic behavior, committed to the welfare of all citizens, this political consciousness is shall accept as the only way of action of the President and every ruler, compliance with government program (Muñoz Cardona, 2009). Society shall require the trustee administrative responsibility in the implementation of the development plan.

As the strategy ($L = 3$, $C = 6$) gives a nine social benefit (equal to the average value of the game for society of the **Table 2**), it becomes optimal in the utility function.

The President should be honest and comply with the agreement on the campaign trail, perform the executory. The Society will play to be successful, to make a social control for the benefit of the entire region and not a locality, and comply “voluntary” the payment of taxes. For it is necessary, effectively compromising the parties, creating a political culture very wide and rich in civic social values which, constitutes a great challenge in the role of politics¹². Promote in the words of John Stuart Mill, universal education in civil and political values of democracy (Mill, 2002: p. 85), (Guisán, 1995)¹³.

In other words, organize political institutions, so that the bad trustees for absence of social control in the accountability, they facilitate continuity in damages economic and moral to society in such a way that they cannot continue using the vote and democratic institutions for private purposes of the election micro enterprises For this it is necessary that citizens cease to be indifferent, regain confidence in political institutions and become permanent players in the political game. Society, as a living organism responsible for their own future, must assume the role of vigilant of political action, limiting corporate selfishness of clientelism and political machines. Society as most of beings feel and lacking which must appropriate policy instruments for the promotion of well-being or general utility, through community democracy, participatory and direct (Komadina, 2010)¹⁴.

The Bolivian Jorge Komadina Rimassa, looks at the mechanisms of participation civil and social control a high democratizing potential, that although politicizes localities not becomes corrupt, by the contrary they are filled of social presence in the field of the participatory, they created new forms of language Community. The society enriches through processes of accountability-sanction or accountability-recognition.

Before the use of the term accountability of public administration, PhD Nuria Cunill Grau says it's inaccurate,

¹²It starts to believe that the will of many is stronger than the will of one. That a highly political society formed in social values, with a stronger civil ethics will not allow dishonest practices of their rulers. In turn, the rulers who are also the product of the society in which they operate are more likely to practice public good rather than individual.

¹³Read also the comments made by the professor, Esperanza Guisán, in the introduction to the text, pages 21-22. The Englishman, John Stuart Mill, conceived the social nature of man, in the same sense as Aristoteles (2004) in Politics, on which men grouped towards the same goal of a common or general happiness, which every man becomes one with the interests of others. The desire or the will to be happy is express in part in the solidarity of the one and the other. This solidarity engenders the feeling of closeness and from it man, not only is aware of him, but also is aware of the similarity of the other, is aware of his consciousness.

¹⁴Jorge Komadina Rimassa, born in Bolivia-Cochabamba in 1959. Sociologist and political analyst. It is responsible for the thematic line “Transparency” of the Center for Applied Studies in Economic, Social and Cultural Rights (CEADESC). He has published several works on political and cultural themes, including “The Power of Political Movement” (PIEB, 2007) and “Budget Transparency Report on Prefectural Cochabamba” (CEADESC, 2008). Part of the “Red Cochabamba Departmental Transparency”. gkomadina@ceadesc.org.

because it remains unclear whether it is in the moral sense typical of a civic consciousness or in the legal sense own the synonym accountability (Cunill & Ospina, 2000) that is, to answer for (...) to comply with (...). However, from a holistic point of view, the ruler's power rests on legitimate power given by public choice and responsibility of moral conscience to fulfill his promise and the agreement in terms of governance or even from a neoclassical view of the citizen-customer economics, legal and moral responsibility may be two words complementary and not exclusive (Berlin, 2000).

For Nuria Cunill, recent trends of institutionalization of social control over public administration in Latin America forced to wonder about who, what, how and on what habitat social control can be exercised by society groups, without compromising its effectiveness and democracy itself (Cunill & Ospina, 2000). That is, how cohesive and how informed are for citizen oversight groups. How groups are trained to understand the importance and meaning of public good, as we questioned the economist and philosopher of Antioquia (Muñoz Cardona, 2010).

However, when we talk about public resources and social control of public expenditure management, citizen oversight or community of citizens that make institutions social control, they should first ask themselves; what are public goods, and what we understand by goods public? What is the nature of public goods and hence public spending? They should first ask themselves. What we understand by democracy? Of clarity that is available on these concepts depends to a large extent, the good performance of the institutions of social control; even true distributive public policies for social inclusion; This validates the success of democracy and good governance (Mill, 2002), (Nousbbaum, 2010), (Muñoz Cardona, 2009).

5. Conclusions

While in the market for goods and services, individuals improve their profits with individuality in the market of the vote, the association is required. Therefore, the paradox of social game between voting and democracy is: although the community can reach higher utility by playing the strategy (NL = 6, NC = 5), obtaining a social payment of 11, it leads to the loss of civil values, social distortion, the political practice as vice and not a virtue. A commonplace is back nepotism, corruption, evil version of funds, fraud, lying, cheating and deception policy (Mandeville, 1982).

However, there is a second best social equilibrium (L = 3, C = 6). In which the gain is smaller, but citizenship is done and wellbeing is constructed for all (De Waal, 2011). An investment only makes sense if you think about the country you want, in the welfare of future generations (Rousseau, 1988).

Every citizen must ask yourself. Do I want to live in a country with participatory democracy, with a ruler committed to meeting its executory (Maquiavelo, 1995)¹⁵? Or do I prefer living in a state of representative democracy, with ruling not very committed to meeting its executory (Mandeville, 1982)? Another way to ask the same question would be: Do you want to live in a country based on a social welfare state, where it enjoys a lower socio-economic utility today, but with the expectation that in the future this will be a better country for their children in political, economic and social development? As Rousseau would say, with the need to "look for a viable political state model as close as possible to the" Natural Piety "of men, an organization of social life—least damaging civil as possible, in a word the lesser evil. This is the purpose of the social contract" (Rousseau, 1988).

Do you want to live in a country based on the rule of representative democracy, where you can enjoy a higher socio-economic utility today, but with the certainty that in the future this will be a bad country for their children in development political, economic and social? A country that would say Mandeville in his satire: "Let, then, complain: fools only strive to make of a great honeycomb, a honeycomb honor. Fraud, Luxury and Pride must live while we enjoy its benefits. It is also beneficial when vice justice so pruning and limits, and even more, when people aspire to greatness, so necessary for the state as is the man to eat, virtue alone cannot make Nations live lavishly as they have to get rid of honesty as acorns" (Mandeville, 1982).

¹⁵In the book the "Prince" of Machiavelli, defines human freedom as the human capacity to lead and redirect the course of natural and social events to where the man wants. Thomas Hobbes in his book "Leviathan" cautions that consistent voluntary agreement to end the violent competition is also a property manifested in human nature. Reason dictates a natural law that leads men to replace violence with peace, security and insecurity eventually to negotiate their freedom with the social order of concerted political authority. Rousseau in the "Social Contract" states that when all individuals in a society join forces in order to guarantee grouping satisfaction naturally needs, but how to preserve the Freedom. Rousseau says, "... giving her strength not to another if not the entire community: to alienate everyone is not given to anyone and in continuous last giving himself to himself".

Participatory democracy or representative democracy? What kind of democratic government would rather the citizens of a country have, or what other form of government are ready to build? The society itself chooses with its form of political participation because democracy is a social truth in construction continues (Sen & Kliksberg, 2007). It is an ethical way of living in society. No is democratic but rather has experienced the value of solidarity, altruism, sympathy, social responsibility, loves the other, respects to resources and common goods and their value for future generations (Muñoz Cardona, 2006). While the values of democracy are indifferent and strange to the bulk of the population, it will prevail corruption, fraud, nepotism, and with them social backwardness; as said professor Maria Cristina Motta: “Corruption is a problem of social ethics, not of individual ethics”, is another way of governing and being governed, another way to achieve a precarious social order.

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Economic Injustice as an Understanding of the Existence of Two Americas—Wealth and Poverty

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Abstract

This essay speaks to government policies, the practices of the corporate sector, the inherited wealth of the few, and the consumptive behavior of the masses as the underlying causes of economic injustice. This is perceived as leading the country to an oligarchy.

Keywords

Economic Injustice, Economic Crisis, Capitalism, Academic Gap, Education, Financial, Poverty, Consumerism, Wealth, Affluent, Less Affluent

1. Introduction

This paper is written in the context of unifying the themes of previous papers written by the author: “*Historical Illiteracy as an Understanding of Income Inequality*” (Bedell, 2013a) and “*The Causes and Flaws in our Economic System*” (Bedell, 2013b), as well as the accumulation of inherited wealth that is leading the society to an oligarchy. We hope to enlighten the reader as to the causes that have led to the economic malaise of the two Americas—the affluent and the less affluent.

In this essay, we will point out that the causes of this situation are not only the questionable policies of the government, the practices of the corporate sector, and the inherited wealth of the few, but also of our own doing that usually is not found in public discourse.

In a recent telecast of the Bill Moyer’s Journal’s TV Program, aired in April of 2013, Mr. Moyer’s guests, Taylor Branch (historian) and James Cone (theologian), discussed Dr. Martin Luther King’s crusade for economic freedom. Subsequently during this period, King’s proposed doctrine for economic justice was formulated.

This movement took place in the 1960s, which begs the question as to whether or not we are further along to-

day—obviously not. What happened? We will present facts and insights that will shed some light on this dilemma.

2. Economic Injustice

Dr. Martin Luther King's speech delivered at Stanford University on April 14, 1967, focused on the emergence of the two Americas in our society—one for the affluent and the other for the impoverished. Before he gave that speech, he spoke to an audience at the Riverside Church in New York City on April 4, 1967, concerning a revolution of values, which essentially called for a shift from a culture of materialism to one of humanity. King changed his mission at that point in time from a focus on civil rights to the fight against poverty and for economic justice ([Martin Luther King's Speeches](#)).

He proposed the following areas to be included in an economic and social Bill of Rights:

- The right of every employable citizen to a decent job;
- The right of every citizen to a minimum income;
- The right to a decent house and the free choice of neighborhood;
- The right to an adequate education;
- The right to participate in the decision-making process;
- The right to the full benefits of modern science in health care.

To say the least, we are a long way from achieving King's aspirations. The gap between the affluent and the less affluent has increased exponentially since his time, whereas today 1% of the population controls 40% of the country's wealth.

Adding to this analysis, Author Timothy Noah recently stated in an article published in the May 19, 2013, Sunday edition of the New York Times, titled "The 1 Percent are Only Half the Problem", that the rise of the educated class creates a significant income gap between this class and the less educated class (high school or less). Years ago, the income gap between these two groups was less stark because of the influence of labor unions, which gave rise to the middle class. The stagnation of the wage scale today for the middle class can be attributed to the decline of the unionization movement ([Noah, 2013](#)).

The decline of labor unions in this century is exemplified by the situations (to name a few) in Michigan which has become a "right to work state" and the defeat of unionization in Wisconsin. The Labor Department recently reported that during President Obama's first term, the percentage of workers belonging to unions declined faster than it did during George W. Bush's two terms. The unionization rate is 11.2 percent of all workers. Private sector unionization fell from 6.9 percent to 6.6 percent and the government unionization rate dropped from 37 percent to 35.9 percent ([Wikipedia](#)).

No doubt, this decline can be attributable to today's economic and political climate.

3. Beginnings

The constitution begins with "We the People" which purports to assert the supremacy of the commoner over and against the claims and inherent power of kings and government. "*The constitution was for all intents and purposes designed to further the acquisition of property for the privileged class*", as stated by Khalil Muhammad in his book entitled "The Condemnation of Blackness". Evidently, words did not match the reality that all men are created equal, as non-privileged class people (dark skinned, women and children) were not included. How does wealth develop for the privileged few? Prior to the establishment of America, the world's elite and powerful got its labor from the peasants and the underprivileged. During the development of this country, wealth was acquired through the exploitation of labor from indentured servants and slaves ([Muhammad, 2010](#)).

4. Educational Opportunity

The fortune of birth, unfortunately, is a determinant factor in economic justice. It is even more evident in the realm of education. In a recent article published in the April 28, 2013, Sunday edition of the New York Times, written by Sean F. Reardon entitled "No Rich Child Left Behind", the author states a fact. "... *the rich perform better in school on average than children from middle class or poor families*". Consequently, they have better grades, score better on standardized tests, and have higher graduation rates and higher rates of college enrollment completion. His premise is that money is a better predictor of success than race ([Reardon, 2013](#)).

Mr. Reardon states that over the last few decades, differences in educational success between high income and lower income students have grown substantially. He also implies that the focus of education this year is the question “Can education provide a path for students out of poverty?” Whatever has been going on in schools has not reduced educational inequality between these two groups (higher income vs. lower income). In effect, the author suggests that the academic gap is widening, because rich students enter kindergarten better prepared for school success than middle class students do—no surprise here.

A June 17, 2013, article in the Arizona Republic newspaper cites that the debate for affirmative action has shifted to class. In the last decade (circa 1990s) the US Supreme Court focused on race as a barrier to college enrollment which today is no longer the case. The debate has shifted to socio-economic disadvantaged students regardless of race.

Most recently, The Supreme Court (4/21/14) banned public colleges from using race as a factor in college admissions (6 - 2 vote). The decision was not purportedly about the constitutionality of race-conscious admissions but about the merits.

Class-based affirmative action is based on economic circumstances—giving poor students a boost regardless of skin color. This policy is often regarded as a replacement for race-based affirmative action in college admissions (PBS News Hour, 2014).

“The Cultural Zeitgeist has changed”, said Peter Sachs, author of the book *“Tearing Down the Gates: Confronting the Class Divide in Education”* (Sachs, 2009). Recent polling data in this area indicates that barriers to low income students are a serious problem that should be addressed; many minority students are also low income.

It is evident that quality higher education is moving in the direction of the wealthy. A report by The Lumina Foundation states that “The large and persistent achievement gaps between races in the US is increasing as attested by the following:

- 60 percent of Asian adults have a college degree;
- 43 percent of white adults have a college degree;
- 27 percent of black adults have a college degree;
- 19 percent of Hispanic adults have a college degree”.

The study further indicates that whites and Asians are doing better than their parents, as compared to blacks, Hispanics and Native Americans who are doing worse. So much for American exceptionalism.

Money helps families provide cognitively stimulating experiences for their young children. Consequently, a stable environment is provided that is conducive to parents reading to their children and providing access to quality childcare and preschool opportunities.

High-income families are focusing on successful practices in school—cognitive development and successful educational activities.

We as a country should be investing more resources in preschool programs instead of cutting programs in this area as the present Congress is proposing. Budget cuts in this area are decimating these programs, and we wonder why poor kids cannot get ahead—two Americas—rich and poor.

5. Corporate Behavior

Ever wonder what the Federal Reserve System is? Most people think it is a government agency. It is not. The Federal Reserve is the central banking system of the United States created by the enactment of the Federal Reserve Act (December 1913) in response to a series of financial panics. It is comprised of a presidentially appointed board of directors, confirmed by the Senate, which is responsible for setting monetary policy. It controls the supply of money by targeting interest rates for the purposes of promoting economic growth and stability. Monetary policy differs from fiscal policy, which refers to taxation, government spending and associated borrowing (Wikipedia).

The Federal Reserve started with a group of powerful bankers who engineered a phony crisis in the early 1900s to convince the American people that the country needed a strong central bank to help regulate the economy and bring Wall Street to heel to their wishes.

The bankers used a theory referred to as “The Hegelian Dialectic” which is where a group (bankers in this case) creates a problem knowing full well in advance how people are going to react to it. They then began agitating for something to be done about the problem. Once the populace is worked up enough and wants some-

thing to be done, the parties behind the problem (bankers in this case) unveil the solution. The people are happy to have a solution and demand that it happens. They never realize that they have been manipulated (blue pill). This scenario led to the creation of the Federal Reserve (“Secrets of the Federal Reserve” by Eustace Mullins). (Mullins, 2008).

Corporations, in their mission to amass wealth, indulge in policies and practices at the expense of the many for the gains of the few (shareholders). Dave Bollier (Link Television, 2012) depicts the struggle between the marketplace and the commons, which is defined as all the things we as a society collectively own, e.g., air and water, and is being systematically enclosed by the free market through privatization for the sake of profit.

Recently, Susan Crawford, a professor of law at the Benjamin Cardozo School of Law in New York City, spoke to the monopoly of the telecom industry by four corporate organizations (Bill Moyers and Company Telecast, 2013). Her major point regarding Internet access for the public is that we are paying more and getting less than other developed countries for a similar service. This practice in her opinion leads to income inequality as these corporations raise prices and stifle competition by dividing markets for their economic gain. This activity denies equal opportunity to people who cannot pay fees for Internet services that provide education, job opportunities and information about political activities needed for life enhancement. The author characterized this situation as a “digital divide”—two Americas (Crawford, 2013).

Further examining corporate behavior, corporations have used the legislative and judicial process to advance their fiscal agenda as evidenced by the passage of the “Citizens United Act” (Citizens United Act, 2012) which permitted corporations to contribute money to federal officials and candidates. In addition, corporations formed a nationwide consortium termed ALEC (American Legislative Exchange Council). This organization works side by side with elected state officials with the aim of developing laws for their self-interests, e.g., “Stand Your Ground Law” sponsored by the National Rifle Association and adopted by several states. This law brought attention to the public in the shooting death of Trevor Martin in the state of Florida.

6. Capitalism

Capitalism as an economic system has come into question as a flawed system over the last 30 years. It is defined as an economic and political system in which a country’s trade and industry is controlled by private owners for profit rather than the government.

Professor Ha-Joon Chang in his book entitled “23 Things They Don’t Tell You about Capitalism”, excerpted in an article in the Information Clearing publication on 3/24/13, speaks about the ills of capitalism. He states “*The aspects of capitalism’s strengths center upon the interests of the shareholders*”. Some are listed as follows:

- “Capitalism is best, because it rewards those who are most productive.
- Capitalism is best, as it is capable of producing what is needed.
- Individuals are inherently self-seeking and do not cooperate, so the market is needed to ensure the highest wellbeing for society”.

Chang debunks these myths by offering the following observations:

- “Ever-increasing economic growth/rationale for capitalism long since ceased to bring increasing marginal returns to wellbeing.
- All the extra growth and wealth accumulated since the 1970s could be distributed more fairly.
- The combined wealth of the world’s 500 wealthiest people is equal to that of 60% of the world’s population. The top 1% in the US has more wealth than the entire bottom 90%”.

So Professor Chang postulates that the key rationale and driver of capitalism—the treadmills of accumulation—makes no sense anymore. He states, “*Inequality and poverty, consumerism, debtonation, polluted values, the roller coaster of booms and busts and the creation of flawed financial instruments are the ills of capitalism*” (Chang, 2013).

In 2010, the US experienced an economic meltdown. Professor Richard Wolff, an economics professor at the University of Massachusetts gave his view of how capitalism hit the fan on a Link TV Program (12/11). He stated that, “*One hundred and fifty years of wage increases allowed the population to consume more, however, in the 1970s real wages stopped rising and haven’t risen since*”. Professor Wolff offers the following observations as to why it stopped:

- 1) “Technology—the advent of the computer reduced the work force.
- 2) Competition from other countries came into play (1945-1970) as the US was then the dominant power as a

consequence of WWII.

3) War torn countries became competitors to the US and then they out produced us.

4) The US concluded, “If you can’t beat them, join them”. They exported jobs. In addition, the use of the computer, reducing the need for jobs during the same time jobs were being moved out of the country, caused the bargaining power of the worker (unions) to diminish (Wolff, 2011).

Women during this period entered the work force. This fact, coupled with the influx of immigrants entering the country, made for fewer jobs, and with the use of technology and exported jobs, this resulted in a significant negative impact on the economy and job creation.

These observations as stated suggest that capitalism, as an effective driver of the economy, is questionable. Let’s look at inherited wealth.

7. Inherited Wealth

French Economist Thomas Piketty’s recent book, “Capitalism in the Twenty-First Century”, was discussed on the Bill Moyer’s TV Program (4/18/14) with guest Paul Krugman (Bill Moyers and Company Telecast, 2014a). The crux of the discussion centered on the view that the road a society is moving toward is characterized as an oligarchy (inherited wealth). In effect, the rate of return on capital exceeds the rate of growth of output and income (economic growth), as capital is concentrated in fewer and fewer hands. This is giving the rich power over politics, government and society (patrimonial capitalism).

Between 1977 and 2009, 60% of the national income went to the richest 1% of Americans. Piketty’s main point here is that the rate of return on capital (4% - 5%) compared to the rate of the growth of the economy is much slower (2% - 3%) (Piketty, 2014). What this means is that if you have a large fortune you can live well and are in the position to put a large portion of that income aside which will grow faster than the economy (Bill Moyers and Company Telecast, 2014a).

On April 15, 2014 (tax day), the AFL/CIO reported last year that the CEOs of 350 top American companies were paid 331 times more than the average worker. CEOs made an average of \$11.7 million dollars compared to the average worker’s earnings of \$35,239 dollars (Moyer).

Many millionaires pay a lower federal tax rate than many middle-class families in America (Robert Reich-Salon). The IRS allows carried interest—a lower tax rate. State and local governments tax the poorest Americans to pay an average tax rate of 20%, whereas the wealthier pay an average tax rate of 11%, and the richest 1% in the country pay half that amount—5.6% (Moyer).

Elizabeth Warren, a recently elected United States Senator, has written a book entitled “A Fighting Chance” that chronicles her life, depicting how her parents sacrificed and worked to enable her and her siblings to succeed. She states that they were lucky enough to grow up in an America that invested in kids like her family to build a future where they could flourish. She states, “Here’s the hard truth: America isn’t building that kind of future any longer. Today the game is rigged—rigged to work for those who have money and power. Big corporations hire armies of lobbyists to get billion dollar loopholes into the tax system and persuade their friends in Congress to support laws that keep the playing field tilted in their favor” (Warren, 2014).

8. Implications for Working People

The major political implication is that the wealthy can buy the political system that serves their interests; consequently, inequality is transferred across generations. Observe the political machinations over voter registration in most states. The US has much more unequal distribution of income than other advanced countries, usually coming from government action. For example, European counties have higher taxes overall that are used to pay for programs of aid such as health care, income support for people with low incomes and the distribution of wealth accounts for this action—controversial policy in some quarters of the country (Krugman, 2014).

Krugman suggests that the average American is richer than the average Frenchman, but government policies provide a higher standard of living. He also feels that redistribution of income has been characterized as un-American; consequently, the political system has rallied against it. Underlying this view is race, as race is framed (structure of ideas) to garner votes by politicians.

Barry Lopez, author of “Dog Whistle Politics” (a metaphor for coded talk on race) discussed his book on the Bill Moyers and Company Telecast (circa 2014b). The context of the discussion was how coded politics is a means to use coded appeals that carefully manipulate hostility toward non-whites. Examples are criminals, wel-

fare cheats, illegal aliens and Sharia law in the heartland. In the recent past, dog whistle politics has driven a large majority of white voters to adopt a self-defeating hostility toward government and subsequently has remade the nature of race and racism (Lopez, 2013).

Lopez explains how politicians use dog whistle politics, often backed by concentrated wealth, to manipulate racial appeals to win elections and support regressive policies that help corporations and the super-rich, in the process wrecking the middle class.

Over the last half century, conservatives have used racist pandering to win support from white voters for policies that principally favor the wealthy. The tragedy of this strategy is that how race is used to convince many white voters to vote against their own apparent interests.

9. Economic Crisis

In 2007 the real estate market crashed. Why? Some look at the theory of “Efficient Market Hypothesis” which states that as the price of goods rise, the tendency is to demand less of it (supply and demand). If the price of a good goes up, we tend to hold on to it, e.g., a refrigerator. Conversely, if the good is treated like an asset as people treat houses by continually refinancing, it depletes the equity in that asset. This activity resulted in mortgages exceeding the value of the house, often resulting in foreclosures and bankruptcy for some homeowners.

Greed became the predominant motive behind the financial transactions that led to this crisis as banks engaged in a practice termed as “Predatory Lending”—giving loans to people who could not repay them, resulting in foreclosures. These mortgages were packaged with other financial instruments in a financial portfolio termed a CDO (Collateralized Debt Obligation), and sold to investors. When these instruments failed, the market crashed and the investors bailed out, causing the crisis.

Bankers maximized their profits through charging high transaction fees upfront, which boosted their profits at the expense of the poorest Americans who espoused to attain the American dream through the accumulation of debt.

10. Consumerism

Consumerism is defined as a theory that a country that consumes goods and services in large quantities will be better off economically. Boston University Professor Andrew Bacevich’s book entitled “The Limits of Power” suggests that one of the factors in the economic crisis is of our own making. We are a consumptive society as we have been afforded the luxury of having cheap goods, easy credit and cheap oil (energy). This mindset was enhanced by the masters of Madison Avenue who indoctrinated the public with the buying credo based on “Wants and Not Needs” (Bacevich, 2008).

Moreover, the current generation exacerbates this dilemma by their need for instant gratification for goods and services by purchasing items through debt as compared to their parent’s generation whose buying practices were based on saving money and then purchasing the items.

Thomas Friedman, in his column in the Sunday edition of the New York Times (3/12), characterized this mindset slightly differently by suggesting that, “We are a Diet Coke culture, as we want the sweetness without the calories; the consumption without the savings and the safety net without the taxes” (Friedman, 2012).

Fareed Zaharia’s book entitled “The Post American World” points out that the rise of the economies of developed countries is in direct competition for resources with the US, which has had a major impact on our economy and job creation. This situation is hard for us to accept (Zaharia, 2008).

11. Great Deception

Jim Macgregor, a retired doctor, former family practitioner and visiting medical officer for the prisons in Scotland, wrote an article in the Information Clearing House Publication (3/13), entitled “Neo Fascism in America”. (Macgregor, 2013) Dr. Macgregor intimates that his comprehension of American politics was influenced by the essay “Escaping the Matrix”, written by Richard K. Moore (Moore, 2005), which coincidentally led to the making of the film “The Matrix”, produced by the Wachowski Brothers. The major theme of the film is truth vs. illusion, which is exemplified when the main character is confronted with choosing a red pill (truth and reality) and a blue pill (untruth and illusion). The blue pills are illusions created by the wealthy elite. He states that the matrix is the world that was pulled down over our eyes to hide the truth; as long as the matrix exists, humanity cannot

be free. Television and radio stations are owned by the ruling elite who control the content of information provided (The Matrix).

Environmentalism Robert Kennedy, III, in an interview on the Tavis Smiley Telecast in June of 2011 (Telecast, 2011), referred to the use of the legislative and judicial process (we see this in Citizen's United Act passed by the Supreme Court) to enhance corporate power. A specific example is the repealing of the Fairness Doctrine for Media.

Teddy Roosevelt, then president, characterized corporations as "malefactors of great wealth" and enacted the Sherman Anti-Trust Act that broke up monopolies. In addition, the Act instituted the Public Information Act (Fairness Doctrine) that stated that the airways belonged to the public, and broadcasts were to be used to inform the public. (Bollier's statement on enclosing the commons is relevant here). In 1980, President Ronald Reagan repealed the "Fairness Doctrine" which was viewed by some as a reward for the Christian right who helped his election. Today, five corporations control the majority of media outlets. In the last 15 years, most of the investigative reporters in this medium were fired and most of the foreign news bureaus eliminated. News organizations are dependent on corporate money for their revenue, which often influences what type of news content is aired (Kennedy, 2011).

12. Some Thoughts

After writing the two papers as referenced above—"Historical Illiteracy as an Understanding of Income Inequality" and "Flaws and Causes of the Economic Crisis of 2007", I searched for a unifying theme to coordinate the two papers. Economic injustice seems to have been what I was looking for.

On the Charles Rose television show (10/24/12), Zbigniew Brzezinski, the former national security adviser to President Jimmy Carter, participated in a discussion with other guests regarding the topic of American foreign policy following a series of Presidential debates, and he offered the following observations regarding the American public:

- 1) *"The American public does not understand the world."*
- 2) *The American public does not understand the world and is not informed about it.*
- 3) *The American public entertains a great many misconceptions and prejudices about the world and is susceptible to demagoguery which often propagates fear and makes it difficult to have a coherent and sustainable foreign policy"* (Brzezinski, 2012).

Conversely, an observation was given on this subject in an Alternet article, which stated that Americans are generally only interested in issues that affect them personally. I suggest that this contributes to Americans being misinformed and uninformed which often results in their voting against their self-interests.

"The blue pill is dispensed in the form of matrix propaganda, deliberately formulated to conceal the truth", stated Dr. Macgregor, and he lists 14 defining characteristics that are common to fascist states. For the purpose of emphasis as to the theme of this paper, we will depict only three.

- 1) *"Identification of enemies/scapegoats as a unifying cause: People are rallied into a unifying patriotic frenzy over the need to eliminate a perceived threat or foe, e.g., racial, ethnic, religious, minorities, liberals, communists, socials, and terrorists. (Dog whistle politics is evident here).*
- 2) *Corporate power is protected: The industrial and business aristocracy of a non-democratic nation is often the one who puts the government leaders into power, creating a mutual business/government relationship and power elite.*
- 3) *Labor power is suppressed, because the organizing power of labor is the only real threat to a non-democratic government. Labor unions are either eliminated or suppressed"* (Macgregor, 2013).

13. Observations

My overall thought after extensive research for this effort led me to look at two emotions—greed for the wealthy and power elite and fear for the impoverished and powerless. When we are misinformed/uninformed and we cannot or will not stand up to the injustice of our historical past, then injustice becomes an ever-present constant in our daily lives.

The facts speak for themselves as we are headed for an oligarchy. Economic injustice became such a major issue that a movement was formed to address these concerns—Occupy Wall Street—which unfortunately founded and left the majority of the country with a dilemma.

Fear for our livelihoods and even the thought of life and death consequences prevent us from taking action against the aggressive positions of the establishment. History shows us the consequences of people taking such actions, either through discrediting people or assignation, e.g., Kennedys, King, Malcolm X to name a few. The question is, “Where do we go from here?”

14. Conclusion

The facts speak for themselves. Corporations and wealthy people manipulate the economic system through corporate policies and practices, as well as the use of hiring lobbyists, to influence legislation to advance their agendas. This often does not work for the benefit of the masses.

In researching and writing articles, the writer searches for facts to reaffirm his or her beliefs. We take parts of records and documents and develop an argument to defend our position. It is within this context that this essay is written.

I always want to enlighten and provoke thought for my readers.

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Multinational Corporations in Transnational Networks: Theoretical and Regulatory Challenges in Historical Perspective

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Abstract

Multinational corporations (MNCs) have become the most powerful drivers of integration and structural changes in today's global economy. MNCs have not completely subordinated States and markets in shaping the global economy, but they have transformed the world and given rise to a new set of economic, political, social, cultural and legal problems. Yet, quite ironically, MNCs are now facing a *recombination* that tends to subordinate them to transnational networks of corporate economic power. The thorny issue of regulating the global economy is, in this context, even more complex as regulatory systems of global governance must be built to fit those transnational networks superseding States and firms. This article presents an overview of the most important theories in international political economy on MNCs in order to situate the new theoretical challenges pertaining to the understanding of contemporary structural changes in the world economy and their incidences on global governance. The first section presents three configurations of globalization and concludes on the theoretical challenges of explaining and understanding the emergence and development of transnational economic networks. A second section discusses some current issues of regulation. The overall statement of this article is that globalization has, during the last decades, transformed international political economy in ways that now require new theoretical paradigms and new modes of global regulation that are adapted to a truly global economy made of networks rather than nations or firms.

Keywords

Multinational Corporations, Transnational Networks, Cooperation, Regulation, Governance, Theory

1. Introduction

Multinational corporations (MNCs) have become the most powerful drivers of integration and structural changes in today's global economy¹. They now dominate the market and economic flows. In a sense, they can be considered one of the greatest innovations of the 20th century in terms of organizational and institutional pillars of economic life. As technostructures², MNCs have not completely subordinated States and markets in shaping the global economy, but they have transformed the world and given rise to a new set of economic, political, social, cultural and legal problems. Yet, quite ironically, MNCs are now facing a *recombination* that tends to subordinate them to transnational networks of corporate economic power. The thorny issue of regulating the global economy is, in this context, even more complex as regulatory systems of global governance must be built to fit those transnational networks superseding States and firms.

In this article, we present an overview of the most important theories in international political economy on MNCs in order to situate the new theoretical challenges pertaining to the understanding of structural changes in the world economy. The first three sections present three distinct configurations of globalization coinciding with three different theoretical debates. In the last section, we discuss the theoretical challenges of understanding the emergence and development of transnational economic networks and their implications for global economic governance. The overall statement of this article is that globalization has, during the last decades, transformed international political economy in ways that now require new theoretical paradigms and new models of global regulation that are adapted to a global economy made of networks superseding States and MNCs.

2. International Configuration—Emergence of the MNCs

Since the late 19th century, MNCs have emerged and developed. First, it was a result of the phenomenal expansion of US MNCs and thereafter it accelerated as the result of subsequent catching-up of European and Asian MNCs in the 1970s and 1980s. We are now currently witnessing the rise of several MNCs in emerging southern countries, including India, Brazil, and China. The emergence of these MNCs has challenged international trade theory based on territorially defined national spaces to which business corporations are confined, and within which perfect competition is assumed—i.e. competition that prevents any actor from influencing the prices, structures and functioning of markets. Economics has mostly threatened firms as “black boxes” and FDI as a substitute to trade used to circumvent barriers to trade erected by States for protectionist motives. The process of globalization of business is inherent in the dynamics of capitalism. The first theoretical challenge was to recognize the existence of firms and then to understand their international and even global dimension.

The Hudson's Bay, General Electric and the Standard Oil are examples of early stage international expansion through foreign direct investment (FDI). Pioneers like Byé (1958), with his study of large inter-territorial units, Vernon (1966), and Hymer (1976) have emphasized that MNCs are large planning organizations and vectors of global economic integration. Since the late 1960s, the literature on MNCs has grown considerably. We can first conceptualize an “international” configuration (Michalet, 2002) to refer to a world divided into national economies linked by flows between independent firms. International expansion occurs through trade (e.g. strictly considered as imports and exports). The firm exists in the background of an international economic order characterized by the separation between domestic and international markets. Yet, MNCs are emerging, as is a first set of explanations with articulate trade and investment interactions. Vernon (1966) contributed a very original theory articulating international trade and investment flows. Developed at the time MNCs were primarily US firms investing in Europe, his “product cycle model” revolves around two concepts; at the micro-level, the product cycle³, and, at the macro-level, the technological gap between national systems. He explains that US MNCs held an absolute advantage vis-à-vis foreign firms that is first reflected in the trade surpluses of the United States

¹In 2010, foreign direct investment (FDI) flows reached 1.24 trillion dollars, production from MNCs represented about 25% of world production, and it is estimated that affiliates operating abroad accounted for 10% of global gross domestic product (GDP) and one third of world exports. In 2010, there were over 103,000 MNCs holding almost 900,000 subsidiaries worldwide.

²We use this expression by Galbraith (1967), according to whom the concept of a market economy makes no sense, to the extent that it is companies, as technostructures, that direct and organize markets.

³The product cycle has five successive stages: 1) Innovation: macroeconomic variables, such as the structure of demand, efforts in R&D and market structure, allow innovation on the domestic market; 2) Launching: production costs are irrelevant because of the low elasticity of demand and the high level of income; 3) Standardization: export is made possible by economies of scale; 4) Maturity: costs of production determine location, and relocation happens when export costs are higher than costs of production abroad; 5) Decline: the country innovating loses its edge and may even import the product from an “imitator” country.

vis-à-vis Europe's and, in a later stage of the cycle, in the development of FDI from the United States to Europe. The location (L) of firms is the key factor in the multinationalization of enterprises. During the cycle, exporting is replaced by a licensing agreement and later by FDI, when foreign demand is growing and the standardization of production permits.

The explanatory scope of this model was reduced during the 1960s and 1970s as of crossed intra-sectoral foreign direct investment developed between the US, Europe and Japan. The hypothesis of a technology gap no longer held. Vernon proposed a second version of his model, the "oligopolistic cycle", which gave importance to the structuring power of companies in order to explain the crossing of FDI and to consider the strategic factors that became increasingly important in the 1970s and 1980s. The United States having lost its competitive edge, US MNCs now relied on barriers to entry in marketing and distribution. Underlying this structural change is a shift from a world of nations to a world of firms. The increasing power of MNCs led to a paradigm shift that would leave less scope for the nation-states as structuring actors of the world economy.

3. Multinational Configuration—A World of Firms

A second period coincides with a multinational configuration of globalization in which MNCs exist because of market failures or imperfections that can be either structural or natural⁴. Hymer is the most important scholar to have developed a theory of MNCs, emphasizing the specific advantages of firms "O" (for oligopolistic) as the determining factor of multinationalization. A theoretical approach inspired by Hymer, [Kindleberger \(1973\)](#) and [Caves \(1982\)](#) thus emphasized the structural power of MNCs. [Hymer \(1968, 1976\)](#), frankly adopting a structuralist approach, had a considerable influence, often underestimated⁵. While the HKC tradition revolves around the concept of "O" benefits, Hymer tends to consider these benefits as "monopolistic"⁶. Although we tend to agree with Hymer, we will use O for "oligopolistic"⁷. Perhaps the best example of this period is illustrated by Ford who developed a type of business organization that had such a significant impact on society and the world economy that the concept of Fordism emerged to refer to a linkage between a regime of accumulation and a mode of regulation of the capitalist system.

The starting point for Hymer is a simple question: Given the fact that domestic firms have an advantage on their "national" market, and in the context of significant barriers to international trade, how can foreign firms compete abroad? [Hymer \(1976\)](#) finds an explanation based on the exploitation of monopolistic advantages. *Ex-ante*, firms increase their domestic market share through mergers or internal expansion and then develop their international operations and structures when limits are reached in the domestic market. MNCs are monopolistic as they exploit entry barriers such as product differentiation, exclusive access to certain factors, the presence of economies of scale, government aids, the ability to innovate, privileged access to financial capital or the increasingly needed ability to control the management of complex and diverse networks and technological trajectories. International investment is not a substitute for trade; it is a means to exercise direct control over production, and its use must be explained by the interest in exercising such control. Two concepts are central to Hymer's theory: market power and the dialectics of rivalry-collusion. Firms are rivals, but they also tend to collude and cooperate in order to prevent or avoid competition ([Pitelis, 2002](#)). Corporate integration is a process of concentration/monopolization of economic power in large companies involving the extension of private planning on a global scale as well as a process of underdevelopment or dependency⁸. The power of MNCs also creates problems for developed States, which are increasingly unable to regulate and manage their national economies, facing deficits, tax issues, and other problems even as traditional policy instruments become less and less effective. Hymer also perceived a mercantilist and oligopolistic rivalry between US, European and Japanese

⁴Pursuant to the debate between the Harvard school (under the influence of [Bain, 1956](#)), which focuses on entry barriers and the theory of internalization (based on the work of Coase and Williamson on transaction costs), debates on MNCs oppose a structural conception, in which flaws pertain to entry barriers, with one in which natural imperfections are inherent to markets.

⁵[Polanyi-Levitt, Kari \(1982\)](#) wrote after the sudden and untimely death of Hymer that it was 10 years after the completion of his thesis (The International Operations of National Firms: A Study of Direct Foreign Investment, directed by Kindleberger) that it was finally published following many rejections. The thesis had circulated widely even before its publication in 1976.

⁶Hymer is considered a marxist and is notably recognized for his influence on world-system theories. As such, he is probably the most widely read Marxist author, cited in most business schools, though his contribution is still underestimated.

⁷Subsequent developments would lead to a paradigm called OLI. Hence, keeping the O is further justified in helping us to understand the evolution of debates surrounding this theme.

⁸Hymer also develops the idea of a trend towards the emergence of a community of corporate interests on a global scale. According to him, the world economy would evolve into a global structure of economic power free from national constraints and state regulatory powers.

groups but an equilibrium would be achieved when MNCs would have completed the deployment of their activities on a global scale, thereby nullifying the importance of firm location for market division and ensuring economic integration and cooperation between States. Indeed, from the 1990s onwards, states have increasingly cooperated in removing bottlenecks to economic globalization and to the multinationalization of enterprises. Hymer recognized the efficiency gains of MNCs. Yet, he argued horizontal integration, through which a firm increases its market power, is not automatically compatible with economic efficiency at the macro-economic or the general economic level. Some authors opposed this view and founded what has been labeled the *internalization* school.

The second approach to the understanding of the multinational configuration emphasizes efficiency gains derived from MNCs. According to them, internalization (I) of market transactions allows the firm to reduce uncertainties and avoid problems caused by opportunism and by the limited rationality of actors⁹. If MNCs are replacing international markets and increasing their market power, it is firstly by reducing the costs of cross-border operations by exerting hierarchical control over them. Corporate integration and the internalization of transactions thus improve organizational and economic performance. Accordingly, the MNC turns out to be an effective institution for the hierarchical coordination of international production networks. Using various types of institutional arrangements (internalization vs. market/externalization and all the variations possible such as outsourcing, alliances and agreements for specific elements of the value chain), the MNC can appear to be effective in determining the location and mode of coordination or control of economic activities, by making comparisons and experimenting with options to reduce costs. In coordinating the firms' transactions, the notion of preference between external markets and internal hierarchies is crucial. Industrial concentration, resulting from an internalization of transactions, allows for gains in economic efficiency. Establishing a strong link between economic efficiency and corporate integration justify economic liberalization, but this link still remains questionable. The circularity of the argument should be noted: "I" benefits are supposed to derive from market imperfections while the existence of the latter is confirmed by the act of internalization. There is no empirical evidence demonstrating the superiority of large firms. Yet, States have increasingly sought to attract MNCs in order to promote efficiency and innovation.

In attempts to reconcile or articulate the two types of advantages (O and I), Dunning (1991) suggested that the benefits of multinationalization must be related to the benefits that the firm (O) has before internalization (I). Others have argued that the internalization of transaction costs is not only compatible but also necessary for the exercise of a firm's market power. As a result of these discussions, most came to recognize the unlikelihood that any single theory could capture the phenomenon of multinationalization in its entirety. Since the late 1980s, it has seemed appropriate to address the phenomenon of multinationalization with some eclecticism, taking a number of variables into account¹⁰. More fundamentally, the question of the determinants of MNC location arose; and this issue has become more central as States have sought to improve the attractiveness of their national spaces and promote the international activities of MNCs leading to new strategic instruments for competitive integration in transnational economic networks (Cowling & Sugden, 1998).

4. Global Configuration of Transnational Networks: Rival Firms, Rival States in a Race for Competitive Integration in Transnational Networks

Economic globalization now implies the emergence of global corporate strategies that deploy institutional networks on this entire new market area. With this global configuration, we enter an era of deep integration that goes beyond increasing the flow between national spaces towards recognizing that new spaces overlook these national spaces. This captures a significant change in the organization of the global economy and in the integration process¹¹. Trade routes have become "transnational", and increasingly "electronic". The best illustrations of the new MNCs are Google, Apple, Facebook and all the new MNCs that are linked to a transnational networked economy and a networked society.

Dunning is one of the most influential authors in the literature introducing what he calls an eclectic paradigm (OLI), which integrates international trade, structural imperfections and transactional imperfections and strategic

⁹The important contributions are notably those of Rugman (1981 and 1982), Buckley and Casson (1976 and 1985), and Teece (1980).

¹⁰Meso-economic approaches focusing on the emergence of global industries stress the importance of international exchange and meso-economic aspects (industry-sectors).

¹¹On the distinction between shallow integration and deep integration resulting from the development of a structure of international production by firms, see UNCTAD (1993).

variables that we have discussed above. His paradigm integrates four conditions for multinational activity: A firm must have oligopolistic (O) advantages over national firms located in the target market; there must be benefits to internalization (I) (control of certain inputs, reduction of uncertainties, or quality control); some factors of localization (L) and the decision to go abroad must comply with the strategy of the firm. Interestingly, according to Dunning, internalization (I) advantages were critical before the 1990s, while O advantages are more important now because in order to promote technological innovation, MNCs rely on strategic alliances, on cooperation between firms and on the outsourcing of their activities. Those new relationships between firms initiated the transition from *hierarchical capitalism* to *alliance capitalism* (Dunning, 1997).

This trajectory of capitalism is based on an organizational model that emphasizes the networking of economic units, each possessing a degree of independent decision-making. Knowledge is a core determinant of this reconfiguration. Information and communications technology (ICT) plays a significant role in the emergence of these new forms of economic integration. Having helped to overcome national telecommunications networks in order to create a global infrastructure, MNCs have set up systems to facilitate the coordination of activities in a space where geographical boundaries are virtually eliminated, falling increasingly into the category of transnational corporate networks. This connectivity allowed by new technologies reveals network firms leading the way towards a new trajectory of digital capitalism characterized by the increased importance of cooperation between companies¹².

Thus appears the *networked firm* or *virtual firm*, which significantly broadens the horizons of research as it is no longer enough to consider the MNC as a space defined by the boundaries of a firm; one has to go beyond—to capture the wide variety of horizontal and vertical linkages forging such transnational corporate networks, and to identify their value chains¹³. Focusing on changes in the organization of production and on the financialization of the global economy, authors speak of de-territorialization (Andreff, 1996). The links between companies and their home markets do not disappear completely but are modified by the creation of global systems of production and global value chains.

Gereffi et al. (2005) analyze global value chains and argue that technological innovations have enabled the creation of transnational networks, which combine, paradoxically, concentration and decentralization. Some refer to global production networks combining the dispersion of the value chain throughout the enterprise and across national borders, with a parallel process of integration of levels of participants in the network. Networks now surpass MNCs, and appear as the dominant form of emerging industrial re-organization, arising from the combined effects of FDI policies for promotion and attraction, generalization of the principle of competition, and, foremost, ICT developments. Some have suggested that the impacts of these new production networks affect the international division of labor, and some, such as Gereffi et al. (1995) articulate a theory of “world-systems” based on the deployment of transnational flows of production and their effects on economic development. These networks create value based on the organization of the firms that compose them (their ability to organize work and make productivity gains while taking social and institutional contexts into account), on the exploitation of rent situations arising from monopolistic advantages (technological rents, organizational and relational rents from strategic alliances); and on cooperation, economies of scale, brand, policies and regulations at the national, international and global levels.

Corporate power now lies in the relative ability of MNCs to control/influence networks and their components. It is expressed less in terms of domination, and more in the creation of sustainable relationships throughout the transnational network involving the MNCs and its partners. Conversely, small and medium enterprises may also have strategic influence in transnational production networks. To some extent, one can apply the same analysis to States. In global production networks or value chains, firms and states are positioning themselves and their relative power, or performance, is increasingly determined by their capacity to adjust to new emerging structures of transnational networks. Finally, these new transnational corporate networks overlap different MNCs, small firms, national territorial spaces, thereby redefining economic “borders” and policy issues/frameworks.

5. Policy and Regulatory Challenges

States today are increasingly obsessed with competitiveness as Krugman (1996) correctly pointed out, so much

¹²This alliance capitalism is distinguished from hierarchical capitalism based on internal coordination within the firm Dunning (1995).

¹³An important dimension of economic globalization is obviously financial. Unfortunately, we cannot discuss it here due to space constraints but we will highlight it in discussing the work of the regulation school.

that the keyword for the new realities of integration is competitiveness driving strategies of States and MNC. The state becomes “competitive”, but with a view to fostering a competitive integration of the national economic space (as an attractive area or an incubator for competitive firms) in transnational economic networks (Cerny, 1990, 1997; Stopford & Strange, 1991). The national, physical and institutional environments (infrastructure, values, culture, history and institutions) have become a strategic factor in the economic success of MNCs and the deployment of transnational networks. Dunning sees the State as a venture partner creating competitive advantages for business by influencing the development of each OLI advantage¹⁴. According to Porter (1990), this alliance or interface between States and the MNCs is beneficial and justified since it is not oriented towards protectionist policies but towards the development of competitive advantages. Yet, Dunning takes seriously the risk of a neo-mercantilist rivalry where States and MNCs can play on two levels, sometimes on that of rivalry-competition, sometimes on that of collusion-cooperation, and often both at the same time with hybrid strategies of *coopetition* (Nalebuff & Brandenburger, 1996)¹⁵.

If States and MNCs are engaged, each in their own way, in a dynamic of global competition, one can doubt the ability of either to provide policies or codes of conduct capable of regulating the global economy. One of the first to take the multinational enterprise seriously, Vernon (1977, 1981), very quickly and clearly raised the question of interface in terms of cooperation or rivalry of these two competing systems whose inherent friction, according to him, could be mitigated or eliminated only through the emergence and consolidation of a multilateral economic cooperation¹⁶. In other words, a global economy requires a global policy! The reconciliation of corporate (global) and political (national) systems can occur only through *transnational* cooperation regulating States and firms, and through measures that apply to the *networks* they are engaged in (Rosenau & Czempiel, 1992). As Rodrik (2002) suggested, any kind of *global federalism* will not be feasible, if at all, for another century, thereby sending the issue back to national political systems.

States and international organizations tend to embrace pro-MNC governance by enhancing their territory and by supporting their businesses through trade negotiations at different levels. Among existing international instruments oriented to discipline MNCs, one counts ILO's (International Labour Organization) *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, the OECD (Organization for Economic Co-operation and Development) *Guidelines for Multinational Enterprises* and UNCTAD's (United Nations Conference on Trade and Development) *Set of Multilaterally Agreed Principles and Equitable Rules for the Control of Restrictive Business Practices*. These instruments of soft law rely on the voluntary compliance of States and MNCs, which is not always forthcoming. Thus, it is not surprising to see so much discussion around the concept of corporate social responsibility (CSR) and on codes of conduct that MNCs voluntarily undertake to respect. Many stakeholders capitalize on that path and foresee the possibility that CSR may lead to the emergence of more effective standards than those outlined in the declarations and resolutions of international organizations. Yet, collective action will remain difficult to emerge in a world where neither states, especially strong ones, nor companies, starting with MNCs, agree to some kind of system of rules to provide for an orderly global economy.

A new diplomacy between increasingly diversified actors and other emerging forms of regulation are likely to grow alongside the more traditional means of economic regulation. Some see competition between the State and corporate worlds as the end of the Westphalian system and its replacement by a *lexmercatoria*—a sort of “neo-medievalism” characterized by a plurality of actors self-organized into decentralized global networks with voluntary standards. MNCs themselves and their private regulatory forums shape **private regulatory trajectories**. Without being based on “a treaty between two or more states”, MNCs are large organizations operating on many territories and playing an increasing role in the emergence of new standards, rules and norms of the global economy—as effectively structuring, probably, as those created by governmental and intergovernmental organizations (Haufler, 2006). Others see it as a process of transformation of international relationships and organizations—including Slaughter (2000) who points at the emergence of trans-governmentalism comprised of networking organizations.

¹⁴Dunning introduces the paradigm Environment/Systems/Policies to compare nations. The first category, Environment, deals with production factors, market size, transportation, distance and communications, distribution channels and relationships within a given locale. The second, Systems, deals with social and cultural elements. The Policies category pertains to policies of the country.

¹⁵The concept of *coopetition* is reminiscent of Hymer's dynamics of rivalry-collusion.

¹⁶Friction between these two systems was already the subject of *Sovereignty at Bay* (Vernon, 1971), which analyzes the sometimes conflicting rationalities of these systems: firms oriented toward profit maximization or shareholder interests, and States whose objectives are wider and more variable according to their national contexts and their specific political dynamics.

A central element is the transnational nature of emerging regulatory responses with a strong bias towards the disappearance of the boundary between the public and private spheres at various levels—local, national, international and global—where co-regulation develops (Enrst & Kim, 2001; Graz & Nolke, 2008). Global governance thus relies on a complex system of networks between authorities endowed with overlapping and competing skills (Friedrichs, 2004).

Globalization has highlighted the weaknesses in national and international regulatory frameworks while it is causing the emergence of new institutional and normative frameworks, much more elaborate than the previous ones since they deal with investment, competition, services, public procurement and intellectual property; all areas that played very little part in international negotiations in the past (Pitelis, 2005). This is one important dimension of deep integration since it is not simply a matter of eliminating barriers and obstacles, but rather of creating rules and standards—even policies—that, while supporting economic globalization, will oversee the new relationships and seek new balances, which, in times of crisis, are becoming harder to achieve. Firms, States and civil society will have to compose new types of cooperation and governance regulatory schemes in this world of transnational networks.

6. Conclusion

The historical transformations of capitalism, and the concentration process that accompanies it, imply that the firm is understood as an “organization of private planning” and as an actor whose strategies have a structural power over economic trajectories and regulatory activities (Moran, 2009). Throughout the 20th century, firms have grown in size and created bonds of control and cooperation with other entities in expanding geographic territories (Wilkins, 1996; Ruggie, 1994). This is the mark of a dynamic of rivalry-collusion, leading firms and States into increasingly complex strategic maneuvers aimed at more than the conquest of market shares since it is now a matter of positioning oneself at the heart of large transnational economic networks. Accordingly, we are faced today with a network of very large companies that control their markets and competition ever more closely—not only on the scale of national economic spaces, but also on a worldwide scale in some cases. These firms perform their activities and generate economic flows by crossing national borders ever more easily. Smaller companies do not remain on the sidelines of these networks since their competitive insertion into the latter determines their success and market performance more often than not.

Vectored by firms that have adopted strategies of multinationalization, combining vertical and horizontal integration as well as outsourcing or inter-firm cooperation agreements, the economy has become global. Not only have States failed to control the processes of globalization and economic integration, international organizations, but have been quickly overtaken by events. Juxtaposed with the pressures of MNCs and the rise of neo-liberalism (used to justify economic and institutional reforms that have lifted many constraints on businesses), this loss of control by States and international organizations has been a key factor in shattering a state-centered vision of the world and mechanisms of economic regulation. This does not mean the complete withdrawal of States, especially the strongest amongst them, which now intervene in new ways to earn points in a race that pits States, firms and even workers and societies against one another to increase competitiveness.

Institutions aiming to regulate the global economic system are currently inadequate to the realities of globalization. In general, they are also biased, favoring the interests of the most powerful actors. New ideas may sometimes provide answers, and may lead to new trajectories. Managing networks linking MNCs to national economies, markets and people might be the greatest challenge while providing the greatest pillar for the future governance of complex systems.

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A Democratic China?

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Abstract

Many are the criticisms of those who feel that the one-party state in China is inadequate, and many are the calls, especially from abroad, for reform. But would a democratic China—as per a western interpretation—be an improvement? In tackling this question, this paper concentrates on voting procedures: those used in elections and those (which may or may not be the same) used in decision-making. This article first looks at the USSR, Eastern and Central Europe, and then briefly at Africa. Next, it considers what could go wrong if a standard, western, multi-party democracy was to be adopted in China. And finally, it offers a more inclusive polity.

Keywords

Consensus, Consensus Voting, Modified Borda Count (MBC), Power-Sharing

“Never have [we] Westerners had to take other peoples’ views of us really seriously. Nor, like the representatives of all other great cultures, have we been compelled to take fundamental stock of our own culture... [Hence] the ultimate paradox, namely that [we] who have done more than any other people to create the modern world, are in certain respects the least capable of comprehending it” Paul A. Cohen.

(Jacques, 2012: 117).

1. Introduction

Many countries are now termed as democratic. In the 1950s and ’60s, in Africa and elsewhere, various colonies gained their independence and now enjoy reasonably free elections and fairly stable governments. There have been and still are, however, many ghastly exceptions, not least Rwanda in 1994, where the western, adversarial, democratic structure was actually a catalyst of violence and, therefore, part of the problem. Similarly, in the 1980s, when the former communist states of the Soviet Union and Central Europe initiated policies of democratisation, success was widespread; the pain in some of the newly independent states, however, most especially in the Balkans, has frequently been extreme.

And so to China, where the question often arises: will the Communist Party of China, CPC, allow not only for

economic changes, the sort that have produced such amazing growth over recent years, but also for a more democratic system of governance? For much of the 20th century, the Union of Soviet Socialist Republics, USSR, exercised a considerable influence over its Eastern neighbour. Then, when Soviet communism did collapse, China watched from the side-lines as the various successor states suffered, not only an economic downturn, but in Moldova and the Caucasus, and closer to its own borders, in Tajikistan, inter-ethnic wars! A certain amount of caution in Beijing, therefore, is perhaps understandable.

Accordingly, with an emphasis on different voting methodologies for both elections and decision-making—for these, after all, are the fundamental building blocks of any democratic structure—this article looks at other relevant jurisdictions of which the author also has personal experience, namely: Russia, the Caucasus, the Balkans, and briefly at Africa. Only then does it turn to China, initially to speculate on what might happen if the adversarial structures of current western practice were to be adopted, and then to ask if maybe a more consensual polity could be the wiser course to follow.

2. The USSR and the Russian Federation

In 1985, with the advent of *perestroika*, many assumed that the USSR/Russia would adopt both economic and democratic reforms. Sure enough, democratisation was initiated in 1988, albeit within the parameters of a one-party democracy—an oxymoron to many foreign observers. Mikhail Gorbachev, however, was equally bemused by those who argued for a Russian variation of the US-party system. “Today the Republicans stand at the helm... tomorrow it will be the Democrats or the Republicans once again. There is no particular difference” (Gorbachev, 1987: 216).

Most advisers from abroad advocated “majoritarianism”—the western democratic model, i.e., majority rule by majority vote. It varies of course, but basically consists of a multi-party (or perhaps only two-party), parliamentary or presidential democracy, with elections under one of numerous systems, but with decisions invariably subject to a (simple or occasionally weighted) majority vote. What some western “experts” did not realise, however, was the fact that, on translation into Russian, this word “majoritarianism” reads “bolshevism”! (It comes from the word for “majority”, *bolshinstvo*, whose members were thus the Bolsheviks; while their opponents, the Mensheviks, were of the “minority”, *menshinstvo*. A new word has now been introduced into the Russian language: “*majoritarnost*”).

It was nevertheless decided that elections would be held within the one-party structure under the two-round system, TRS, the French model, and that decisions in Congress and any other elected chamber would indeed be by the ubiquitous majority vote.

2.1. Majoritarianism and Bolshevism

The consequences of adopting an adversarial polity were two-fold: they relate to the election and subsequent conduct of the Soviet Congress; and secondly, to inter-ethnic tensions in Azerbaijan, Georgia and Moldova.

Democratisation in Moscow

The first post-*perestroika* elections were held in 1989. For the first round, many candidates competed together; all, in theory, were communists... but in practice, while some were indeed red, others were just pink, a few distinctly blue, a small number green, some alas brown, and one or two somewhat uncertain. Campaigning was often in joint public meetings under an impartial chair, and in those sessions which the author was privileged to witness, the atmosphere was both friendly and constructive. In constituencies where the elections went to a second round, however, a majority vote run-off, it was all either/or, win-or-lose; so tensions increased, and these contests often became bitter and antagonistic. A less adversarial electoral system might have been a more sensible choice.

Congress, it was decided—or perhaps just assumed—was to operate under the “normal” rules of majority voting, and so too were all elected chambers, city councils and so on. As a result of employing similar norms, many parliaments elsewhere have divided into two opposing “halves”—the British and French, for example, into “left” and “right”, the Americans into Democrats and Republicans. In like manner, many a political party has also split into two: in 1903, the All-Russian Congress of Social Democrats splintered into the Bolsheviks and Mensheviks, by “the accidental arithmetic of a single ballot” (Deutscher, 1982: 71); while in China, during

the Cultural Revolution, the CPC divided into the two sides of mainstream and the gang of four. It was only to be expected, therefore, that this new Soviet Congress would also divide into two. It did not take long. One “half” was led by the Nobel peace prize winner, Mikhail Gorbachev, and the other by a second laureate, Andrei Sakharov.

Since then, under Boris Yeltsin and now Vladimir Putin, Russia has suffered from, initially, an economic collapse, and secondly, a rise in authoritarianism. It may now be asked, therefore, albeit in retrospect, was it wise to deploy such a majoritarian system, such that one side had a vested interest in the failures of the other?

2.2. Inter-Ethnic Conflicts Post-Perestroika

In nearly every former Warsaw Pact country, opposition to the ruling Communist Party succeeded in over-turning that administration, but that opposition then split into various factions. In some plural societies, the consequences were horrific.

Now according to international law, a country may exist if a majority within that jurisdiction so wills. The right of self-determination, first mooted in 1918 by US President Woodrow Wilson, was designed to be the principle by which colonies could gain their independence from their colonial masters, i.e., to resolve the *external* problem of imperialism. It was never intended to be that which it has now become, a basis by which a country can resolve any *internal* questions of secession. Furthermore, while the principle has been re-stated in many declarations, the methodology by which such determinations were to be effected was never stipulated. Article 2 of Resolution 1514, for example, passed on 14/12/1960, states that, “All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development”. It does not, however, define the word “people”, nor does it say how that people shall “freely determine” their status if, as is often the case, the choice is restricted to just two options. Again, it seems, in many states, it was just assumed, not least by those in power who were drafting the referendum question, that the vote would be a standard yes-or-no majority vote.

In some circumstances, then, if a minority wishes to secede, and if a majority of that minority so wills, then it may. Alas, like those famous Russian dolls, *matrioshki*, and the equally well-known Chinese boxes, nearly every majority has its own minority. In effect, therefore, the rules governing the self-determination of nations were and still are a slippery slope to mayhem. This was first demonstrated in the British Isles in the 1920s, when Ireland chose to opt out of the UK, whereupon Northern Ireland chose to opt out of Ireland and opt back in to the UK. The “logic” could have been extended to certain enclaves like West Belfast which, like West Berlin, could have become part of Southern Ireland. The formula has no end... and hence the violence of ‘the troubles’ as the Northern Ireland conflict was called, 1969-1994.

In recent days, the problem has re-emerged in Crimea. The question, to paraphrase, was this: do you want to be Russian? and a second asked, do you want to be just a little bit Russian? So the majority voted in favour, while the minorities, the Ukrainians and the Tatars, abstained. The result is chaos in other regions, in Donetsk, Karkhiv and so on. The formula, “*matrioshka* nationalism” as the Russians call it, does indeed have no end.

2.2.1. The Caucasus

In drawing up the borders between the various Republics in the Caucasus, Stalin’s cartographer was instructed to put all the Armenians into Armenia, and all the Azeris (and others) into Azerbaijan. Any villages or larger mono-ethnic groupings which did not conform to the new demarcations were to be put into “enclaves”. Thus a village full of Gregorian Christians in Azerbaijan might be circled off to be included into Armenia; similarly, any Moslem villages in Armenia could be drawn as part of Azerbaijan. (A similar phenomenon occurred in the demarcation of borders between Tajikistan, Uzbekistan and Kyrgyzstan, and again, the post-*perestroika* consequences have sometimes been violent). One large enclave of mainly Armenians which was *not* included into Armenia was Nagorno-Karabakh.

For as long as the world operates on the basis that a majority may determine the status of all, such maps were a recipe for post-Soviet disaster. The first inter-ethnic clashes erupted in 1988 in the above enclave, Nagorno-Karabakh, and other disputes followed shortly afterwards in Georgia, in Abkhazia and South Ossetia, both of which also resulted in wars. In all three areas, referendums have not helped at all; indeed, they have only exacerbated the problems, which remain to this day.

2.2.2. The Balkans

While Russia was part of the Caucasian problem, at least in Abkhazia where Moscow later deployed its own peacekeepers, the West was more involved in Yugoslavia. In 1990, the various Republics started to hold their first multi-party elections, mainly under the TRS system. The outcome of such a single-preference electoral system was two-fold: success for any “mono-ethnic”—or rather, “mono-religious”—party, and relative failure for any cross-community candidate such as Ante Marković of the Reform League.

In November 1991, with Serbia and Croatia already at war over the latter’s attempt to secede, the European Union, EU, set up a Commission under Robert Badinter to look at Yugoslavia as a whole, and this group of five constitutional lawyers suggested that any people aspiring to independence should hold a referendum. Slovenia and Croatia had already held theirs, but more were to follow: and yet again, majorities voted in favour and minorities abstained. Some of these plebiscites were recognised, as in Bosnia; the one in Montenegro produced the “wrong” answer so it was repeated; the 1991 plebiscite in Kosova was initially ignored, but eight years later it became a cause of the NATO bombardment of Serbia, (Emerson, 2000: 49-50); and other plebiscites were dismissed, as in various enclaves—the Serb held *Krajina* in Croatia, the mainly Catholic *Herzeg-Bosna* and mainly Orthodox *Republika Srpska* in Bosnia, and the *Sandžak* in Serbia/Montenegro.

The overall result was mayhem. “The EU’s insistence on referendums provided the impetus—whatever the spontaneous reasons (envy, hatred, competition)—to expel people from their homes and jobs on the basis of their ethnicity and to create ethnically pure areas through population transfers and expulsions as a prelude to a vote” (Woodward, 1995: 271). Then, on the day of the ballot, in Bosnia for example, the “barricades were thrown up by Serb militants”, (Glenny, 1996: 166), and the country was soon at war. Thus, as Sarajevo’s legendary newspaper, *Oslobodjenje*, was to conclude, “all the wars in the former Yugoslavia started with a referendum” (*op. cit.*, 7.2. 1999).

In summary, in the countries just mentioned, adversarial democratic structures exacerbated the problem. In Yugoslavia, elections were invariably held under a single-preference system—TRS or closed-list proportional representation, PR—so the outcomes were little more than sectarian headcounts. Similarly, all the referendums were dichotomous—for-or-against, yes-or-no—so any compromise options that might have existed were just not on the ballot paper. As a consequence, any Yugoslavs, or any partners in or children of a mixed marriage, or any who might otherwise have wanted to vote for compromise—like their counterparts in Northern Ireland’s referendum of 1972, or in Crimea’s of 2014—were in effect disenfranchised.

In the years that have followed since these wars, tensions have remained, especially in the more plural Bosnia. At the same time, all seven of these now nation states have asked to join the EU, and some have already done so. So what, one might ask, was the purpose of all those horrible wars?

2.2.3. Africa

Adversarial democratic structures have also caused mayhem in some African countries. Suffice here to mention just two instances of inappropriate electoral systems, and one of a bad decision-making system.

Firstly, then, the war in Côte d’Ivoire (Ivory Coast) in 2010 was in part provoked by the fact that the electoral system which preceded it was TRS, allowing as it thus did the final run-off vote to be between two antagonists from the previous civil war. Secondly, the post-electoral violence in Kenya in 2008 was similarly exacerbated by the use of first-past-the-post, FPP, electoral system: so every vote was single preference, and all too many of them were tribal.

So now, decision-making. Of those post-colonial states which did not conform to western norms, many became one-party states; some like Tanzania under President Mwalimu Nyerere became one of sub-Saharan Africa’s first successful post-tribal nations, while President Yoweri Museveni in Uganda, not least because of the civil war, followed a similar policy. Such deviations from the western norms, however, were seldom viewed with western approval and, in more recent years, many one-party states have become multi-party democracies... often as a result of external influences, “donor democracy” as it is called, (Matlosa, 2007: 332), financial aid attached to certain “democratic reforms”. That said, there have also been examples of appalling one-party states, as in Uganda of the 1970s, under Idi Amin, or in the Central African Republic under Bokassa.

The worst instance of an African nation suffering as a result of western democracy, however, was Rwanda. Throughout sub-Saharan Africa, “Majority rule was a foreign notion” (Mandela, 1994: 25). This is exemplified by the very words “*baraza*” (in Swahiliphone Africa), “*gacaca*” (in Rwanda) and “*palabre*” (in French West Africa), all of which imply a verbal consensus. But just as Western influences managed to prompt Africans to en-

gage in European-style wars in the colonial era—the 1892 Battle of Mengo, for example, in today’s Uganda, was part of a Catholic versus Protestant war—so too the very notion of majority rule was (not *the* but) *a* cause of the 1994 genocide in Rwanda; the slogan used by the *Interahamwe* when they launched their genocide was *Rubanda Nyamwinshi*, “we are the majority people” (Prunier, 1995: 183), or, in other words, the Bolsheviks.

Africa, today, is still far from peaceful. Some countries have managed to exercise democratic changeovers of power via the ballot box, but majoritarian tensions still exist in many states, not least as the result of the introduction into Africa of self-determination by majority rule, as in the 2011 referendum in and subsequent independence of South Sudan, which is now falling apart.

3. China

The story of how rulers in China have related to the ruled, and whether or not any voting was used, covers many centuries. Initially, majority voting was used in “... the Court Conference of the Former Han Dynasty (202 BCE - 23 CE), and decisions were based on the opinion of the majority regardless of the position or rank of the individuals on either side. As a rule, [these decisions] were accepted by the Emperor” (Wang, 1968: 176). (At the same time, of course, the city states of Greece were devising a “demos”, a more inclusive though still all-male and non-slave democracy, and here too majority voting was used, but in a democratic structure where there was “nothing resembling a ‘party system’” (Ste. Croix, 2005: 198).

The rule in those “times”, it was explained by one of the dynasty’s most successful generals, Mǎ Yuán, was as follows: “it is not only the sovereign who selects his subjects. The subjects also select their sovereign” (Keay, 2009: 169). Indeed, the “mandate of heaven”, which underpinned every dynasty, “in recognising the right of the people to rebel if the emperor failed them, was certainly a more democratic idea than its European counterpart, the divine right of kings” (Jacques, 2012: 275). Maybe too Confucianism was more democratic than pre-reformation and even some post-reformation denominations of Christianity.

Nevertheless, imperial rule was dictatorial, so inevitably, over the years, changes were mooted. Unfortunately, however, attempts such as the Minor Reforms of the 11th century were regarded as criticisms of the Emperor and did not get very far; instead, the emperor’s grip on power became tighter and tighter. Even when outside influences might have helped to create a less autocratic system of governance, as when the Jin dynasty came to power in 1122, the opportunity was not taken and instead, “Consensual institutions like the Jurchen chiefs’ periodic councils [were] abolished” (Keay, 2009: 335).

The situation became critical, however, in the 19th century, when the more powerful Western imperial powers fought the Opium Wars and then imposed the unequal treaties. In 1868, in an indirect response to yet another act of western gunboat diplomacy, this time by the US, Japan underwent a period of modernisation and westernisation, the Meiji Restoration. The consequence for China was yet another humiliation—defeat in 1894 by Japan in a war over Korea—whereupon many Chinese people realised that they too should modernise. First came the Hundred Days Reform, which the Dowager Empress Cǐ Xǐ squashed. Next was the 1900 Boxer Rebellion, with which she emphasised. And finally, albeit after her death, there came the revolution of 1911 and the end of the Qīng dynasty altogether.

That which might have been the advent of a democratic China, the first election, was held in 1913. It was a contest in which “over three hundred... small political groups or parties” participated (Spence, 1999: 275), and the Guómíndǎng (Kuomintang) of Sūn Zhōngshān (Sun Yat-sen) came out on top: 269 of the 596 seats in the upper house, and 123 of 274 in the lower (Brown, 2011: 8). Alas, the President, Yuán Shíkǎi, who wanted to make himself yet another emperor, then banned this party altogether. The resulting chaos soon led to the terrible period of warlordism. By the mid-1920s, there were two parties—both of which believed in the notion of the one-party state, the Kuomintang and now the Communists—and both were competing against each other, often violently, to unite the country under one central rule. Then the Japanese returned: first in Manchuria in 1933 and, four years later, in China proper, occupying very quickly almost the entire Eastern sector.

1945, the end of WWII, brought no respite to China; that only came in 1949, with the Communists winning the civil war and forcing Jiǎng Jièshí (Chiang Kai-shek) to flee to Taiwan. Shortly afterwards came a tragedy: ignoring any lessons that there might have been from the Soviet experience, Máo Zédōng forced through his own experiment in collectivisation, and the resulting death toll was measured in millions. Rules were made in Beijing, on the basis of which policies were enacted in collective meetings in the villages, with decisions of life and death sometimes subject to the local village vote.

3.1. Political Reform

On the death of Máo, reform, both economic and political, was essential. The former was necessary, if only to ensure that starvation came to an end. The latter, too, was important, for if the peasantry were to continue under the centralised rule from Beijing, there would always be the possibility of a peasants' rebellion. Indeed, it was the "combination of lawlessness and economic mismanagement from 1949 onwards [which] were the driving factors behind the introduction of [village] elections after 1978. This at least gave governance in villages some semblance of legitimacy and popular support" (Brown, 2011: 18-19).

"The term 'political reform' was formally introduced into the modern lexicon of the Peoples' Republic of China, PRC, in a speech given by Dèng Xiǎopíng in 1980" (Joseph, 2010: 108). It was a combination of rural democracy—for nothing yet was in the towns and cities—along with some more inclusive structures within the ruling CPC. Thus the June 1979 "new election law... sought to demonstrate a new spirit of democracy by insisting that contests for local People's Congresses should not be unopposed, and providing that any member of the electorate could stand [for office]" (Gittings, 2005: 160). That said, Dèng certainly had his reservations: "we should neither copy western democracy", he said in 1987, "nor introduce the system of a balance of three powers" (Gittings, 2005: 179). The PRC, of course, was still a one-party state but, as noted above, such was the scenario when political reform was initiated in the USSR.

The Kuomintang, now in Taiwan, adopted a multi-party democracy in the 1980s. When Britain left Hong Kong in 1997, the latter also adopted a plural polity. China itself, despite such events as the democracy wall of 1978 and the 1989 protests in Tiān'ānmén Square, remains a one-party state, a "consultative democracy", to use their current term.

3.1.1. Today's Elections

For the moment, then, elections are confined to the villages. Now anecdotal evidence suggests village democracy in China is not without its blemishes; but similar instances of fraud and cronyism can be found in many other parts of the world as well, not least in the author's own of Northern Ireland. Nevertheless, "The village election process has in effect been a massive act of education that has taught over 800 million people... the principles of Party and non-Party members running for power, of secret ballots, and of one person, one vote. It has also taught the principles of universal suffrage and of a choice of candidates. Village elections were not meant to be the seeds of anything else. But perhaps one day their introduction may be seen as a hugely significant moment when ideas of government being accountable to people who had the power to vote them in or out of power started to take root" (Brown, 2011: 69).

This village democracy is, of course, within the parameters of the one-party state—so it could be termed non-partisan. In like fashion, local democracy in the US often tries to operate on a non-partisan basis; indeed, some smaller jurisdictions try to promote such a polity at both local and regional levels: the Canadian Inuit's region of Nunavut, for example, and the British island of Guernsey, both have no-party structures.

3.1.2. The One-Party State

A second aspect of the current scenario relates to whether or not single-party rule can be democratic. In many jurisdictions, especially in post-conflict zones, governance has been and sometimes still is effected via one form or another of power-sharing: the list includes Belgium, Bosnia, Kenya, Lebanon, Northern Ireland and South Africa. (For reasons unclear, the West usually advises newly-emerging democracies to adopt a majoritarian polity, initially; then, if and when it all goes horribly wrong, it suggests the very opposite, all-party power-sharing. The latest example is Ukraine.) Other, so-called stable democracies have also resorted to governments of national unity, GNU, in times of emergency: the UK, for example, had a coalition government during WWII. And one country, Switzerland, adopted a form of all-party rule without a crisis; in 1959, a "magic formula" of 2:2:2:1 was devised, such that the four largest parties formed a collective presidency. The formula is now 2:2:1:1:1 and five parties are involved, but "the magic" remains.

If, then, all-party governance is still democratic, might a one-party state also aspire to such an ideal? The example of Tanzania comes to mind, (see above), as does the theoretical possibility of a parliament in which every MP is an independent member. In fact, many an idealist has aspired to a non-party democracy: George Washington, for example, in his farewell address to the American people, first published on 17.9.1796, said, "the alternate domination of one faction over another... has perpetrated the most horrid enormities [and] is itself a

frightful despotism”.

So maybe it is possible to have a one-party democracy. Every party has its wings, of course, and with its rightists and deviationists, the CPC has been no exception. But every country has its wings too. In a majoritarian polity, parliaments tend to split into government versus opposition. In a more inclusive milieu, such as a GNU, everyone is expected to cooperate. So might it be possible to create a (no-party), one-party (or all-party) democratic structure such that no one faction has the sole right to rule, and no one leader the possibility of becoming “the elected dictator”—to use Lord Hailsham’s description of Margaret Thatcher (Hailsham, 1978).

3.1.3. A Western Democracy?

The first question, however, is this: what would happen if elections were to be held in China under an open, multi-party, western system? Doubtless, in Xizàng, (Tibet), there would be a Tibetan Party, with off-shoots in any neighbouring provinces which have a considerable Tibetan population, Sichuān and Qīnghǎi, for example. Doubtless, too, there would be a Wéiwú’ěr (Uighur) Party in Xīnjiāng, with again other Islamic parties in those provinces, mainly in the West or South, where there is a sizeable Moslem population. (For some reason, Moslems are regarded as an ethnic minority whereas Buddhists, Taoists and other religious groups are not.) There are, in all, 55 minorities, many of them in Yúnnán and Guǎngxī, so here too there might be a proliferation of parties, with perhaps at least one more mono-ethnic party in Inner Mongolia.

If these parties were then to contest elections under a single-preference adversarial electoral system—the worst example of which is probably FPP but, as noted above, others such as TRS can also be very divisive—relationships between various parts of the population could well deteriorate, as seen in Kenya with FPP, and in Côte d’Ivoire and the Balkans with TRS, (see above). Single preference PR list systems are sometimes not much better. In these, the voter is allowed only one preference; in a closed list system, he/she may vote only for a party (and not for a particular candidate), so if the party is sectarian, then so too is the vote. An open system at least allows the voter to choose his/her favourite from the party’s list of candidates. The more sophisticated open-list systems, meanwhile, such as that used in Switzerland, allow for multi-candidate voting, so the voter may cross the party and gender divides, not to mention any ethno-religious chasm.

Another multi-candidate electoral system is the alternative vote, AV, so here too, the voters are able to cross any ethno-religious divides; indeed, in Papua New Guinea, PNG, an AV vote is only deemed to be valid if the voter has cast at least three preferences which, because almost every candidate has a tribal allegiance, means the voter must in effect cross the divide at least twice. The PR version of AV, PR-single transferable vote, PR-STV, also allows the voter to vote across-party, as does the quota Borda system, QBS, the latter rather more positively.

If such a win-win electoral system were to be deployed, tensions could perhaps be less bitter. That said, it must also be noted that PR often, in effect, tends to perpetuate sectarianism, allowing as it does the threshold for representation to be lower than would otherwise be the case under FPP, say. Even in Northern Ireland which enjoys PR-STV, many voters choose not to cross the party divide and to vote instead, as “instructed” by the party, only for that particular party’s candidates; as often as not, the party asks voters to vote in a specified order of preference and, via such tactics of “vote management”—a democratic oxymoron—aims to gain maximum party advantage.

If, then, an adversarial electoral system were to be adopted in China, and if, subsequently, the various provincial assemblies and the national Congress were to take decisions on the basis of a (simple or weighted) majority vote, sectarianism would almost certainly become institutionalised. If, furthermore, the constitution were to allow any persons aspiring to self-determination to hold a majority vote referendum, then the very introduction of democracy, of western democracy, could herald the break up of China. Indeed, some have predicted that “a Chinese republic would quickly degenerate into mob rule with corrupt elections and incompetent politicians” (Nathan, 1986: 61). Or, to quote Xīnhuá, the Chinese news agency, “If China imitates the West’s multi-party parliamentary democratic system, it could repeat the chaotic and turbulent history of the Cultural Revolution when factions sprung up everywhere” (Fenby, 2012: 163). Such a fate will not be tolerated by the current administration.

3.1.4. Western Majoritarianism

Sadly, “there is a surprisingly strong and persistent tendency in [Western] political science to equate democracy solely with majoritarian democracy and to fail to recognize [a consociational] democracy as an alternative and equally legitimate type” (Lijphart, 2012: 6). Not only that; not only is the adversarial model seen to be the one

and only possibility but, *ipso facto*, other forms, including a more consensual polity, are often dismissed as undemocratic: “the Confucian ethos pervading many Asian societies stressed... the importance of consensus. [This attitude contrasts] with the primacy in American beliefs of... democracy” (Huntington, 1997: 225). So maybe, as was said by one Mr. Wú, “Westerners need to be a bit more modest. They don’t always have the right answers” (Brown, 2011: 101).

In fact, “the Western assumption of the majority’s right to overrule a dissident minority after a period of debate does violence to conceptions basic to non-Western peoples. Although the Asian and African societies differ vastly among themselves in their patterns of customary action, their native inclination is generally towards extensive and unhurried deliberation aimed at an ultimate consensus” (Emerson R, 1966: 284). Though that quotation was referring to all of Asia, the same is true today in the Middle Kingdom: “the often stated desire in Chinese public life... before implementing a solution, [is] to aim for consensus (Brown, 2011: 77).

4. A More Inclusive Polity

A western and adversarial democratic structure, then, was not suitable for many post-colonial countries; was not suitable for many post-Soviet countries; and, this article suggests, would not be suitable for China. A more consensual polity, however, could be appropriate, and maybe the democratic structure should be such that, “out of any debate... there should be no winners or losers”, to quote Nelson Mandela, speaking on his retirement at the final sitting of the first democratically elected South African parliament, 26/3/1999.

Consideration will now be given to decision-making, to the various ways by which, if but in theory, decisions could be made; and then to elections where again, there are a number of voting methodologies to choose from. What follows is, firstly, a critique of present decision-making structures; next, a brief overview of electoral systems; and then a description of an inclusive form of governance.

4.1. Decision-Making

Be it a meeting of the company board, a conference on climate change, a gathering of the local village council or a session of Congress, decisions on topics which are controversial and/or complex should rarely if ever be based on a dichotomy, a choice of only two options. The same could be said elsewhere, not least in parliaments and international forums such as the UN Security Council: in other words, in any society which aspires to the adjective “plural”, decisions on contentious matters should not best be based on a for-or-against vote, or even a series of such binary ballots.

Majority voting is in fact the most inaccurate measure of collective opinion ever invented. Its disadvantages have long been known; in CE 105, Pliny the Younger was the first to realize that binary voting may not be able to cater for those occasions when there are more than two options on the table; and this deficiency was later confirmed by Le Marquis de Condorcet as the paradox of voting in the 19th century, (McLean & Urken, 1995: 4).

The main disadvantage of binary voting, be it in a simple or a weighted ballot, is obvious: the collective will of a given electorate cannot be *identified* by a majority vote, not least because that option has to be identified earlier if it is to be already on the ballot paper. A majority opinion may, perhaps, be *ratified*, if that is the authors of the question have either made a good estimation, that or engaged in extensive discussions with all concerned, to draft what they believe represents the consensus; this sort of procedure can be undertaken when there are relatively few participants, as in the UN Security Council. In a parliament of hundreds, a Congress of thousands, or a population of millions, however, it must be emphasised that a majority opinion cannot be *identified* by a majority vote. What a binary vote does do is this: it identifies, with certainty, not “the will of the people”, not even the will of the majority, but rather, the will of those who wrote the question. Little wonder, then, that binary voting has been a chosen instrument of so many dictators: they draft the question and, on almost every occasion, the question is the answer. Thus majority voting has been used by the likes of Napoleon, Lenin, Mussolini, Hitler, Duvalier, Khomeini and Saddam Hussein; the list is long (Emerson, 2012: 143-150).

As mentioned above, a further disadvantage of the two-option majority vote is that it tends to divide those who are making the decision into two opposing camps and, in a multi-party democracy, these two then become entrenched opponents, opposing each other almost out of principle (unless, as sometimes happens in Germany, for example, the two parties concerned join together in a grand coalition).

What’s more, as noted in the Balkans and the Caucasus, in any divided society, a two-option majority vote only serves to exacerbate those divisions, if not indeed to provoke war. There must be a more inclusive way.

4.1.1. The Modified Borda Count (MBC)

In any plural society, on any topic which is either complex and/or contentious, there will invariably be more than two options “on the table”... or there should be. What follows, then, is a description of a set of procedures which could be followed.

One crucial step in decision-making, and certainly in any forum whose decisions affect the lives of millions, is to allow for any debate on controversial issues to be refereed. Accordingly, any newly elected assembly shall first elect a team of, say, three impartial and non-voting “consensors”, as they are called. Their duties are outlined below.

When any subject comes up for debate, all members of the assembly shall be entitled to draft a policy option. Obviously, in a large meeting, not every member can sponsor a motion. Inevitably, however, those concerned will form into groups—by gender, interest, geographical region and/or whatever. Such groups—in any western parliament—would be called parties; but there is no reason why these groupings should be so institutionalized. Mr. X can work and vote with Ms. Y on one issue, but they may choose to have different priorities on another topic. Secondly, in any multi-option debate leading to a preference vote, such differences may be made manifest without any undue polarization. Thirdly, the protagonists of any one option will know that their chances of success will be that much higher, if indeed they manage to muster a number of supporters. The number of options on the table, therefore, will rarely be excessive but, if need be, the consensors will advise guidelines and/or edit the options. They will also draw up a list of all relevant options—as long as these comply with a given norm such as the UN Charter on Human Rights—and display this list, in full on a dedicated website, and in summary on a computer screen.

In the debate itself, participants shall be able to ask questions, seek clarifications, propose amendments, suggest composites, or even call for a new idea to be considered. As the debate proceeds, the number of options “on the table” may therefore vary. If at the end of the discussions, only one option remains, this may be taken as the collective will. If, as is more likely in most forums, there are a number of options still listed, then the chair may call for a vote. Each sponsor shall first be asked if they are content that their particular proposal is included in the final list, either verbatim or in composite. And when they are satisfied, all concerned shall proceed to the vote.

4.1.2. The MBC Vote

On any complicated topic, the consensors will aim to produce a final (short) list of about five options. The list must obviously be balanced, to reflect the full range of the debate, with options, as it were, evenly spaced.

Those involved shall then be asked to cast their preferences on the various options listed, and in a five-option ballot, it works as shown in Table 1.

The rule is as follows: in an MBC of n options, the voter may cast m options, where $n \geq m \geq 1$. Points are awarded to $(1^{st}, 2^{nd} \dots m^{th})$ preferences cast according to the rule $(m, m - 1 \dots 1)$. In effect, then, the voter is encouraged to cast a full ballot. If he casts just one preference, he gives his favourite a one-point advantage over the option he likes least. But she who casts all five preferences gives her favourite a four-point advantage over her least favoured option.

It must be pointed out, of course, that, if cast, a voter’s x^{th} preference always gets just 1 point more than his/her $(x + 1)^{th}$ preference, regardless of whether or not he/she has cast that latter $(x + 1)^{th}$ preference. In an MBC, there is no especial weighting.

The rules may be slightly different in a prioritization: in a ballot of n options where $n \leq 10$, the voters may be asked to list all n options. If, however, the number of options, N , is such that $N > 10$, then the voters may be asked to cast just their top n preferences, in which case it is suggested $n = 6$.

Table 1. The MBC vote.

If a voter casts only one preference, he gives his favourite just 1 point.

If another casts two preferences, she gives her favourite 2 points, and her 2nd choice 1 point.

If yet another casts three preferences, he gives his favourite 3 points, his 2nd choice 2 and his 3rd choice 1 point.

So best of all.

She who casts all five preferences gives her favourite 5 points, her 2nd choice 4, and so on.

Whether making a decision or a prioritization, nobody votes *against* any body or any thing. People vote only in favour of the options listed, albeit with varying degrees of enthusiasm. By voting in favour, the voter in effect acknowledges the validity of the option, i.e., the validity of his/her neighbour's aspiration. The MBC is an inclusive system.

The outcome is the option with the most points. In order to be successful, therefore, the protagonist will need lots of high preferences, a few middle ones perhaps, but very few low ones. It is therefore worth his while to talk to his erstwhile (majoritarian) opponents, so to persuade the latter to give not a 5th but a 4th or even a higher preference. Thus the MBC encourages dialogue; it is indeed an inclusive methodology, ideally suited to a no-party, one-party or all-party polity.

4.1.3. The MBC Count

When the points are totalled in any ballot, if all or most of the voters have cast full ballots, at least one option will be above the mean, and others below. There are a number of possible scenarios.

1) If the winning option has a very high score, then obviously, the other options will be close to or below the mean, and such a well-regarded option may be described as having near unanimous support. If the top score is rather less, then maybe consensus is a better term, or maybe just best possible compromise.

2) If two options are neck-and-neck, the consensors may choose to form a composite.

3) If the top score is only just above the mean, then other options must also be close to the mean, in which case there is no consensus and the debate should be resumed, with emphasis on the more popular options, especially if a cluster thereof is seen to have distinctly more support than the remainder.

4) If the purpose of the vote is a prioritisation of, say, six options, and if the results show a cluster of seven options to be more popular than the rest, then maybe the consensors will decide that the final short list should consist of seven options.

To facilitate the consensors in their work, every option is given a consensus coefficient; this is defined as the option's MBC score divided by the maximum possible score, and it ranges from 1.0 (which is unanimity) to 0.0 (total rejection). Prior to any debate, it must be decided at what level of consensus a policy option shall be enacted, and such a level shall be enshrined in standing orders. The latter may also specify the levels of support required for an option to be regarded as "a near unanimous opinion", "a consensus", or "a best possible compromise".

4.2. Elections

While decision-making systems around the world could, but do not, vary—nearly everyone uses the (simple, weighted, twin, qualified or consociational) majority vote—elections display a huge variety: some are proportional, a few are preferential, several work under thresholds and many with quotas; and they vary from good to bad to atrocious. The last category includes the single-preference forms such as FPP and that version of PR-list—the conveyors of sectarian head counts listed earlier.

A good system, it could be argued, should work on the same basis as the MBC, i.e., it would enable the voter to show support for various candidates (but not to display disdain for any others); it would encourage the voter to cross any gender and ethno-religious divides; and if a quota is used, it would also ensure a proportional result. Above all, it would be accurate and fair. The appropriate methodology is called the Quota Borda System, QBS, (Emerson, 2007: 39-60).

4.3. Good Governance

In an MBC, if every voter has cast a full ballot, the outcome, the option with the most points, may also be described as that which gains the highest average preference. And an average, of course, involves every voter, not just a majority of them. Little wonder, then, that "the Borda count is significantly more consistent", i.e., more accurate, and therefore more democratic (Saari, 2008: 95), than other voting procedures.

If, on any topic deemed to be controversial and/or complex—that is, any topic which is multi-optional—majority voting were to be replaced by the MBC; if, in a nutshell, the MBC were to be adopted in any one forum, there would no longer be any justification for majority rule by majority vote in that forum. Instead, therefore, of the chamber dividing into two asymmetrical "halves", (see above), with the executive consisting of a single majority party or a coalition of two or more parties in a majority or grand coalition, the elected assembly would op-

erate under a system of all-inclusive power-sharing, a GNU.

This could best be effected by means of a matrix vote, which is based on both a QBS and an MBC. Each member of the assembly would be able to vote, in order of preference, not only for those whom he/she wished to be in the executive, but also for the portfolio in which he/she wanted each of his/her nominees to serve. Because the matrix vote is PR, the outcome would inevitably be an all-inclusive executive in which, in the consensus of that assembly, each minister would be the one most suited for that particular ministry. The matrix vote, therefore, is also ideally suited to a no-party, one-party or all-party polity.

The democratic structure could then be as follows. The people elect the assembly by QBS; and assembly then elects an executive by a matrix vote, (Emerson, 2007: 60-85). The QBS electoral system would encourage the voters to vote across any societal divides, gender, ethno-religious or whatever. In like manner, the matrix vote would also encourage the elected members to vote in a similarly inclusive manner.

As has been demonstrated often enough in Belgium and Northern Ireland, an inclusive system of governance tends to falter if contentious questions are put to a dichotomous (simple, weighted, qualified or consociational) majority vote. If, however, China adopted a polity as described above; if all serious disputes in the elected chamber were to be resolved by MBC; and if all preferences cast by all members were always to be made public; then there would be a good chance that China could indeed become a fully “consultative democracy”.

5. Conclusion

In its dealings with China, “the West frequently attaches political conditions concerning democracy” (i.e., as per a western interpretation of the term), (Jacques, 2012: 426). Furthermore, the “main plank of American soft power is the stress placed on democracy *within* nation-states: China, by way of contrast, emphasises democracy *between* nation-states—most notably in terms of respect for sovereignty” (Jacques, 2012: 470), and not least because some institutions, like the International Monetary Fund for example, use decision-making methodologies which are both majoritarian and loaded in favour of the US and other major economies.

A democratic China is of course possible. The introduction of a simple western democracy, however, an adversarial structure, would be far too dangerous. The wiser course would be to adopt an inclusive polity, based on preferential voting. Such a polity would only be peaceful, and therefore successful, if it were indeed inclusive and not based on an adversarial majoritarian model, the likes of which currently predominate in the West. Maybe the latter should also change.

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Abbreviations

AV = IRV = PV = STV	Alternative Vote (in the UK)
BC	Borda count
CPC	Communist Party of China
EU	European Union
FPP	first past the post
GNU	government of national unity
IRV = AV = PV = STV	instant run-off voting (in America)
MBC	modified BC
PR	proportional representation
PNG	Papua New Guinea
PRC	Peoples' Republic of China
PV = AV = IRV = STV	preferential voting (in Australasia)
QBS	quota Borda system
STV = AV = IRV = PV	single transferable vote (in the UK)
TRS	two-round system
UK	United Kingdom
UN	United Nations
US	United States (of America)
USSR	Union of Soviet Socialist Republics
WWII	World War II

Policy Instruments and Budgetary Processes: A Reflection on the Deficit Elimination Experience in the Canadian Provinces

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Abstract

Analyses of the deficit elimination experience in provincial governments in Canada in the 1990s show that provincial authorities used similar sets of policy measures to reach the goal of a balanced budget within a short period of time. We look at these measures as policy instruments and we try to make sense of their use through a theoretically informed reflection on the role of information and trust in the budgetary process. The principal-agent theory shows how the Premier and his team circumvented the problems caused by the information monopoly of managers through the implementation of a top-down process for setting budgetary targets and through the decentralisation of operational decision-making. However, this theory is completely silent concerning the use of rhetorical instruments. The convention theory suggests that regulatory and rhetorical measures were combined to influence guardians of the treasury and program advocates in their visions of the budget and thus changed the budgetary process from an incremental process to a fiscal crisis process. The same policy instruments take on a different meaning depending on the theoretical lens that one uses. Their use fosters identical outcomes (in this case, a balanced budget) through different paths. The knowledge of the process through which the use of a given policy instrument might lead to a given outcome is essential if we want to get a better grasp of the side effects of the use of any policy instruments.

Keywords

Policy Instruments, Fiscal Policy, Public Deficit, Canada, Principal-Agent Theory, Convention Theory

1. Introduction

In 1992, after a series of negative evaluation by credit rating agencies, the government of the Canadian province of Saskatchewan was facing quasi-bankruptcy as it realised that it had important difficulties in finding the funds necessary to meet its borrowing requirements on the capital market. At that time, its credit rating was BBB. From this point on, the Saskatchewan government, soon imitated by other provincial and the federal governments, started a strict program aimed at balancing its operating budget, involving spending and tax instruments, as well as what seemed to be a coherent set of regulatory and rhetorical measures:

- Budget targets were imposed by the Premier or the Cabinet rather than “negotiated” by program ministers and the Treasury Board.
- A business planning approach to department budgeting was imposed to all departments and decisions about the operational decisions necessary to reach the target were decentralized.
- Anti-deficit legislations were adopted.
- Conferences, committees of the legislative assembly, review commissions, etc. were put together to “analyse” the situation, to consult various interested publics and to suggest solutions.
- A coherent discourse, based on the potentially negative impacts of budget deficits on economic growth and on their inequity vis-à-vis the next generations, was elaborated and presented in all sorts of forums¹.

In other words, provincial authorities chose a set of policy instruments to ensure observance, cooperation and execution of their balanced budget policy.

Bruce Doern and Richard Phidd define policy instruments as “the major ways in which governments seek to ensure compliance, support and implementation of public policy” (Doern & Phidd, 1983: 111)². For them, the main instruments available to governing authorities are: exhortation, expenditure, taxation, regulation and public enterprise”. The policy measures listed above fall in the categories of exhortation and regulation. But, as Doern and Phidd argue, policy instruments are not only “means” to foster “ends”, but they “are also ‘ends’ in themselves”. “They are object of political dispute, are embedded with ideas and are valued because they fundamentally affect the *process* and *content* of policy making” (p. 111).

Focusing on the impact of policy instruments on the budgetary process, we propose in this paper to explore how two economic theories of the policy process may be useful to shed light on the way provincial authorities in Canada successfully eliminated their deficits in the 1990s. Indeed, one of the important breakthroughs of economic theory in recent decades has been to open the black box of government decision-making in order to free itself from the neo-classical assumption of a single actor government. Now several economic theories are available that take into account the fact that policy actors do not share the same preference ordering, that they do compete with each other to foster their own objectives, and that the outcome of the policy process does not necessarily correspond to the outcome of a rational process. In short, they accept the premise that the policy process is a political one. We will focus on two of these theories, the principal-agent theory and the convention theory³.

2. The Principal-Agent Theory

For the principal-agent theory, relations among actors in the policy process are typically principal-agent relations where one actor, the “principal”, delegates part of her responsibilities to an “agent” who controls information that is not accessible to the principal. The agent uses his monopoly over information in order to foster his own interests.

In the budgetary process the agent and the principal have divergent interests. The agent controls the information on budgets. Basically this information concerns: 1) his own behaviour, that is how he spends the money, how he sets his priorities; 2) the characteristics of the goods or services that his agency produces (real costs and benefits); 3) the slack that exists in the budget, or the discretionary budget (i.e. the proportion of the budget that can be cut without the services being jeopardized). For the agent, the less he reveals to the principal, the more power he has on her and the more efficiently he can maximize his budget (or protect it from erosion). Considering information as capital asset, the agent may accept to trade part of it for advantages that the principal would

¹For an analysis of the deficit elimination process in Alberta, see (Bruce, Kneebone, & McKenzie, 1997); in Québec see (Imbeau & Leclerc, 2002). For a comparison of the deficit elimination experiences in the provinces of Saskatchewan, Alberta and British Columbia, see (Imbeau, 2000).

²For a review of the concept of policy instruments and its use in the public policy literature, see (Varone, 1998).

³Our review of these theories owes much to the excellent synthesis made by Sophie Béjean (1994).

be willing to consent on him. Indeed, the principal needs to get as much information as possible from the agent in order to avoid three main problems: 1) moral hazards, that is the risk of having the agent follow an agenda that is different from her own, like resisting or sabotaging her chosen course of action; 2) adverse selection, that is the risk of choosing a wrong set of goods and services because of lack of information about the characteristics of these goods and services; 3) free riding, due to the agent using a higher budget than necessary.

If we apply the principal-agent model to the case of the deficit elimination policy, we see that the information provincial authorities (the principal) needed most in pursuing their goal was the discretionary budget that managers (the agent) had been able to create for themselves over the years. They also needed to know the characteristics of the services produced by government agencies, i.e. which ones were essential and which ones were not, so that they could better balance budget cuts among departments and services. Managers had an interest in concealing the information concerning their discretionary margin and, therefore, in artificially inflating their estimated needs and costs.

The depiction of the interaction between the principal and the agent in a game theory format shows how a combination of strategies (or choice of instruments) may have an effect on the budgetary process.

Let the agent be the column player and let the principal be the row player. Let us define the agent's strategies as transparency or opacity. The benefits of transparency to the agent is the trust that he can accumulate with the principal in the hope that it will pay off in the future, as proposed by the theory of informal transactions (Wintrobe & Breton, 1986). Benefits can also be derived from bonuses that the principal may attach to that type of behaviour. However the strategy of transparency costs the agent a decrease in control over the agenda. Let us now define the principal's strategies as coercion or incentive. The benefits of coercion over incentive are simplicity and rapidity. It is simpler and faster to demand than to convince. But coercion may impose higher monitoring costs needed to enforce the decision. The combination of these strategies yields four outcomes, i.e., typical budgetary processes: a bottom-up process when the agent conceals information and the principal tries to convince him not to; a top-down process in the opposite situation where the principal demands and the agent complies; a cooperative process when both players cooperate; and a hybrid process, "decentralized top-down" process where both actors keep their autonomy (Figure 1). Because of the costs and benefits they get from each outcome, the principal and the agent have different preference orderings:

Principal:	C	>	D	>	A	>	B
Agent:	B	>	A	>	D	>	C
(Cardinal value)	(4)		(3)		(2)		(1)

Given these choices of strategy and these preference orderings, we have a game whose natural solution is D (Decentralized top-down process) since both players have a dominant strategy (coercion for the principal and opacity for the agent). The principal is the favoured player since the outcome is higher on her preference scale than it is on the agent's.

Let us now return to the issue of policy instruments. If we conceive the choice of a policy instrument by governing authorities and managers as the equivalent of the choice of a strategy in the principal-agent game depicted above, we see that the choice of policy instruments by the actors have an impact on the nature of the budgetary process. The top-down process, for example, is one where the principal succeeded in forcing the agent to divulge the information he has. Even more interesting, we see that the decisions made by provincial governments to impose budgetary target and to let managers find their own way to them corresponds to the natural solution of the interaction between an agent who conceals information from a principal who has a tendency to impose constraints rather than use incentives. What is interesting here is that the game theoretic solution corre-

	Agent	
	Transparency	Opacity
	A	B
Incentive	Cooperative Process 2,3	Bottom-up process 1,4
Principal		
Coercion	C Top-down Process 4,1	D Decentralized Top-down Process 3,2

Figure 1. The principal-agent budgetary relationship in the budgetary process.

sponds to the actual solution provincial authorities found to the fundamental problem revealed by the theory, that of the information monopoly in favour of managers in the policy making process. By centralizing the decisions over the objectives and by decentralizing the decisions over the means, provincial authorities freed themselves from the principal's dependence on the information monopoly of the agent.

However, despite its unequivocal qualities, the principal-agent theory tells us nothing about the use of rhetorical instruments which it considers irrelevant even though these instruments were central in the process of eliminating the deficit. If we want to make theoretical sense of the use of rhetorical instruments in this process, we must look for another theory, the convention theory.

3. The Convention Theory

French economists working in the field of health services have coined the term Convention Theory (*théorie des conventions* (Béjean, 1994)) to refer to a body of theoretical explorations that follow the Principal-Agent theory in that they “open the black box” of government decision-making, but that depart from this theory and from mainstream economics in an important way: the assumption of maximizing rationality (*rationalité substantielle*) is relaxed in favour of an assumption of bounded rationality (March & Simon with Guetzkow 1959; Simon 1978). The actor conceived by the conventionalist approach is neither the *homo sociologicus* whose behaviour is completely determined by norms and customs integrated in the socialization process, nor the *homo oeconomicus* who is motivated only by the maximization of some utility. His behaviour is guided by “convention-rules”, that is systems of reciprocal expectations about competences and behaviour. In this context conventions are meta-rules, some explicit and codified, some implicit and spontaneous, that are elaborated in a long process of interaction among actors within an organization and are used as a collective cognitive mechanism allowing a saving of knowledge. Because of the flux of information that submerge the members of an organisation, and because actors have limited cognitive capacities, convention-rules are developed to simplify information processing through the elaboration of routines codifying behaviours and the definition of roles as the basis for the division of labour among the members of an organisation.

This idea of role playing in the budgetary process has been familiar to us since the work of Wildavsky (1964, 1975, 1988). Indeed, Wildavsky's model is a convention theory of the budgetary process. The budgetary convention regulates the relationship between the actors involved in the budgetary process within an organisation. It defines two roles that are the basis of a division of budgetary responsibilities: guardians of the treasury and program advocates. Guardians look after the whole budget to make sure that budgetary allocations respect the rules of the organization, in particular, the rules concerning deficits. When caring for the treasury, guardians do not worry about specific programs because they trust that advocates will do so. Indeed, advocates care mainly about the quality and the quantity of services offered under their responsibility and set their budgetary requests accordingly, without caring much about the whole of the budget since they know guardians take on this responsibility. Guardians and advocates interact in a complementary way thus creating a stable pattern of mutual expectations which tend to reduce the burden of calculations for budget participants. Trust is central in the interaction between guardians and advocates. It builds up over the long run through a process of learning. Without trust, guardians would impose stringent controls, thus encouraging the advocates' evasion to other sources of financing. Without trust, advocates may indulge in gross over-evaluations of their needs to secure the minimum for their service thus encouraging guardians to impose even more severe controls. In summary, the budgetary convention includes a division of responsibilities between guardians and advocates as well as control mechanisms and sanctions aimed at dissuading potential abuse. As long as there is trust between guardians and advocates, the organisation saves the cost of non-cooperation (cost of additional controls for guardians, cost of lobbying and of search for alternative sources of funds for advocates).

The guardian-advocate dynamics normally leads to incremental budgeting with positive or negative changes at the margin. This is, of course, far from what we observed in Canada in the deficit elimination period when spending decreased by an important measure each of several consecutive years. How can a convention theory account for the use provincial governments made of budget rules and rhetorical instruments?

The distribution of budgetary roles in the budgetary process in Canada is not all that clear. Generally, actors from central agencies (Finance, Treasury board) are seen as guardians whereas actors from program departments are considered as advocates (Savoie, 1990). However, the role of the Prime minister at the federal level or of the provincial Premiers is not clear. They are neither guardians nor advocates since these roles are linked to institu-

tional positions outside the premier's office. But they can use regulatory and rhetorical instruments to influence the budgetary outcome. How is this done? Bounded rationality implies that, in addition to his or her role (i.e. the expected behaviour attached to one's institutional position), an actor's choice depends on the "decision premise", or attitude, active at the moment of choice. Here is how Nicholas Henry defines a decision premise:

A decision premise refers to the values and perceptions held by each member of the organization, on which he or she bases every decision made regarding the organization. These individual values and perceptions are unique to the individual, but many can be altered and influenced through the use of organizational means and sanctions available to those in positions of control, the division of labor in the organization and how it affects the individual, standard operating procedures used in the organizations, the socialization and training of new members of the organization, and the kinds of people who are selected to join the organization. Together, these techniques can mold each individual's decision premise in a way that reduces organizational uncertainty by making the individual's decisions predictable. When uncertainty is low [...], authority and control often are relinquished or "decentralized" (Henry, 1999: pp. 96-97).

In other words, even though roles are given by the institutional position occupied by an actor, this actor's attitude toward his role may vary.

Let us characterize the budgetary decision premises in two different attitudes regarding the budget: to favour a partial view of the budget or to favour a total view. In our context, favouring a partial view of the budget means supporting spending in a sector of government intervention (program, department, etc.); favouring a total view of the budget implies a particular attachment to the bottom line (deficit or surplus). In other words an actor may or may not have the attitude that perfectly corresponds to his role in the budgetary process. Role and attitudes are distinct. The combination of roles and attitudes defines four types of budgetary processes (Figure 2).

- Type 1, "Incremental Budgeting" occurs when attitudes correspond to roles: Guardians adopt a total view and advocates a partial view of the budget. This is the situation described by Wildavsky in the US and by Savoie in Canada where budgeting is done through small changes at the margin.
- Type 2, "Fiscal crisis budgeting" is the process that occurs when both advocates and guardians adopt a total view of the budget. They are more concerned with the whole of the budget than with the maintenance of programs.
- Type 3, "Social crisis budgeting" is the process characterized by both advocates and guardians adopting a partial vision of the budget. War budgets are made through that type of a process, most people in the process being mainly concerned with one program, the support of the war effort.
- Type 4, "Reversed Role Budgeting", corresponds to the situation where advocates adopt a total view and guardians a partial view of the budget. For example advocates often act as guardians when, noting the interdependency of programs between ministries or departments, they indicate where funds could be saved in other ministries. Another illustration of this process when savings measures suggested by advocates to meet a budget target are more aggressive than what guardians are willing to tolerate. In this case, it becomes the responsibility of the central agency to come up with innovative solution.

This model makes explicit the way the combined use of regulatory and rhetorical instruments in the deficit elimination process impacted on the budgetary process and contributed to the realization of the balanced budget objective. Once they had decided that deficit elimination would be attained through severe spending cuts, provincial authorities started a campaign of rhetorical and regulatory measures that had the effect of reinforcing guardians in their total vision of the budget and of convincing advocates to adopt a total view. The imposition of precise budgetary targets and the decentralisation of operational budget decisions had exactly this impact: program managers were now responsible for reaching government's budget targets. The anti-deficit laws served as an additional argument to convince advocates that the government would not back down on its target. The impact of the discourse on inefficiency in public service, increased controls to counter tax evasion, intergenerational equity, etc. had the additional effect of convincing advocates to care about the whole budget. In summary, government interventions in budget rules and discourse introduced a change in the budgetary process which made it possible successfully to implement its balanced budget policy.

A conventionalist approach to deficit elimination shows how trust and learning in provincial public administration were central in the success of the balanced budget policy. Government regulatory and rhetorical interventions had an impact on public managers' attitudes towards the budget and therefore on their willingness to implement government objectives.

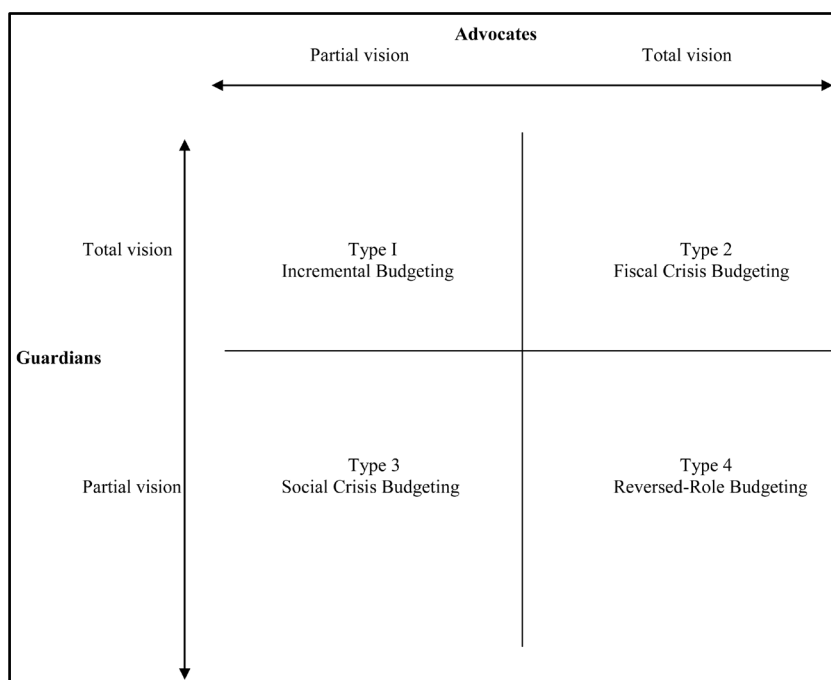


Figure 2. A model of budgetary processes based on roles (guardians or advocates) and attitudes (partial or total vision of the budget).

4. Conclusion

Policy instruments are not only means towards ends, but means towards processes towards ends. Between the course of action chosen to pursue a specific goal and its end-result lies the world of the policy process which may be affected by the policy instrument chosen. The conclusion one reaches about the effect of a given policy instrument on the policy process depends on the underlying theoretical model.

From a principal-agent perspective, changes in the budgetary rules made by provincial authorities in their attempt to eliminate their deficits through spending cuts modified the budgetary process in such a way that they could free themselves from their dependence on the information monopoly of public managers. Therefore the principal-agent theory may be useful to understand the impact of regulatory instruments on budgetary processes but it says nothing about the impact of rhetorical instruments which were central in the provincial governments' efforts to eliminate their deficits.

A conventionalist perspective integrates both regulatory and rhetorical instruments and provides a coherent description of the impact of these instruments on the budgetary process. The interaction between budget roles and budget attitudes that this approach puts to light shows how the use of regulatory and rhetorical instruments can be combined to affect the budgetary process in such a way as to increase the probability of success of a deficit elimination policy.

The same policy instruments take on a different meaning depending on the theoretical lens that one employs. Their use fosters identical outcomes (in this case, a balanced budget) through different paths. The knowledge of the process through which the use of a given policy instrument might lead to a given outcome is essential if we want to get a better grasp of the side effects of the use of any policy instruments.

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Study of the Role of NGO in Strengthening the Food Safety and Construction of the Relevant Law

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Abstract

Food safety, which is a key part of livelihood projects, is not only closely related to the thousands of households table, but enormously affecting the whole country. The government departments as the manager of the public interests have been committed to strengthen the construction of food safety, but its results are always unremarkable. In order to prevent “*the government failure*” in the process of food supervision, the food NGO is now entering the people’s view. It has a comparative advantage in specialization, independence and efficiency, however, as an emerging force, it is also plagued by problems such as small number, weak power, lack of necessary support in law and so on. Therefore, the food NGO might be worth a great deal; it is essential for the system construction especially the construction of relevant Law apart from continuous development and ceaseless accumulation.

Keywords

The Food Safety, The Government Failure, The Food NGO

1. Introduction

Food is the paramount necessity of people, safety is the priority of food. Even though a wide cross-section of society has been calling for strengthening the construction of food safety, especially after the appearance of the *melamine* incident, the supervision department to food safety makes a great effort to rectify the food business of production and sales, the food safety incidents still remain frequent and numerous like the wave and even some reporters openly declared that China has entered a *mutual poisoning* era. Under the economic factors and no belief, everything is going to be used for the commercial interests. We are surrounded by various hormone, pesti-

cide and chemical products, such as Sudan red, poisonous rice, illegal cooking oil, Sanlu milk powder, plastic vermicelli and so on. It becomes a necessary for the *mutual poisoning* incident in the circumstances that we are seeking to maximize our interests in today in the absence of faith and lack of supervision. There is no doubt that facts discussed above are again and again proved the existence of *government failure* in the field of food safety supervision, so the new management way is not a moment to be lost to actively mobilize the social forces and explore the multiple management. NGO as the outstanding representative of the third party's power should become an important key to solve this tough problem—food safety. The food NGO is as an emerging force in the field of food safety supervision. Although there is nothing comparable to this superiority in structural design, it ultimately can not escape the destiny that new born things will face numerous unfortunate situations at its birth. Especially, when the development for civil society in China is imperfect and the construction of democracy and the legal system is unsound, the situation of food NGO's role is still not optimistic.

The first problem is small number for it. Although the NGO in China have been established for a short time, who basically started from the time of the reform and opening up, it has developed rapidly. According to *the Statistical Report for Civil Affairs Development in 2008*, there were 414,000 national organizations and 230,000 national groups in China by 2008. But the national organizations specialized in the food safety were still rare. The association of food industry was established early in China. The most influential and largest association must be *China Food Industry Association*, which is currently the unique, national and self-regulatory industry management organization for food industry sector. And it has done a lot of fruitful work for promoting the sustained, steady and coordinated development to our food industry. However, it is restricted not only in taking their actions, but also in collecting the social resource with strong administrative color. Even though the regional industry associations such as food industry association in Xiamen and Shenzhen and so on have mushroomed, their influence is relatively small. Some national or even international NGO is also involved in the food-related activities, yet these activities are only sharing a small proportion of all the activities.

The second problem is the weak action force. It is embodied in the following three aspects for the weak power of food NGO. The first is narrow space for its activities (Su, 2012). *The Food Safety Law of PROC* we are looking, hereinafter referred to the *Food Safety Law*, was finally implemented in June 2009, which provides a series of procedures and measures for all aspects of food safety regulation as a specialized law for guaranteeing the food safety. But it is regrettable that the law can't give enough space to NGO that participates in food safety management under multiple perspectives. We can talk about this situation in the following two aspects. One is banning NGO from recommending food to consumers. The article 54th of *Food Safety Law* stipulates that the supervision and administration department for food safety or all agencies that assume responsibility for food inspection, the associations for food industry and consumer associations may not recommend the food to consumers by advertising or other forms. The associations for food industry and consumer are as the important representative to the food NGO. And their major job is to consider how to maximize the protection the legal rights and interests of consumers during the food consumption and to provide consumers with the right and reasonable suggestions. It is not only coinciding with their service aim but also a relatively straightforward and efficient service form. Besides, people will need the guidance of NGO when they are facing the different kinds of food. So it helps the government enormously with the advice and assistance by the food NGO to regulate the food safety. The other one is lacking the provision of public interest litigation system, which refers to the system that any citizen, artificial person or other social organizations all can bring an accusation to the People's court and ask the offenders to suffer the legal liability according to the law when anyone confronted with the action that violates laws, regulations and social public interests. It is apparently of great significance for this system to punish the illegal acts and torts in the industry of food, but it is not mentioned about it in the *Food Safety Law*. The second is the severe shortage of professionals (Liu & Wang, 2011). People are both the carrier of all actions and an important key to control operational efficiency. It is also subject to the shortage of people for the food NGO to difficultly develop, which does not mean the small number of volunteers but refers to professional reasons—it is hard to find an expert with professional background in food. On the contrary, many graduates with food major have nowhere to employment. Because the current demand for food professionals is basically saturated in state-owned and foreign-invested enterprises and even though people with work experience is preferred if there is demand. They show their extreme distrust and disagreement to the development platform provided by the food NGO, it is finally the only way for them to get the other jobs or fall into the mire of unemployment. The third is that there is too little money to spend on it. Although the adequate fund is an important guarantee for NGO in the field of food safety to make breakthroughs, it is often in the straitened circumstances for its real life. Apart from the food NGO, some well-known NGOS such as welfare center for children, rescue station, the Red Cross

Society and so on are also in shortage of funds. It is a major cause of the tragedy for the single channel to finance. According to the analysis of *the NGO Institute in Tsinghua University*, there are 53 percent of government subsidies, 31 percent of membership fees and revenues, 10 percent of individual and corporate donations, 2 percent of foreign donations and 4 percent of other income in the capital resources of NGO in our country. Because the system of social security is not perfect, there are the tradition for people who are more willing to keep assets for their future generations and the public distrust for the funds operation of NGO, the private and corporate donations do not play an important role in the NGO's funding resources.

The third problem is that it has a narrow and single channel to participate. The food NGO does not form its own voice in the society as insufficient support. About the number of NGO, there is not much difference between China and Western countries, yet Chinese NGO does not keep the same status as Western countries' in the field of social administration. There are two reasons. The first is that the official is relatively unwilling to let NGO participate in public management, because the ways of NGO taking part in the public affairs are mainly organizing the protest of media and the public to put pressure on the government decision, which fundamentally is an indirect participation that does not include public affairs. The second is that the interactive channels between NGO and the public are traditional and single. The ways for NGO to interact with the public are mainly publications, lectures, announcements and other traditional methods, which not only are inefficient and unable to adapt to the ever-changing social situation, but also can not meet the ever growing desire of people for service. Besides, many means of communication are one-way and can neither mobilize the enthusiasm of people nor fully unite the strength of all participation, which leads to little progress in alleviating the information dissymmetry in the food market.

2. Government Failure in the Food Safety and the Supplemental Role of NGO

Government failure, which is another important economic theory after the *market failure*, mainly refers to government's activity are not always as valid as it should be or as it could be in theory, that is to say, it can not always be possible for the government's intervention to achieve the pre-set targets and there are many situations that it is ineffective for the government intervention in the real life or it runs counter to the wishes (Liu & Wang, 2011). In the field of the supervision of food safety, *government failure appears the following main features*. 1) Driven by the short-term economic interests or affected by the incorrect view of achievements, the local governments have to make an alliance of interests with the unscrupulous companies, and it will cause the severe damage to the independence of government. When the incidents of food safety happened, the government stands the opposite to customers to voluntarily help the unscrupulous companies overcome the crisis instead of actively representing the interests of customers. Naturally, it has been threatened for the public trust that government accumulated for a long time (Ou, 2010). 2) Restrained by aspects such as bureaucratic thought, hierarchical structure, staff quota restrictions and so on, it seems also slightly insufficient for the government's profession in the field of food safety supervision. For example, the official experts can not meet the growing and diverse needs of reality no matter in quality or in quantity (Su, 2012). 3) As lack of the effective means to break the *Parkinson's Law* (another name for bureaucracy or bureaucratic phenomenon) and the high institutional cost of administrative act, the efficiency problem of government regulation in the food safety are also widely criticized by people. Many reforms have been made by government, but they failed to get rid of the problems discussed above. The food NGO depending on its unique attributes can effectively play a complementary role in some aspects that government's supervision is less effective, under the background of *small government and big society*, it has been a trend that public administration takes instead of administrative management.

2.1. The Independence Supplementary to Food NGO

The government has granted more and more rights such as the quality testing, the certification authority and so on to the third party—NGO organizations this year, whose independence will provide powerful guarantee for a fair, impartial and reliable test process and result. In other words, its independence is an important key to ensure that NGO will successfully enter in the field of food safety. First of all, the food NGO is not to gain profit as the goal, which greatly ensures its firmness facing with the economic interests' temptation. Secondly, its distribution area is wider if the NGO is more well-known NGO which can be distributed in the national areas or even multi-national areas and the NGO's members are not limited to a single specific class. The diversity and complexity of its members, on the one hand, determine the food NGO is both uneasy to be bribed by unscrupulous businessmen and unlikely to be controlled by local government, so it is the real spokesman for public interests. It is more

important that the food NGO can rapidly take part in as the independent third party to make comprehensive and objective investigation for the truth of the complex events and then timely return the available information to the public and the authorities through the appropriate channels after the outbreak of food safety incidents. All in all, the food NGO is making its contributions in the process of restoring the truth and bringing the illegal behaviors on food to justice. On the other hand, the diversity and complexity of NGO's members also can provide certain strength for food NGO in competing with unscrupulous businesses, its advantage is more obvious especially when the members hold the rich social resources or own the remarkable ability to mobilize the public.

2.2. The Specialization Supplementary to Food NGO

It is another advantage for specialization that food NGO has to fight against the illegal acts of unscrupulous businesses. In order to ensure the clarity and effectiveness of its acts, most NGOs have openly set their purpose and goals before establishing it, on which they can depend to selectively recruit and absorb members and then establish a distinctive and professional team. Just as the consumers' association is aimed at protecting the consumers' interests, the Red Cross is aimed at providing medical aids and the Friends of Nature is aimed at protecting the ecological environment, the food NGO also has set its goal to ensure the food safety from its birth. It has always been diverse to the things' development, the association of food industry which owns the unique advantages make itself superior in forging specialization. Taking the association of food industry in the United States as example, its purpose is to realize the safety and orderliness of the whole process for *food from farm to dining* table through its autonomy. As it is inspired by this purpose and to maintain the reputation of food industry they are working for, a lot of elites in the food industry choose the associations of food industry that account for a large proportion of food NGO. There are three main advantages for the associations of food industry, one is that they are able to stand out as they have experienced a long-term fierce competition of the market economy and they always keep a high degree of sensitivity and a strong sense of crisis in order to hold their professional status. Another is that these associations who mainly come from the front line of food design, research and development are well versed in the latest development of the entire food industry, so they are worthy of experts and they can easily distinguish the fake food. The last is that they are more careful in supervising their counterparts than government in order to maintain the competitiveness of their products.

2.3. The Efficiency Supplementary to Food NGO

It is probably not the most efficient department engaged in food safety supervision for food NGO, but some of its inherent qualities make it more efficient than government departments. There are four main qualities for it. The first is concentration. This is not to indicate that government itself is not careful and dedicated during the process of food safety regulatory, but it is inevitably leading to less concentration as ambiguous functions and intricate rights and responsibilities of government departments. While the food NGO takes the protection of food safety as its unique goal, and it puts all its energy and all of resources it is able to acquire into realizing this goal. So its concentration becomes the prerequisite of ensuring the efficiency. The second is independence. As we mentioned above that there are lack of external intervention for the activities of food NGO, it is not only saving much time and energy for the food NGO to engage in monitoring the food quality and investigating the fake food, but also making them bravely tell the truth without fear of power. The third is voluntary. Some scholars have clearly stated that Chinese NGO is a non-profit civil organization which is voluntarily made up of the Chinese citizens and carries out their activities according to its rules to realize the common aspiration for its members. This statement indicates that a considerable number of staffs in NGO are providing their services on basis of pursuing the satisfaction of spiritual life, this is both a more efficient and more lasting driving force compared to the material rewards, and explains why some the volunteers have more enthusiasm without any economic rewards than in the case of doing their payable jobs. The last is its nonprofit quality public welfare. The aim of NGO activities has always been increasing the public welfare, even if it sometimes charge a certain fee to its service object, its consideration of social benefits is more than economic benefits. As this nonprofit thought naturally lets it own such widespread social mobility, more and more people devote their money and power to serve the public, and the operational efficiency is therewith growing exponentially.

3. Solutions

To give full play to the supporting role of the food NGO in establishing the governance model for food safety

that is based on *mainly led by government regulation* in our country, we must successfully address the above challenges we have discussed. So we need to focus on the following points.

3.1. Further Optimizing the Legal and Institutional Environment of Food NGO

As we all know, nothing can be accomplished without norms or standers. Laws and institutions are not only a constraint, but under certain circumstances are a safeguard which can ensure both the continuous supply of people and money to the food NGO and guarantee that food NGO will play the active role to maintain the food security in the legal and relaxing environment.

The legal regulation for NGO to enter into the field of food should appropriately be reduced. Firstly, it must be revised and perfected for the *Regulations Governing the Registration of Social Organizations*, which has been implemented for more than twenty years since October 1998. Now the social conditions have already undergone the enormous changes, so some regulations at that time are now becoming a constraint. For example, the Article XIX of this regulation sets that NGO shall not establish regional branches and the paragraph 5 of Article XIII regulates that two NGOS can not be in the same field, which forms serious constraints for its development to enhance the social influence and strengthen the social mobilization forces. There are also many similar provisions like these regulations, all of these rules should be made some revised with the development of society and time. Secondly, we can learn from the proper experience of western countries. It would be granted the legal identity for participating in public activities as long as NGO was established to register under guaranteeing the freedom of association, if the register system instead of the system for examination and registration. Besides, some measures can also be made like properly breaking the government monopoly to punish the illegal enterprises and so on to make more and more non-governmental organizations participate in the food safety supervision through legal permission.

The food NGO to take part in supervision should be endowed more legal authority. Some NGOS are also making effort in food safety issues, yet its effect is not prominent, which is mainly caused by the shortage of rights in law. A lot of unscrupulous companies relying their wealth and fame always pay no attention to the criticism and denouncement of society. Therefore, it should not only allow more and more NGOS to come into the area of food safety in the law, but also grant them legal authority for participating in food safety supervision. This doing will let the food businesses truly attach importance to food NGO. For example, the German Industry and Commerce has gotten high authority. According to the law in Germany, the enterprises that have be registered by government authorities are the member of the German Industry and Commerce and they should be limited by this organization. They can not freely join it and have no their freedom to retire. If the member violates the provision, German Industry and Commerce will have right to punish it. The German Industry and Commerce will also forcibly deduct certain amount from its account if the member can not pay membership dues on time. The German Industry and Commerce will even deprive it of the rights to get some standard certifications if the member completely disregards the regulations and breaks the rules. It will not only provide the necessary guarantee for its continuous development, but also the great supplement for the government regulation in the efficiency to correct its mistakes by more legal endowment for the food NGO.

The new system should be established for the food NGO to finance and pool the human resources. Firstly, it will be promoted with the help of the system' force for the donation except hoping that more and more enterprises and individuals make self donation for the public welfare in financing. For example, the traditional practice that the rich leave their property to the next generation would gradually be changed if the system for inheritance tax is established. As well as their wealth should be attracted to make a contribution to charity. Besides, the construction of financial control system should also be strengthened to make the funds operation further open and transparent. The food NGO should not only consciously accepted the official supervision such as the state finance departments, auditing departments and so on, but also regularly address the funds' details of income and expenditure to the public and sincerely invite the donor representatives and the public representatives to participate in both the formulation and the implementation of its budget and final accounts to get the public's trust and support. Finally, the social contributions are also encouraged through the tax preference policy and so on. The personnel control system for the food NGO will be established from entering it to out of it in the human resources. According to the voluntary and the professional feature of the food NGO, its members should be classified by full-time or part-time and professional or non-professional to separately manage. The management for the part-time staff should be appropriately relaxed. As long as they have highly their enthusiasms and responsible attitude for the food safety, they should be welcomed to take part in it and the relevant subsidies can even be

given for them according to their contribution. The management for the full-time staff should be relatively standardized and rigorous, which may include the examination system, the performance appraisal system, the incentive system, the reward system and so on. It is necessary to build the suitable material security system in order to attract more experts in the area of food, which can sweep the experts' worries and further let them put the whole heart in work. And it can be established to the system of personnel exchanging and mutual cooperation with universities and research institutions (Liu & Wang, 2011).

3.2. To Create the Diverse and Efficient Participating Channels

It is only the first step for the construction of legal system to create a diverse and efficient participating platform. It can fundamentally provide more chances and capabilities for bargaining for the food NGO and it is necessary to supervise food security by the cooperation of food NGO and all citizens. Firstly, to build an equal and normalized communicating mechanism with government, which can timely feedback the public wishes and demands to government and expand the food NGO's influence while making the government's action suitable with the public intends (Liu, 2010). Secondly, the food NGO should create more network information platforms under the information era, and the special platform even can be set up for an influential food safety event. These will greatly improve the opaque situation for information in food industry and make the bad companies have nowhere to hide. The *Green Peace* organization has well exemplified for us that owns a project of pesticide residues for fruits and vegetables. Since 2009, it has annually invited the relevant personnel in the food safety industry to check regularly the sampling tests for two to three times to the fresh fruits and vegetables in supermarkets and the test report and the supermarket ranking list are made according to the result for sampling test each time. And these information will be issued the official website of *Green Peace* the consumers can read the information through it. All of these actions have both increased its social influence and improved its service efficiency. Lastly, to build a mesh participating network with the help of new media such as web, fetion and so on. Each consumer is a food safety warden who can participate in the activities of food safety supervision. As long as the illegal actions related to food safety were found in the daily consumption, they could take advantage of these communication media to send their information to the food NGO. And the testing procedures for the food NGO will be quickly started to faster and more efficiently enter the battle for defending food safety. Certainly, the realization of this idea also needs the further improvement and supporting of communication system.

4. Conclusion

Although we have been taking action in our country for the food supervision and some achievements have also been made, there is no doubt that facts discussed above are again and again proved the existence of *government failure* in the field of food safety supervision, so the new management way is not a moment to be lost to actively mobilize the social forces and explore the multiple management. In short, the food safety is the cornerstone of social development and is an important manifestation of social sustainable development. Facing the food safety supervision, if we really properly solve this problem, on the one hand it is extremely urgent, on the other hand we have a long way to go. NGO as the outstanding representative of the third party's power should become an important key to solve this tough problem—food safety. Therefore, the food NGO might be worth a great deal; it is essential for the system construction especially the construction of relevant Law apart from continuous development and ceaseless accumulation.

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Ethnic Nepotism as a Cross-Cultural Background Factor of Ethnic Conflicts

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Abstract

The purpose of this article has been to explore why ethnic conflicts tend to break out in all ethnically divided societies. The principal explanation was traced to the evolved disposition for ethnic nepotism shared by all human populations. Ethnic nepotism was measured roughly by the degree of ethnic heterogeneity of the populations. It was correlated with the scale of ethnic conflicts in the group of 187 countries. The results of correlation analysis indicate that ethnic heterogeneity explains 55% of the variation in the scale of ethnic conflicts, and the results of regression analysis disclose that the same relationship more or less applies to all 187 countries. These results led to the conclusion that ethnic nepotism is the common cross-cultural background factor which supports the persistence of ethnic conflicts in the world as long as there are ethnically divided societies.

Keywords

Ethnic Nepotism, Ethnic Heterogeneity, Cross-Cultural, Conflicts

1. Introduction

The purpose of this article is to explore why some ethnic conflicts tend to break out in all ethnically divided societies, not only in some of them, but virtually in all of them, although the extent and intensity of conflicts may vary significantly. My intention is to seek a theoretical explanation for the fact that ethnic conflicts occur in all ethnically divided countries, not only in some of them. This comparative study covers 178 contemporary countries. However, the smallest countries, whose population was less than 100,000 inhabitants in 2010, are excluded from the sample of countries for the reason that it may be more difficult to find reliable data on ethnic cleavages and conflicts from mini states than that from bigger countries.

This is not my first study of ethnic conflicts. I have explored the same research problem in my previous books

Politics of Ethnic Nepotism: India as an Example (1992), *Ethnic Conflicts Explained by Ethnic Nepotism* (1999) and *Ethnic Conflicts: Their Biological Roots in Ethnic Nepotism* (2012) as well as in several conference papers and articles. My first conference paper on ethnic nepotism “Politics of Ethnic Nepotism” was presented at the 10th European Conference on Modern South Asian Studies, September 28 to October 1, 1988, in Venice, Italy. The first article on this subject “Politics of Ethnic Nepotism in India” was published in a book *Ethnicity and Political Development in South Asia*, edited by Diethelm Weidemann, New Delhi. In this article I continue the same line of argumentation, but the number of countries is larger than that in any of my previous studies of ethnic conflicts and data are partly new and more recent ones.

2. Previous Explanations of Ethnic Conflicts and Ethnic Nepotism

It is characteristic for most previous explanations that various cultural, political, and other environmental factors are used to explain ethnic conflicts, whereas the impacts of human nature have not been considered see (Vanhanen, 2012: pp. 10-21). Smith’s (1987, pp. 220-225) theoretical argument is that cultural pluralism and ethnic nationalism cause inter-ethnic tension and ethnic conflicts and those we should expect continual inter-ethnic conflicts in our world of very uneven political and economic resources. Rupesinghe (1988) argued that there is no single explanatory variable or a single mono-causal explanation for ethnic conflict. Ted Robert Gurr came to the conclusion that inequalities and discrimination are related to communal grievances that instigate the establishment of ethnic organizations and foment communal protests and rebellions. Gurr noted that these results are “consistent with conflict theories and emphasize the importance of group mobilization, but fail to address the most interesting theoretical question, which is why groups mobilize in the first place” (Gurr, 1993: p. 188). Giddens (1995: pp. 251-282) argues that ethnic prejudices are based on learned stereotypical thinking and on psychological mechanism of displacement. He also claims that ethnic conflicts belong to the legacy of colonialism. These are only few examples of many highly interesting studies of ethnic conflicts. In most of these theoretical explanations, the emergence of ethnic conflict is related to various cultural and environmental factors. It is not easy to test those hypotheses by empirical evidence because hypotheses are not clearly stated, because the number of possible variables is large, or because it is not clear how the theoretical concepts could be operationalize.

As in my previous studies, I prefer primordialist conceptualization of ethnicity and seek ultimate explanations for ethnic conflicts from biological factors. Van den Berghe (1981) refers to the sociobiological explanation of nepotism and argues that ethnic sentiments evolved as an extension of nepotism. In other words, from the propensity to favor kin over non-kin. He used the term “ethnic nepotism” to describe such mutual aid networks based on kinship (for primordial and sociobiological explanations, see also Rushton, 1986; Goetze, 2001; Salter, 2003; Thayer, 2004). The evolutionary interpretation of ethnicity and ethnic conflict has been traced to William Hamilton’s (1964) sociobiological theory of inclusive fitness or kin selection. According to his theory, it is genetically rational to behave altruistically toward relatives because relatives share more genes with us than with outsiders. I assume that all populations share cross-culturally the same disposition to ethnic nepotism, which makes it justified to hypothesize that *the more deeply a population is ethnically divided, the more interest conflicts become canalized along ethnic lines* see (Vanhanen, 2012: pp. 18-26). My intention is to test this hypothesis by empirical evidence on the degree of ethnic heterogeneity (which is a measure of ethnic nepotism) and ethnic conflicts and to see whether some alternative explanatory factors are able to explain as much or more of the extent of ethnic conflicts than ethnic heterogeneity.

3. Variables

The testing of the hypothesis presupposes that we have a variable that measures the extent of ethnic conflicts in a society (dependent variable) and another variable that measures the degree of ethnic heterogeneity in a society (explanatory variable). Besides, we can use some other variables as alternative explanatory variables to indicate how much they are able to explain of the extent of ethnic conflicts independently from the level of ethnic heterogeneity.

Ethnic conflict is one type of conflict between competing actors. In conflict conscious beings try to carry out mutually inconsistent acts concerning their wants and needs. In social group conflict two or more actors oppose each other in social interaction, reciprocally exerting social power in an effort to attain scarce or incompatible goals and prevent the opponent from attaining them. Ethnic conflict is a conflict between ethnic groups see (Wi-

kipedia, 2014; *Ethnic Conflict*; Wikipedia, 2014: *Conflict process*). How to measure it? In fact, my book *Ethnic Conflicts: Their Biological Roots in Ethnic Nepotism* (2012) includes data on the Estimated Scale of Ethnic Conflicts (EEC). They concern principally the period 2003-2008. I have corrected and complemented this five-level scale of ethnic conflicts by more recent data of the years 2009-2014. In the five-level scale 5 indicates the highest level of ethnic conflicts and the scale 1 the lowest level of conflicts. This five-level scale will be used as the principal dependent variable.

The degree of ethnic heterogeneity will be used as the explanatory variable in this study, as it was used in my previous studies. It is assumed to measure the significance of ethnic nepotism, which is expected to explain the emergence of ethnic conflicts in ethnically heterogeneous countries, and my intention is to use it in this study to the same purpose. Ethnic nepotism does not explain the origin of conflicts, but it explains why so many interest conflicts in human societies take place between ethnic groups.

According to my theoretical argumentation, the most ultimate explanation for ethnic conflict can be traced to the continual struggle for existence and to our evolved disposition to ethnic nepotism. It is natural for the members of an ethnic group to support each other in various conflicts. Because of its evolutionary roots, our behavioral disposition to ethnic nepotism is shared by all human populations. Briefly stated, my basic hypothesis is that the more deeply a population is ethnically divided, the more interest conflicts become canalized along ethnic lines. The conflicts may vary from peaceful competition to utmost violence. The significance of ethnic nepotism is measured by the degree of ethnic heterogeneity, which is measured by the percentage of the largest ethnic group. Consequently, it is necessary in this study to seek empirical data on the ethnic structures of 187 countries and on the percentage of the largest ethnic group. Its percentage of the total population indicates the degree of ethnic homogeneity, and its inverse percentage indicates the degree of ethnic heterogeneity. I have collected these data from *The CIA World Factbook 2014* (2013) and from some other sources.

Alternative explanatory variables used in this study include national IQ (the average intelligence of nations), Human Development Index (HDI), the Index of Economic Freedom, the Index of Democratization (ID), and GNI per capita (PPP).

3.1. National IQ

Data on national IQs measure general intelligence of people. It has been emphasized that intelligence means the ability to understand complex ideas, to adapt effectively to the environment, and to overcome obstacles (Lynn & Vanhanen, 2012: pp. 9-34). Consequently, it is reasonable to assume that more intelligent nations are more able to solve their interest conflicts without violent means than less intelligent nations. It is interesting to see to what extent the results of statistical analysis support this assumption. Intelligence differences have been studied approximately 60 years. Richard Lynn has had a leading role in the study of intelligence differences between nations see (Nyborg, 2013: p. X). I began to co-operate with Lynn in 1999 and to produce comparative studies on the impact of intelligence differences to human conditions. We found that national IQ explains more of the variation in human conditions than any other explanatory variable. It is highly interesting to see whether this applies also to ethnic conflicts. In this study it is assumed that national IQ is an explanatory variable which is able to explain a significant part of the variation in ethnic conflicts, too. Empirical data on national IQs are taken from Lynn's and my book *Intelligence: A Unifying Construct for the Social Sciences* (2012).

3.2. Human Development Index (HDI)

This index is produced annually by the United Nations Development Programme (UNDP, 2013) and published by UNDP in its annual survey *Human Development Report*. The data used in this study concern the year 2012, and they are published in *Human Development Report 2013: The Rise of the South: Human Progress in a Diverse World*. The data cover 186 countries.

The HDI is a composite index measuring average achievement in three basic dimensions of human development: a long and healthy life (life expectancy at birth), knowledge (mean years of schooling and expected years of schooling), and a decent standard of living (gross national income per capita), PPP\$. Life expectancy at birth is measured by "number of years a newborn infant could expect to live if prevailing patterns of age specific mortality rates at the time of birth stay the same throughout the infant's life". Mean years of schooling refer to the average number of years of education received by people ages 25 and older. Expected years of schooling refer to the number of years of schooling a child can expect to receive, if prevailing patterns of enrolment rates

persist throughout the child's life.

Finally, gross national income (GNI) per capita includes, briefly described, the aggregate income an economy generated by its production and its ownership of factors of production converted to international dollars using PPP rates, divided by midyear population. Empirical data on these variables and the composite index of the human development are available from *Human Development Report* 2013, [Table 1](#). It should be noted that only data on HDI, not on its components, will be used in this study. They can be assumed to be highly reliable data.

3.3. The Index of Economic Freedom

The Heritage Foundation has collected and published data on economic freedom in their annual reports since the 1990s. According to their definition: "Economic freedom is the fundamental right of every human to control his or her own labor and property". This means that in an economically free society, people should be free to work, produce, consume, and invest in any way they please. It is noted that for much of human history, "most individuals have lacked economic freedom and opportunity, condemning them to poverty and deprivation". The idea behind the report seems to be that today we live in the most prosperous time in human history because of the advance of economic freedom. Their measure of economic freedom is based on 10 quantitative and qualitative factors, which are grouped into four broad categories of economic freedom: 1) rule of law, 2) limited government, 3) regulatory efficiency, and 4) open markets. Every component of the index is considered to be equally important ([2014 Index of Economic Freedom: pp. 1-2](#)). If the argumentation of the Heritage Foundation is correct, it would be reasonable to assume that the index is positively correlated with the inversed five-level scale of ethnic conflicts because it is justified to expect that economically free countries are better able to avoid serious ethnic conflicts than countries with a low level of economic freedom. Data in the 2014 index concern the year 2013.

3.4. Index of Democratization (ID)

Many conflicts take place in politics in which individuals, social groups and political parties struggle for power and dominance. Power is not shared equally between competitors, and the degree of power sharing varies greatly from highly democratic systems to autocracies. I have measured the degree of democratization by two empirical variables: by the smaller parties' share of the votes cast in parliamentary and/or presidential elections (competition) and by the percentage of the population who actually voted in these elections (participation). These two variables are combined into the Index of Democratization (ID) by multiplying the two percentages and by dividing the results by 100. A country is regarded to be the more democratized, the higher the value of ID is see ([Vanhanen, 1990: 11-24; 1997: 21-37; 2012: 36-40](#)). Data on ID-2012 are from FSD1289 Measures of Democracy, 1810-2012).

The Index of Democratization is included into this study because it is an index which measures from one perspective the success of competing groups in the struggle for scarce resources. It is reasonable to assume that the struggle for power and resources is in stabilized democracies less violent than in countries for which the degree of ID is lower. However, the intensity of competition may be high in many democracies, too, but a crucial

Table 1. Correlations between the scale of ethnic conflicts (EES) and explanatory variables as well as correlations between other variables.

	EES	EH	National IQ	HDI-12	EF-13	ID-12	Per capita income
EES	.00	-.745	-.393	-.529	-.432	-.323	-.348
EH		.00	.391	.432	.244	.215	.192
National IQ			.00	.791	.499	.519	.566
HDI-12				.00	.606	.586	.737
EF-12					.00	.425	.579
ID-12						.0	.377
Per capita income							.0

difference is that it remains more or less peaceful. Consequently, one could expect that correlation between the scale of ethnic conflicts and the level of ethnic heterogeneity is negative and that it is positive between the inversed scale of ethnic conflicts and ethnic heterogeneity.

3.5. GNI per Capita (PPP)

There are different indicators of per capita income. I am going to measure differences in per capita income in this study by gross national income (GNI) per capita (PPP\$) because the PPP version attempts to take into account the currency's real domestic purchasing power see (Nafziger 1997, pp. 21-26; Gardner, 1998: p. 22). Empirical data on this variable are given in *Human Development Report* 2013, **Table 1**). Because high per capita countries have managed their economic affairs better than low per capita countries, it is justified to assume that they have been able to avoid serious ethnic conflicts better than poorer countries. Consequently, this variable should be negatively correlated with the five-level scale of ethnic conflicts.

4. Hypotheses Tested by Empirical Evidence

Now the two principal empirical variables—the estimated five-level scale of ethnic conflicts (EEC) and the measure of ethnic heterogeneity (EH)—as well as the five alternative explanatory variables have been briefly introduced. The degree of ethnic heterogeneity and the five alternative explanatory variables can now be used to test hypotheses on their relationships to the five-level scale of ethnic conflicts, which is the dependent variable in this study. From various sources, I have collected data on ethnic conflicts and on the degree of ethnic heterogeneity. Such data are needed in estimations of the scale of ethnic conflicts (from 1 to 5) for each of the 187 countries. It should be noted that the values of the scale of ethnic conflicts are my estimations because there is not any numerical evidence on the scale differences between countries. The values of both principal research variables should be regarded as preliminary ones. A more detailed analysis of source material might give reasons to correct these variables in several cases. Anyway, the results of correlation analysis will indicate to what extent empirical evidence supports or contradicts the above hypotheses on the relationships between these explanatory variables and the level of ethnic conflicts.

Because the degree of ethnic heterogeneity is based on our evolved disposition to ethnic nepotism, it was assumed that it constitutes the principal explanatory variable, which may explain more of the variation in the scale of ethnic conflicts than any cultural or environmental variable. However, five alternative explanatory variables were selected to check the explanatory power of ethnic heterogeneity. Each of them was hypothesized to correlate negatively with the degree of ethnic conflicts and positively with the inversed scale of ethnic conflicts (EES). It is interesting to see how strongly they are related to EES. Correlations are given in **Table 1**.

The results of correlation analysis show that ethnic heterogeneity (EH) explains much more of the variation in the scale of ethnic conflicts (55.5%) than any of the other variables (HDI 28%). A weak correlation between national IQ and EES implies that EES is a characteristic of human nature, which is independent from national IQ. A high level of national IQ has not prevented the emergence of ethnic conflict. The lowest relationship between EES and alternative explanatory variables is in the case of ID-12, which implies that the level of democratization does not affect the scale of ethnic conflicts. However, because all alternative explanatory variables are to some extent related to EES, one could expect that together they might be able to explain as much or more of the variation in EES than EH alone. Is it true? The results of a multi-regression analysis, in which EH and the five alternative variables are used to explain the variation in EES, answer to this question. The multiple correlation based on the six explanatory variables rises to .777 and the squared correlation to .604. It is clearly higher than the simple correlation between EH and EES, but the explained part of variation is not more than 5% higher.

The results of correlation analysis show that ethnic heterogeneity explains 55% of the global variation in EES, but how this relationship applies to single countries. Are ethnic conflicts concentrated to some parts of the world, or are they more or less evenly distributed around the world? One could expect a relatively equal distribution of EES rather than its concentration to some regions of the world. The results of a simple regression analysis, in which EH is the independent variable and EES the dependent variable, help to answer this question. The detailed results of the regression analysis of EES on EH for 187 countries (**Table 2**) disclose how well the average relationship between EH and EES applies to single countries.

The principal explanatory variable—the degree of ethnic heterogeneity—explains 55.5% of the variation in the scale of ethnic conflicts, but what about the impact of five alternative explanatory variables. Are they able to

Table 2. The detailed results of regression analysis of EEC on EH for single countries in the group of 187 countries.

	Country	Largest ethnic group	EH	EES	Residual EES	Fitted EES
1	Afghanistan	Pashtun	42	5	1.8	3.2
2	Albania	Albanian	85	1	−.6	1.6
3	Algeria	Arab	83	1	−.6	1.6
4	Andorra	Spanish Andorran	76	1	−.9	1.9
5	Angola	Ovimbundu	37	3	−.4	3.4
6	Antigua & Barbuda	Black	91	1	−.3	1.3
7	Argentina	White	97	1	−.1	1.1
8	Armenia	Armenian	93	1	−.2	1.2
9	Australia	White	92	1	−.3	1.3
10	Austria	Austrian	91	1	−.3	1.3
11	Azerbaijan	Azeri	91	1	−.3	1.3
12	Bahamas	Black	85	1	−.6	1.6
13	Bahrain	Bahraini	46	3	−.1	3.1
14	Bangladesh	Bengali	45	2	−1.1	3.1
15	Barbados	Black	93	1	−.2	1.2
16	Belarus	Belarusian	84	1	−.6	1.6
17	Belgium	Fleming	58	2	−.2	2.6
18	Belize	Mestizo & creole	73	2	-	2.0
19	Benin	Fon and relatives	39	2	−1.3	3.3
20	Bhutan	Bhote	50	3	.1	2.9
21	Bolivia	Mestizo and white	45	3	−.1	3.1
22	Bosnia & Herzeg.	Bosniak	48	3	−	3.0
23	Botswana	Tswana	79	1	−.8	1.8
24	Brazil	White	54	3	.2	2.8
25	Brunei	Malay	66	2	−.3	2.3
26	Bulgaria	Bulgarian	77	2	.1	1.9
27	Burkina Faso	Mossi	40	3	−.3	3.3
28	Burma (Myanmar)	Burman	68	4	1.8	2.2
29	Burundi	Hutu	85	3	1.4	1.6
30	Cambodia	Khmer	90	2	.6	1.4
31	Cameroon	Cam. Highlanders	31	3	−.7	3.7
32	Canada	European	68	2	−.2	2.2
33	Cape Verde	Creole	71	1	−1.1	2.1
34	Central Af. Republic	Baya	33	4	.4	3.6
35	Chad	Sara	28	5	1.2	3.8

Continued

36	Chile	White & white Am	95	1	-.2	1.2
37	China	Han Chinese	91	2	.7	1.3
38	Colombia	Mestizo	58	3	.4	2.6
39	Comoros	Sunni Muslim	98	1	-.1	1.1
40	Congo, Republic	Kongo	48	4	1.0	3.0
41	Congo, Dem Rep.	Kongo	45	5	1.9	3.1
42	Costa Rica	White	94	1	-.2	1.2
43	Cote d'Ivoire	Akan	42	4	.8	3.2
44	Croatia	Croat	90	1	-.4	1.4
45	Cuba	White	65	2	-.3	2.3
46	Cyprus	Greek	77	1	-.9	1.9
47	Czech Republic	Czech	64	1	-1.4	2.4
48	Denmark	Danish descend	90	1	-.4	1.4
49	Djibouti	Somali	60	3	.5	2.5
50	Dominica	Black	87	1	-.5	1.5
51	Dominican Rep.	Mixed	73	2	-	2.0
52	Ecuador	Mestizo	71	2	-.1	2.1
53	Egypti	Sunni Muslim	94	2	.8	1.2
54	El Salvador	Mestizo	86	1	-.5	1.5
55	Equatorial Guinea	Fang	86	1	-.5	1.5
56	Eritrea	Tigrinya	55	3	.3	2.7
57	Estonia	Estonian	69	2	-.2	2.2
58	Ethiopia	Oromo	35	3	-.5	3.5
59	Fiji	Fijian	57	3	.4	2.6
60	Finland	Finn	93	1	-.2	1.2
61	France	Frenz	92	1	-.3	1.3
62	Gabon	Bantu tribes	90	1	-.4	1.4
63	Gambia	Mandinka	34	3	-.5	3.5
64	Georgia	Georgian	84	2	.4	1.6
65	Germany	German	92	1	-.3	1.3
66	Ghana	Akan	48	2	-1.0	3.0
67	Greece	Greek	93	1	-.2	1.2
68	Grenada	Black	82	1	-.7	1.7
69	Guatemala	Mestizo an Europ.	59	3	.4	2.6
70	Guinea	Peuhl	40	3	-.3	3.3
71	Guinea-Bissau	Balante	30	3	-.7	3.7

Continued

72	Guayana	East Indian	43	3	-.2	3.2
73	Haiti	Black	95	1	-.2	1.2
74	Honduras	Mestizo	90	2	.6	1.4
75	Hungary	Hungarian	92	1	-.3	1.3
76	Iceland	Norse and Celtic	94	1	-.2	1.2
77	India	Indo-Aryan	72	3	.9	2.1
78	Indonesia	Jawanese	41	4	.7	3.3
79	Iran	Persian	61	3	.5	2.5
80	Iraq	Arab	75	4	2.1	1.9
81	Ireland	Irish	87	1	-.5	1.5
82	Israel	Jewish	76	3	1.1	1.9
83	Italy	Italian	94	1	-.2	1.2
84	Jamaica	Black	91	1	-.3	1.3
85	Japan	Japanese	98	1	-.1	1.1
86	Jordan	Arab	98	1	-.1	1.1
87	Kazakhstan	Kazakh	63	2	-.4	2.4
88	Kenya	Kikuyu	17	4	-.2	4.2
89	Kiribati	Micronesian	99	1	-	1.0
90	Kuwait	Arab	80	2	.2	1.8
91	Kyrgyzstan	Kyrgyz	65	3	.7	2.3
92	Laos	Lao	55	3	.3	2.7
93	Latvia	Latvian	59	2	-.6	2.6
94	Lebanon	Arab	93	2	.8	1.2
95	Lesotho	Sotho	99	1	-	1.0
96	Liberia	Kpelle	20	5	.9	4.1
97	Libya	Arab	89	2	.6	1.4
98	Lithuania	Lithuanian	84	1	-.6	1.6
99	Luxembourg	Luxembourger	63	1	-1.4	2.4
100	Macedonia	Macedonian	64	3	.6	2.4
101	Madagascar	Merina	26	3	-.9	3.9
102	Malawi	Chewa	33	3	-.6	3.6
103	Malaysia	Malay	50	3	.1	2.9
104	Maldives	Maldivian	98	1	-.1	1.1
105	Mali	Mande	50	3	.1	2.9
106	Malta	Maltese	95	1	-.2	1.2
107	Marshall Islands	Marshallese	92	1	-.3	1.3

Continued

108	Mauritania	Moor/black	40	3	-.3	3.3
109	Mauritius	Indo-Mauritian	68	2	-.2	2.2
110	Mexico	Mestizo	60	2	-.5	2.5
111	Micronesia	Chuukese	49	1	-2.0	3.0
112	Moldova	Moldovan	64	2	-.4	2.4
113	Mongolia	Mongol	95	1	-.2	1.2
114	Montenegro	Montenegrin	43	3	-.2	3.2
115	Morocco	Arab-Berber	99	1	1.0	1.0
117	Namibia	Blck	87	2	1.0	1.0
118	Nepal	Nepali	48	4	1.0	3.0
119	Netherlands	Dutch	81	1	-.7	1.7
120	New Zealand	European	57	2	-.6	2.6
121	Nicaragua	Mestizo	69	2	-.2	2.2
122	Niger	Haoussa	55	3	.3	2.7
123	Nigeria	Hausa and Fulani	29	5	1.3	3.7
124	Norway	Norwegian	94	1	-.2	1.2
125	North Korea	Korean	100	1	-	1.0
126	Oman	Omani Arab	73	2	-	2.0
127	Pakistan	Punjabi	45	4	.9	3.1
128	Panama	Mestizo	70	2	-.1	2.1
129	Papua New Guinea	Papuan	84	2	.4	1.6
130	Paraguay	Mestizo	95	1	-.2	1.2
131	Peru	Amerindian	45	3	-.1	3.1
132	Philippines	Takalog	28	3	-.8	3.8
133	Poland	Polish	97	1	-.1	1.1
134	Portugal	Portuguese	98	1	-.1	1.1
135	Qatar	Arab	40	3	-.3	3.3
136	Romania	Romanian	90	1	-.4	1.4
137	Russia	Russian	80	3	1.2	1.8
138	Rwanda	Hutu	84	3	1.4	1.6
139	Saint Kitts & Nevis	Black	90	1	-.4	1.4
140	Saint Lucia	Black	89	1	.4	1.4
141	Saint Vincent	Black	60	1	-1.5	2.5
142	Samoa	Samoan	93	1	-.2	1.2
143	Sao Tome & Pr.	Creoles	85	1	-.6	1.6
144	Saudi Arabia	Arab	90	2	.6	1.4

Continued

145	Senegal	Wolof	43	4	.8	3.2
146	Serbia	Serb	83	2	.4	1.6
147	Seychelles	Creole	92	1	.3	1.3
148	Sierra Leone	Temne	35	4	.5	3.5
149	Singapore	Chienese	77	2	.1	1.9
150	Slovakia	Slovak	86	1	-.5	1.5
151	Slovenia	Slovene	83	1	-.6	1.6
152	Solomon Islands	Melanesian	94	1	-.2	1.2
153	Somalia	Somali	85	5	3.4	1.6
154	South Africa	Black	79	3	1.2	1.8
155	South Korea	Korean	99	1	-	1.0
156	Spain	Castilian Spanish	74	2	-	2.0
157	Sri Lanka	Sinhalese	74	4	2.0	2.0
158	Sudan	Sudanese Arab	70	5	2.9	2.1
159	Suriname	Hindustani	37	3	-.4	3.4
160	Swaziland	Swazi	82	1	-.7	1.7
161	Sweden	Swedish	89	1	-.4	1.4
162	Switzerland	German	65	2	-.3	2.3
163	Syria	Arab	90	2	.6	1.4
164	Taiwan	Taiwanese	84	1	-.6	1.6
165	Tajikistan	Tajik	80	2	.2	1.8
166	Tanzania	Bantu African	95	1	-.2	1.2
167	Thailand	Thai	75	3	1.1	1.9
168	Timor-Leste	Roman Catholic	86	3	1.5	1.5
169	Togo	Ewe-Adja	43	3	-.2	3.2
170	Tonga	Tongan	95	1	-.2	1.2
171	Trinidad & Tobago	Indian	40	3	-.3	3.3
172	Tunisia	Arab	96	1	-.1	1.1
173	Turkey	Turkish	70	3	.9	2.1
174	Turkmenistan	Turkmen	85	1	-.6	1.6
175	Uganda	Potestant	42	3	-.2	3.2
176	Ukraine	Ukrainian	78	3	12	1.8
177	United Arab Emirates	Arab	48	2	-1.0	3.0
178	United Kingdom	White	84	1	-.6	1.6
179	United States	White	80	1	-.8	1.8
180	Uruguay	White	88	1	-.4	1.4

Continued

181	Uzbekistan	Uzbek	80	1	-.8	1.8
182	Vanuatu	Ni-Vanuatu	98	1	-.1	1.1
183	Venezuela	Mestizo	67	2	-.3	2.3
184	Vietnam	Viet	87	2	.5	1.5
185	Yemen	Arab	80	1	-.8	1.8
186	Zambia	African	99	1	.	1.0
187	Zimbabwe	African	98	2	.9	1.1

increase significantly the explained part of variation in the measure of ethnic conflicts independently from the degree of ethnic heterogeneity? The results of a multi-regression analysis show that their impact is quite limited. When they are added to a multi-regression model, the explained part of variation in EES rises from 55% to 60%, which means that they explain only 5% of the variation in the scale of ethnic conflicts independently from the degree of ethnic heterogeneity. The level of ethnic heterogeneity seems to be by far the best explanatory variable.

Table 2 shows the results of regression analysis of EES on EH for 187 single countries. It is easy to note that the values of EES and EH are not evenly distributed in the world. Some countries with large positive or negative residuals deviate considerably from the average relationship between the degree of ethnic heterogeneity (EH) and the scale of ethnic conflicts (EES). We can see from **Table 2** the most deviating countries. Of course, the borderline between the most deviating and less deviating countries is arbitrary. Let us use one standard deviation in residual EES (0.8) to separate large deviations from the less deviating countries. Using this criterion, the group of large positive deviations includes the following 28 countries: Afghanistan, Burma, Burundi, Chad, Republic of Congo, Democratic Republic of Congo, Cote d'Ivoire, Egypt, India, Iraq, Israel, Lebanon, Liberia, Nepal, Nigeria, Pakistan, Russia, Rwanda, Senegal, Somalia, South Africa, Sri Lanka, Sudan, Thailand, Timor-Leste, Turkey, Ukraine, and Zimbabwe. In all these countries, the level of ethnic conflicts is considerably higher than expected on the basis of the regression equation.

Using the same criterion, the group of large negative residuals includes the following 17 countries: Andorra, Bangladesh, Benin, Botswana, Cape Verde, Cyprus, Czech Republic, Ghana, Luxembourg, Madagascar, Micronesia, Philippines, Saint Vincent, United Arab Emirates, United States, Uzbekistan, and Yemen. For all these countries, the estimated level of ethnic conflicts is clearly lower than expected on the basis of the regression equation.

The combined number of large positive and negative residuals rises to 45, which is 25% of the total number of 178 countries. Large positive residuals are clearly more numerous (28) than negative ones (17). More than half of the countries with large positive residuals are African countries (15), and ten of them are Asian countries. Latin American countries are without any large positive residuals, and in Europe there are only two countries with large positive residuals and in Oceania one. This means that the countries with large positive residuals are concentrated to Africa and Asia. Such regional concentration may be partly due to the impact of cultural and environmental factors.

The countries with large negative residuals are much more evenly distributed around the world. This category includes 5 African, 5 Asian, and 5 European and North American countries, but only one Latin American and one Oceania country.

The principal explanatory variable—the degree of ethnic heterogeneity (EG)—seems to be able to explain 55 percent of the variation in the scale of ethnic conflicts. The rest of the variation (45%) can be assumed to be due to measurement errors, to accidental factors, and to the impact of cultural and environmental factors. In each deviating case it would be useful to explore what those environmental factors have been, but in this brief article such a detailed analysis is not possible.

In this connection, somebody could argue that correlation between ethnic heterogeneity and ethnic conflicts is more or less natural one because ethnic conflicts cannot happen in a society without any ethnic divisions. It is true that ethnic cleavages are needed for the emergence of ethnic conflicts, but it should be noted that ethnic cleavages do not need to lead automatically to ethnic conflicts. If cultural interpretations are true, it would be

quite possible that there are not any ethnic conflicts even in some ethnically deeply divided societies. Such societies would live without any ethnic conflicts, whereas the most significant ethnic conflicts might occur in some less divided societies. However, we can see from **Table 2** that the distribution of countries with large residuals does not follow such culturally determined pattern. The degree of ethnic heterogeneity seems to be the common factor behind small and serious ethnic conflicts in culturally quite different parts of the world. Consequently, it is justified to conclude that ethnic nepotism is a cross-cultural background factor of ethnic conflicts.

5. Conclusion

It was noted in the Introduction that the purpose of this article is to explore the emergence of ethnic conflicts in all ethnically divided societies and to seek a theoretical explanation for the universality and persistence of these conflicts. I criticized earlier theoretical explanations for their tendency to pay attention only to some cultural and other environmental factors and to forget the possibility that the ultimate explanation for the persistence of ethnic conflicts might be in human nature. I prefer the primordial conceptualization of ethnicity and trace my explanation to the sociobiological theory of ethnic nepotism. According to this theory, it is genetically rational to support relatives because we share more genes with relatives than that with outsiders. From this perspective, ethnic groups are extended family groups. I assume that all human populations are cross-culturally aware the same evolved disposition to ethnic nepotism, which explains the universality of ethnic conflicts and makes it justified to hypothesize that *the more deeply a population is ethnically divided, the more interest conflicts become canalized along ethnic lines*.

I tested this hypothesis by empirical evidence on the level of ethnic conflicts and the degree of ethnic heterogeneity, and checked the results by some alternative explanatory variables. The results of correlation analyses indicate that ethnic heterogeneity of the population (EH) explains 55% of the variation in the five-level scale of ethnic conflicts (EES), whereas the best alternative explanatory variable (HDI-12) does not explain more than 28% of the variation in EES. The results of multi-regression analysis, in which all five alternative explanatory variables (national IQ, HDI-12, Economic Freedom, ID-12, and GNI per capita income) together with the degree of ethnic heterogeneity are used to explain the variation in EES, show that the explained part of variation in EES rises from 55% to 60%. It is only 5 percentage points more than what EH alone explains.

I came to the conclusion that the degree of ethnic heterogeneity is by far the most important explanatory variable. Only 45 percents of the variation in EES remained unexplained. The unexplained variation is probably due to measurement errors, accidental factors, and various unknown cultural and environmental factors. Because many different and unrecognized factors affect the scale values of EES, it would be unrealistic to hope that any explanatory variable could explain all or nearly all of the variation in EES. The achieved explanation of 55% is already extremely high. The impact of ethnic nepotism explains why the scale of ethnic conflicts in **Table 2** tends to be moderate or high in ethnically most divided societies and why it tends to be low in ethnically less divided societies. It is evident that ethnic nepotism is the cross-cultural background factor in the relationship between EH and EES. Ethnic nepotism explains by EH more than a half of the variation in EES in the 187 contemporary countries and predicts the persistence of ethnic conflicts to continue as long as there are ethnic divisions in the world. In other words, because of ethnic nepotism shared by all populations, the disappearance of ethnic conflicts, violence, and wars does not seem to be possible. Ethnic nepotism seems to persist as the cross-cultural background factor of ethnic conflicts in all parts of the world. So the message of this article is that it would be useful for social scientists to take into account the impact of ethnic nepotism in their studies of ethnic and other conflicts.

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Reflections on State Security and Violence in Africa: A Prognostic Analysis

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Abstract

The 21st century beginning from 2000 to 2014 portrays Africa's current situation as beset by conflicts and violence, drawing attention from every part of the world. As in decades earlier, it is no good news! Prominent among these are terrorism with its devastating impact, revolutions, uprisings, turmoil, communal conflicts, coup d'état, hatred and malicious actions towards ethnic groups, institutionalised division, deep rooted enmity between ethnic groups, dangerous religious sects, criminal political groups, corruption and all sorts of deprivation. This paper is however, a broad reflection of the general situation in the continent that we narrowed to Nigeria and its peculiarities. The Marxist theory of the post-colonial state was chosen as the tool for analysis. Further, we adopted quantitative descriptive analysis with secondary literature forming the base of our information source. In addition, we had personal discussions with security agents, though not systemised. Finally, we seek to make a further contribution to the ongoing intellectual efforts by identifying some areas that demand urgent attention. It is hoped that the strategic suggestions that this paper discusses, will provide a theoretical and practical platform for further studies and subsequent solution towards the negative news reports, thereby making news from Africa to be really, "good news".

Keywords

State Security, Violence, Corruption, Africa

1. Introduction

Africa like every other continent, participated in the early epochs of the extension of man's control over his environment as they increasingly showed their ability to live a more satisfactory life through exploiting the resources of nature. However, this political system was truncated and dominated by the European imposed political system. Hence, the nature and character of the African state remain problematic and its role in promoting

sustainable development is far from being resolved. The post-colonial state in Africa is akin to the colonial state in the area of authoritarian, divisive, predatory, exclusive politics, and has been an instrument in the service of the dominant capitalist class. Development is a multi-dimensional phenomenon that encompasses all spheres of life. No society claims to be developed when the quality of life of its people is not assured.

State security can be seen as National Security which is referred to as the requirement to maintain the survival of the state through the use of economic, diplomatic, power projection and political power ([Free Encyclopaedia, 2003](#)). State security encompasses a broad range of facets, all of which impinge on the non military or economic security of the nation and the values espoused by the national society. Apparently, state security entails the possession of economic security, energy security, political security, human security, environmental security, social security, among others.

Violence on the other hand, is generally defined as having the intention to harm or damage something (Encarta dictionary, 2009/2010). The simple definition of security “as feeling and assurance of being protected” can only be understood as an antithesis to violence. The application of violence however, is not restricted to Africa, but while others are thought to have adopted measures in curtailing the causes. Africa seems to be unable to chart this same way. The modern state monopolizes power in order to maintain effective control over its citizens. This rests on the right to apply physical coercion. The nation-state concept is very important in modern politics and government; described as a political apparatus; it is recognized to have sovereign rights within its borders of demarcated territorial area, able to back its claim of sovereignty by control of military power. Thus, the nation state is seen by some as “an organisation of violence that serves the interests of all” ([Ebuley, 1995](#)). The application of force by the modern state has often been used for social control. The modern state with all the necessary characteristics however, rarely exists in Africa. Africa of today is made up of nation states with boundaries set to suit the interest of the past and present colonizers. Not only the boundaries, but invariably the systems and processes of government of the colonized areas were and are still manipulated and bastardly exploited.

Most African states have experienced different forms of conflict rooted in both internal and external factors since their independence in the late 1950s and early 1960s. These conflicts include: political and electioneering conflicts, socio-economic agitations, ethno-religious crises, cultism, ethnic militias, terrorism, boundary disputes, criminality and organized crimes. These problems individually and collectively constitute threats to peace, security and development of the continent.

The struggle to secure the most basic necessities of life like: food, shelter, clothing, fuel and medicine important to the attainment of physical and national security are important towards overall peace and development. Social unrests arising from the absence of such basic human security can indeed lead to security problems and violence. This is manifested by the recent social unrests in various African countries due to the failure of government policies to provide or manage the basic human needs of their citizens. To illustrate, there is civil strife in Egypt that ended with the enthronement of Morsi as president, in Tunisia. Ben-Ali was removed through a popular uprising; violent and armed insurgency led to the change of government in Libya; there is no peace in Sudan as its citizens demand a change in government. Many parts of the continent are in turmoil. Somalia does not have a widely accepted central government. Right now, the Al-Shabab insurgency under the cover of wanting to Islamize the state is causing devastating damage to that country, even venturing into Kenya. Mali is divided into North and South, secession by the Tuaregs led to this partition. Nigeria is fighting the Boko Haram Muslim fundamentalist, who as groups, such as Maitasine Islamist before it caused tremendous damage in some northern parts of Nigeria. Zaire, Uganda, Congo Democratic Republic, Central African Republic and even Rwanda are all engaged in one form of military violence, insurgency and banditry. Meanwhile, these security concerns are diverse and complex, ranging from political disagreements to criminal activities with alarming dimensions and consequences that signal to the international community that Africa is not a safe and secure place suitable for economic investment and activities. This is particularly important in view of the efforts being made to create the desired atmosphere to attract foreign direct investment.

Apart from the effects of security concerns on the economic fortunes of the continent, the nature of the security challenges facing the continent also has implications for its political system. Social cohesion among various groups and interests is important in the process of national political development. Therefore, the constituent parts of each of the country must be and indeed feel that they are being carried along in the process of national governance. Since widespread discontent and loss of confidence in the system have ways of affecting national political stability; thus, continuing escalation of violence and crises across the continent will impinge on its survival.

Hence, there is a need to rethink and improve on policies and institutional means of dealing with security concerns arising in our continent. Politically, governments should engage in programmes of cultural and political education and orientation that seek to enthrone the principles and practices essential for sustainability. This paper therefore, discusses the origins of the discontent with the state in Africa, which has led and will continue to lead to social and political disorder in the continent. It is also a broad reflection of the general situation in the continent that we narrowed to Nigeria and its peculiarities. We adopted quantitative descriptive analysis with secondary literature forming the base of our information source. We, in addition, had personal discussions with security agents, though not systemised. We then, proffered solutions, which are capable of enhancing security, peace and prosperity of the continent.

2. Theoretical Perspective

We shall predicate our study on the Marxist theory of the post-colonial state. This analytical tool relatively analyses the post colonial political economy of African states that predicates the state security and violence within these states. Karl Marx is the major proponent of this theory; though, he never called it Marxist theory of neo-colonial states but advanced its attributes. Thus:

- The post-colonial state is purely an instrument of class domination;
- The primitive accumulation with the state power is done by domestic power and certain external forces;
- Post colonial states are rentier states parcelled out in Patron-Client chains to those who use the state power for selfish ends.

Marxist theorists like Miliband, Ake, Lenin and Ekekwe have in their different studies added to the development of the post-colonial theory of the state. To illustrate, Miliband (1977: 109) argues that the post-colonial states are dependent on the foreign forces that colonised them and thus the state is both the source of economic power and an instrument of accumulation of economic power as the state is the major means of production. For Ake, it is the economic factor which is the most decisive of all the other elements (social structure, political structure and belief system) of the society and which largely determines the character of the others. Though, that is not to say that the economic structure is autonomous and strictly determines the others. All the social structures are interdependent and interact in complex ways. But, it is the economic factor, which provides the axis around which all the movement takes place, and imparts certain orderliness to the interaction (Ake, 1981: 3-4). Hence, the economic contact between the western capitalists and the African leaders led to the subsequent interaction of other aspects of social life that followed. Thus, by following the dynamics of the economic system, we see how it leads to the transformation of existing social structures, and how it leads to the emergence of new social structures, particularly an African petit-bourgeoisie whose interest soon put it in opposition to the colonial system and overthrow of the colonial political system. The economic system which generated the changes is itself not overthrown. So we have indigenous leaders who are in political office but with little economic base. Meaning that the new rulers try to use the only tool they have, political power, to create an economic base in order to consolidate their economic power. Hence, the political is influencing and even transforming economic structures and social structures. Even though, the state is said to be the product of class struggle in the society. That is, the state emerged to mediate between the antagonistic classes in order to maintain law and order in such a way that none of the groups will be consumed in fruitless struggle over the ownership of the means of production (Lenin, 1984: 10-11). The neo-colonial states are parts and parcels of the class struggle it was supposed to moderate. Thus, the post-colonial states rather than maintain or moderate economic relations, became an instrument of domination, exploitation and intimidation of the subjects (Ekekwe, 1986: 12 in Ezeibe, 2011).

We can deduce from the foregoing that state security which encompasses the facets of life, giving the citizen a feeling that he/she is protected is an antithesis of violence. The failure of the African governments' policies to provide or manage the basic human needs of their citizens leads to social unrest. Conflicts in Africa are rooted both in internal and external factors since independence. Thus,

A ruling class that creates no programme for social security creates conditions for generalised insecurity crisis. But then, that is all that can happen under the current World Bank-IMF supervised capitalist or neo-liberal fundamentalism. It is the fundamentalism of market ideology that has created the condition, through the instrumentality of a ruling class that is obsessed with primitive private accumulation, for splitting Nigeria's working people along ethnic-nationalist and religious lines and that generated increased crime rates and violence across social class lines (Omotoye, 2011).

Moreover, according to Biodun and Aliyu (2011), “a nation is as secured as the quality of life of its people. In other words, the notion of security should be redefined to pragmatically address poverty, unemployment, hunger, ill-health, environmental degradation, safety of persons and property; ethno-religious crises and human rights abuses pervading our land”. African states pursued economic interests at the expense of a secure and stable environment. The various African governments have proved incapable of alleviating the critical development gaps in the continent. The security condition in the region is lax as a climate of socio-economic uncertainty helped by easy access to firearms among vast stretches of the populace, made the continent a fertile ground for multiple conflagrations. The firearms used by militants and terrorists are readily available in the continent since small-arms filter into the continent from different quarters. For instance, the Niger Delta militants get their arms through Cameroun and Gabon from conflict zones like Angola, Sierra Leone and Ivory Coast et al. (Amaraegbu, 2011). He added that, the success of oil bunkering in Nigeria is an indication that influential state officials offer cover and protection to criminal elements to enable them operate and also provide security to well-established cartels without the interference of the state security forces (Coventry, 2009). Added to these tactical difficulties, are the problems of overwhelming and unwavering forces of corruption. Government’s role as the dominant player in the management of the petroleum sector and the lack of operative accountability structure renders the industry and in fact the political system vulnerable to corruption. Corrupt state and security officials work in partnership with criminal elements to undermine effective law enforcement in dealing with militancy and even terrorists in the continent. These governance issues have produced a baneful structure in an environment that engenders instability in the political system as the people yearn for the elusive dividends of good governance.

The leadership pattern in Africa lacks the necessary focus capable of instilling national development and promoting political stability. The African leaders are preoccupied with their desire for the appropriation and privatisation of the African state. The fall of different republics like the fall of the Second Republic of Nigeria for instance was precipitated by the pervasive corruption and, the attendant political violence that greeted electoral manipulations, in a bid to stick to power (Ayeni, 1988). Similarly, the military coups and counter coups were also plagued by bad leadership, although their successors did not fare better. Consequently, development performance was slowed down, and political instability continued to pervade the polity, as focus was shifted to combat the looming forces of insecurity and internal regime instability.

State security could be accomplished when the operation of government is in line with the prevailing legal and ethical principles of the political community. When this is the situation, system affect will be high, and the people would collectively aspire to participate in the activities of the state, knowing full well that adherence to the rules and procedures would serve the interest of the greatest number of the population. Deprivation of benefits and selective justice would not be encouraged, as individual’s rights would be protected within the ambit of the law and political leaders hold dear the watchwords of transparency and accountability in governance.

3. Political History of Nigeria—A Case Study of an African State

In the following analysis, the sample on violent insurgency of Nigeria as a prominent African country was chosen with the sole aim of showing that violence is all over Africa as a result of the inability governments to make policies and programs that will promote state security. There is also, need to understand the dynamics of armed violence in Africa. Nigeria was chosen out of all countries for the following reasons:

- 1) Nigeria is abundantly rich in natural and mineral resources.
- 2) Nigeria, the largest Nation in Africa, gained her independence almost at the same time with most African countries, early 1960’s.
- 3) Nigeria has a story of Islamic background and faith that fuelled religious insurgency.
- 4) Nigeria, like other African countries has been witnessing state economic corruption banditry in decades.
- 5) Finally, Nigeria, like other countries in Africa is blessed with a mosaic of ethnic groups that could have been conceived as an asset to national development.

As a country sampled in this study, is Nigeria degenerating to a failed state? Is she as a country on the edge of losing control? We assume in this paper that all sorts of deprivations and state incapability which exist in the countries mentioned contributed and still contribute to the main reason fuelling armed violence in the Nigeria state and other similar states suffering from it.

Nigeria as a nation, has been having very disturbing violent religious insurgency in the North of the country, kidnappings in the South-East and similar situation in the Niger Delta. The escalation was witnessed from the

early 2001 to the present day. The population of Nigeria is estimated at about 170 million, a figure highly contested.

Nigeria gained her independence from Britain on October 1, 1960 after more than one hundred years of colonial rule. The creation of Nigeria which reached its peak with the 1914 amalgamation as many would argue is by accident. Its vast resources, multi-ethnic groups, ethno-religious communities, etc, has turned into a nightmare, instead of blessing. Nigeria's difficult journey began with the merging of different nationalities into one, to serve British colonial interest. So much has been written on this merger with only one striking confirmation, that, it should not have happened. Now that it has happened, Nigerians are demanding for a dialogue among Nigeria's ethnic groups to determine the extent of interest on nation building.

Immediately after independence in 1960, disunity among the political elites soon began to manifest itself, portraying the inadequate willingness to be together. The leader of the opposition, Chief Awolowo was accused in 1962 of plotting an overthrow of the just two year government, headed by Alhaji Tafawa Balewa. The turmoil that followed is widely assumed to have led to the fall of the first republic in January 1966 through a military coup d'etat. Since then, violence and counter violence has become the order of politics in Nigeria. Between 1967 and 1970, there was the brutal Biafran war that led to the devastation of Eastern Nigeria. More than 1.5 million people lost their lives and unimaginable hardship for those directly affected by this war. 1970 saw the end of the hostilities, yet, Nigeria has known no peace. Simultaneously to the end of hostilities was the beginning of Nigeria's richness through the exportation of crude oil which brought enormous wealth to Nigeria. Unfortunately, the majority of Nigerians, especially those from the Niger Delta are excluded from this wealth. Additionally, ethnicity, centralised government and ruling corrupt elite overshadow life in Nigeria. With the intervention of the military in 1983, Nigeria departed from all efforts in building a vibrant nation with both democratic and economic potentials grinding to a halt. Definitely, there was corruption and inefficiency in the system that led to the military entrance to politics again in 1983. However, is corruption enough reason for a coup? The vastness of the country's inefficient bureaucracy and various degrees of deprivation, prepared the ground for other forms of agitation.

The most serious threat to domestic peace in the 1980s came not from opposition parties, civil societies or even the exploited Niger Delta areas but from a Muslim sect, based in Kano and known as the Maitasine sect. It is widely assumed that its 5000 members came overwhelmingly from neighbouring countries of Chad, Niger and Cameroun. The leader of the sect, Mohammed Marra, apparently under Libyan influence, was arrested and prosecuted. The federal government only began to intervene after the sect had attacked the residence of the Governor of Kano state during which many police officers were killed. Government sent in troops killing over 1000 members and deportation of the remaining members. However, Islamic fundamentalism has continued to grow in the north since the 1990s and also became a potent political force; and this is to the detriment of many elites from the region.

During the early 1990's, the agitation for justice and equitable wealth distribution continued to put pressure on the ruling junta. Niger Delta indigenes began to openly ask questions on wealth distribution, and compensation for the destruction of their environment. The hanging of Kenule Beeson Saro-Wiwa (environmental activist) from the Ogoni tribe by the military relates to the pressure the military had to contend with. The death of Ken Saro-Wiwa, brought condemnation worldwide and as all efforts for peaceful settlement failed, the Niger Delta people began an armed struggle. Initially, they were extremely successful as it was a revolt against injustice and tremendous deprivation. Over 90% of Nigeria's foreign exchange comes from crude oil, and the inability of the Nigerian government to tackle the Niger Delta issue peacefully, resulted in the gradual build up of tensions all over the country. The Nigerian state, represented by its security agents have caused serious havoc on the people it is supposed to protect. These include the Odi massacre and similar government agents' massacre in Zango-Kataf and in Taraba state, the Jukun-Tiv strife.

With the return to civilian government in 1999 headed by Olusegun Obasanjo, expectations for justice and security were high. The killings and violence unfortunately did not stop as expected; such as the Jos ethnic problems which resulted in the death of thousands of Nigerians. This conflict in the interim, has transformed from settler-indigene to inter-religious conflict between Christians and Muslims in Plateau State. Obasanjo's attempt to use government might instead of sincere negotiations failed with a result that the aggrieved citizens distanced themselves from the government that was supposed to provide state security and guarantee peaceful co-existence.

With his exit in 2007 came President Yar'Adua, a northern politician and former governor of Katsina state. President Yar'Adua's tenure was brief as head of state, due to illness and death but was able to initiate peaceful settlement of the Niger Delta through his Amnesty Policy. This was an offer to the militants to give up armed resistance, which in-between reached its peak. Oil production was almost brought to a halt and Nigeria before the amnesty programme was having challenges meeting her obligations—both internal and external. After protracted negotiations, the leaders of the militant groups and clan leaders agreed to the tenets of the amnesty programme. With this, relative peace was returned to the creeks and Nigeria and her partners continued with further oil sales and exploration. Unfortunately, the president died in 2010 and his vice, Goodluck Jonathan took over, after a threatening political situation that tended to divide the nation.

Jonathan continued with Yar'Adua's programmes in acting capacity until he assumed as the substantive head of state through the emergency law coined as "Doctrine of Necessity" because there was no clear transition law in case of death of the incumbent president prior to this. Jonathan's assumption of office became contentious among the political elite. Southern Nigeria peaked against Northern Nigeria. This, brewed tension, distrust, hatred and animosity throughout the country. Among the reasons for the above mentioned was the North's insistency on fielding the president after the demise of Yar'Adua. According to the northern political class, the presidency "rotation ship" was zoned to them and it was expected that Jonathan will not contest in the forthcoming 2011 elections. Jonathan, supported by the south-south and the entire southern Nigeria insisted upon contesting, truncating some of the principles such as "rotation ship" that was viewed as the bedrock of the nation's march to stability within his political party, the Peoples Democratic Party (PDP). Though Jonathan won the internal party nomination and subsequent presidential election for 2011, Nigeria however, has known no peace.

An Islamic sect known as "Jama'atu Ahlis Sunna Lidda'awati wal-jihad" alias Boko Haram has been tormenting the nation with unprecedented violence, which indeed calls to mind, the need for one Nigeria. The group was formed in 2002 by a Muslim cleric, Jusuf, whose grievance is the western civilization which they claim has desecrated the culture and religion of Islam in northern Nigeria. At the beginning, the group remained low key and was bent on verbal attack of northern Muslims for not keeping to the laws of Sharia. It was the aftermath of the killing of its members numbering about 800 over their refusal to wear helmet and the televised execution of its founder in 2009, that the group became violent. Efforts to dialogue with this group have failed, as the group recently threatened to cause more havoc in the northern states where it is operating. Indeed, no city in Nigeria can be said to be outside the reach of this group. Abuja, the capital city has been successfully attacked by this deadly sect such as the [United Nations](#) office and the headquarters of the Nigerian Police Force. Most recently, the Chibok kidnap, East of Abuja and Jos bombings add to the disaster. Figures obtained from, [The Facts on Nigeria \(2014\)](#) covering 2009 to 2014 shows the following deaths related to Boko Haram: 2009 (830), 2010 (920), 2011 (1427), 2011 (1227), 2012 (1386), 2013 (2050) and more than 3500 injured over the same period. The figures vary as most of those who were injured are forgotten. The Nigerian security agents have been accused by human rights groups for seriously violating the rights of suspected terrorists through extrajudicial killings. Figures of such incidences are always kept secret. The public execution of Jusuf and the collateral damage associated with fighting such insurgency notwithstanding.

According to a recent publication from Europe, "Knecht Kristi" (2012), it is claimed that Boko Haram has 300 Muslim boys and girls ready for suicide attacks against Abuja and some northern states. Further, the newspaper reported that according to a former Boko Haram member, Mauritania and Somalia are the training places for terrorists and bomb manufacturing. Moreover, the information revealed that the Boko Haram members have infiltrated the Nigerian security outfit, making it almost impossible for the Federal government to effectively adopt measures of securing the country.

The identity of the key men behind this sect remains a mirage. Some however suggest that the origins could be traced to Sudan where a similar group, the Salafin Muslim sect has its base. The inability of the federal government to provide security for its citizens continues to pose serious questions over the willingness and efficiency of the system being momentarily adopted. After all, the west with all their intelligence, military and logistic capability, has not been able to defeat completely Al-Qaeda or similar groups; who more or less have also formed an alliance over boarders to prosecute their holy jihad. Boko Haram liaises with Al-Qaeda North Africa and Al-shabaab terrorists from Somalia, and has sworn to tear Nigeria apart until their Islamization process is successfully implemented. The federal government is prosecuting this war side by side with succession politics thereby making it possible for other groups to spring up and continue where others stopped and with new ideas and tactics. With the internationalization of the conflict, it is hoped that security will become better.

[Figure 1](#) shows the gradual development of the Terror group. The group maintained a low key posture until

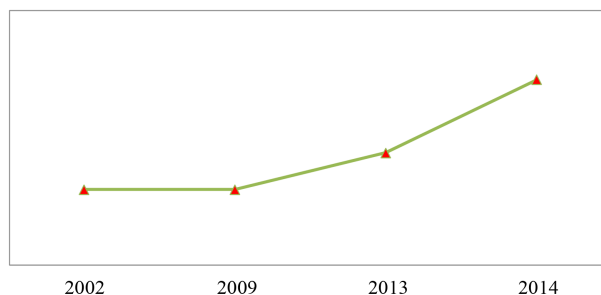


Figure 1. Formation and activities of the Boko Haram.

the killing of over 800 members as a result of the helmet ban crisis in the northern states and the televised execution of its founder Jusuf, in 2009. The graph portrays a 200% from 2009 to the present day.

4. Conclusions/Recommendation

The paper attempted a discussion of the origins of the discontent with the Nigerian state in Africa, which has led and continues to lead to social and political disorder in the country. It was also a broad reflection of the general situation in the continent. The *Marxist theory of the post-colonial state was adopted* as our tool of analysis. State security encompasses a broad range of facets like: economic, social, psychological, energy, political, human and environmental security, all of which impinge on the non military or economic security of the nation and the values espoused by the national society. The failure of the state to provide the expected security as mentioned above, leads to violence in the state. With reference to Nigeria, we proffered certain solutions since for any meaningful development to take place in the country there must be state security. Among our recommendations are the following:

4.1. Better Policing/Intelligent Policing

- 1) Enhanced training of personnel to minimize loss of lives, and ability to acquire information, analyze and use it efficiently.
- 2) Provision of equipment for the force such as communication gadgets; healthy vehicles with internalized mechanic workshops for repairs and maintenance.
- 3) Security agents' unconditional compliance to the rule of law. Here personnel qualification becomes important. Many police officers are illiterates.
- 4) Withdrawal of police personnel from the "big ones". Re-introduction of the first republic police guidelines in respect of police attachment to eminent citizens.

4.2. Leadership with Vision

- 1) Political parties' formation—internal selection must be transparent, free and fair and must be seen to be so by the losers. Spirit of tolerance of other views must be re-introduced and enhanced. Without negotiation, there cannot be cohesion.
- 2) Reduction of scarce state funds on frivolities. The remuneration of political office holders must be reviewed. Nigeria, for example, spends close to 30% of its yearly budget on only the members of the national assembly. We suggest the following:
 - a) All members/citizens voted into the national assembly must be professionals in their various fields and must be evidenced that they earn their living through such.
 - b) Remuneration must be on Pro-Sitting basis with minimal allowances. No member is allowed to have more than a staff acting as secretary to be paid by the national assembly. Additional staff to be paid by self.

4.3. Economy: Agricultural and Mineral Resources

The main sources of the African Economies are basically mono-cultured and this must change. It is very recommended that food production and eradication of hunger must become a new focus. Africa cannot depend

eternally on western aid, which is also plagued with virus against Africa. They have conditions that are becoming continually dehumanizing. That is why it is appreciable and laudable, the recent attempts in Nigeria to remain not net food importer but net food exporter. If this is achieved, Nigeria and indeed Africa would have made a real giant stride towards economic liberation, peace, stability and secure against violence. It is when sustainability in food supply is achieved, can such attempts of further integration like through NEPAD goals etc. be said to be reasonable and possible.

Finally, despair should not be the answer. There is a need for a new focus that requires discipline and visionary leaders. It is a pity that no African leader has received the Mo Ibrahim prize the past five years. Where are they, indeed, leaders who want to reach the top through excellence and dedication? Everyone is called upon to be a leader. Not just those over there. Like Ghandi said “you must be the change that you wish to see in the world”.

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Poverty and Governance—A Critical Appraisal of a Philosophy and Practice of Development in Africa

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Abstract

The European postcolonial literature and global discourse about development concerns in Africa have witnessed a dominance of a development theory which has failed to capture the true aspirations, values and authentic problems of development confronting the people of Africa. This pro-western European theoretical framework bars African culture and values from being factored as motives, dynamics and outcomes that drive development on the continent. This absence has led to the flaunting of theories of development which favors and recommends the Breton Wood-inspired World Bank solutions/approaches to fast tracking development plans and goals in the continent. At the heart of the failure of these externally imposed prescriptions is the irreconcilability of the prospect of its resultant economic growth indicators and the production of measurable development outcomes in the lives of the people. Gross domestic product rate results in growth patterns which post impressive economic statistics; but the reality on the ground shows that there is worsening destitution and deepening poverty in household incomes, purchasing power parity and deliverables. Economic policies, engineered by good governance, lead to better management of state resources, production of pro-poor and pro-people outcomes which results in a better standard of living for the people. Bad governance has been a consistent leading contributor to increasing poverty and underdevelopment in the African continent. To reverse this scenario, there is a need to re-evaluate the conceptual framework and philosophy of development theory in post colonial Africa so as to achieve poverty reduction and good governance in the context of our cultural milieu. This re-evaluation would enable governance and the leadership to experience a shift in development paradigm that will empower development policy in Africa. My paper will therefore explore the content of this new framework and draw out its dialectical relationships and implications leading to recommendations for a new African perspective on development that will benefit Africans. These are emerging critical challenges that will definitely change the tenor and content of

academic discourse as conceived in the philosophy of development and political economy. Development scholars, political scientists and philosophers will be compelled to re-examine the way African leaders and the so-called western consultants to Africa conceive development and underdevelopment concerns in the continent. Development is about people, so any theory or model of development should be a dialectical mirror of the way of life of a people, in an aspirational, sociological, political and technological terms and for the achievement of measureable results.

Keywords

Philosophy, Political Science, Governance, Dialectical Nexus, Paradigm Shift, African Development, Millennium, Globalization and Poverty Reduction

1. Introduction—Philosophy and Development—Critical to Understand the Practice of Development in Africa

There is a dialectical nexus between philosophy and development which needs further exploration with brief remarks and observations drawn from philosophy, development theory and political praxis. Philosophy is often seen traditionally as critical thinking and analysis of concepts with a view to make intellectual expositions and consistent theories that seek to explain the nature of human existence and the social challenges facing suffering humanity. To understand the theories of development—in terms of the values and principles that underpin either state policies or developmental strategies—is to understand the philosophy and development guides subscribed to leaders in governance. Each theory of development has a philosophy that explains, justifies and defines its ideological content for its subscribers and followers. Philosophy has been defined as a love of wisdom. The Concept of Philosophy must be defined to get a true idea of what development theory and practice means. However, the word philosophy comes from two Greek words namely, *philos* and *Sophia*. *Philos* means love of, while *Sophia* means wisdom. From these two Greek words, we derive the etymological or literary meaning of philosophy as “Love of Wisdom”. Hence, it is not difficult in this conceptual search to see why philosophy is traditionally regarded as the “love of wisdom” or “the search for knowledge”. Knowledge is necessary for human development and progress in life; but I have always posed the question—“is every knowledge or development theory wise and relevant to the solution of the challenges facing every society or cultures?” This informs the critical need to apply the critical thinking facilities of philosophy to evaluate the philosophy, theory and policies of development which had informed most development practice for the post colonial African leadership states policies and planning. In this context, the philosophical exposition of development as a multi-faceted concept is critical to our understanding of development theory and practice in Africa. Development can be defined from different perspectives but the critical point to note is that the definition depends upon the person defining it, his class interests or cultural background. The fundamental contrasting term for development is “envelopment”. Envelopment is putting of something, for instance, a letter, into an envelope. It is cover, fold or veil in. For the Etymologists, development comes from the French word, “developer”. This means to bring out from the envelop something that was enveloped (Schumpeter, 1912: 22). Schumpeter in his “Theorie de Wirtschaftlischme Entwicklung” (1912), used the concept of innovation to identify development and to give it substantial axiological meaning as new creations in the lives of the people. For Schumpeter, who sees development as an experience that compares favorably to the full development of the entrepreneurial spirit in people to enable them to start something new that solves problems in their lives, innovations are symbolically both technological, economic, political and social in an individual and collective participatory sense. As innovations in people’s lives, he gives both development and envelopment the name “Entwicklung” (meaning “unfolding, evolution, development”). Perroux (1964: 96) defined development as “the combination of mental and social changes of a people, which enable them to increase, cumulatively and permanently, their total real production”. He further advances that development is achieved fully in the measure that, by reciprocity of services, it prepares the way for reciprocity of consciousness. A socialist holistic definition holds that development is man’s ability to appropriate his total essence in a total manner, as a whole man. It is a holistic vision in which mankind assumes control of his destiny. Ake (1996: 60) explained that development is not only based on the perspective of economic growth,

even though economic growth in large measure determines its possibility. “Development is also not a project but a process. Development is the process by which people create and recreate themselves and their circumstances to realize higher levels of civilization in accordance with their own choices and values. Development is something that people must do for themselves, although it can be facilitated by the help of others. If people are the end of development, as is the case, they are also necessarily its agent and means. Africa and the global environment are to be taken as they are and not as they ought to be...” (Ake, 1996: 25-29).

For a development theory to work for Africa and her people, it must have sustainable values that could lead to sustainable people-development. Sustainable Development is seen as a challenge for African philosophy to enable the African people to become the originators and creators of the continent’s development theory and practice. *The World Commission on Environment and Development* (1987: 123) defined sustainable development as development without compromising the ability of future generations to meet their own needs. Sustainable development according to *Omoyibo* (1998: 40) recognizes three important aspects of development namely:

- 1) Raising people’s living level. That is, their income and consumption.
- 2) Creating conditions conducive to the growth of people’s self-esteem through the establishment of social, political and economic system and institutions which promotes human dignity and respect.
- 3) Increasing people’s freedom to choose by enlarging the range of their choice variables.

The idea of development for Africans recently started to gain grounds in development circles because of its vital nature in a wide range of philosophies of development that challenged the boldness of African philosophy in questioning the colonial and postcolonial inherited theories of development (*Basel*, 2013: ix).

According to *Ketia* (2013: 5) the term “development” is generally understood etymologically to mean “expansion by a process of growth” or “growth and differentiation of some entity along lines natural to its kind”. According to him, what is interesting is that the progress or movement observed in social transformations was normatively viewed in moving from conditions of being less developed to ones of being more developed. One recalls Marx’s quasi-Darwinian thesis that human history was naturally evolutionary progressing from less developed stages to those that were more developed. Thus, for Marx, a developed capitalism would eventually give way to socialism then communism, eventually reflective of a mature human society. As *Ketia* observed, another interesting point about Hegel’s “dialectics of history” is that “his philosophy of history granted no developmental path for Africa. Africa, according Hegel, had not entered into the path of human history, therefore it did not contain the necessary criteria for development. In this regard, Africa would be permanently undeveloped”. European societies are in the process of development just as other societies deemed “undeveloped” or “developing”. Thus, every society has its cultural dynamics that, if properly managed by its leadership and its people, could lead to measureable and sustainable results as higher standards drawn from their own self-created philosophy and paradigm. For this reason, the automatic contrast between “developed” and “developing” societies should be subject to debate. To challenge this theory and to expose its theoretical bias and emptiness is part of the philosophical tasks embedded in this research article.

2. The Concept of Development and the African Personality—An Exposition

Development cannot be considered in isolation of what it means to be African, who we are, what we are and what we hope for. To be able to tackle the critical need for an African paradigm shift we ought to re-evaluate certain overhanging issues relative to pre-colonial Africa, colonial Africa and post colonial Africa. According to *Njoku* (2004: 610), before we can understand the present developmental problems and concerns that bedevil African people in the 21st century we should clarify fundamental philosophical and preliminary issues which cast great doubts about the concept, identity, potentials, aspirations and problems experienced by the people of Africa at the onset of the European scramble for Africa which ended with colonial exploitation, denigration and domination of Africa and Africans. Several theories of Philosophy and development, both of African and non African origin, have emerged recently to explain the dilemma of underdevelopment in the midst of huge natural and mineral resources. To appreciate why Africa’s social reality is filled with so much contradictions of underdevelopment and unfulfilled promises of development a lot explanatory frameworks have been offered. Professor *Onyeocha* (2011: 15) in his book *Africa—the country, the concept and the Horizon* hits the nail on the head with his revealing conceptual clarification of the features of the African reality, which according to this writer must precede all issues concerning Africa:

There is some effort to define and delineate as clearly as possible the various issues involved in the study of

Africa. In this regard the reality that is Africa can be considered as geographic locale, in which the physical, climatic can be considered. Africa can also be considered as an ideological concept in terms of its characteristics as a socio-cultural and political entity (Chachage, 1994: 51). In such a case, the various political, religious and philosophical elements involved would be given primary consideration.

From Professor Onyeocha we can immediately glean the fact that we need a wholesome redefinition of what it means to be an African. He posits the suggestion that the true African must be concerned about the development of his potentials and the fulfillment of the societal aspirations of the people. He is an authentic being who must be involved with searching for a new paradigm for the sustainable solution of development concerns. This individual involvement at the intellectual level leads him to the search for new models and paradigms for solving the stubborn problems of under-development in Africa (Blomstrom, 1978: 14). For too long, western-based European analysis of development in Africa has been based on a jaundiced and inferior framework that denies integrity and creativity to the African intellectual process with the consequent denial of African intellectual participation in the debate. There is an acceptable hunger for this African perspective on who is an African, what is it to be African and what are the aspirations of the African society in terms of the millennium development needs of the Continent. Accordingly, Onyeocha (2011: xi) observes that:

The African... is, without doubt, better placed than anyone else, to discuss African issues from direct lived experience, and to present African viewpoints authoritatively, comprehensively, and with the greatest understanding. More than anyone else, the African... is able to present Africa to the world from within, is able to engender empathy for her cause, and enable her to be understood from the inside... to present the world from the African viewpoint i.e. as the African sees it and functions in it.

In contrast to this new search for original ideas and conceptions as to his place in the economy of the world is a concept of the African loaded with the denial of primordiality, originality, ontology and creativity to his intellectual strivings and productions. Till today, the tragedy of the African colonial, neo-colonial and post colonial experience, especially on development, is that the Europeans left the African with a jaundiced and stereotyped ideas about the African personality's conception of his needs, problems and even aspirations. That colonial disaster has become even a millennium virus which has infected everything African, including his perspective on development, poverty reduction, governance and general political economy. The African in this neo-colonial and millennial asphyxiations has a bad image of himself after his colonial trauma. From the Hegelian negative projections about the inability of the African for self development in his thinking and societal efforts, it is easy to appreciate the extent and depth of this trauma.

The great conundrum of a paradigm shift on African development theory is that it must start with "a good and balanced portrait of Africa" as the beginning of the search for the African indigenous meaning of development and how he can use the cultural rootedness of the idea to solve problems of bad governance, poverty reduction and pervasive under development in Africa (Adedeji, 1996: 21). pan Africanism, at best, embodied the meta-physical, cultural, social, political, economic, and sociological synergy of attributes that define who is an indigenous African, what he wants in development and what should be the self-defined benchmarks for setting standards for development goals, policies, monitors, evaluations and benchmarking his levels of performance or underperformance. In its sharp outlines, pan Africanism according to Onyeocha (2011: 18) presupposes that:

- 1) Africa is the homeland of Africans and persons of African descent. Thus pan Africanism aims at the regeneration of Africa and the promotion of a feeling of oneness and solidarity among the peoples of the African world;
- 2) The African past, including its culture and traditions, must be recognized and rehabilitated. This does not necessarily rule out openness to new ideas and new developments in the world around Africa;
- 3) Pan Africanism has the vision of a united and glorious Africa that would hold its own in the world. It would frown at any ideas that would create obstacles and artificial barriers to separate Africa's children from each other;
- 4) It operates on a central ingredient of solidarity among people of African extraction whether they are at home in Africa or find themselves abroad in the Diaspora. It considers them as endowed with a distinct "African personality";
- 5) It glorifies the African past and inculcates pride in African values.

Thus, the need to reposition the African developmental rehabilitation, reinvention and reintegration with an

authentic theory of development that is attuned with development dynamics of a fast changing global economy must be situated within the context of the “Trinity” question and matrix of African development which is seen by [Esedese\(1978: 76\)](#) in his “The Emergence of pan African ideas in themes in African social and political thought’ as “*concerning what one is, an economist interest in Africa is deferent from a historian’s, or a business person’s, or a missionary’s... concerning what one has, the intellectual tool in terms of personal education is an important factor... concerning what one wants... there are material financial interests as contrasted to spiritual or intellectual or cultural, or ideological interests. Each provides its own twists to the question of Africa*”.

The article took time to explore the African personality and what he wants in development related to Africa governance and poverty reduction because it is central to the determination of the basic issues of the wellbeing of the African and the indigenous ethical, philosophical, socio-economic and political values cherished by him in his African political philosophy and development practice. These philosophical issues and concerns about the African are relevant to the creation of a new conception and theory of development that will represent a paradigmatic shift in the way Africans themselves seek to achieve good governance, development and poverty reduction in the millenium. Most fundamentally, it is as a result of the critical consideration of the position of [Peers \(1972: 91\)](#) who, in posing the question “what are we trying to measure” in development that helps us to have an insight which links the human personality and development concerns, the desires and needs of the African since, according to him:

Development means creating the conditions for the realization of the human personality. Development has a lot to do with the African personality and what he wants in life. Moreover, it is important to put into cultural and philosophical context a re-evaluation of how African philosophers have viewed the question of development and underdevelopment in Africa.

Finally, it is of great academic, conceptual and dialectical interest to critically reflect on the recommendations that have emanated from scholars of African political economy as a new theory of development with huge impact on governance, anti-corruption and poverty reduction. These recommendations will be politically and economically innovative when placed side by side with the new poverty reduction strategic papers drawn by African governments to attract European economic sponsorships and financial aid. It has become necessary to expose this deceptive interest propelled by western monetary gratification in view of the fact that one hardly finds African perspectives reflected in the model theories of development in general which are on the main dominated by the class economic interests of the ruling elites in Africa. The academic wave to redefine the African and his aspirations in life has affected and expanded the interests and precincts of African philosophy, African jurisprudence and is presently invading the halls of development to determine and re-determine the content of what has for long been fed to Africans as development theory. Thus we can happily say that “Placide Temples” Bantu philosophy ([Temples, 1976: 80](#)) and that of Dukor’s theistic humanism ([Dukor, 2010: 81](#)) together constitute a watershed in the current endeavors to come out with what would be considered as African philosophy of development with a global recognition. This means that within the context of this newly re-appropriated African philosophy which was filled with a new synergy to redefine the old ways, shatter euro-centric stereotypes about Africa and her aspirations, African scholars can design the outlines of a new development paradigm which will empower Africans with a millennium theory of development and governance. We are therefore creating the framework for a new philosophy of development that will make cultural, sociological, political, psychological, economic and technological meaning to the African development scholars and those who are interested in reducing poverty in the continent.

3. Development—An African Paradigm Shift

3.1. What Is Development and What Is Underdevelopment?

If we must truly answer these twin questions—one dialectically linked to the other, then we must appreciate the principles of evolution which have guided, step by step, the African conception of development. The highlights of this evolution could be described in the following highlights:

- 1) African philosophy has emerged in full force as a global system of philosophy;
- 2) The controversy concerning the existence or not of African philosophy has ended;
- 3) The evolution of its value framework and content has moved away from the verities of Bantu philosophy, negritude, communalism and pan Africanism;

4) It is currently investing all human disciplines with a value chain which is cultural, creative, psychological, economic, religious, technological and developmental.

I can affirm and confirm with other philosophers in the African continent that “African philosophy—(as a framework for a new development paradigm)—has broadened in terms of its horizon and is currently treated as a methodological inquiry with the same universal aims as those of any other philosophy in the world (Hountondy, 1983: 102). Having ended the controversy concerning the existence or non-existence of African philosophy, the question naturally arises—what great intellectual and theoretical reformulations have African scholars wrought with millennium issues which are being used by the west to foist a new academic colonialism upon the continent? (Moses, 2007: 21). Generally, African philosophers such as Nzongola & Ntalaja (1989: 118) have a new theory of development which attributed the major obstacle to any meaningful (development) and transformation in Africa, and hence its socio-economic hardships to the fact that the civil societies in Africa have been socially and politically marginalized organizationally in the post independence and post colonial African state (Samuel, 1998: 43). Simultaneous with this process was the strengthening of the state apparatus of governmental organizations, institutions and public policy. In other words, the socio-economic crisis facing Africa today is that the neo-colonial state itself constitutes the major obstacle to development. People have been left defenseless vis-à-vis these states and cannot fight against the arbitrary actions of the state or defend their living standards... thus the issue being that of the creation of democratic forms of governance in Africa.

Democracy has been linked to development while dictatorship has been linked to underdevelopment and poverty. But one salient point we ought to point out is the fact that it is part of the study by African philosophers on development problems in Africa that we need a new paradigm shift even in the way we see democracy. Sadly, democracy in Africa has raised the specter of a new dictatorship since its practice is still anchored upon the whims of selfish leaders who operate a European—filled state structure which mismanages the resources of Africa through wholesale brigandage and corruption. In the new millennium, democracy is still under a dictatorship of a corrupt state structure with the non-participation, non-involvement and non-commitment of the African civil society. The African state is still filled with the neo-colonial vestiges in which selfish individual leaders continue to exploit the people through the agency of the state after they have been voted into power. In Africa people are denied their mandates, people's votes are blatantly stolen in broad light, bribery and corruption determine electoral authority and victory. Seen only periodically, the new elected leaders are seen more often by the people with their corrupt and stolen trappings of power while the African masses wallow deeper into a poverty crisis which have made the continent a basket case and one of the ironic inspirations why the millennium development goals was started in the first place.

The quest for true democracy in Africa would truly have arrived, and can only thrive when there is free, fair, people-based peaceful elections, an independent judiciary, a non-corrupt state executive and a public policy participatory framework which will be pro-people, pro-poor and pro-Africa in its development content. Ironically, it is not only in military regimes you have African dictatorships. We know too well from our experiences in so many African democracies, some as recent as 2008 and 2011 in Nigeria, and in 2014 in Egypt that we have unrepentant democratic dictators who are obsessed with pro-longed unconstitutional tenures so they can continue to be in power and swindle African state resources. In essence, the search of a new development paradigm must include a serious philosophical enquiry on how we can invest African democracy with African people values which we can use to straighten our democracy and establish it as an authentic instrument and tool of designing African development goals, programs and policies to reduce poverty in Africa, in real terms. The picture painted by Oruka (1985: 117-118) supports this scenario:

The average man and woman in Africa in the new millennium is poor, not because Africa is not blessed with abundant resources and man power, but because we live in what the philosopher Oruka calls “an uncivil republic where the state structures and institutions bequeathed to us by colonialism are still used by selfish leaders who use the democratic votes stolen from the people to even isolate them from policy formulation, execution, monitoring and impact assessment. In summary, the civil society—the new name for the African “ummunna” or value for collective leadership filled with a social conscience for the common good and welfare; that prevents corruption or brings shame and removal to corrupt leaders, but which, sadly—is not empowered in today's democracy. As a result, is it any wonder that the stored energies and synergies of the African people remained untapped, unmoved and un-mobilized for charting authentic development concerns and paths in the continent? Need we search any further why despite billions of dollars

accruing to the states in Africa, annually, African poverty still remains the embarrassing target and subject of poverty reduction in United Nations?

The failure of the African states even in the millennium democratic dispensation should now convince us that we need a new paradigm for a development theory which will inject a refreshing African cultural content into our democracy and governance since they constitute the major instruments for planning development in the continent. So much for critical thinking on African development. Rather than just posing questions about the concept of development as it concerns Africa, we need also to step out of philosophy in order to meet and dialogue with social reality. It will give us a new concept for development after we have concluded our dialogue among ourselves. This new conception of development for African transformation is discernible in the debates among African philosophers. The thrust of the debate according to Mudimbe (1984) is as follows: “The way out of African underdevelopment is to broaden and indigenize democracy, empower civil society and... less economism, technologism and structuralism... and concentrate more on the whole question of conditions for self-organization of the African masses for the total transformation of African societies”.

3.2. Why Do We Need New Paradigms Shift in African Development?

There is no doubt that there is a development crisis in the African continent. Bad governance, corruption, poverty, disease, wars, conflicts, continental retardation and continuous under utilization of our human and natural resources have led our people to question the scholarship of Eurocentric theories of development with which African leaders have struggled, without success, to develop the continent. The failure has brought about an organized search from social scientists who had been studying development concerns in the continent for several decades. In recent years, a paradigm crisis has led to non-acceptance, half acceptance, mixed acceptance and even outright rejection of the old euro-centred paradigm for the study of development in Africa. Ulf Himmelstrand, Kabiru Kinyanjui, Edward Mbirugu, Dr. Etuk, and Monsignor professor Obiora Ike were members of a band of global scholars that defined a new project known as “In Search of New Paradigms for the study of African Development” ((SENPAD) Himmelstrand et al., 1988: 48-57; Obiora, 2000: 1-3). Resolving the paradigm crisis in African development theory must be resolved, not in the context of a completely Khunian revolution as happens in the sciences but, as in the social sciences, by “a search for a synthesis of past perspective when old ideas can be combined in a new manner”. It is critical that the philosophical rigor of this paradigmatic demand on a new development theory should be outlined clearly. When we use the term paradigm we are using it within a special emphasis on certain concepts and objects of knowledge on emphasis that could expressed in terms of three philosophical molds, viz:

- 1) a specific selection of variables and objects of knowledge;
- 3) a specific selection of analytical and empirical research methods;
- 4) and perhaps in terms of the kind of praxis or application favored.

To avoid being nebulous in their search, the team’s use of the new paradigm concept focused upon six queries but I will focus on only two as directly relevant to my paper.

3.3. Queries on African Development

- 1) What is the nature of the relationship between competing or otherwise diverse paradigms and perspectives in the social sciences that endeavour to understand and explain African development? Are they compatible?
- 2) Finally, is it possible to move beyond the controversies found in the literature on African development, in search of new, more comprehensive, relevant and empirically sound approaches?

Without doubt these queries have continued to determine the subject and context of different conferences concerning new directions for African development in the context of millennium challenges for poverty reduction and demands for good governance in the continent. At issue here is the confrontation between two values systems in studying African development concerns. At one end is a Eurocentric humane, free, valueless, “scientific” analytical framework of studying African development which has been exposed as biased and does not assist in solving the African predicament covering underdevelopment. Throwing more light in this European based theoretical model has been necessary to understand why the western institutions that buy into their theories cannot do much to help African underdevelopment predicament. It is necessary to see why we believe that a predicament free analysis is closely associated with so-called value free science which usually is not value free at all but

is studying social and human reality from a hegemonic value system of ideological establishments, western or indigenous. In contrast is the Afro-centric view which is pro-people, pro-culture and pro-growth which is according to the collective views of Okere/Ike/Oyegocha (ibid) could be defined by the as *a predicament-oriented social science approach (that) endeavors to attain two units of knowledge—first a local understanding of the nature of given predicaments among those facing these predicaments in their daily lives, a type of knowledge which perhaps could be attained with some kind of participating action—research and a knowledge of the broader historical, structural and ecological causes generating such predicaments... The kind of local level to illuminate the understanding from below of the predicaments confronted there, and to provide guidelines for local action and struggle.*

3) Africans defining development and underdevelopment: exploring the millenization of African development study.

There is no doubt that global ideological perspectives with Eurocentric value system have influenced the process of interaction, scholarship and theories of socio-economic development in Africa (Cribson, 1961: 49-50). From 1950 to the modern period social scientists in Africa also took their lead from these models many of which concentrated upon structural functionalism, modernization, neo-Marxist political economy and neo-liberal Euro doctrines/ World Bank theories. It is not just enough to take these leads in theoretical formulation, criticize them or throw them away. African scholars are increasingly abstracting what is relevant to Africa from these models and emerging with new brave and creative theories to move development forward in the continent. Marxist scholars are becoming increasingly frustrated for want of a soviet union and other Marxist state models. The issue however is not just to concern ourselves with first throwing out or accepting outside theories of development but evolving synergistic creation borne from the pan African sense of what is Africa, what Africa has and what Africa wants in the context of the modernization theory of sustainable growth, trade liberalization and the threats of globalization to swallow Africa. Furthermore, present African leaders have continued to depend upon development prescriptions which do not involve the people of Africa but impose foreign modeled structural conditioning which are half-baked and serve, at best, only the economic and political empowerment of the African elite. African scholars are increasingly abstracting what is relevant to Africa from these models and emerging with new brave and creative theories to move development forward in the continent.

I willingly call this creative pro-people approach *the millenization of African development scholarship*. Millenization is different from westernization nor communism; to have more clarity on this idea of millenization framework it is more akin to a new concept of modernization which must be formulated from the vantage point of African predicaments as an analysis of ways for overcoming the problems which so far have brought stagnation, inefficiency and increasing inequalities than progress into more efficient and socially acceptable economic/political practise for Africa. Secondly, millenization also means that western European social science with all its insights and knowledge is insufficient for an analysis, understanding and explanation of African conditions, present and future. Millenization means that African social scientists can learn a great deal from some aspects of western minded theories and then integrate them with an African-based perspective which will Africanize the study.

But the first identified problem of development is a traceable to intellectual or conceptual poverty seen as the laziness or indolence of scholars to generate new workable and creative ideas or theories to solve problems that are challenging the continent in the millenium. Our intellectualls will rather imbibe western ideas and theories and even distort and misapply them to African developments despite the fact that they were conceived in a socio-cultural environment that are foreign to the needs of the continent. The African continent has become, as a result, the grave yard of incipient creativity and unfermented ideas.

Most often than not, we tend to overlook or take for granted what we have in Africa when we are carrying out analysis of what caused the African condition and how we can get out of it. Secondly, we look outwards first, before, after repeated failures of the foreign models, rather than to look inwards to seek for minor solutions to the problems of development in Africa.

Thirdly, it will be naïve to keep pointing all the time upon Europe as the only cause of our problems of underdevelopment. Africans, as military and civilian dictators, also led to the problems of Africa. Fourthly, the metaphor of “Africare” (Izu: 2010: 23) reveals the powerful epistemology of a self-reliant indigenous inquiry about the causes and solutions to our underdevelopment in Africa. Self-reliant epistemology and theistic human values (Dukor, 2010) suddenly reveal a new window of causes and solutions which had been overlooked because we had focused upon the wrong approaches and used the wrong inherited paradigm of colonialism which

is mostly a top-down and anti-people framework in the continent. The direct implications says we must come up with a new theory perspective that will take African values, peoples and aspirations into consideration when we are attempting to solve underdevelopment in the continent. This challenge naturally takes us to the question: What Is the Problem with African Development? To answer this question will assist us to appreciate how the African sees development and underdevelopment. The first critical response to that enquiry comes from the problems of understanding and domestication of the old development paradigm created and fostered upon Africa by the colonial, neocolonial and neoliberal development policies imposed upon the peoples of Africa. Most importantly, these paradigms and their consequent development policies adopted by states in Africa failed repeatedly to lift Africa out of poverty. Just like other western inspired development models and policies in Africa, the Nigerian economic empowerment development strategic document (NEEDS, 2003: 42) did not work fully because of its non-inclusion of a cultural content and the exclusion of the African civil society in real terms to define what needs to be developed, how they should be development, when they should be developed and the manner such development dynamic could lead to direct improvements in the living standards of Africa's majority. Thus we need to know from the foregoing that the bad governance practice of excluding the people from government and development has deep roots from colonialism, neo-colonialism and the globalization. They serve to emaciate the will; mind and consciousness of the people eulogize anti-people policies and institutionalize a pro-western values system that imposes development frameworks upon the African people.

4) The Failure of NEEDS and Globalization: A critical analysis of the Breton Wood-inspired Poverty reduction strategy document.

Why did such poverty reduction strategy documents like Nigeria's National Economic Empowerment Development Strategy (NEEDS, 2003: 20) failed to achieve its pro-growth and pro-people development goals and objectives? In the middle of the 1990s, the World Bank made it compulsory for developing countries in and outside Africa to come up with a home grown, pro-people, and pro-poor strategy to generate development gains and reduce poverty in real terms. The ruling elites in Africa only started writing theirs only when they knew that there would not be any development assistance or debt cancellation for them without the production, submission and approval of such a document to the World Bank. As soon as the leaders were given the money based upon the development templates in the document they would direct the money to other areas of the economy and claim economic contingency or a social emergency. But the faults of this approach are manifold. The documents were not produced from a bottom-up, pro-people and pro-poor perspective. The members of the panel that produced the document only "consulted" the people's representatives who have the most forceful media and political presence in their countries and claimed to be the voice and views of the grassroots.

Secondly, the civil society in Africa was marginalized before, during and after the production of the document meant for African development and recovery. As non-governmental organizations, (NGOS), faith-based organizations (FBOS), labor unions, they remain the modern symbolic and social face of the "Umunna" in precolonial Africa political economy which reflected a communal value and synergy which only can describe a development plan as pro-people. Thirdly, having excluded the members of the civil society, the authentic voice of the African people in governance, the governments of Africa also made sure that in some places where civil society were hesitatingly allowed in program formulation they were not given budgeted resources to be part of implementation, evaluation and monitoring of the impact of government development policy on poverty. Finally, even when such development policies have failed—since they bring about only economic growth in Africa—we still have the problem of globalization since it is another platform for the old scramble to partition and share Africa by the Europeans. As observed by Professor Ike (2008: 102) in his work globalization: where is Africa's future:

Neo-liberalization is moving ahead at high speed, together with economic globalization. It is essential to take a look at this economic system and to guarantee people's participation in decision, which affects their lives. By emphasizing short-term gain and the unlimited accumulation of profits, neo-liberalization, the current economic model, neglects people's needs. While it is true that neo-liberalization produces wealth, it distributes it unequitably. More than ever, Multinational Corporation are scouring the planet in search of cheap labour and low production costs.

Paralled to the growth of multinationals is the ability of investors to instantly move billions of dollars from one part of the planet to another with the sole objective of speculation and without government regulation of any sort. In fact, governments have become unreasonably vulnerable to the notions of financial markets, competing with one another to attract foreign capital. This development model is deeply flawed. It represents poverty, un-

employment and marginalization for billions of people. To achieve true human development, we must move beyond symptoms and examine the root cause of today's problems... Throughout the world, increasing numbers of economists, social scientists, social justice groups and labor organizations are denouncing the inequalities produced by the present[western]development model, with studies and statistics to support them.

Globalization has become another name for the economic exploitation of Africa and the intimidation of its intellectual human resources, institutions from searching for and using its own homegrown culture-injected framework for genuine development initiatives in Africa. This is because if one were to read between the lines within the towering speeches and theories put forward to defend globalization and why Africa should embrace it, we will still see the hands of a European-centred development model and theory which have taken Africa to no destination for decades since political independence. We need to expose further the origin of modern globalization. As noted by [Areji \(2005: 13\)](#):

Euro centrality and globalization... are historically situated. They are products of racial bigotry, slave trade, colonialism and a feeling of superiority. The west enslaved African for so many years through the trans-Atlantic slave trade. This is physical and social slavery. When slave trade was abolished, another form of slavery was introduced—political slavery [colonialism]. In an attempt to justify their injustices, the Europeans propounded negative theories against Africans. When independence was won, a new form of ideology was propounded to continue the enslavement of Africans. This marked the birth of globalization.

Essentially, we have argued that the new African development paradigm should be integrative of beneficent and culturally compliant concepts which are relevant to African aspirations. But before we can succeed in re-evaluating globalization we need to properly design a new theoretical framework that will overthrow Breton Wood inspired development theory for understanding African underdevelopment since, according to [Nwoye \(2000: 50\)](#):

The actual problem that faces a theoretician of African development theory today is the pragmatic question—what is still authentically African after centuries of slavery, colonialism and neocolonialism? Put differently, does Africa need to reject western civilization in her search for authentic African values. The position of this paper is that politics and development can attain to the desire end, if only they derive from the culture and natural instincts and sensibilities of a people. For this, capitalism and marxism—two allied evils—are totally unacceptable to the African natural disposition. All African political theoreticians and philosophers are agreed on African socialism as the authentic political economy for Africa. This is the view of Senghor [negritude], Nyerere [ujamaa], Kaunda [African humanism], Nkrumah [philosophical conscientism], and Nnamdi Azikiwe [pan Africanism]. All these socio-economic theories have one thing in common—the preservation of African communitarian values... and outlook that are authentically African. This is however, not say that these theories are against western civilization in every sense. What they wish to suggest is an assimilation of the vital elements in western civilization with authentic and living values. This merger would bring about a development theory for Africa.

From the time of colonialism, neocolonialism and to the margins of the 21st century, the average African man or woman has undergone several degrees of worsening destitution and poverty all because of a capitalist and neocolonial economic theory and system which has mismanaged Africa's political economy. The state in Africa is ruled by a corrupt and autocratic elite who have made it their business of governance to pauperize the poor, marginalize the people and waste the resources of Africa. The economic and social crisis in the continent have generated massive academic and development debate which has spawned huge research work on African development concerns. Nwoye Kenneth Ogechukwu (2000: 41), writing under the book: *The nature and features of African development*, gives an analytical perspective crisis:

The reason for this controversy stems primarily from the abysmal performance of most African countries. With the exceptions of countries like South Africa, Ghana, others are either stagnating or are caught up in one nasty and intractable political and social crisis. In most African countries gross national product per person are among the lowest in the world. The implication is that majority of African citizens contribute little or nothing to global economic growth. The reasons for this disastrous state of affairs are many. The first reason is traceable to repressive and kleptocratic authoritarian regimes that have virtually alienated the mass of Africans from governance over the past years. The second reason relates to incessant conflicts that

are so widespread and unrelenting in the continent. Under this situation of instability and anarchy, development in whatever form cannot place... The third reason is that the African continent as a whole is being increasingly marginalized economically as a result of the changing global economy. The world trade organization [WTO] with its unjust trading policies and the highly protectionist measures being put in place as result European economic unification all combined to compose severe economic challenges for Africa.

5) Government/Development structures in Africa: rooted in Neocolonial and Capitalistic exploitation.

The present crops of leaders in Africa are predominantly products of colonial and neocolonial exploitation. Poised between the values of western Europe and the African communal values they are facing a dilemma which has paralyzed them from being capable of meeting up with the challenges of governing Africa and reducing its poverty. Today's African elites are to be found in all spheres of the African political economy assuming the toga of good imitative postures of western European models in everything they are doing in the continent. The typical elite is worth a deliberate study as factor in the underdevelopment of Africa since colonialism. He is the one championing the theoretical values of Eurocentric concept of development and the description of all forms of African theoretical frameworks as primitive and ineffectual in transforming Africa. This a tragedy—Africans being in the forefront of condemning original thinking in the attempt to better the fate of Africa! Meanwhile he very much romanticizes the western model of development and recommends it, without chewing and digesting, to Africa. However, his counterparts in the political terrain are crushed by his own paralysis in translating that theory into workable models and theories for developing Africa. He has a theoretical model imposed upon him which he uses for development planning but which, unfortunately, does not produce results in solving the development problems of Africa. There is a gap between western theory and policies as against African developmental needs. So as a result of the gap between theory and action, ineffectuality of the * inspired models, the political elite is sandwiched between throwing up in defeat and joining in the search for an African theory of development or rigging elections and, when he gets to power (most times through a stolen electoral mandate) establish a most brazen form of corrupt governance which will steal misapply and misappropriate resources belonging to African people. He chooses the latter.

African governance is in the hands of individuals who had no genuine interest in developing the continent. The state is in the hands of those who plunder its resources and deliberately send African peoples into the deep ocean of destitution and vicious poverty. On getting to power, they first marginalize the people by removing them from the governance structure. African peoples were used to a criminal system of governance which is fundamentally collective and pro-people. In Igbo-land of Africa, this system is the "Umunna collegiate ruling system" whose synergy steam and dynamics come from what is "Igwebuike—the people is the power": the power and strength to be transparent to manage resources, to determine the needs of the people in development, their future aspirations and the mechanism for getting at their targets and measuring when they have gotten there. But as a result of colonialism, those in government today, like the colonialists before, are afraid of the people getting close to government hose and knowing how peoples' resources are stolen and diverted into private pockets. When people are distanced and marginalized from governance, there cannot be any development because, according to Professor Obiora Ike (2003: 85), development is about people:

If, therefore, we do not want to waste more decades, it is time to agree on a working definition of development in which we want people to be fully involved. I fully agree with the definition given by the participants of the 4th National Theological week held at Katigondo, January, 1989, which said that "While in the past, development was principally understood in terms of economic progress, we have now realized and become convinced that appropriate progress should be integral development". Such development must cater for the whole human person and encompass the people of the nation as a whole by developing their spiritual, religious social, personal, moral, cultural, economic, political, mental, educational, physical and environment dimensions. Such then is the development in which we want people to be fully involved in its identification, planning, implementation and evaluation at every level and phase. Such is the development that can liberate Africa and other oppressed continents. It is the only development worth planning and can bring hope to the millions of the suffering people of the world.

However, good governance in a democracy is about a good leader who can design policy programs which are injected with the framework of African development theory such being as pro-people, pro-poor and pro-open in its formulations, implementation, evaluation and monitoring system. Being pro-people for example, is a function

of good governance and as we have seen, it is the only governance structure that can create the enabling environment for an Afro-centric development to take place. It is the only governance structure which can deliver authentic development goals, benefits and dividends to the people of Africa. Good governance has a corollary in bad governance. Bad governance contributes to African under-development through corruption and selfish exclusive socio-economic policies which exclude the people from governance. The only time the African people are involved in governance is when the elite call upon them to votes during periodic elections; after which they will disappear within the cozy palace of the government house. Bad governance seizes, demobilizes and restricts the African potentials for development because of a blind acceptance of every economic and social development model/policy coming from Europe. Under guise of joining the rest of Europe in a flushed globalized world, they impose anti-people economic formulas which distort the standards of living of the people and lead to worsening of poverty levels in the continent.

4. Africa and the Modern-Day Crisis of Development

The Commonwealth leaders' observation (2008: 1-2) of a critical need for reform in the management system and prescription of the Breton Woods Institutions have said a lot about Africa and the crisis of under-development:

African continent as a whole is going through a long and debilitating political and economic crisis. The worst hit appears to the sub-Saharan region which has continued to suffer severe economic stagnation and protracted debt crisis. It is a crisis of unprecedented proportions manifested in abysmal decline in overall living standards and in decaying infrastructures and acute poverty. The implication of the above... is that Africa is in a serious political and economic quagmire that will require extraordinary will, courage, tenacity and severity of leadership if the contentment is going to meet the challenges of the new millenium.

What the common wealth leaders have condemned as weaknesses in the Bretton Woods imposed development theories, policies and prescriptions, other African development scholars interested in millenization have also recommended, albeit with a different phraseology, as the crisis in development in Africa. Nwoye comments: "It is not necessary to clamor for reforms and call for an new model for development in Africa and other developing countries, why did the Commonwealth interested in putting pressures in changing the way IMF-World Bank made European centred prescriptions for managing African economies why are they meeting to deliberate on how to change these Institutions' to reflect more the values and development aspirations of the African peoples? When I made a case for the African millenization of development values, needs and goals beginning with a new development paradigm. I was happening on a new model that will also change and reform the framework, content and system for African governance structure to bring about new African values and pro-people style in the way we manage our economies and solve development problems such as poverty. The Commonwealth position became clearer when they noted that leaders of developing countries do not have the freedom to determining national goals and do have the capacity to genuinely manage their people's economies. Nwoye agrees and observes further:

Sovereign states must have the capacity and freedom to determine national goals and implement national policies and strategies adding that many national goals could not be achieved. The glaring failure of the development project in Africa has continued to provide ample room for all kinds of dubious and misguided development programs all in the name of turning Africa around the most potent of these programs in recent years has been the structural adjustment program (SAP). Sponsored by the IMF-World Bank. This programme has become so... damaging to African countries that it has led to severe riots, insurrections and even economic collapse 41.

Professor Ayo Adedeji agrees with Nwoye that: "after a decade and more of Structural Adjustment Programmes, poverty has become more pervasive and systematic in Africa, and is predicted to grow especially in sub-Saharan Africa as far into the twenty-first century as current projections reach". Nwoye has also succeeded in buttressing up the contribution of Professor Ake (1996: 13-15) to this Euro-centric style of recommending harsh un-African and anti-people development policies for African economies:

The Structural Adjustment Programs (SAP) that African countries have to adopt are compounding the weakness of the State in Africa owing to their one-sided emphasis on privatization, commercialization and reliance and market forces. These problems are weakening the State even politically and structurally. They

are so drastic and so severe in their impact that they engender hostility to the state and undermine its limited legitimacy.

As corroborated by the Commonwealth observations and reports in 2008, even the World Bank report recently accepted that development prescriptions based upon neoliberalism and the vestiges of neocolonialism cannot turn Africa around, much less develop it. What does this imply? It means that we should work harder in the millennialization of a home-grown, bottom-up and people oriented cultural development framework that will become an authentic reflection of African peoples' past needs, problems and aspiration. We need a people-centred enclosure of the new African millennialization of development concerns in the millennium to end poverty on the continent. Though the World Bank called this "adjustment with a human face", Nwoye's delineation of this development typology is much more perspicacious when he draws out more implications:

The implication is that the Structural Adjustment Program has failed completely to turn Africa around except to plunge the continent into deeper and unrelenting misery and hardship. In recent years, the world bank has openly accepted the hopelessness of its economic therapy in its subsequent development reports that call for adjustment with a human face. "The central position is that economic policies must beyond 'adjustment' to issues such as population growth, environment, institutions, technology as well as the social and political dimensions of development... the evident failure is reflected in the changed position of the world bank now interested in sustainable and people-oriented development approach opposed to the use of competitive-domestic/external market forces".

What Caused Poverty and Other Crisis of African Development?

According to Professor Adedeji (1989: 48), former executive secretary, economic commission of Africa [ECA], one of the causes of development crisis in Africa is that "country after country thus deserted Africa's indigenous strategy in favor of the one propounded by as good for Africa by the Breton Woods institutions". It is evident that Africa's protracted crisis of development has very strong historical roots in the form of colonial legacy and also partly-inflicted. Nwoye (2000: 33) examines the nature and profile of this root cause:

Disarticulated and weak economic base: A common feature of African economies is that they have very weak and incoherent base. As a result, their development is highly dependent on a global economic systems dominated by the developed capitalist economies of Europe and north America. In that challenge, those societies are saying that they must be the choosers of the development they need, they must be the implementers and judges of any development in their area. It is only when development whether spiritual, moral economic or political is beautifully integrated in the cultural values of a given people that it makes sense, is appreciated and considered lasting because it has become part and parcel of a given society. It is obvious why excluding culture leads to ignoring people in development in Africa. Culture is a way of life of the people—the way they engage themselves with the simplicity and complexity of their socio-economic spiritual and technological existence. Ignoring people or marginalizing people from participating in development has been one of the barriers of the banes of underdevelopment in Africa. According to Obiora (2001: 19), there are latent and obvious factors which hinder people's participation in development:

- 1) Elitism and Expertism. "A know it all culture"—which close the mind and stops it from being open and to search for new ideas, emphasis on Externalism and Quick Results—emphasizes external as parts of development to the exclusion of the mental ability to appreciate the same and part it to good use.
- 2) Bureaucratic Methods of work. Bureaucracy is interested in control and centralization of power—people's participation cannot be encouraged nor designed.
- 3) Underestimation of people and lack of trust. Respect for people, however simple or poor and deep trust in them and their ability to solve their own problems are rare characteristics among the so-called educated and better off class of people.
- 4) Dislike for public accountability... involvement of people would mean their right to know everything including the funds used...
- 5) Marginalization of development education... because of the great demand to development and the urgency to offer solutions to Africa problems of hunger, malnutrition, disease, dies poverty, many people involved in development adopt an attitude that has no time energy or need to expose the suffering or the poor to development education or awareness...

6) Ignoring the cultural factor in development—as genuine development can take place in Africa without having a culture. Context, as such people content...

5. Recommendation/Conclusion

Having come this far in this paper, we can confidently take a stand and define development (Ike & The Africa civil Society Initiative, 2001: 71) which Africa can use and apply to the problems of bad governance and poverty in the continent in a creative cultural way that shakes the old paradigmatic way of seeing it in Africa either by African scholars or outsiders operating from Africa. This grassroots development concept sees it as

A multi-dimensional people-centered process. It aims to create conditions whereby each human being can realize his or her potential for political, social and economic fulfillment, in harmony with the common good. The rights, obligations and participation of individuals are central to this process and its objectives. The first priority is the eradication of poverty. This involves empowering people to gain control over their own lives and obtain the resources required to meet their basic needs, without destroying the environment. Genuine development is a grass root bottom-up process, where local communities are the key players. Economic activity should be managed by people, and should respect the limitations of a fragile and non-renewable environment. The market may be a means to achieve these goals, but it is not an end in self.

With this adoption of a working definition of development for Africa, let us say that development is about people, about culture and people's aspirations for a better life. We should set up an African strategic team that will design a development framework for Africa drawn from the different universities in Africa, NGO's, research organizations, the FBO's, government and labor whose main task is to:

- 1) use this working definition to establish a new theoretical framework with which African intellectual and practitioners can apply in the class and in the field;
- 2) use this to design a new framework for a people-centered government development blue print which will be used in African states to design policy, implement, monitor and evaluate same by the people.
- 3) use it to design a new pro-people electoral system to directly empower the African poor.
- 4) use it to change the curricula of artisanship, development and social science education in African institution of learning.
- 5) organize a regular African mullenization seminar in on development changes sponsored by the United Nations.
- 6) involve Africans in the Diasporas in designing innovative frontiers for African development.
- 7) establish an innovative centre for African development, governance and poverty reduction and use the agency of A.U, NEPAD, to circulate and apply new development framework and benchmarks across Africa.
- 8) sponsor university research agencies such as the institute of African studies, centre for peace-building and poverty, reduction, University of Nigeria (CEPPERUNN) and so such as the Catholic Institute for Development Justice and peace (CIDJAP).
- 9) that state across Africa should form economic teams made up of scholars and developmental scholars who have properly integrated the ingredients of the new African development theory model frameworks and benchmarks for monitoring and evaluating evaluative programs and projects.
- 10) finally, set up an African university team for development and the mirror of the way of life of the people of Africa in asp rational, sociological, political and technological terms for measurable results in their lives which can reduce poverty, deliver desirable dividends of democracy and assist Africa to attain the millennium development goals before 2015. The name of that new African theory, momentum and initiative is what I call ***“the polarization of African development in the 21st century”***.

In conclusion, I would like to quote the views of Professor Obiora (2003: 29) on poverty in Africa: *Poverty is not God determined. It is man-made if is not a fortuitous self-inflicted condition but rather a result of processes at work within the society if we so desire, we can eradicate poverty*. In summary the problems which accentuate poverty and underdevelopment of Africa according to Ike is as follows:

- Lack of access to capital and resources for the handless and asset less the majority I are unable to provide the collateral required to access loans from the commercial banks.
- Lack of funding to build the capacity of community based organization and SME's to carry out projects promoting self reliance and self help.

- Lack of affordable training and capacity building programs for courses the poor.
- Poor infrastructure and inadequate provisions by governments.
- Large spread poverty and the practical erosion of the middle class.
- Marginalization of women and youths.
- Poor institutional and infrastructure of indigenous enterprises and microfinance intermediaries.
- Lack of integration of the informal sector into the economy and lack of coordination of efforts of artisans, youths, women and petty traders. Their interests and livelihood issues are often neglected by the larger macro economic factors, and their income is not even considered in the computation of the GNP per capital.

As a follow-up to this article, I would want the various scholars of development studies both of Africa and non-African origin in Europe to start working upon the seminal ideas contained in this article that will explore these initiatives under the propelling force and need for a new paradigm and suggest the way forward for African development problems. This will help the African state to empower Africans and Africa to effectively emerge in the new millennium as development giant working as partners with other peoples and cultures of the world with their own home grown development paradigm.

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The New Public Management in Sabaneta, Antioquia

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Abstract

During the decades of the 80s and 90s three international events that marked the history political, social and economic at the beginning of XXI century took place: the fall of the Berlin Wall and Perestroika; Environmental Summit in Rio de Janeiro and the European Union. These historical events deepened new forms of public administration within the developed and developing countries. International events that were and are answer to the demands of citizens by governments more responsive in the management of their needs of participation are: political decisions, environmental protection and economic security. But, how did these three events alter the economic, political and social order in Colombia, and how have these new trends in public management been incorporated into the municipality of Sabaneta, Antioquia? Visualizing the changes of governance since the late 80s and 90s in Colombia, illustration of the good performance achieved by the municipality of Sabaneta in the period from 2003 to 2013, is the subject of this research essay¹.

Keywords

New Public Management, Transparency of Public Administration, Developmental Plans and Citizen Participation

1. Introduction

While Colombia has not lived dictatorships or hyperinflation caused by economic mismanagement; it has faced for over 60 years problems of violence from guerrillas, drug trafficking, drug cartels, paramilitaries and criminal gangs. And while the government has achieved relative control, the institutional public image has been seriously

¹Essay of postdoctoral research about the New Public Management in the municipality of Sabaneta, Antioquia. Investigation performed in the VU University Amsterdam in Netherlands under the direction of honorable Ph.D. Alfons Van Marrewijk.

questioned by political corruption, drug-politics, para-politics and the loss of credibility in justice.

To counter the bad image and preserve the public trust, the Colombian government has followed similar strategies to the ones proposed by Berman (1997): 1) *Explain what is intended to benefit the entire community*. The government published the development plans and offered the service e-government. 2) *Facilitate transparency in the management of public resources*. The government invited all community to participate in the elaboration of the participatory budgeting. 3) *Accountability*. The government showed how to use public resources efficiently. The fulfillment of this goal has required the recruitment and election of officers on merit-profile appropriate to the function of the office—so they can require them personal responsibilities, as mentioned (García, 2007: p. 41).

To account for how the New Public Management has evolved in the municipality of Sabaneta, Antioquia will help understand why it has been listed as the second municipality of Colombia in quality of life and social welfare since 2003 in research reports (Metropolitan Area and DANE, 2004), (CEO, 2005) and (CGA, 2013).

2. The Fall of the Berlin Wall and the Beginning of Peace Talks

2.1. International Context

Perestroika as a government restructuring program, since 1986, collected the interest groups of the population that was questioned about the future of the nation and the vitality of the communist regime to achieve development (Semenenko, 2013: p. 107). The model of tariff and trade agreements followed by the countries that formed the European Economic Community, EEC showed it achieved greater development than central planning agreements. This recognized the communist model to be the best economic system of social welfare. Much more, when economic growth in reunified Germany was greater (Semenenko, 2013: p. 107); management of public financial resources for infrastructure growth of firms and the expansion of new jobs provided social transformation. The government made the process of integration and unification, maintaining the political, social and economic balance desired (Douglas, 2014: p. 167, 169)².

But political transformations and the political will to change would not have been possible if within the agenda of restructuring government had not been present civil action; in other words, the citizen pressure for change. A recent publication by John Gans shows how from 1987 to 1989, through a series of musical concerts scheduled for the German youth, initiatives of social unification and proclamation of the end of communism, “soft power”, were gaining sympathy. At the first concert of Joe Cocker, says Gans, 80,000 young people attended peacefully together for the same cause. The second concert of Bryan Adams was attended by 120,000 young people and 300,000 attended the concert by Springsteen (Gans, 2013: p. 173).

This dynamic, as some have observed, can be seen in the last days of the Berlin Wall: some officials, aware the *status quo* could not continue, made choices and policy changes to buy time and defuse dissent, some of which may have worked; but others—such as the travel changes Schabowski mistakenly announced—instead hastened the walls fall (Gans, 2013: p. 175).

The fall of the Berlin Wall and Perestroika marked the end of the communist regime as an alternative model for economic growth in the coming century. This event marked Latin America’s demoralization towards communism. It strengthened the idea of democratic governments, and an alternative future economic and social integration; as claimed by Ingo Peters and Elisabeth Bakke in England and Alexandra Guáqueta in Colombia.

One of the most important external factors that influenced southern Europe and Latin America was the domino effect that was generated from the events of the fall of the Berlin Wall. Events that unleashed a series of political changes about the credibility of the communist regimes as it moved the perestroika (Bakke & Peters, 2011, p.4), (Guáqueta, 2007: p. 426).

2.2. National Context

Between 1960 and 1990, the Colombian government worked only with military and police forces in their fight against terrorism guerrilla. And while the guerrillas were not a coherent party ideology, they remained more or less as a common means to establish a new Marxist-socialist government (Von Der, 2011: p. 143). This ideology

²According to the study by Frank Douglas, after the Berlin Wall fell on 9 November 1989, East Germans began to migrate to the West. It is estimated that between 1989 and 1992, the working population in the West increased by 10%, this is, 870,000 new workers. From that year, the annual immigration was established between 140,000 and 180,000.

continued until 1982, when some guerrilla groups began to be financed with money from drug trafficking, especially when the USSR began its disintegration and could not help (Guáqueta, 2007: p. 427) with events that contributed to the demobilization of five of seven Colombian guerrilla groups between 1989 and 1994 (Guáqueta, 2007: p. 419). Since the mid-90s, landlords harassed by guerrilla abuses created self-defense groups, which at the end of the decade, were grouped into the United Self-Defense Forces of Colombia. From then until his demobilization in 2003, the self-defenses aided the government in its fight against the guerrilla.

Recent studies at the University of the Andes in Bogotá on the costs of armed conflict and its impact on the closure of manufacturing companies, shows how the intensity of armed conflicts affected the GDP in some more than others to be epicenters of conflict municipalities. It further argues that small firms are more vulnerable to closure (Camacho & Rodríguez, 2012: p. 96). This is very serious if one considers that over 95% of Colombian total business are micro and small firms.

But if we consider Colombian history from the economic data or from government decisions without regard to civilians, it is easy to forget half of the history; as society's decision-maker. It is a shadow player, key in achieving the ultimate goals, as we can see from the study of Alexandra Guáqueta:

"In addition, greater access to information regarding the conduct of illegal armed groups on the ground (which has exposed the cruelty of many); the reduced salience of prior "good causes", such as rebellions against dictatorships, due to democratization and the globalization of liberal political ideas; a deeper internalization of human-rights norms and other anti-crime regimes; and the War on Terror that followed the events of September 11, 2001 and the US security policy have shaped the debate and contributed to shunning the issue of political reintegration (...) Other event that had important victories at the local and national levels and obtained the second largest representation in the National Constituent Assembly was the new redaction of Colombia's constitution in 1991, a process that consolidated key democratic reforms and introduced modern liberal ideas on human rights" (Guáqueta, 2007: p. 420, 421).

While international events of the fall of the Berlin Wall and Perestroika fed peace talks in Colombia and even strengthened the social encouragement for the adoption of the constitutional reform in 1991; it has not been possible to achieve peace. During the 90s the paramilitaries, drug cartels and drug trafficking increased the number of crimes against humanity. Thus it increased social disenchantment with politicians signing peace agreements (Chaparro, 2002: 109). It was not possible that democratic actions of the population to support peace initiatives in 1991 served to forgive crimes against humanity (Guáqueta, 2007: p. 425). Political forgiveness granted to the government and guerrilla groups outside law for their demobilization, could not mean that justice lost its moral function of administering justice. Political forgiveness was not equal to social forgiveness (Herrera, 2005: pp. 85-87). National claims were supported by an increasing legislation against international terrorism led by the United States after the events of September 11, 2001 (Von Der, 2011: p. 145). Disappointments in Colombia still persist and are exacerbated by the use of kidnapping as a political strategy of the guerrillas and peace talks have restarted since 2013 without cessation of hostilities.

2.3. Municipality Context

The Colombian new public management is based primarily on the principles of Transparency (Law 1712, 2014) and Quality Management (Law 872 of 2003. NTCGP 1000: 2009), which permeate the public administrative nature between the application of the concepts of economy, efficiency and effectiveness in the management of the government organization as well as political instruments of control and improvement of government programs for the selection and monitoring of developmental plans to strengthen citizen participation. In this way, municipalities and political actors strive for total quality in the provision of their services.

In the municipality of Sabaneta, programs aimed at promoting citizen participation are more visible in the missionary duties of the Secretaries of Government and Citizen Development (PEMS, 2004: p. 31) and Private Secretariat (PEMS, 2004: p. 37).

3. Claims Environmental Summit

3.1. International Context

A proclamation of the Earth Summit in Brazil in 1992 was attended by 1600 representatives of non-governmental organizations; 170 representatives of government; 120 Heads of State and 450,000 visitors. About 100

press conferences and almost 9000 journalists covered the event (Park, 2001: p. 13). The main outcome of the Summit was reflected in five papers: Two Conventions, Two Declarations of Principles and an Agenda.

The Convention on Climate Change, requested countries commitment to stabilize greenhouse gas emissions and urged to limit the use of fossil fuels, as a direct threat to the economies. (Park, 2001: p. 14). *The Convention on Biological Diversity* urged on preserving biological life. It proposed that genetic resources are recognized as national property and can only be exploited on the basis of agreements between the signatory States (Park, 2001: p. 14). *The Statement of Forest Principles* required the protection of forests and the rights of indigenous peoples (Park, 2001: p. 14). *The Rio Declaration* called on the responsibility of States to avoid damage to the environment of other countries. It recommended to internationalize environmental costs and internalize the principle of economic efficiency: the “polluter pays” (Park, 2001: p. 14).

Agenda 21, has the spirit of international cooperation to integrate countries into policies, programs and projects for environmental development (Park, 2001: p. 16), for the existence of a viable and sustainable society (Park, 2001: p. 28). For example, in order to preserve the environment, it demand of nations to set up agreements for demographic control (Park, 2001: pp. 34-35). Agenda 21 invites civil society to work on preserving the environment. Social movements that eventually will be able to influence the decisions of governments and international trade organizations.

In summary, the 120 countries attending the Earth Summit pledged in four major tasks: the search for alternative energy, biodiversity, the protection of indigenous peoples and control of population growth.

3.2. National Context

As for the protection of indigenous peoples, the Colombian government has continued with colonial indigenous property rights, granted by the Spanish Crown and ratified on May 20 of 1820 by President Simon Bolivar. Since 2010, under the decrees 2663 of 1994 and 2164 of 1995 emanating from the law 160 of 1994, the Government seeks to establish the validity and legal continuity of colonial titles from more than 200 years, in order to restructure³. According to the National Department of Statistics DANE (2005), in Colombia there are 710 guards and an estimated population of 1,400,000 for the 2013 Indians⁴. Many of them are living outside of their collective land, implying a gradual abandonment of their ethnic customs; some reasons for this are: work, studies, miscegenation or violence. According to the General Controller of the Republic, 27% of the indigenous people of the Pacific region, for example, do not live in the reservation lands (CGR, 2013).

Under the principles of democratic pluralism, the Colombian Constitution in the article 171 enables indigenous participation in the decisions of Congress: One in House of Representatives and two in the Senate (Avilés, Vanegas, & Farid, 2012: p. 71). Similarly, in regions with prevailing tax exemptions on land use granted in Article 184 of Law 223 of 1995, (Avilés, Vanegas, & Farid, 2012: p. 72) the right to ethnic education, according to articles 10 and 68 of the Political Constitution; which encourages the Colombian Indigenous Organization, CIO, working the proposal about Owned Indian Education System, OIES (Avilés, Vanegas, & Farid, 2012: p. 73).

According to Gredicks, many of the lands occupied by indigenous Colombian tribes are rich in commodities for both the defense industry and manufacturing, which promote violence and legal disorder (Gredicks, 2003: p. 85). Guilds of farmers, for example demand land of indigenous reservations for working by considering it underutilized (Salinas, 2011: p. 373). The firm Ecopetrol, request special permits from the government for oil exploration in indigenous reservations of the Amazon and Putumayo (Salinas, 2011: p. 375). Similarly, the National Government is seeking to reduce poverty and has built roads in indigenous reservations (Salinas, 2011: p. 382).

As for biodiversity. Extensive agricultural production and cattle ranching affect 30% of Colombian orobioma, losing 10% of all protected areas (Forero & Joppa, 2010), that threatens the existence of water resources until 2050. High mountains provide between 90% and 100% of freshwater resources for energy production, irrigation and industrial supply in lowland, arid and semi-arid lands (Diaz, Grosjean, & Graumlich, 2003). In order to preserve biodiversity, the National Government has tightened security in land use (Ruíz et al., 2008: p. 228). And it has maintained relative protection to the virgin forests of the Amazon, among other natural reserves.

As for birth control, demographic studies in Colombia of Gonzales, Houweling, Marmot and Burner (2010)

³According to Article 184 of Law 223 of 1995: “from the national budget, the nation will rotate annually to municipalities where there are indigenous reserves, amounts to equal what these municipalities no longer collect under certification respective municipal treasurer, on account of the unified property tax, or have not collected by the tax laws surcharges”.

⁴http://www.dnp.gov.co/archivos/documentos/DDTS_Ordenamiento_Desarrollo_Territorial/3g11librocapitulo3.PDF. Accessed on May 1, 2014. The Indians, like other Colombians have been victims of violence caused by armed confrontations between the national army and insurgent groups. Threats, massacres, anti-personnel mines and forced recruitment of minors and other young people.

show how levels of education in the female population, and public capital for training aids and grants for planning, reduce population growth. One of the biggest achievements for birth control, was given by the 1412 Law of 2010 which provides a free vasectomy as well, in order to promote the right and civic duty of responsible parenthood. So are, judgments C-355 of 2006 and T-388 of 2009, which induced abortion rights are regulated and legal programs and voluntary interruption of pregnancy are implemented, these include: counseling options, procedures for termination, contraceptive choice and control. Acts that are reflected in the low rates of population growth, according to DANE between 2000 and 2013 has grown at 1.4% annual average.

On the use and encouragement of alternative energy, recent studies by Ruiz Mendoza, Sheinbaum claim that four of the nation's fastest growing economies in Latin America (Brazil, Colombia, Mexico and Argentina), from 1989 to 2009 have passed specific laws that promote the development of alternative energy, and even with the help of the United Nations have promoted conferences, seminars and international conventions. However, when comparing the achievements after 10 years, it is observed that they are more dependent on the use of fossil fuels that before. And, therefore, the carbon dioxide emissions have increased. Even government prevails in the idea of assisting investors in their profit expectations on future green solutions provided for the welfare of the whole society (Ruiz et al., 2010: pp. 6756-6757).

From there, the director of the Earth Policy Institute, Brown (2009), says in communion with the Agenda 21 of the Earth Summit, that the only way to save the world from environmental damage is the pronouncement of the civil society; it must force governments to strengthen research in the use of alternative energy and implement them; so nations around the world disagree. Countries like Colombia, state that it should be encouraged a higher production of wind, geothermal and solar energy. The fossil energy negatively affects the way society even responds with the same economic efficiency (CEDS, 2010).

3.3. Municipality Context

As part of the World Urban Forum Joseph Stiglitz said: Cities are the stage of the most important debates that society has had in its struggle for survival, making them more livable, cleaner, better distributed in their more public spaces, less contaminated by excess greenhouse gases. To do this, cities need to encourage a higher use of public transport, the capacities of their citizens, decent housing and public services. Cities should worry about improving their education system to enable them to survive in a young world economy increasingly changing⁵. Or as say (Diaz, Fargione, Chapin, & David, 2006: p. 1301) the Human well-being is a human experience that includes the basic materials for a good life, freedom of choice and action, health, good social relationships, a sense of cultural identity, and a sense of security.

The problems of a poorly planned city result in the poorest suffering the most. They are mostly facing problems of lack of sidewalks for mobility, transportation costs and pollution, lack of public parks for family recreation, inequality and segregation that lead to political instability and an economically weak country. Therefore, there is not only a lack of equality in terms of wealth, but also in terms of opportunities as too said Jan Gehl in the chapter one the city as meeting place (Gehl, 2010: pp. 20-30).

In the town of Sabaneta, mission programs of environmental protection, mobility and reducing social inequalities are power Secretaries of Traffic and Transportation, (PEMS, 2004: p. 24); Education and Culture (PEMS, 2004: p. 29); Health and Wellness (PEMS, 2004: p. 26).

4. The Thrusts of Integration

4.1. International Context

On November 1993 after German reunification and the political union of more 32 political movements of 12 European countries, the Maastricht Treaty gave origin to the European Union. Since then: in 1994, the European Monetary Institute was created. In 1995 the EU is composed of 15 members. In 1999 the European Central Bank is created and the Treaty Amsterdam is celebrated; which sought to consolidate forces to preserve security, justice and freedom for all citizens of the Union (Hoskyns & Newman, 2000: p. 107). The first of January 1999 the Euro began to circulate as a representative currency of 11 European countries economies.

It was an example of integration that motivated the interest from other countries to form international union blocks as a strategic model of economic growth and development. The search for protected markets between

⁵Stiglitz, Joseph (2014), "The city and the inequities," Keynote, World Urban Forum, Medellin April 14, 2014 <http://www.youtube.com/watch?v=BAodXvGo9Y> Website accessed on May 12, 2014.

groups of countries improved urban mobility, macroeconomic management and negotiating power to block the rest of the world. The EU symbolizes social success in terms of labor mobility, cultural integration, economic protection and, above all, political fraternity. But, as Meike Rodekamp says, the voices of civil society contributed and contribute to the objectives of the European Union.

The societal organizations function as so-called “*transmission belts of data*” between citizens and political institutions by transmitting their members needs and preferences to the decision making centers. More specifically, scholars and practitioners who adhere to the “*transmission belt*” thesis suggest that civil society organizations have had a role in proving input legitimacy to European Union institutions (Rodekamp, 2014: p. 20).

From there, it does not sound strange the assertion made by Edwards (2009); “*Civil society can become the great vehicle of political action*”. Where pluralism represents the space of mediation between the spheres of the public and the private in a widening democracy. “*This is definitely a good thing, giving a more rigorous political debate and tackles a more analytical approach to civil society as a transformative vehicle*”, the action of governments (Edwards, 2009: Preface VI).

4.2. National Context

In Colombia, for example, in the late twentieth century a series of momentous changes occurred that had the support of society; first, the law that allowed the expansion of the popular vote in 1988, through Legislative Act No. 1 of 1986, Colombians could elect their Mayors, which involved an extension of the electoral democratic activity, and this derived in more social power. Another of the most important changes of the late twentieth century is the reform of the Colombian Constitution in 1991, which deepened the administrative decentralization both politically and economically, even in the administrative career. The article 130 of the Political Constitution establishes the functions of the National Civil Service Commission, NCSC, with financial and technical autonomy⁶ (Hernández, 2005: pp. 10-11).

Thus, the New Public Management in Colombia is transformed with the constitutional reform of 1991, which opens the door to union political action and responsible civil action. Public administration is strengthened, as stated by Yeatman (1987), because the people with technical training tend to appropriate more change than people of a strictly political, or not technical training, or mandarins. This process has become the seat of the “*management*” administrative process. That is, a public administration focused on the management and staffing by professional merit in which leadership processes demand projects or lines of implementation (1987: pp. 345-346). This facilitates the efficient use of public resources and improvement in the governmental sector, the culture of doing things right. These acts soothe and improve financial resources demanded by the welfare state (Yeatman, 1987: p. 349).

It is important to analyze the success of the New Public Management by merits “*in contrast to the economic and social delays that generates a classic management by bureaucrats, or ‘idea guy’, managers who are not committed to substantive obligations of public service; as a transparent and equitable administration of government*” (Barzelay, 2001: p. 20). It implies a faulty social commitment limited by political favoritism and payments of favor (Barzelay, 2001: p. 31).

Hence the importance of decentralization and citizen participation in the provision of public services; putting in place a governance model based on the relationship State-Citizen with customer orientation as suggested by Premfors (1991: p. 89) serves for the growth of the regional economies; both in creating new jobs and strengthening revenue streams. Decentralization encourages better management of resources with local growth initiatives and local development of social welfare (Premfors, 1991: p. 93), or in an organized society that through civil institutions, as affirmed Benz and Goetz (1996), is pushing the Government for approval and implementation of policies increasing inclusive distribution. A responsible State-Society responsible is capable of reducing the differences between poverty and extreme wealth.

4.3. Municipality Context

One of the fundamental duties that distinguishes the managements of the new public administration is seeking to

⁶In Latin America the European Community was origin the new economic models for the globalization and constitutional political reforms in different nations from 1982: Honduras in 1982, Panama and El Salvador in 1983, Guatemala in 1985, Nicaragua in 1987, Brazil in 1988, Colombia in 1991, Peru in 1993, Argentina in 1994, Venezuela in 1999 and more recently Ecuador in 2008 and Bolivia in 2009. Similarly from 1990 to 2013 has been promoted twenty educational reforms in 20 Latin-Americans countries.

meet the real needs of citizens at the lowest cost, through the use of proper mechanisms of competitive markets, such as for example: the mechanism of the reverse auction, the abolition of the state monopoly over the expansion of the supply of companies providing public services and health. Competition mechanisms are intended to promote price controls on final services, expanded coverage and promotion of the highest quality services.

In the town of Sabaneta, efficient use of public resources for development and economic growth according to plan budgets and enforceable land use are missionary duties of the Secretaries of Planning and Development, (PEMS, 2004: p. 34) and Secretariat of Treasure (PEMS, 2004: p. 21).

5. Conclusions: Sabaneta as an Example of Good Governance

New Public Management pursues effective administrative decentralization for achieving efficient regional governments in the management of public resources, and scope of the satisfaction of fundamental needs of the population; promoting the use of competitive market mechanisms that allow on the one hand, choosing the best proposal of government, and the other hand by convening citizen participation the monitoring of compliance of campaign commitments; in such a way that bureaucracies are eliminated and full transparency in plans, processes and results is provided, (Muñoz Cardona, 2014). From this perspective, Sabaneta Municipality achieves the incorporation of a New Regional Public Management through the following laws, decrees and resolutions classified following theoretical delineations present in New Public Management.

In accordance to the new institutionalism and the new professional management raised by Christopher Hood (1995), since 2003 the central administration of the municipality of Sabaneta is supported by the appointment of professionals with suitable profile in the management of the 11 Secretaries as suggested by Barzelay (2001) and Yeatman (1987). The current administration (2011-2015), 18% of staff has MSc studies. 55% are Specialists and only 27% have College degree. At the institutional level (see Table 1), citizen participation is increasingly wide when integrating within decisions the sabaneteña youth, representing 17.7% of the total population and citizen oversight according to Decrees 2350/2003 and 035/2011. Institutions that are relevant to explain the interactions between individuals, which affects selfishness or search for individual preferences as asserted Lapsley and Oldfield (2001).

The new institutionalism in terms of Hood (1991) means the consolidation of the Public Choice own ideas, the theory of Transaction Cost and Agency Theory; clearly visible in municipal agreements that seek to limit the administrative bureaucracy to achieve efficiency in public action through competitive market mechanisms, as suggested (Buchanan, 1954)⁷. Evaluation of the Development Plan Law 152/1994, Revocation of Mandate Law 134/1994, Operational Audit Programs Law 87/1993 and Law 1474/2011 (see Table 3) and the laws for Government Procurement Contracts, Law 80/93 and law 1474/2011 (see Table 2).

In terms of the theory of Transaction Cost raised by Hood (1991) requires the existence of perfect information as stated McMaster and Sawkis (1996), this is identify transaction costs associated with the signing of contracts, control of results and achievement of the desired objectives effectively, (Boston, Martin, Pallot, & Walsh, 1996)⁸. In other words, quality control at the lowest cost, as says Al Gore (1993) “*Creating a government that Works Better and Costs Less*”. Sabaneta Municipality implements through mechanisms such as e-government Law 962/2005 (Table 1). And the regulations for the co-financing of projects between the public and private sector, Law 1508/2012 (Table 3); where appear for knowledge all community sabaneteña the contracted firms, firms characteristics, duration and total cost of the contract.

As the agency theory implies the delegation of specific tasks executed by qualified and young persons employed by merit; which institutionalizes the culture of full responsibility, as explained Gimeno (1997)⁹. Facts reflected in the town of Sabaneta in Table 1, through Decree 1510/2013. The exercise of public official by merit prints the work of the public administration the character of management, from this perspective the Secretaries municipality incorporated the Management Plans for stimulus of Sport, Agreement 13/2009, Plan Development Cultural, Agreement 035/2002. Risk Management Plan, Law 1523/2012. Rural Assistance, Decree 364 of 2010. Prevention Strategic Plan on Drug Use, Agreement 31/2002. Programs of Preservation and Conservation Environmental, Agreement 14/2009.

⁷Contributions to the theory of Public Choice to New Public Management can be summarized as: 1st: Entering the private sector in the provision of public goods. 2nd: Introduction of market competition mechanisms. 3rd: Reduction of bureaucracy.

⁸The Theory of Transaction Cost defines the New Public Management in terms of: 1st: Organizational Restructuring in relation to the principle of minimal cost. 2nd: Refining mechanisms of control. 3rd: Motivation for citizen participation.

⁹The Agency theory defines New Public Management in terms of: 1st: Simplification of the hierarchical structure. 2nd: Mechanisms of control according to the profiles of responsibilities. 3rd: Rendición Public Accounts.

Table 1. Promoting citizen participation.

Municipality de Sabaneta NGP		
Transparency and Quality Management		
Secretariat Municipal	Programs and Institutional Plans	Norms and Main Objective
Secretariat of Government and Citizen Development. Mission: To promote the citizenship policy of tolerance, coexistence, peace, participation and civic culture.	Support Programs for Community Organizations	Organizational office and support a community agencies. Providing advice and support a different social organizations in municipality topics: legal, accounting and organizational psychology. Law 473 of 2002 and its implementing, decree 2350 of 2003.
	Training Programs for Democracy.	Municipal government child: semillero training children and youth in your rights as citizens. Teaching them to know how does the public sector. Municipal agreement n. 24 september 2009. Sabaneta development plan, law 743 of 2002.
	Program Administrative Procedures	Decree 19 of 2012. Objective: delete or amend the paperwork, procedures and unnecessary regulations in the public administration, in order to facilitate the activity of natural and legal persons to the authorities, to the efficiency and effectiveness of these and implement constitutional principles that governing.
	Social Inclusion Programs	Decree 230 del 2003 is created the office of youth. Agreement 07 del 2010 is created and regulation the municipality council of youth. decree 035 of 2011 date fixing for the election of the municipality council of youth. Decree 115 del 2003, is created the municipality council of disability care.
	Programs for the Control of Violence	Attention displaced or victims by armed conflict. Law 361 of 1997. Law 1145 of 2007. Municipal development plan, agreement 005/2007.
	Programs to Control Prostitution	No reports information
	Formation Programs for Young Offenders	No reports information
	Programs of Control to Proliferation Misdemeanors	Strengthening and modernization program comprehensive security system. 37 security cameras installed in different areas of city sidewalks and crime prevention. Prohibition of passenger man in moto between 9:00 a.m. to 11:00 p.m. Throughout, with doing this measure reducing homicide, street bank and theft. protecting program at youths, for reduce the risk of consum alcohol and drugs; perform operational for children age detect violating the standard established in decree 141 of 2009.
	Programs Administrative Transparency	Decree 1599 of 2005. Standard internal control model, meci 1000:2005 seeks to guide institutions towards meeting their objectives and their contribution to the essential purposes of the state. Strategic control subsystem: orients the entity to compliance vision, mission, objectives, principles, goals and policies. Control subsystem management: plans, programs, processes, activities, procedures, resources, and media. Control subsystem evaluation evaluates the results permanent.
	Bidding and Purchasing Programs	Law 80 of 1993, law 1150 of 2007 and decree 1510 of 2013. For the efficiency and transparency in the hiring with public resources. In terms of: publicity, equality, transparency and objective selection.
	Programs of Labor procurement Merit	The city complies with the provisions of the national decree 1510 of 2013. Decree regulating the legal provisions contained in the general contracting of public administration, and other laws applicable to government contracts.
	Program for Prevention and Control of the Public Corruption	Law 1474 of 2011. By which established rules strengthen oriented preventive mechanisms, research and punishment of acts of corruption and effectiveness of control of public administration.
	Participatory Budget Programs for the 24 neighborhoods and 6 locations	No reports information
	Plan of Government on Line Democracy in Line	Government online. Law 962 of 2005 and decree regulatory 1150 "strategy of territorial government online gel-t".

Note: Source: Secretaries from Sabaneta. AES (2008). Development Plan (2012-2015) and Management Report, CGA (2013).

Table 2. Environmental protection, mobility and reducing social inequalities.

Municipality de Sabaneta NGP		
Transparency and Quality Management		
Secretariat Municipal	Programs and Institutional Plans	Norms and Main Objective
Secretariat of Traffic and Transportation. <i>Mission:</i> Thought planning, regulation and control of traffic and transport activities, contribute to the social and economic development, providing good services to the municipality mobility.	Traffic Restriction Program	No reports information
	Parking Control in Urban Areas	Rationalising the use of the street. Improve the mobility of vehicles, ensuring the accessibility to user, comfort and safety in the street. Law 769 of 2002, municipal decree 055 of 2013.
	Pedestrian Trails Plan	No reports information
	Licensing Regulatory Programs	No reports information
	Program New Vehicle License Plate	Increase the park automotive in the municipality of Sabaneta. Law 769 of 2002, municipal agreement 018 2012 and resolution department of transportation 12379 of 2012.
Secretariat Education and Culture. <i>Mission:</i> Advise, accompany, facilitate and Lead plans, programs, projects and actions aimed at the provision of comprehensive services with efficiency and quality.	Driver Education Programs and Signage	No reports information
	Programs for the promotion of Entrepreneurship	Business support. The south chamber of commerce and the municipality of Sabaneta to qualify and advice in assembly and enterprise creation. Agreement 946 July 16, 2013. Business plan development for entrepreneurs who want to land your business idea and are ready to formalize. In support agreement art 355 of political constitution. Document 777 of 1992.
	Programs for Promoting Reading	Strengthening libraries. Put at the service of the education sector of information technology and communications. National plan for reading and writing (nprw) and guidelines coming from the ministry of national education (mne).
	Outreach program Citizens Values	Construction of citizenship. Promoting social policies that contribute to the construction of citizenship. According to guidelines of the international association of educating cities (iaec). Decree 185 of April 20, 2009.
	College Scholarship Programs	Best secondary students. Facilitating access and retention in higher education in formal educational institutions. Norms: municipal agreement 013/2012, by which are compiled and modify municipal agreements 08/2008, 05/2009 and 017/2009.
The study of quality of life (CEO 2005) says: Sabaneta municipality have the education levels highest average of metropolitan area in all age ranges of population.	Educational plans for Population Growth Control	No reports information
	Programs for Dignity of Gender. Coverage tracking 90% of cases of violence against women; whether verbal, physical or psychological	Decree 109 del 2010, regulating the advisory board of gender created by agreement of 2009 021. Decree 049 of 2011 through which is created the municipal board to end violence against women. Law 248 of 1995, which by approving the american convention on the prevention, punishment and ending violence against women. Law 984 del 2005 elimination of all forms of discrimination against women. Alternative job training or income generation, to contribute to the prevention of violence and forms of discrimination against women. Classification according to the law given by 1257 2008.
	Programs for the Promotion of Culture. 388 training courses in the six arts areas: music, dance, theater, visual arts, street art and crafts with 3120 registered users in age from 3 to 80 years old	Agreement 005/2007 creation traveling music program. Agreement 005/1881 creation of the house of culture. Agreement 039/1993 school building art education. Agreement 015/2012 school building music alberto velasquez mauricio correa. Agreement 01/2009 municipal building of historic stock. Agreement 013/1998 modified by agreement 07/2012 creation of the city council of culture. Agreement 035/2002 adoption plan development cultural council of Sabaneta 2002-2012.

Continued

<p>Secretariat Health and Wellness. <i>Mission:</i> Ensure the proper functioning of social security in Health, through actions Public Health, Basic Care Plan, Monitoring and Control, guaranteeing health care coverage to the poor and vulnerable.</p> <p>Report the quality of life (CEO 2005) says: the 10 cities metropolitan area has Sabaneta better housing both urban and rural. Major use of appliances per inhabitant. Optimal health services. Best waste treatment system in rural areas.</p>	Nutrition Programs	Agreement 031 December 11, 2008 through which adopts public policy. A community without malnutrition. Bond supply nutritional support for families of high economic vulnerability. Supply, delivery and preparation of food for portions food program for schools school officials and kindergarten.
	Programs Community Homes	Agreement 013 of 1994 through which subsidize community household in public services of family welfare. decree 050 of 2001. Mothers support community with payment of 30% of public services. Decree 013 of 2013 by which establishes a monetary stimulus for community mothers of 30% of current legal minimum wage.
	Programs of comprehensive public health (promotion and prevention). Strengthening the information medical system. Use of georeferencing software that allows actualization of health needs, and provides the decisions of shares by sector	Law 1122 of 2007 law state responsibility to ensure the attention in public health. Agreement September 2005 014 promote a comprehensive program of the population under 7 years where he gives priority to vaccination. Agreement 012 May 30, 2008 through which are established few days prevention, detection, care and decrease of death for breast cancer, cervical and women in prostate in men. Agreement 04 June 2 2010 for which establishes the days of health positions as a contribution to the culture of prevention.
	Programs Phytosanitary Treatment Programs and Waste Management	In accordance with the law 9 of 1979, sanitary code. Decree 1311 of 2002, decree 2676 of 2000. Talk about the legislation and treatment plant protection product. Environmental infringers sanction a grooming standards, cleaning and waste collection. Agreement 28 of 2009 and the decree 327 of 2010, where regulations environmental sanction. Decree 2981 of 2013 is regulates the provision of public grooming.
	Programs Against Drug	Agreement 031 December 10 of 2002 through which adopting the strategic plan 2002-2010 drug prevention.
	Program for the Promotion of Sports. The municipality has 13 sports plates. 3 coliseums. 20 children of parks and 4 canchas fottbol in its 15 square miles (AES, 2008)	The political constitution elevated to a fundamental right of sport and recreation. Subsequently, by legislative act 2 of 2000 is recognized "sport and recreation" as part of public social spending in the pursuit of well-being and improving the quality of life of the population. Decree law 4183 of 2011, the agreement 13, 2009 of the board of coldeportes creates the municipal sports ten year plan.
	Program for Older Adults. 15% of the population is older and are covered 100%	Agreement 038 of 1993 creates the center of comprehensive care to the elderly. Agreement 12 of 2009 regulates the benefits are protected, promote and defend the rights of the elderly.
	Programs Family Care. Training programs to parents in thematic: separation anxiety, father's role in the development of children	Agreement 014 of 2005 is created the municipal system of welfare for family. Decree 044 del 2007, regulating the municipal welfare system for family. Agreement 06 of 2010, are acknowledge the economic and cultural rights of women and man head of household. Decree 050 of 2001 establishing the municipality council for social policy. Decree 141 of 2009 through which sought preventive protection of the rights of children and teens. National family day. Law 1361 of 2009.

Note: Source: Secretaries from Sabaneta. AES (2008). Development Plan (2012-2015) and Management Report, CGA (2013).

The municipality of Sabaneta not promote participatory budget within the community as established by standards, Law 152/1994, Law 388/1997 and Law 28/2008; but if it complies, in an exemplary manner, with the development plan according to the results of monitoring and evaluation carried out in accordance with the law for indebtedness and investment, Decree 1599/2005 (see Table 1). According to the report, the town of Sabaneta has supported financial liquidity in own resources, that ensure and support the running costs and investment programs. That is, the municipality of Sabaneta little needs of the transfers of the Nation for function. As a rule, transfers are 17% of the total income of the municipality, which encourages the pursuit of administrative efficiency (GGA, 2013).

The achievement of security and peaceful coexistence in Sabaneta Municipality lies not only in the existing regulations, also in civic education for the knowledge of the public as stable Agreement 24/2009 for the formation of democracy (Table 1). Dissemination Citizens Securities, Decree 185/2009 (Table 3). Citizens aware of their choice for the good of the whole community (Muñoz Cardona, 2014).

Table 3. Efficient use of public resources for development and economic growth.

Municipality de Sabaneta NGP		
Transparency and Quality Management		
Secretariat Municipal	Programs and Institutional Plans	Norms and Main Objective
Secretariat of Planning and Development. <i>Mission:</i> Ensure compliance with the Development Plan and Land Use Plan, lead programs and projects with community participation, provide statistical, economic, and population for the optimal use of information resources.	Plan Infrastructure Urban.	In accordance with the law 388 of 1997 and by agreement 022 of 2009. Adopting the developing urban infrastructure. At present come on following urban infrastructure projects: decree 185 of 2012 for 15 years. Decree 153 of 2012 for 10 years. Decree 065 of 2012 for 10 years. Decree 060 of for 10 years. Decree 242 of 2011 for 15 years. Decree 076 of 2005 for 10 years. Decree 0342 of 2010 for 15 years.
	Urban Landscape. Urban citizen enjoys 2.17 square meters per inhabitant green zone	Increase public green spaces, improvement landscaping, enjoy environmental construction of linear, natural parks and border; actions that contribute to wellness and visual environment and improve sanitation and pedestrian safety for the conduct of recreation and culture. Restored to a public area of 70,000 square meters and added in new 4500 square meters new. Agreement June 05/2012. Restoration of 12,200 m ² public green space with ornamental planting maintenance and adjustments of existing green areas. Agreement June 05/2012.
	Basic Plan Land Use	No updates reported for the last 10 years
	Management Plan for Public spaces	No report information
	Risk Management Plan	Program for identification and monitoring of danger zones. Early alert system implementation, easi. Installation of five rain gauges located in strategic areas which used to determine the amount of water abrupt and disaster prevention. Risk management plan, law 1523 of 2012.
	Environmental Recovery Programs	Integral management plan of solid waste. Municipal resolution 538 of 2005. ludoteca environmental "libelulas" 06 agreement of 05 of 2012. Agreement 14 of 2009 fixing the guidelines of public management policy and management for rational use of water. In accordance with the law 1450 of 2011 in the article 210, for the conservation water resources, the municipality bought 203, 783 acres.
	Environmental Preservation Programs	Provision of services to support activities municipal management performing as secretary of environment technical maintenance in public spaces and green areas to carry out work environmental education in the municipality of Sabaneta. Law 1150 of 2007.
	Municipal Management Plan for Urban Waste Recycling	No continuity programs reports
	Agricultural Assistance Program	Decree 364 of 2010. Rural direct assistance technical general plan. Through which seeks to strengthen the competitive advantage of the sector, road and commercial infrastructure that has the municipality.
	Control Plan for Urban Construction	No reported information
	Control Plan for Urban Growth	No reported information
	Programs Attention Poverty	Support for people with high vulnerability socioeconomically in kind or money, providing to improving their conditions of life. Agreement 06 of 2012.
	Programs for Employment Promotion	General job skills and training for work and human development. In accounting and finance, marketing and executive secretariat with accompanying ceoet ministry of education, to expand the scope of the system of quality management standards in ntc 5555 "sgc for training institutions to work" and ntc 5581 "training programs for the job".
	Housing Improvement Plan	Fund for the promotion of social interest housing and urban reform. Agreement 006 del 2006, for the improvement of living. Agreement 018 of 2006, granting subsidy. Agreement 011 of 2001, decrease rate financing. Agreement 002 of 2009 selection and award of 500 housing of priority interest. Resolution 001 of 2013 by which is set the urban reform, (bsih).
	Project Co-financing Programs	Law 1508 of 2012, decree 1467 of 2012. Whereby is established the legal regime of the public private partnership, are dictate organic standards budget and other provisions.

Continued

Secretariat of Treasure. <i>Mission:</i> Achieving the objectives of the Public Administration as preceptor and investment of fiscal resources through the collection of resources, effectiveness of spending, correct direction of public debt and its proper accounting	Assessment of Development Plans	Law 152 of 1994. to ensure the progressive consolidation general welfare and improving the quality of life of people in the preparation, adoption and implementation of development plans of the nation and territorial entities they have as a criterion special in the territorial distribution of public spending the number of people with unsatisfied basic needs, the population and fiscal and administrative efficiency, and public social spending has priority over other assignment.
	Revocation of mandate	The revocation mandate is a mechanism for citizen participation provisions of law 134 of 1994. Instrument to exercise control and ensure effective acts of state. The revocation of the mandate is a political right, through which citizens can terminate the mandate conferred on it by a governor or a mayor.
	Audit Work Programs	Determine the effectiveness with which are achieved the pre-established objectives and the efficiency and economy to use and gets the resources, in order to suggest recommendations that will improve the future management of an entity. Law 87 of 1993. 1474 2011 act, meci 1000.
	General Plan of Public Accounting	The general plan public accounting, law 617 of 2000 sets limits the expenditure of the municipalities according to their category. Instrument legal financial with purposes rationalise spending and tax recovery.
	Regulatory Plan Municipal Indebtedness	Rules of ability to pay municipality; development plans, embargo of income from territorial entities 364 of the constitution. Law 358 of 1997 and decree 2805 of 2009 on investment of state resources order territorial entities.
	Public Management Model. Continuous improvement	Law 909 of 2005. Decree 2770 of 2005. Institutional improvement plan includes recommendations and analysis generated in the development of the components of internal auditing, independent evaluation and comments organ fiscal control. The entity must structure the improvement plan to be get ahead in a given period, adjusted with its mission, vision, corporate objectives, functions and resources available.

Note: Source: Secretaries from Sabaneta. AES (2008). Development Plan (2012-2015) and Management Report, CGA (2013).

From this perspective Sabaneta Municipality achieves its contribution to social welfare function, quality of life and, ultimately, to the happiness of the people. Since 2003, Sabaneta is recognized as the second best municipality in quality of life between 1102 Colombian municipalities. Acts that are reflected in the fulfillment of programs such as, (see **Table 2**): Quality of Life for the Elderly, Agreement 038/1993. Protection of gender equality, Law 1257/2008, Agreement 21/2009, Decree 49/2011. Protection of children and family, Agreement 31/2008, Agreement 13/1994, Agreement 44/2007, Agreement 14/2005 and Decree 050/2001. And strengthening of knowledge, through the granting of University Scholarships at the best graduates, Agreement 13/2012 and nutrition programs, Agreement 031/2008.

For the general community Sabaneta Municipality offers a health coverage above 95% through Integrated Programs Public Health Agreement 14/2005, Law 1122/2007 (**Table 2**). In aid to the poorest families (see **Table 3**): Plan of Improvement Housing, Agreement 18/2006 and Resolution 01/2013. Programs strengthen and modernize the integrated system of security for the control of minor offenses and ensuring a peaceful life and peaceful Decree 141/2009. Landscaping and beautification Urban Development Plan Agreement 6/2012.

Negative aspects to consider because they are unbalanced factor of quality of life in the town of Sabaneta and success of the NPM in the short-medium term, originate through the annual average population growth in the last 10 years of 2.29%; it representing an urban density of 4980 persons per square kilometer, according to data obtained and projected (AES, 2008), (PEMS, 2004) (Decree 364/2010), (CEO, 2005) and the report (CGA, 2013).

The Secretariat more reflecting the lack of control in the urban growth is the Traffic and Transportation. This has become urban culture, the parking of private vehicles on public roads, without corrective action; making it difficult to free mobility and causing inescapable accident. Acts that are even more serious with the Municipal Agreement 018/2012 and Resolution 12379/2012 to increase the number of vehicles in the town of Sabaneta (see **Table 2**). The report of the CEO of the University of Antioquia (2005) states that Sabaneta has the highest average use of private vehicles in whole Metropolitan Area.

The lack of planning and control urban growth in Sabaneta is reflected in the lack of clarity and Plan Update Urban Construction, Plan Basic of Land Use and Management Plan Public Space. Management Programs be-

long to the Secretariat of Planning and Development (**Table 3**). Absence management threatens the habitat quality, especially when Sabaneta has the highest levels of urban and rural overcrowding of all Metropolitan Area (CEO, 2005).

The municipality of Sabaneta lacks public policies aimed at recycling of waste management in the 24 neighborhoods of the urban area. Absence of public policies threatens the preservation of the two main water sources that cross the municipality with its 30 effluents, since there is a high population growth and urban construction (see **Table 3**). For the government of municipality of Sabaneta the human well-being of the majority of their citizens is based more or less directly on the sustained delivery of fundamental ecosystem services, such as the production of food, shelter and the regulation of the quality and quantity of water supply, the control of natural hazards; as say the researches (Diaz, Fargione, Chapin, & David, 2006: p. 1301) and the *Development Plan of municipality (2012-2015)*.

Another downside is the discontinuity of institutional sexual education programs to control population growth and protecting the quality of life of adolescents (**Table 1**). Similarly, it is the lack of training programs for young offenders. Impact possibly supported by levels of income and education of parents of adolescents, both urban and rural areas (CEO, 2005).

Finally, another problem that easily generates an unchecked population growth, other than the market price of the land is the inflation of supply; causing deindustrialization, loss of industrial base, increases in unemployment among young people and eventually deteriorating the current revenues of the municipality for investment and spending. Similarly, Sabaneta town doesn't make great efforts in entrepreneurship programs, to open the doors by new future alternatives of employment for youth (**Table 2**) preserving the quality of life population and the financial independence municipality of the national transfers.

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