



COMPARATIVE POLITICS I
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SYLLABUS

Comparative Politics

Objectives

- To make the students aware of the approaches, methods, significance, development, structure, theory and study of the comparative politics.
- To provide them intellectual information of globalization, state, nationalism, internationalism, colonialism and various concepts related to them.
- To make them aware of comparative study of various regimes, federalism, military, bureaucracy, party system, gender, human rights, etc.

S.No.	Topics
1.	Comparative Politics: Nature, Significance and Evolution
2.	Comparative Approaches and Methods: Systems, Structural – Functional Public Policy
3.	Comparative Approaches: Political Economy, Dependency and World Systems
4.	Theories of State
5.	State in Developing Societies: Asian, African and Latin American Experiences
6.	State – Civil Society Relations: Evolving Patterns
7.	Globalisation and State
8.	Regional Integration and State
9.	International Organisation and State
10.	Transnational/Multinational Corporations and State
11.	Nationalism: Approaches
12.	Forms of Nationalism
13.	Anti-Colonial Movements
14.	Nationality and Self-Determination
15.	State Building and Constitutionalism

16.	Ethnicity, Politics and State
17.	Politics of Community Identities
18.	Ethnic Movements
19.	Political Regime
20.	Bureaucracy
21.	Military in Politics
22.	Federalism: Patterns and Trends
23.	Parties and Party Systems
24.	Interest Groups, Pressure Groups and Lobbying
25.	Poverty and Human Development
26.	Gender Question (Issues)
27.	Environment
28.	Science, Technology and Politics
29.	Decentralisation and Participation
30.	Human Rights

History

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Political

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Unit 1: Comparative Politics

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Objectives

After studying this unit, students will be able to:

- Know the meaning and nature of Comparative Politics.
- Understand the scope and evolution of Comparative politics.
- Explain the reason for rise of Comparative Politics.
- Describe the importance of Comparative Politics.

Introduction

Now modern political science does not begin and end with the state. Neither does it accept the boundaries of a state nor does it want to study the political problems through the medium of institutional or legislative methods. Modern political science is in an endeavour to search a worldwide perspective. The study of comparative science is a reflection of this changing trend of modern Political Science. Though general meaning of political science is “the constitutional study of foreign government”, modern Political Science images the political pattern of the entire world and by assuming it to be a truth, wants to analyse them by the medium of new methods. It is true that modern comparative politics has drawn inspiration only from subjects like “comparative study of constitutions” or “study of foreign governments”; still comparative politics represents changed perspective of modern politics.

1.1 Comparative Politics: Meaning and Definitions

The claim of modern political scientists is that they have, first of all, suggested a new set of concepts for political analysis as the first step towards the construction of models and theories of the political

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process. Their belief is that the concept of state, in form of a tool of analysis is not much helpful for comparison and useful study of those political arrangements, among which there are basic differences in shape, organisation, institutions and culture. That is why in political science, in place of traditional concepts popular since years such as state, government, law, power, etc., the use of new concepts was considered to be unavoidable so that the depths of political activities may be peeped into. That is why by contemporary political scientists in political science, use of new concepts such as political system, political culture, political structure, political development, etc., was started to be done. Of these new concepts also, "political system" was started to be considered as basic concepts.



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On the basis of comparative study at various levels of process related to "political arrangement", science with the objective of developing theory related to political behaviour only is called "comparative Politics".

Edward A. Freeman, clarifying the meaning of comparative politics has accepted that comparative politics is a comparative analysis and description of various types of institutions and governments. In other words, in comparative politics not only comparative study of various forms of the government is included, but also various political processes and comparative study of political and non-fiscal institution are related to them.

Describing the word "comparative", **Rai C. Macreeds** has written that since the time of Herodotus and Aristotle, variations have been there in political values, beliefs, institutions, governments and political stages and for searching similar elements of these variations processes, efforts should be given the name of political analysis.

According to **G.K Roberts**, "now this comparative study of politics is not limited till structural comparisons only, instead under it behavioural study of tribes, communities, unions, groups and non-fiscal is also started to be done. This is the reason why today comparative politics is now called either everything or nothing. "

A reason for finding of delusive and vagueness in reference to definitions and meaning of comparative politics is that difficulties arise because of the synonymous use of word popular in this context like, "Comparative government", 'comparative analysis', 'comparative methods' etc.

Ordinarily, comparative politics is considered to be a synonym of 'comparative rule' or 'comparative government'. Because of the relation of both being with politics, interchangeable use of these two with each other is a bit natural only. But in political science their definite meanings are used. **G. K. Roberts** has considered 'comparative politics' and 'comparative government' as separate. In his words, "comparative government is the study of states, their institutions and functions of the government in which perhaps study of subsidiary groups – political parties and pressure groups having very close relation with state action is also included." The meaning of comparative government given by **Jaen Blundell** is similar to the meaning given by Roberts. In his words, "comparative government is the study of standards of the national governments in the contemporary world."

It is clear from these definitions that under comparative government mainly the comparative study of formal institutions relating to state only is done. In this study all process related to political behaviour and other non-governmental institutions is not included. Though at present because of the important role of political parties and pressure groups in each state their study is also included in comparative governments, main emphasis lies with the comparative analysis of institutions of the rule.

'Comparative analysis' is a part of any scientific activity and in political science through its means political events may also be described.

'Political method' is considered to be a synonym of comparative analysis only and some time it is used in place of 'case method'. It is a method of comparative study.



Example

'Comparative politics' is a wide subject under which subject matter of study of comparative governments is included along with the study of politics of non-fiscal politics, tribes, community and personal unions.

Relation of comparative politics is with the study of totality of political behavior. According to **G.K. Roberts**, "comparative politics is an indicator of a greater field". **Edward A Freeman** has also talked about the wide area of comparative politics. His concept is that in comparative politics only comparative study of various forms of government is not included instead various political processes and comparative study of political and non-fiscal institutions related to them are also included. In the words of **Freeman**, "comparative politics is a comparative analysis of various types and various political institutions".

In comparative politics, the study of experiences of many ruling methods, institutions, behaviors, processes has been done in such an expansive way that in it out of the constitution, the study of those agencies is also included which are not related to formal parts of the rule in any form. Actually, its relation is with political behavior in regularity and is with similarities and dissimilarities in working style of political institutions.

A scholar of comparative politics is not only limited to law building, law use and decisions relating to parts of various political system. He has to study those subjects also in a particular manner which come under Economics, Sociology and Anthropology. **Sydney Verba** has briefly expressed it in these words, "moving ahead from just description look at more theoretically related problems; move ahead of any one matter and look at the comparison of many matters, moving ahead of the study of formal institutions of the government cast an eye on political processes and political functions and not only studying western European nations look at Asia, Africa and new nations of Latin America."

According to **Almond** and **Powel**, there are three original thoughts of comparative politics—**first**, the analysis of institutions of western and non-western countries done together; **second**, studying the political institutions in an orderly manner; **third**, establish relation of comparative politics and political theories.

In short, in subject of comparative politics, 'politics is freed from series of normative dimensions and it is expressed in a new way in empirical words. As a result of it, politics is not only a study of state and government but also it has become the study of use of 'power.'"

1.2 Nature of Comparative Politics

This statement of **wood** in relation to the nature of comparative politics is mentionable, "the only reason for use of word 'comparative in the christening of this field was that whatever responsibility is this field is there towards political science, according to it political systems existent in the world are accepted as units for comparison in general search for theory building and testing in political science'"

The following facts may be presented in relation to the nature of modern comparative politics:

1. Comparative politics is the comparative study of institutions of western, non-western and communist countries.
2. Comparative politics is the study of non-political organisations and their effects along with political organisations.

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3. In comparative politics in comparison to political organization, more importance is given to human nature, his conditions and his behavior.
4. In comparative politics study of political activities, political process and political power is done.
5. Comparison of values of various political systems is done.

Despite of the above mentioned facts there are view discriminations among the scholars about its nature. In a broader sense, two perspectives mentioned below have been found in relation to its nature.

1. **Vertical comparative Study** – According to the supporters of this thought, comparative politics is comparative analysis and study of governments established at various levels situated in one country itself and of political behaviors influencing them. In every state, governments are at various levels such as national government, regional government, local government etc. According to this perspective, relation of comparative politics in this way is with comparison among various governments such as national, regional, local, etc., situated in a country. Comparative politics is a vertical comparison of various governments of the same country.

Actually, this perspective is not logical. Similarity found between national and local governments is superficial only. If we see from the view of financial resources, size and possibilities a lot of differences are found in the two. Rules and laws of national government are much steadfast in comparison to local governments. They are followed also with much rigour. In comparison to local governments, the element of coercion is primarily found in the power of national government. Because of these dissimilarities, in comparative politics, despite of the comparative attributes being visible in various stages of government in the same country, possibility of generalisation is not there. Hence, description of comparative politics may not be done in form of a vertical study and comparison.

2. **Horizontal Comparative Study** – According to the second concept relating to the nature of comparative politics, it is a horizontal comparison of national governments and most political scientists agree with it. Such comparisons happen in two ways – first comparison may happen between national governments existent in various periods in the same country itself and second may happen among those national governments which are existent in the entire world today.

Globally accepted concept relating to the nature of comparative politics today is that it is the comparative study of prevailing national governments in the contemporary world. Supporting it **Jean Blundell** has written, “Just one perspective of the study of comparative government is left with us and it is the study of national governments related to political systems beyond the national boundaries. In reality in such comparison, not only is generalisation possible, but in relation to political behaviour such scholars may also be rendered by which political system of each country may be understood.”

Throwing light on the nature of comparative politics **Davis** and **Lewis** have written, “The claim of modern political scientists is that they have, first of all, suggested a new set of concepts for political analysis as the first step towards the construction of models and theories of the political process.”

In short, by analysis of nature of comparative politics it is clear that it is an independent discipline which has become an important branch in political science. Comparative politics is not only comparative study across the national boundaries and historical reference of national governments of the same country, but along with it is also a comparative study of non-ruling arrangements influencing political processes and political behaviour and governmental systems.

Self Assessment

Fill in the Blanks:

1. Comparative politics is a analysis of various types and various political institutions.

2. Politics is not only a study of state and government but also it has become the study of use of
3. In comparative politics comparative study of national governments is done.

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1.3 Scope of Comparative Politics

In ancient days, relation of comparative politics was just the comparison of various causes. Aristotle, by comparing 158 constitutions of Greek city state, has divided the government in six forms.

From Aristotle's this method of classification only, beginning of scientific method is considered. In the description of Herodotus also variation is found in political values, beliefs and governments and it indicated towards results of mere comparison of the governments. In ancient days no attention was paid towards the search of similar factors in governing methods etc., In form of initial efforts of the modern times comparative politics related description of scholars such as Ogg and Zink, Munroe, Herman Finer, Laski, etc., had also been limited. Neither these scholars paid any special attention towards comparing different political arrangements nor did they take the pain to collect different types of data. Present scientists and scholars are trying to collect various types of data and classify them, take out the similar facts and apply them on various countries and throwing light on this requirement only **R. C. Macridis** has indeed written correct, "The study of institutions of comparative politics till now had been comparative for name sake only. Till now the study of institutions of comparative politics had been comparative for name sake only. Till now it had just been a historical, descriptive and constitutional study of foreign governments, their structure and formal organisation while comparative politics should have its relation with theories, structures and actual behaviour also."

By this statement, Macridis has made it clear that traditional perspective of study of 'comparative government' had been comparative for name sake only. In modern times in comparative politics not only the study of structures of the government is done but study of all political theories, principles and behaviours is also done. In comparative politics along with comparative government study of non-fiscal political tribes, communities and political institutions, etc., is also done. Famous writer **Sydney Verba** has written in this relation that, "Moving ahead from just description look at more theoretically related problems; move ahead of any one matter and look at the comparison of many matters, moving ahead of the study of formal institutions of the government cast an eye on political processes and political functions and not only studying western European nations look at Asia, Africa and new nations of Latin America."

Subject area of comparative politics is still in the stage of demarcation. Only because of its stage of development of its subject area **G.K. Roberts** has said, "Comparative politics is everything or it is nothing. The problem of demarcation of comparative politics seems to be complicated also because its investigators are not unanimous at study methods, principles, etc." **Harry Eckstein** has written in relation to the subject area of comparative politics that, "Most underlining thing fact about comparative politics is that today it is such a subject in which extreme dispute is there; because it is in infection situation- is moving from one type of analysing style to another type of analysing style."

Though scholars are not unanimous in relation to subject area of comparative politics still comparative politics presents a comparative study of complete political methodology, political developments and modernisation. These two concepts— political developments and modernization are not completely separate from each other; instead they influence each other and are main determining facts of comparative politics.

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Example

David Apter presents analytical perspective of modernisation and then applies it on politics of developing nations and in this relation, he has given the example of Ghana whereas Marine G Lebi has studied modernisation in reference to 'change' in structure of the society.

According to scholars, the subject area of comparative politics is as follows:

1. **Institutional Details of several states:** Traditional scholars of comparative politics have just considered state legislature, executives and bureaucracy only the study area of politics. Though now a days in place of institutions more emphasis is being laid on system of working and behavioral aspects, still political structure cannot be left completely. Ordinarily, it is considered that the power of the constitution to take the final decision is reducing day-by-day and this power has come in the hands of the executives. For reaching such inferences it is necessary that we study state legislatures and executives of more and more nations.
2. **Political Socialization and Political Culture:** No doubt that the political structures are attached to a great extent to the level of social-economic development. It is important for the scholars of comparative politics to study this fact also that how much satisfied are the citizens of various countries with their political institutions, because as much more will be the satisfaction among the citizens, that much more stable will be the political arrangement.
3. **Political Parties and Interest Groups:** Modern era is the era of democracy and in democracy it is necessary for the parties to be there. Often in all countries, political parties are found. Bi-partisan approach is found in America, Great Britain, Australia and Germany. The student of comparative politics studies organizations, programmes and functions of political parties. Not only political parties; but also benefit groups are also an important aspect of political activeness. Benefit groups play an important role in determining the policies of parties and government. Labour unions, railway unions, trade unions, professional's unions all come under the category of pressure groups. In democratic states such as America, Britain, France, etc., pressure groups affect the governments' decisions a lot while in communist countries like China their importance is very little.
4. **Political Elites, Political Violence and Political Corruption:** Scholars of comparative politics study this also that those people who are using the royal power, are related to which class of the society and what is the foundation of their power. In each state, power to rule is in the hands of some elite people or an elite class. Those countries where there is a healthy party system, there the main source of entrance of rulers is political parties. In communist countries, the only source of political power is the communist party. Economic inequality and entrance of political rulers have a deep relation with political violence and internal bickering. In words of **Macridis and Ward**, "Those countries where intentionally some classes of the society are kept away from the power, there these classes try to grab the power by violent means; because of political instability, many a times military leaders also start interfering in politics." According to the opinion of **Jean Blundell**, "An important reason for interference of army was that in the states where governments do not earn reputation there a series of destruction starts. Army can never withstand this, because by it danger to the nation from the external enemies increases. Army wants political stability".
5. **Problems of Politics Modernization and Urbanisation:** Scholars of comparative politics think over these questions that – (i) what is the effect of expansion of education on political behaviour of the people and their political institutions? (ii) What changes may come in various races and religious faiths living in the same country itself? (iii) is it possible through economic development what faiths are there among the citizens of Asia and Africa towards their family, clan, village, tribe, religion and race, slowly it ends and in place of then feeling of nationality develops?

6. **Balance of Power between Competing states:** In comparative politics, 'war and peace' and problems of power balance are also thought over. Some important questions related to it are- (i) what is the arrangement of communication in various states? (ii) What are the possibilities of mutual struggle and support between the countries included in American and Russian groups? (iii) What is the form of military and non-military organizations of the country? (iv) What are the main factors determining the foreign policy of various countries?
7. **Analytical and Empirical Investigation:** In comparative politics, much emphasis is laid on empirical study. Under it instead of political institutions, their structures, study of behaviors of active political actors and elements is done.
8. **Study of Developing Societies:** In comparative politics not only the ruling methods of developed countries are studied, but also the ruling methods of backward and developing countries of Asia and Africa are studied. According to **J. C Jauhari**, "Study of comparative governments is now no more the study of some selected European and American governments; it is the study of developed western governments; it is equally important study of developing political methods of backward countries of poor Asian world".
9. **Value Free Political Theory:** Relation of politics in comparison to exemplary form of political arrangement is more with practical and real form. That is why in comparative politics place of value relative political theory has been taken by political theories.
10. **Inter-Disciplinary Approach:** Study area of modern disciplinary politics is only not limited to study of mere political science only but because of the study of practical political process of political system significant increase in the subject area has happened. For this reason only comparative politics has become an inter-disciplinary approach. Now in comparative politics other than political science other Social Sciences such as Social Science, Psychology, Economics, History, Biology, Chemistry etc. are studied. It is the belief of modern scholars that complexities of political systems may be understood properly only in social and economic references.

In short, in comparative politics only law making, law use, and decisions relating to parts of various political systems and political parties, pressure groups, etc., are not studied; but in it social study of social behaviour of all people and institutions, communities, etc., is also done. In it study of those elite methods is also done which come in the field of economics, sociology and anthropology. In study field of comparative politics 'conscious comparisons' have a special importance.



Caution

Job of comparison should not be done half-heartedly or against the will; because by doing so it may happen that we may ignore any such fact which is in reality very useful.

1.4 The Reason for the Rise of Comparative Politics

Though in this statement that comparative politics is the most modern branch of political science, sufficient truth is existent but in it there is complete lack of ancientness. According to a famous writer, "General analysis of political institutions, classification of their type, study of development of their varied forms and observation of various types of many popular political systems are as ancient as in the written history of thoughts." One reason of it is, in history since the very early times there has been a thought of establishing some or the other political system in each society and along with it existence of different political systems has also developed the thought of its comparison. That is why saying this that comparative politics has a glorious past, definitely feels true.

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Growth- story of this glorious past – series may be described in form of interpretation of the following landmarks-

1. Period of Aristotle: Beginning of comparative politics was perhaps started formally by Aristotle. Comparative study of 108 constitutions of his time presented by him gives him the credit of beginning of scientific study. Calling him the father of political science is an indicator of this meaning, he was only who had made political science discreet from other sciences and presented it as an independent subject. Not only this, the credit of starting scientific methods in political science but also with this philosophical scholar. He was the first scientific investigator who used inductive method in politics in which by doing the analysis of case in real form, by comparing and by doing tabulated classification, general rules are ruled out.

Along with following inductive method, Aristotle, for presenting data and for presenting the case in real form, adopted Analytic method. Perhaps his study method itself was based on observation. He abandoned Utopia Method of political theory, an exemplary imaginative thinking process prior to his time. He observed- tested 108 constitutions of varied thoughts of his time, through inductive methods did their analytical interpretation, did tabulated classification of them by comparing them and then at the end through reasoning, provided the thought of adopting the best. In this way, the credit of giving birth to modern thought process and using the scientific methods in political science is with Aristotle only. This is why only comparative politics, by considering Aristotle as its ancestor presents logic only.



Did You Know?

Aristotle is called the father of Sociology.

2. Period of Renaissance: Next land mark in growth sequence of comparative politics is found standing at the time of renaissance when in comparative politics, end of ancient thoughts and beginning of new modern thoughts were taken place. The most important giving of this era is that now this divine idea of state that it is a 'Godly work' was deeply struck and this idea was propounded that "criteria of everything is human, state or state institution (king) is not divine and his right to rule in not a divine giving or god's gift and is an art that can be learnt by man, by getting skilled in which, any person of ordinary skills may also use royal power."

3. Period of Machiavelli: During the era of renaissance itself, famous investigator and the one who gave birth to modern political thoughts, Machiavelli came up with his excellent creation 'Prince' which included many revolutionary thoughts in interpretative methods in the field of politics. Firstly, in form of a demarcation of comparative politics, he called ruling as the 'state craft' and 'the art of governing' and by raising many revolutionary issues and questions relating to State Craft, presented the study of politics a form of serious interpretation.

Machiavelli's gift is very important in the field of study methodology. Actually, political approach before him (medieval approach) was religion-influenced and study method was also completely influenced by religion. Machiavelli challenged this approach itself and in form of political-study method, established Empirical Historical Method. He was the first political investigator to provide scientific form to the description of history. His assumptions had virtually proved that man is above all whose behaviour is eternal, paramount, and always remaining the same and this is the reason that if we need to understand the human activities of modern era in their actual form and have to present his good-futured (subhavishya) behaviour for the future then definitely will have to understand his past (historical) behaviour.

In this manner on the basis of the above description actual evaluation of Machiavelli may be done. Actually, he was the first political investigator who by keeping politics away from religious pariprexya,

made it state concerned. By speaking about analysing the present events, studying on the basis of the reason, results etc. of those events in historical reference, Machiavelli gave birth to the scientific method of adopting scrutinised realism. He was the main investigator who did the experiment of presenting scientific description of history.

4. Period of Montesquieu: After Machiavelli, we get the political view of inclusion of modernism in political ideology in the period of **Montesquieu**. Such freshness was not there in the method of Montesquieu as much is apparent in raising of theories and political issues presented by him. Firstly, his view point itself is mentionable, because Montesquieu had adopted view point full of experience and the one that confirms on the basis of investigation. Speciality in his thoughts is in this fact itself that he has based his theories on study of ancient and contemporary human societies. In comparative politics, these empirical thoughts have a special importance. In relation to State craft, Montesquieu's giving is 'Constitutional Engineering' according to which his interest was not so strong towards the behaviour of the kings as much as on the fact that how governments should be made? Henry Eckstein, considering Montesquieu's thought of correct government to be his important giving, has written, "Montesquieu took correct government in form of Matter of Sociology and Ecology and had interest in setting governmental structure according to present situations and conditions." In this way, his keen interest was mainly towards modern matters itself, like relation of political systems with its external environment, role of economic factors and behaviour, etc. in politics, problems of classification of political systems etc.

Writing in relation to important contribution of Montesquieu, which he has given to comparative politics, Prof. John has written, "what work Montesquieu wanted, it had two aspects. First, he wanted to determine that what are these basic and original general theories? Secondly, he wanted to know this that which are the elements that bring variation found in real world? At the end he also had a desire to know this that actually why these variations arise so that politicians and process formulators, for bringing each type of government more and more near to ideal, may control those variations."

Mention of developmental theory, in reference to social dynamics of Montesquieu, is also found in his important book.

In this way after Machiavelli, Montesquieu further paved the way of comparative politics and kept the foundation of Historicism coming in future.

5. Historicism Period: In growth sequence of comparative politics, next landmark is the Period of Historicism which is also known as period of Historicism. In this period, sovereignty became strong. In the field of social thinking a new method arose in the form that for study of each event and object first cause to be searched and after that receiving last result of history in form of decision. In this period, for study of political systems and institutions new method was started and by then this study, in words of a writer, became dependent on 'deceit of history' or on necessity of democracy. These bases of political study were more organic and less mechanical. Among the investigators representing' though process of this period, place of Canderset, Heegal, Camptae, Marx etc had been main.

If main givings of historicism are though over then it becomes important to express the thoughts of **Herry Eckstein**, in which it has been said many attributes of comparative politics are gifts of historicism only. Like historical concept in relation to class, many problems raised by historicism in relation to culture, social education and economic development of politics. In this subject, definitely there is a reflection of historicism on comparative politics. Apart from this, in many modern perspectives social mobility theory and concepts of creating interests in broad scale theory, etc. are definitely influenced by historicism.

Givings of historicists may be presented with one more view point, like because of the influence of historicists only that at one side in politics if 'extremely ambitious' and unobtainable theories were built at the other side such political history was also born whose form itself was not definite and whose field

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was wide spread. Wide spreading and not have any form, both these two attributes in comparative politics are such that for solution of which historicism did not induce the new generation. For solving the problems historicists presented historical examples and not emphasised on collecting data and testing them. This is the reason that as a result of historicism in politics, apart from some interesting problems and extremely detailed and delusionary historical examples it could not give anything.

One more thing is said about the influence of historicism is that in place of political science it had paid excessive attention towards politics. Political beliefs established by it continuously kept receiving progress. Questions and issues presented by them kept making home for more sufficient time in political science, but influence of history did not remain active. That is why, going ahead the reaction that started against it, it made that also a subject of history.

6. Reactions against Historicism: Like readable historicism of comparative politics, reactions against it are also no less important, because in this reaction not only were the theories of Condorcet and Montesquieu criticised but also comparative politics was tried to be given a new direction. Reaction against historicism has been presented in below mentioned three forms:

- (i) As a result of reaction against historicism, feeling of emotional political analysis became strong and pros and cons were started to be presented on many new basis such as psychological, spiritual, statutory, etc., not only this, now philosophical political thinking was made completely discreet from institutional political study. As a result of this, reaction in political science study of political institutions and system now started to be done mostly in form of subject and studying them in form of an object was ended with historicism itself. One more effect took place along with this reaction that other attributes of historicism were also abandoned. In this way in form of first reaction this discreetness of thoughts and material has a special place in comparative politics.
- (ii) The second influence in form of reaction against historicism was that emphasis started to be laid on study of formal and statutory institutions. This fact also had a direct influence on comparative politics. In reference to political realities on statutory and legislative form of institutions keeping information about political institutions became the speciality of this period. Apparently, in this development of politics social conditions also had a special effect like one reason for emphasising on statutory study was that in 19th century maximum countries of the world were talking about building a legislature for their nations. In this construction period of legislature, main subject of political science was based on legislation. In relation to each institution and system studying the constitutionality became a tradition in this period.
- (iii) Third reaction against historicism came in form of emphasising on analytical study of particular political system on the basis of which few new, amazing and unique institutions were imagined and importance was given on presenting analytical knowledge about them. Before this study, if it is seen, comparative politics was also given special importance. This new thought process was named 'configurative analysis' and in this relation most corroboratory book 'Politick' of **Wilhelm Roscher** was accepted in this form.

In this way historicism and after those reactions that came during thought-development series presented by various political investigators has a special importance in development of comparative politics.

7. Development before Second World War: This progress sequence of reactions against historicism was existent till the Second World War. At this time many ideologies were developed in politics, whose influence was more on comparative politics. In these effects two things are especially mentionable. First is that ancient approach was proved absolutely unimportant and second is new researches and data were given place in comparative politics. Those policies were adopted by including theories dependent of both these ideologies, they may be presented in below mentioned form:

- (i) Comparing political institutions and systems at large scale by coordinating those new functions by adopting which SaMpoorNataamak studies have obtained new material had been the main tendency of approach before the Second World War and this method had a special success in this period.
- (ii) Collecting theories, corresponding data and other types of materials received till now from political thoughts and presentation according to a special tradition for comparison, etc. have been the second major tendency of this period. After Second World War also this method was much developed.

On the basis of above mentioned tendencies before the Second World War, mention of new writers and their creations in comparative politics will be incidentally useful. Main articles and creations of this period are **Theodore D. Woolsey's** book "*Political Science or State theoretically and practically considered*", **Wodroe Wilson's** book, "*The state elements of Historical and Practical Politics; a sketch of institutional and History and Administration*" **Edward and Jak's** book, "*A short History of Politics*", **Smith and Perry's** book "*Modern Democracies*" and **Fredrick's** book "*Constitutional Government and Democracy*" etc. new landmarks were developed in the history of politics and specially comparative politics by all these books and their writers, which have an importance in development of comparative politics. Apparently, after the Second World War the unmatched progress that took place in the field of comparative politics, its base has been obtained from these tendencies only which were expressed by various political investigators before the Second World War.

8. Comparative Politics after the Second World War: If actual growth of comparative politics has happened at a fast pace in any period, it is the last period of growth itself. Apparently, after the Second World War only new trends were included in comparative politics but the important function of creating interest towards these trends, creating interest towards comparison at large level, trending towards making broad conceptions and inducing towards giving importance to the study of non-political elements like that political elements was done in growth period before the Second World War. Yes, in that period where there was lack of comparison by new methods there politics could be extended till the 'sovereign state' only. Political study had yet not been able to leave the fascination of making the western political institutions the study-subject, and neither could the new methods be included in political analysis. Comparative politics was yet not able to end its traditional relationship with traditional trends before the Second World War, though modern political subject-matters had already started pinching it.

For simple and easy understanding of the subject, the study of modern trends of development of comparative politics that happened after comparative politics, may be done as follows which have been presented on the basis of thoughts of **Herry Eckstein**:

- (i) First and a foremost, in this modern era, centre point of political study moved from western countries and settled at the study of political institution and systems of non-western countries such as India, China, Turkey, Greece, etc., and dominance of western countries apparently started getting lost in study low of political thought process. Though study of these new experiences could not end the western institutions, systems, beliefs and concepts till now, but was definitely pushing their study backwards. Herry Eckstein calls it a strong reaction of political education before the direction of the war as if the study of non-western countries was taking revenge from the studies before it.

Along with study of non-western countries, one more special thing that happened in comparative politics was that in this period now emphasis was laid on the study of those subjects which were till now completely untouched. Apparently, politics of new countries made the study of new systems and institutions also main. Also all those subjects were included in the study process of about which till now, no one had thought even!

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- (ii) In modern era in comparative politics special emphasis is being laid on study of non-political institutions and systems. These are those institutions that have an influence on politics in direct or indirect form. Basis of current concepts, methods, interests, etc., is apparently considered to be the social institutions and their relations also. Behaviours done, following these relations started to be presented as a special culture and it has been named as 'political culture'. According to modern political ideology, for study of political institutions, study of this 'political culture' is also very important.
- (iii) Third speciality, which Herry Eckstein accepts as the main trend of modern era, is of the use of scientific method in comparative politics. According to him, the study of complete political science should be done by scientific methods. Use of behavioural science is now a days done in study of all those sciences which are anywhere based on human behaviour.
- (iv) Modernity was adopted from the view of analysis also. In modern era, like a doctor, surgery of complete subject matter is done and efforts are made to present complete analysis in relation to organisation of political institutions and systems. It is known as 'structural and functional analysis', to which by giving special importance in this era, effort of development of new methods and concepts are in progress.

Description of above detailed historical sequence confirms this fact that comparative politics has got a complete opportunity to develop in this modern era. That is why it is called the freshest subject of political science. Not only this, looking at its extreme growth, the process of developing it in form of a complete discreet subject has been already started. But it will be a big political mistake to forget its 'prestigious past' in the glitter of its bright present and future.

Self Assessment

Multiple Choice Questions:

- 4. was the first scientific investigator who used inductive method in politics
 (a) Aristotle (b) Machiavelli (c) Macridis (d) Sydney Verba
- 5. 'Prince' is the creation of the famous political thinker
 (a) Montesquieu (b) Aristotle (c) Machiavelli (d) Sukraat
- 6. Machiavelli was the first political investigator to provide scientific form to the description of
 (a) religion (b) history (c) society (d) politics
- 7. In growth sequence of comparative politics, next landmark is the period of
 (a) socialism (b) politicisim (c) historicism (d) naturism

1.5 Effects on the Evolution of Comparative Politics

Main factors affecting the evolution of comparative politics are as follows:

- 1. **Availability of non-western facts:** Because of the use of western structures such as bureaucracy, political parties, pressure groups and other constitutional institutions in non-western countries, results different from America and European nations were found. Hence it became necessary that the study of political systems of Asian, African and Latin American countries is done in perspective of new techniques of research.
- 2. **Behavioural revolution:** Before behavioural revolution only a formal study was done of political institutions. As a result of behaviourism, effect of study of informal aspects of new

study methods and political processes such as public opinion polling behaviour, interest groups started getting clear and articulate. A new revolution was started in the field of comparative political analysis.

3. **Sociological Impact:** Telecot Parsons, Shils, etc., sociologists have influenced the viewpoint of political scientists. Easten, Daayach, Amond, etc., started believing that for practical study of political institutions, study of social background and environment is essential.
4. **Search for intellectual system:** Now theoretical experiment dependent on sociological, psychological and anthropological concepts and study plan is a very general thing. That is why practice of new concepts such as political culture, political role and political socialisation, etc., is plenty in new studies.

Self Assessment

State whether the following statements are True False:

8. Study of comparative politics makes politics a scientific study.
9. Normative theory is based on imagination.
10. Comparative study of politics is like tourism in foreign countries.
11. By doing the retesting of theories by comparative politics, their priority is tested.

1.6 Importance of Comparative Politics

The tradition of study of comparative politics has been going on from the time of Aristotle, but its disciplined and scientific study started only since the last few centuries.



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According to Jean Blundell, "study of comparative governments is the oldest, very difficult and important and since the beginning, has been attracting human attention."

Importance of comparative politics may be expressed as follows:

1. **Making politics a scientific study: the study of comparative politics makes politics a scientific study.** From the time of Aristotle, thinkers and intellectual have been trying that a scientific form may be provided to the knowledge related to political behaviour. In this search, the study of comparative politics proved very useful. Comparative politics study becomes useful also because political data of variations and difference may be obtained by comparison of political activities. In the words of Curtis, "since when behavioural viewpoint has come in trend, till now since then, we find the most modern expression of political science's search of modernism in comparative political study itself." Development of behaviourism has made comparative politics important and in form of science it has become harbinger of extensive development of political science. In words of Peter H. Marchel, "on the basis of comparative study only political science could be included in the category of science and possible because of this only after Aristotle till now prestigious and best thinkers are taking an interest in comparative analysis of politics."

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Task

Throw light on the factors influencing the growth of comparative politics.

2. **Theory building through comparative study:** Through comparative study only in any science, the development of theories and the determination of rules are possible. According to **C.B Jena**, in political science such broad theories have been searched for, which help in broadly understanding the political behaviour of the entire world. Political theories may be broadly divided in two parts (1) Normative Theory and (ii) Empirical Theory. Normative theories are based on imaginations. In these normative theories we imagine anything about political systems and henceforth give it a creative form. Plato's "ideal state" and "Philosophical king" were based on imagination only. In empirical theories, we try to develop theories by understanding real facts of political behaviour and the importance of study of comparative politics is the most in theory building in relation to political behaviour. On the basis of comparative study only some theories have been developed like this:
 - (i) In each country, leadership is limited to some elite groups only.
 - (ii) If the condition of crisis emerges in the country, group leadership cannot work successfully.
 - (iii) In those countries where elected government cannot rule successfully, there possibility interference of army increases.
 - (iv) In any system of government, sovereignty of parliament is not visible.
3. **Knowledge of relationship of governance and ideology:** Governance of different countries is determined by their historical and geographical conditions, social, financial and political institutions and ideologies. By comparative politics this knowledge may be obtained that in any country how intense is the relation between governance and ideology?
4. **Knowledge of political incidents of other countries:** Through comparative politics help is received in doing a scientific and empirical description of incidents happened in foreign countries. Through the medium of comparative study, on the basis of working methodology of political institutions of other nations we may study our political institutions. By the study of political institution of foreign nations and politics related to it our viewpoint becomes broad, comparative and balanced.
5. **Understanding political behavior:** By the study of comparative politics we get help in understanding political behavior. Through it we may properly understand national and international politics and political behavior. The comparative study of politics is like tourism in foreign nation. Through its study only we may understand this that why is the political behavior of the residents of different societies mutually different? Through its study only we may understand the complexities of political behavior.
6. **Re-authentication of y political theories:** The importance of study of comparative politics is also in the fact that with its help we may, by re-testing the prevailing political theories, test their authenticity. Through its study we may also know this that political theories established in the past are applicable to what extent in the present or to what extent they must be applicable. Comparative politics itself makes available new instruments and varied facts for testing of political theories. In the same way, their testing is possible through re-testing by comparative politics.
7. **Making the knowledge about other nations useful:** Those scholars of political science who study governance systems, they obtain useful information by studying governance system

of other countries through comparative politics. This information is organised and made useful by comparative politics.

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From the above description it is clear that comparative politics does a very important and useful task of understanding political behaviour, providing scientificness to political science and developing theories. Comparative study of comparative politics is like tourism in foreign nations in which we obtain various types of useful and educational information about other nations. Through it only method for re-authentication of political theories is obtained. In brief, through the study of comparative politics the tendency of comparative evaluation develops in the investigator and he works like a scientist.

1.7 Summary

- General meaning of political science is “the constitutional study of foreign government”, but modern Political Science imagines the political pattern of the entire world and by assuming it to be a truth, wants to analyse them by the medium of new methods.
- According to **G.K Roberts**, “now this comparative study of politics is not limited till structural comparisons only, instead under it behavioural study of tribes, communities, unions, groups and non-fiscal is also started to be done. This is the reason why today comparative politics is now called either everything or nothing.”
- Subject area of comparative politics is still in the stage of demarcation. Only because of its stage of development of its subject area **G.K. Roberts** has said, “comparative politics is everything or it is nothing. The problem of demarcation of comparative politics seems to be complicated also because its investigators are not unanimous at study methods, principles, etc.”
- In comparative politics only law making, law use, and decisions relating to parts of various political systems and political parties, pressure groups, etc., are not studied; but in it the social study of social behaviour of all people and institutions, communities, etc., is also done.
- Comparative politics has got a complete opportunity to develop in this modern era. That is why it is called the freshest subject of political science. Not only this, looking at its extreme growth, the process of developing it in form of a complete discreet subject has been already started. But it will be a big political mistake to forget its ‘prestigious past’ in the glitter of its bright present and future.

1.8 Keywords

- **Worldwide:** Spread in the entire world
- **Empirical:** Obtained from experience
- **Paramount:** Spread on the entire earth

1.9 Review Questions

1. What is meant by comparative politics?

OR

Define comparative Politics.

2. Clarify the nature of comparative politics.
3. What are the benefits of comparative politics in form of a subject? Describe.

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4. Describe the subject area of comparative politics.
5. Describe the evolution and growth of comparative politics.

Answers: Self Assessment

- | | | | |
|-------------------------|----------|---------------|---------|
| 1. Comparative Politics | 2. Power | 3. Horizontal | 4. (a) |
| 5. (c) | 6. (b) | 7. (c) | 8. True |
| 9. False | 10. True | 11. True | |

1.10 Further Readings



Books

1. **Comparative politics** – C. B. Jena, *Vikas Publishing*.
2. **Comparative Politics** – Chandra Dev Prasad, *Atlantic Publishers*.
3. **Comparative Politics** – Jagdish Chandra Jauhari, *Sterling Publishers*.
4. **Comparative Politics** – Prof. Ramanand Gairola.

Unit 2: Approaches and Methods of Comparative Politics

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Objectives

After studying this unit, students will be able to:

- Understand the different dimensions of comparative politics.
- Know the traditional approach of comparative politics

Introduction

The subject of comparative method is field pervasive. In it, the limit of the unit of comparison cannot be ascertained. Only the objectives of the researcher and his access to the required instruments can determine the limit of this method. The following are the two levels:

- (1) Aggregate or macro level
- (2) Individual or micro level

The use of comparative method is the same at both levels of comparison. However, both are different in the manner that the relative units of comparison of the two levels are not the same from the point of view of the field and their pervasiveness, that is, the macro and the micro levels have relative differences. If the political administration of a country is compared with the political administration of another country, it is a macro level comparison due to the macro level relation of the political administration. The center of research is the absolute political administration. If the executive committee of a country is compared with the executive committee of another country, due to the relative structure being at the micro level, the comparison can be considered to be micro level. Also, both the ideas of the macro and then micro levels have conditionality. So, it is impossible to draw a limit which can be used to determine whether a particular comparison is at micro level or macro level. Normally, the comparisons related to the research of absolute political administrations are macro level and the research related to their parts is micro level.



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<i>Notes</i>	Whether the comparative method is used for macro level or micro level research, the steps of comparison remain the same. The only difference would be of the range or limitations of the research.
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In short, the difference is related to the objectives of comparison, instruments of the researcher, limitations of time as well as the nature of research and since every research is circumstantial, therefore, they are associated with quantitative differences.

2.1 Approaches to the Study of Comparative Politics

Normally, from the term ‘approach’ we mean to observe an exclusive phenomenon and the manner in which it is explained. With reference to political science, the second perspective becomes so wide ranging that a wide area such as the whole world falls within its range and becomes so much narrow that only a part of the local, regional, national or international politics is contained in it. In this way, in the approach “there is a criterion of selection; such a criterion is used to select the problem, to think about the questions and to select the affected data. It also includes the cases which apply to the problem of whether or not to include the questions and data.” The approaches used in the research of comparative politics can be widely classified into two sections-First, traditional or normative or value-added approach and second, advanced or empirical or value-free approach.

Traditional Approach

In ancient times, the traditional approach was adopted in relation to comparative politics. The point of view of the comparative method was first adopted by the great Aristotle. Since then, this point of view has been evolved by Montesquieu, De Tocqueville and Bryce. According to him, comparative analysis has a susceptibility to join the primitive and developing societies. Since, comparison at that time was related only to western political administrations, therefore, it does not include the comparison of the western nations with the methods of the developing nations. The traditional approach used in the comparative politics is further divided into many types, as follows:

1. **Philosophical Approach:** This is the oldest approach in the research of politics and is also known as the ethical approach. The research done in this approach is based on certain past beliefs and perceptions and emphasizes how the framework of the state government should be based on some objectives. This type of research has no relation to reality. The research of politics becomes contemplative because the writers who support this approach advise the rulers and the members of the political community to comply with any of the higher goals. As a result, the research of these writers gets full of discreteness and also includes high ideals, thus, making it normative. The importance of such an approach does not decrease due to the writers not emphasizing on reality, because the questions which raised by them are still fundamental in the present times and are as much fundamental today as they were before.

Traditional approach is criticised on the basis that the research done in it is based on values, and is dominated by discreteness and speculations, and is not related to the subject matter in any way. In this manner, politics becomes a part of ethics. However, the approach cannot be considered to be useless on such basis. It is still relevant today. Ethics are an integral part of politics and they cannot be separated from it.

2. **Historical Approach:** With the help of this approach, based on the available evidence past events are examined and on their basis the conclusions are drawn regarding certain aspects of contemporary politics. In this way, an essential characteristic of this approach is to lay emphasis on the order of events selected from a particular period or stage from the past times so that it can be explained that which political institution came into existence at what time and how it was at a particular point of time. Historical approach functions on the belief that the

content for political principles comes under the social, financial difficulties and the impact left by them on the minds of the great thinkers. On the basis of this belief, it can be accepted that Plato and Aristotle of ancient times were born from the situations prevailing at that time and Hobbes and Locke of the 17th century were born from the situations prevailing in England.

There is no doubt the fact that the research based on this approach can be helpful in understanding the contemporary political institutions and their behavior, but we should also keep in mind the fact that political behavior is unstable, as a result of which this type of research remains only a part of the writings on the lives of great thinkers and certain important events. Intensive study has been done on political events and institutions by many writers with the help of this approach.



Example

Machiavelli formed a lot of political principles based on Roman history. Similarly, Ivor Jennings adopted the historical approach to study the British Parliament and the cabinet of ministers. Robert McKenzie has studied the history of development of the British political parties.

However, this approach has its own limitations. James Bryce has said that this approach is often based on similarities which are often superficial. It can be enlightened to some extent but wrong conclusions are reached most of the time. Often, the one following this approach uses the data of his choice and later draws out the conclusions on their basis due to which subjectiveness occurs naturally and no proper principle of politics can be established. Also, due to increased emphasis on this approach, political science could not take the form of an independent subject.

3. **Institutional Approach:** With the help of this approach, the researcher studies the formal institutions of the system such as the legislative, executive and judicial institutions. This temperament can be seen in the works beginning from Aristotle of the ancient times to scholars such as Bryce and Finer of the modern period. In the more advanced times the scholars are also using this approach to study the political parties and pressure groups. Institutional approach has been adopted by many American and British writers such as Walter Bagehot, F. A. Ogg, Herman Finer, H. J. Laski, James Bryce, Morris, Duverger, etc. The special feature of the research of these scholars is that the study of politics is limited to the formal political structures and they have only considered the political set ups of the developed countries to validate their principles and conclusions.

The major defect in this approach is that it is very narrow because the role of those people has been downrightly disregarded who create and run the political structures. In this way, this approach disregards the political roles and processes. Also, this approach neglects the international politics because at international level there are no formal government institutions such as the legislative, executive and judiciary institutions. This approach mostly studies the formal institutions only and the informal institutions remain outside its limits.

4. **Legal Approach:** The fourth major approach in the traditional approaches of the study of comparative politics is the legal approach. In this approach, the political institutions or structures are studied from a legal point of view. The study of politics integrates with the legal processes and institutions in this approach. Law and Justice related matters come under the jurisprudence, rather, the political scholars too think of the state as a tribunal which keeps the law and administration together, so the matters related to the jurisdiction, etc., of the organisation of legal institutions becomes a part of politics. This approach has been used by Cicero from the ancient times to Daisy of the advanced times. The major use of this approach started in the 20th century and later on it took a critical institutional form. Constitutional approach has been used from the very beginning in comparative politics. Aristotle and other writers have used this approach a lot. Aristotle studied 158 constitutions and presented his conclusions. In modern times, Bentham Austin, Henry Maine, etc., are its

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major propounders. This approach has been used for Cross National research and to study the different institutions of one country. The intent of this approach is that in the form of the life of growth and development, the state cannot be understood without understanding the non-legal and social powers.

However, this approach is also narrow just like the other approaches, because the law includes only a part of people's life, due to which most of the political behaviour of the humans is left out. In reality, all parts of the political administration are provided with judicial power, as a result of which they are unable to reach the normal and prevalent principles related to politics.

Modern Approach

The comparison of both western and non-western political administrations is presented in the modern times. The effects of different pressure groups, political parties, unconstitutional elements and political behaviour are also studied. That is why this new point of view (Modern Approach) is a well-ordered point of view which includes more testing and research. It is more intensive because it tries to access the roots of political institutions and intensively studies the influences felt by them, the influencing groups as well as the institutions etc. and the tendency of research remains in it. Political point of view is analytical instead of descriptive and that is why it is able to reach a particular result. In political terms, this is known as experienced supervision. This approach too has the following types:

1. **Sociological Approach:** In the study of comparative politics, the sociological approach is widely functional. Scholars such as M. McKeever, David Easton and G. A. Almond believe that there are ample facts available in the field of social sciences, which can be used to ascertain political behaviour. These scholars have accepted the fact established by distinguished sociologists such as Comte, Spencer and Webber that the state too was a social institution. Thus, it is necessary to have knowledge of the social context or to have knowledge of its value and credence, because they ascertain and control its political behavior and determine its political role. The concept of political culture was developed in political sciences because of being used in this approach. Political culture has been transferred from one generation to another by the process of socialization. As a result, the reasons for the development and decay of political administration can be found in the process of political socialization. In this context, the importance of this approach increases even more. There is another reason to assign importance to this approach. The structure of a society is multilateral or pluralistic, because it is formed from the combination of many groups and communities. All these groups affect the politics of that society. So, in order to understand a country's politics and draw out the related conclusions, it is important to completely know about the organisation and workings of these groups.
2. **Psychological Approach:** Psychological approach has become very popular in comparative politics. In reality, this approach was started by Hobbes and Machiavelli. But, its development started in the beginning years of the 20th century. In this century, this approach was first and foremost adopted by Graham Wallas in his book 'Human Nature in Politics'. Later, Charles Merriam, Harold P. Lasswell and Robert Dahl, etc., presented their political analysis with the help of this approach. In this manner, this subject has come a lot closer to psychology through these people. Today, a lot of political scientists are accepting content from the texts of these psychologists and formulating the acceptable rules for political behaviour. In psychological approach, the politics of a specific country are studied by emphasizing on the emotions, habits, tendencies, feelings and roles of the people who create the structure of its political administration. This approach has become even more important due to the assumption that state science is the study of power because

this approach is helpful in knowing how to attain, maintain and use it. For this reason it is also known as Power Approach.

3. **Economic Approach:** Today comparative politics is also studied through the economic approach, because today the state does not only play the role of a 'Police State' but has also taken the form of a public welfare state. Today it also regulates production and distribution. Economic affairs ascertain the human behavior, so they also have an impact on the political process. In the regulation of these economic affairs, different thought processes such as liberalism, socialism and communism have been born based on the different interpretations of the role of the state. Many scholars such as Mill, Marx, Michelle, Schumpeter, etc., have adopted this approach in the analysis of politics. However, Marx is the most prominent among the people who have used this approach in the modern age. He believed that "the method of production of the substantial content of the existence affects the whole process of social and intellectual life". Marx's close supporter, Engels has also accepted the benefits of the economic effects on the economic political process and written "The last reasons for all the social changes and political revolutions are not in the minds of the people but are instead contained in the method of production and regulation, they should be searched for in the economics and not in the sights of the relative age."
4. **Quantitative Approach:** This approach supports the use of quantitative data, so that validity can be assigned to the political analysis and description. Not only this type of analysis and description is emphasized, but tables, graphs and charts are also used to validate the correctness of the conclusions in a scientific manner. In this way, this approach can be used to analyze the voting behaviour, questions asked by members of the legislative council, the answers given by the ministers to them, proclamations by the ordinators, voting by the public institutions and cross voting texts, etc.

There has been a lot of growth in the field of comparative politics through this approach. American scholars have developed sophisticated techniques to study the voting behaviour. In this manner, a survey was done in Great Britain through the use of this approach which depicted how many votes were received by different parties in the commons council and the number of representatives. So, it is clear that this approach in itself does not have any special thematic feature but with its help the generalisation related to political behaviour is depicted in the form of numbers, that is why, the researcher should remain dependent on the numbers.

5. **System Approach:** This approach became very popular in comparative politics after the Second World War. The researchers who adopt this approach study the different aspects of different political administrations and draw out conclusions related to political behaviour. Taking inspiration from biology, sociologists such as Parsons illustrated the structure of political administration. Taking inspiration from him, political scientists, especially, David Easton evolved the principle of political administration. Political administration has its own structures which work with the help of inputs, within puts, through inputs, outputs and feedback. In this manner, two more approaches have arised in the form of corollaries of system approach which are called Structural-Functional approach and Input-Output approach.

In Structural-Functional approach, emphasis is laid on the structures and functions of every unit and sub-unit of a political administration. In this manner conclusions are drawn by studying which political structure completes which function or a function is completed by which political structure. With the use of this approach, Almond and Powell have found the principles of political evolution and pointed the direction of the process of political evolution. Input-Output approach is the corollary of the System approach in the way that it emphasizes the power that comes from the environment and affects the process of decision making and plays a role in the determination of outputs. Every supply

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response establishes relations between inputs and outputs as a result of which political administration is continuously moving.

On one hand, this approach has allotted a new dimension to politics, while on the other hand it has made the study of political administration 'mechanical', since man is not a machine so his behavior cannot be explained in a systematic manner.

6. **Simulation Approach:** In political science, this approach has been taken from Cybernetics and Mathematics. The intent of simulation approach is to study the political process through the construction of imagery or paradigms. This can be seen in political communication, decision making and game theory. The political communication approach developed by Carl Deutsh emphasizes the fact that how a structure of any political administration affects another structure by sending information and then again the way it sends information to affect itself.

In decision making approach which is an etymology of simulation approach, the researcher focuses on who is brought into the decision system when, how, why, where and by whom and tries to draw conclusions related to political behaviour. In game theory, the researcher has to study which strategic option from the very limited options do the competitors choose in order to gain more benefit in competitive or opposing situations.

It is very abstract and technical to study a political administration through the simulation approach. It considers the decision makers to be tactful and tries to make their political behaviour more easy. However, there are a lot of differences in Environment Sciences and Social Sciences. The behaviour of human-content of social science is very complex, it behaves sometimes in a tactful and sometimes in a completely untactful manner.

7. **Behavioral Approach:** This is the most used approach of the modern approaches. Many American writers have given special focus on the explanation of the collected facts related to human behavior for the sake of a unit of social and political administration.

Following this approach, there have been significant changes in the field of politics, rather, it has brought a 'revolution' in the field of politics. Heinz Elau has listed the following features of this approach:

- (1) In this approach, the behavior of people and social institutions is made the subject-matter for the analysis of both theoretical and behavioral analyses in place of events, institutions and thought processes.
- (2) It seeks to keep both theory and behavior in such a directed manner that it presents a common base for social psychology, social science and anthropology.
- (3) Theory and research are interdependent on each other in this approach. If the principle gives an incomplete explanation of behavioral research, the behavioral conclusions develop the political principle.
- (4) This complex research focuses on the development of paradigms and focuses on applying the absolute techniques of analysis on the problems of political behavior.

David Easton's name is quite popular with reference to this research. He has given the following instructions related to the intellectual bases of this approach.

- (1) Certain constraints which can be searched are found in this approach and they can be expressed in generally.
- (2) Such generalizations should be capable of being examined in the context of human behavior.
- (3) Measurement and quantification are important. These measurements are important from the point of view of other experiments.
- (4) Ethical evaluation and behavioural explanations should be kept separate.

- (5) Research should be systematic. Research is useless without the guiding principles are principles are vain without the support of research.
- (6) Absolute political behavior should be understood and explained to put this knowledge to use.
- (7) Content from different social sciences should be collected.



Caution

The tools used to collect data and interpret them should not be treated as permitted because they are problematic and there arises a need for examination from their knowledge.

It is true that this approach has provided a new dimension to political science and the field of study has become more widespread due to its use, however, the disadvantages of this approach cannot be neglected. Only the facts are assumed to be true in this approach, while, the worldwide beliefs are also as genuine as the facts. Indeed the importance of values has not decreased even today. Valueless knowledge makes us upset. This approach is also based on the false concept of scientific method, because the researcher after the collection, measurement and quantification of facts does not remain objective during the analysis and interpretation of facts and gets incorporated with values. In the end, it has made the political science fully dependent on social science after assuming that all the political institutions and actions reflect the nature of the society. Keeping the inherent shortcomings of this approach in mind, the north-behaviourism has been developed in which there is a unison of values and facts.

8. **Marxist Approach:** Marxist approach has its own importance in the study of comparative politics which is basically different from both traditional and modern approaches in many ways. The speciality of this approach is that the main subject of political science which is 'the state' is understood in the form of such an agent which is always ruled by the wealthier class of the society and they use it for their own benefit. In other words, they use it to exploit the non-wealthy class. In this manner, this class encourages struggle. That is why Marx believes that based on the class struggle, the final result of this struggle will be a state devoid of social status which will come into existence in the form of the final stage of social break. One base of this approach is that it is believed within this approach that economics is so strong and widespread that many subjects such as politics, social science, psychology and ethics have become its branch subjects. This way politics has incorporated with economic structures in such a manner that its corporeal form is reflected in the 'powers of production' and 'relatives of production'. So it is assumed that economic elements and political elements are interdependent on each other.

The main focus of Marxist approach is that the study of comparative politics should not be limited to the formal structure and sub-structure of comparative political administration and should instead reach its roots which are contained in the economic administration. This economic structure ascertains the class-structure. In this way, when there is a change in economic administration, there are subsequent changes in both, the wealthy and the non-wealthy sections. The struggle that happens for power in politics should be taken as the struggle between each of these opposing groups. This struggle ends itself after the establishment of a socialist society. This way Marxism has become such an ideology instead of an approach which only explains the world but also paves the way to improve it. This ideology inspires the workers to attack and overthrow the existing capitalist administrations.

As we all know that in comparative politics the special emphasis is on study of politics of third-world countries or developing countries. In the context of imperialist exploitation in Marxist approach, the politics of underdeveloped and developing countries is studied. Due to this imperialist exploitation

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these Afro-Asian countries are hating down political subordination and economic exploitation. Even today Imperialist countries try to maintain their administration in the name of neo-colonialism. In this way, 'Classes' are the main actors in the field of international politics as compared to the states within the Marxist approach. Lenin thinks of imperialism as the last chapter of capitalism and thus tries to end it.

If the Marxist approach is followed, the study of the politics of these developing and under-developed countries should be done with reference to the operational powers in the international environment and the extra social environment. In the context of the 'inputs' and their resulting outputs from this environment, comparison of the political administrations of these countries should be done. Frantj Cannon has stated that , "Whenever we have to analyse a colonial power then the elaboration of Marxist approach should be done." This approach is progressive and scientific and wishes to establish an egalitarian society which is free from all kinds of exploitation in place of a inequalitarian society which is based on economic exploitation.

Being a dynamic and behavioral approach, this approach is praiseworthy. In reality, we cannot compare the economic elements that affect politics. If we analyse the political administration using modern approaches such system approach or simulation approach, we cannot ignore the creation of inputs because these affect decision making to a great extent, Similarly, we cannot neglect those international economic powers which affect that environment which enables the politics of backward countries to function. In this context, the role of multinational companies and international agencies becomes notable.

In spite of all these, this approach essentially has some shortcomings. Indeed today, it has taken the form of an ideology instead of an approach which makes the conclusions of the scientific analysis of a political administration as erroneous, because they become subjective instead of objective.

Self Assessment

Fill in the blanks:

1. are an inseparable part of politics, they cannot be separated from it.
2. Philosophical approach is the approach to the study of politics.
3. Aristotle studied the of 128 countries to present his conclusions.
4. In comparative politics , the approach has become very popular.

2.2 Summary

- Normally, by the term approach we mean the manner in which a particular phenomenon is seen and expressed.
- The approaches in comparative politics can be broadly classified into two categories – first, traditional or normative or value-added approach and second modern or empirical or value-free approach.
- The traditional approach was adopted in relation to comparative politics in ancient times. The comparative method was first and foremost adopted by the great Aristotle. The traditional method used in comparative politics too has many types, as follows:
 1. Philosophical approach
 2. Historical approach
 3. Institutional approach
 4. Legal approach
- In the modern period, comparative research is presented in both Western and Non-Western political administrations. Also, the effects of different pressure groups, political parties,

unconstitutional elements and political behavior, etc., are studied. In this way, this view point (modern approach) is a well-ordered viewpoint which does more research and more investigation.

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- In political terms, we call it experienced supervision. This approach too has the following types-
 1. Sociological approach
 2. Psychological approach
 3. Economic approach
 4. Quantitative approach
 5. System approach
 6. Simulation approach
 7. Behavioral approach
 8. Marxist approach

2.3 Keywords

- **Approach:** To come closer, to happen, dimension
- **Convertible:** Capable of being changed

2.4 Review Questions

1. Describe the different approaches of comparative politics.
2. Explain the traditional approach used in the study of comparative politics.
3. What is the Modern approach? Explain.
4. Explain the following:
 - a. System approach
 - b. Marxist approach

Answers: Self Assessment

1. Values
2. Oldest
3. Constitution
4. Psychological

2.5 Further Readings



Books

1. **Comparative Politics and Political Analysis** –Dr. D.S. Yaadav.
2. **Comparative Politics and Political Institutions** – C.B. Jenna, Vikas Publishing.
3. **Comparative Politics** – Chandradev Prasad, Atlantic Publishers.
4. **Comparative Politics** – C.B. Jenna, Vikas Publishing.

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Unit 3: Comparative Approaches: Political Economy, Dependency and World System

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3.2 Approaches of Political Economy

3.3 Dependency Theory of Development

3.4 Dependency and World Systems

3.5 Summary

3.6 Keywords

3.7 Review Questions

3.8 Further Readings

Objectives

After studying this unit, students will be able to:

- Understand the Political economy and its approaches.
- Know the dependency theory of development.
- Explain the dependency and world system.

Introduction

The subject Economics was born in 18th century in form of 'Political economy'. Though a strong supporter of political economy, **Adam Smith** never used the term 'political economy' but later with time, all his followers definitely used this word in their creations. Before **Adam Smith**, in 1667, **Sir James Stuart** had for the first time enforcing this word, published his book '*Inquiry into the Political Economy*'. **Sir William Petty** is considered to be the father of political economy who has made an important contribution in the development of political mathematics. On the basis of the data of government expenditure and administration, he developed the art of gumption. Adam Smith apparently considered Political Economics to be a branch of science of a statesman or Legislator and in this form told its two objectives – **First**, collect sufficient revenue for the living of the people of the state and **second**, arrange for the sufficient revenue for the state and people of state. According to Ricardo, "the objective of political economy is to determine those rules which do regulation of distribution." in a letter written to his friend **Malthus**, he had written the field of political economy is collecting most modern things and the opposition of those institutions which create hurdles in the path of production. **Karl Marx** in his creation '*Critique of Political Economy*' presented the blueprint of that system in which the study of political economy is possible. **Angels**, writing the definition of political economy has said, "Political Economy is the Science of the laws governing the production and the exchange of the material means of subsistence in human society."

3.1 Political Economy

Notes

Kautilya's 'Economy' is such an important text of politics and administrative science whose main predictable subject is politics. In economy, detailed and systematic discussion of subject of public administration has been done. **Recardo** named his book, 'On the Principle of political Economy and Taxation' and Malthus named his book, 'Principles of Political Economy'.



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Charles Lindblom on his book 'Political and Markets' (1977) has written, "in all the political systems of the world most politics is economy in itself and most economy is politics also....many reasonable causes demand that in the analysis of fundamental social device arrangements and systems, it is necessary to keep politics and economy together."

Today those definitions of politics are given importance in which public choice, decision making, competition for favoured goods, etc., are contained. As a study stream, political economics is general study also and is based on direct examples also. In it there are assumption based approaches of an ideal economic system, but direct facts are also emphasised at. Both critics and supporters of political economic system use this method. Political economics is strategic but it cannot be considered to be a branch of strategy analysis. In political economics, under a broad strategic preference, practical aspect of strategic recommendation is included which makes it both micro and macro study. In political economics both levels of analysis – structural and behavioral are included. Social, economic, political and cultural infrastructures are included in the basic scope. The question of a weak or hard state, the question of order or disorder, the question of soft or influential state are important for the economy, but the question of leadership, the level of general consent in the society, the level of social discipline, and motivation are also paid attention at in political economy. The broader structure of political economics may be divided in the following categories: 1. Liberalism 2. Tradism 3. Communism 4. Social democracy and 5. Developing countries. Two other structures of political economics – anarchism and Fascism have now been buried in the history.



Example

Political economics emphasises the study of both national and international economies because without understanding one, the other cannot be understood.

Marshall has written, "Political Economy or Economics is a study of mankind in the ordinary business of life. It examines that the part of individual and social action, which is most closely connected with the attainment and with the use of the material requisites of well-being."

After the great economic crisis and end of the Second World War, economic thinking was influenced by the issues of growth and development and it made political economy the centre point of educational thinking. Scholars like Robins, on being dissatisfied by the principles of classical and neoclassical political economics forced the subject of political economics in search for solutions to policy related problems. (Political Economy in the conception of Robbins 'is essentially a search for solutions to problems of policy')

Apparently, the relation of economics is with economic activities of society and people, it is also known as science of money. Its main objectives are study and analysis of production system. Modern economics was perhaps developed from 'income- collecting knowledge' for old state, which in infancy was known as 'political economics'. According to **Gurumukh Nihal Singh**, "in initial days, economics was considered to be a branch of political science, the subject of its study was to obtain revenue for

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the state.” When Greek Scholars called economics as political economics, they meant this only that economics is a part of politics or state. Adam Smith named his book, “wealth of Nations” and told economics to be a science of prospering public and state. Machiavelli, Lock, Medison, James Mill, Benthom, J.S. Mill, etc., all the writers have described economics and political subjects together. In 19th century, great philosopher Karl Marx considered politics to be a part of Economics or political economics. Marx, instead of considering economics to be a part of political science considered politics to be just an aspect of economics. Economic base of the society is also the base of political system. Political system is just an upper structure situated on economic system. Hence, Marxist principle has considered economic element to be main and affiliated in an unbreakable form in the analysis of the society and has considered the study of society from different social sciences to be inappropriate. Unity of social science was seen in political economics. Hence, Marxism sees an integral unbreakable relation in economics and politics. Today in many countries there is the same institution for the study of economics and political science like, “London School of Economics and Political Science”, “Canadian School of Economics and political science” etc.



Did You Know?

Sir William Patty is considered to be the father of Political Economics.

Apparently, political and economic conditions are linked with each other and on political capacity and economic condition becoming emaciated and weak the life of people in the state cannot be happy. In lack of economic democracy, political democracy is proving wasted. Economic growth and prosperity of the state is the key to political stability and political growth. Economic dissatisfaction gives birth to political revolutions. Behind every political revolution, economic reasons are there. Every political ideology such as liberalism, socialism, communism, Marxism, Fascism has economic base. Evaluation of political ideals such as independence, equality, justice, right and democracy can be done only on economic basis. Influence of economics or economy is not only on state and politics but even on economics state, politics and political policies have a deep influence. Change in government, political instability, and war etc. affect the economy. State determines and operated economic policies. Economic planning is one of the important functions of the state. State plays the main role in the matters of production, distribution, price control, money, trade, labour-capitalist relations, budget, banking, export-import, etc., today’s state, as Galbreth says is “Industrial state”. Today study of economics and political science cannot be done without combining each other. Complete study of political systems cannot be done without looking at the development of economic system. The study of developing countries of the third world can be done only in the context of need for their economic development. In society caught in the class conflict many problems of political stability, reconciliation, coordination and cooperation are economic only.

The main objective of political economics is to understand the process of economic change. The process of economic change depends on intention and viewpoint of the ruling policy makers. According to **North, the** process of economic change is often a well-thought process which is induced by the viewpoint of the mandarins about the results of this activity.

This approach has encouraged inter-disciplinary approach in the study of politics and economics. In this approach such conceptions are specially emphasised which are equally found both in political and economic activities, for example, allocation, demands, cost, utility, optimization, etc.

Political economics emphasises on the study of both, national and international economies. It is continuously focussing its attention on weak or strong state, the question of order or disorder, the nature of soft or influential state, multinational corporations, international institutions such as International Monetary Fund and World Bank, etc., along with the economies of liberalist and socialist countries it has started to pay attention at new matters like sustainable developments and environmentalism.

In this era of Globalisation, the reinforcement of liberal capitalist economy has established this that where USSR kept its economy much away from the world there functions of new industrial states such as South Korea, Taiwan, Hong-Kong and Singapore which moved along with the west are doing very well and recently economy of China has given excellent results by joining the west.

Self Assessment

Fill in the Blanks:

1. 'Economy' is such an important text of politics and administrative science whose main predictable subject is politics
2. Political economics is strategic but it cannot be considered to be a branch of analysis.
3. The relation of economics is with economic activities of and people.
4. In lack of democracy, political democracy is proving wasted.

3.2 Approaches of Political Economy

Originally, political economics was the name of that subject which was later recognised in the form of 'Economics.' The objective of this fundamental christening was that it is made discreet from household management or domestic economy and is recognised in the form of state management or political economy. Till the end of eighteenth century many writers limited its scope till the problems associated with the wealth of state. Among these writers Adam Smith's name is foremost. Apparently, Adam Smith is considered to be the father of modern Economics.

Liberal Viewpoint

In the thinking of Adam Smith, best design of liberal viewpoint of political economics can be seen. Smith under his famous book, "Enquiry into the nature and causes of the wealth of the nations" (1776) moulded this subject in an absolutely new form. In those days under this subject this question was also thought over that how useful are economic policies from the ethical, political and social view? Hence in Smith's thinking also detailed investigation of it has been done. But by the end of 19th century, emphasising the scientific character of this subject, it was named Economics.

The key to the entire thinking of Smith is the concept of an autonomous and self-regulating economy which he has named as Civil Society. Smith has underlined four main attributes of civil societies – (a) it is possible to discreet the civil society from political sphere or state, (b) if there is no obstacle put in its functioning, capacity of self-regulation is found in it, (c) it has the capacity to obtain maximum benefit situation for all its participants which are independent for their benefit –resources and because of this only, (d) bringing such a situation is desirable from philosophical view in which civil society is made independent of the state.

Smith, especially emphasising on the close relation of commerce and liberty has given the reason that by the growth of commerce, the growth of liberty takes place and by the growth of liberty, the growth of commerce takes place. Commerce may be considered to be the key to prosperity, but for attaining maximum prosperity the smooth operation of commerce is necessary. Hence liberty in itself is an important condition of the growth of commerce. When commerce is extended worldwide and accumulating assets in liquid form becomes possible, i.e., it can be taken anywhere in form of cash, traders become independent from political tyranny and because of this only possibilities of growth of liberty increase.

Under contemporary liberal tradition political economics is seen as an approach of comparative politics. In it, linkage between political and economic activities is searched for. As Charles Lindblom has written

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under his book, "Politics and Markets" (1977), "in all the political systems of the world most politics is economy in itself and most economy is politics also.....many reasonable causes demand that in the analysis of fundamental social device arrangements and systems, it is necessary to keep politics and economy together." This approach has encouraged inter-disciplinary approach in the study of politics and economics. In this approach such conceptions are specially emphasised which are equally found both in political and economic activities, for example, allocation, demands, cost, utility, optimization ,etc., by using models of economics in political science and models of political science in economics efforts are made to use similar infrastructure in both these subjects. Their examples are models of input-output analysis, Game theory, model of Oligopolistic competition, etc.

Under this approach accepting the similarity of political and the economic behavior of people, similar terminology and concepts are used for the analysis of both. Hence special recognition is given to those definitions of politics in which preference is given to choice, decision making, competition for favoured goods. For example, here election is seen as a market situation and polling is considered equal to exchange.

Collation formation and two-party system are seen in form of such a market situation in which competition is found between a few counted or two parties.

In development of this approach Anthony Downs (An Economic Theory of Democracy) (1957);

J. Bukannon and G. Tallock (the Calculus of Consent) (1962); M. Olson (the logic of collective action) (1965) and R. Curry and L. Wed (A Theory of Political Exchange) 1968 have had a special contribution.

Marxist Viewpoint

Karl Marx (1818–1883), Friedrich Engels (1820–95) and their followers, challenging the liberal viewpoint of political science gave the logic that capitalist economy is not a universal and finally an authentic system. Along with means of productions and forces of production, changes take place in the mode of production, capitalism is a production process of a specific era. It does not have to go on forever but has to break down because of its contradictions. Hence considering it to be an authentic system is not logical. True political economics is a historical science which finds out the production process of various eras and analyses them.

The commerce of free trade also does not encourage liberty instead gives birth to such class structures in which domination of capitalists is established on the labour-class. Apparently, for bringing back the liberty of humans, it is important to demolish this class structure.

Then Neo-Marxist promoters of dependency theory gave the theory that in the contemporary world, under the guise of international trade, economic dominance of capitalist countries developed from the industrial view is maintained on the countries of the third world which provides a new dimension to capitalistic class structure. Analysis of nature of this dominance and searching solution for their ending is also an important subject of Marxist political economics.

3.3 Dependency Theory of Development

The promotion of the dependency theory of development was done in the last years of the decade of 1960 and in the initial years of the decade of 1970 in the context of Latin American countries. The development of this theory happened under the structuralist/ Marxist/ Neo-Marxist structure. According to this theory, for the backwardness of underdeveloped countries, capitalist countries of the west are responsible of which most were the powerful imperialistic states of the 19th and 20th century. The logic of the interpreters of the theory is that the insufficient growth that happened of the underdeveloped countries and the disorder that appeared in their development, the main reason for it was the colonial policy of these imperialistic countries. Apart from this, these thinkers have also

mentioned historical, social and cultural factors of these underdeveloped nation which have been obstructive in economic growth of the countries. Their reasoning is that these factors only played an active role in the development of Europe and North America while pushed back the development of Africa, Asia and Latin America. Earlier these underdeveloped nations were colonies of these developed imperialistic countries and were victim of their exploitation. As a result of well thought exploitative policy of these countries only these under-developed countries remained under-developed and backward. The economy of these countries was colonial economy. Ruled countries were a source of raw material for the ruling country and main market for the sale of goods produced by them. These colonial countries knowingly adopted policy to destroy the traditional industries of their ruled nations. Like this, earlier, the backwardness of underdeveloped countries in east was the result of pre-planned exploitative policy of imperialistic countries. Even at present underdeveloped countries depend on western countries only for manufactured goods, intermediary goods, machinery and technology. Like this, the development of these underdeveloped nations is still dependent on the developed nations. In other words, old exploitation is existent in a new form.

Conclusively, world economic system is the nutrient of interest enrichment of capitalistic developed countries as a result of which, underdeveloped countries are still backward and depend on developed countries for their development. According to **A.G Frank**, development and underdevelopment are two sides of the same coin. The tradition of global system is such only that the development of a system happens at the price of the development of the other.

Self Assessment

Multiple Choice Questions:

5. In the thinking of Adam Smith, best design of viewpoint of political economics can be seen.
(a) socialistic (b) liberal (c) communist (d) capitalist
6. liberty in itself is an important condition of the growth of
(a) equality (b) meaning (c) commerce (d) assets
7. Commerce may be considered to be the to prosperity.
(a) centre (b) key (c) extension (d) growth
8. Political is a historical science
(a) Economics (b) Sociology (c) Political Science (d) Psychology

3.4 Dependency and World Systems

An interesting and deep analysis of politics of political system going on in the form of nature and area of relation of developed and low-level developed countries, has been presented through dependency theory. For this objective most dependency theorists have used the centre-periphery model. They describe the situation of low-level developed nations for the situation of dependency whose origin happened due to the expansion of capitalism at world level. Most dependency theorists believe that inside world capitalism system of till its maintenance, there can be no alternative of low-level development. That is why even those theorists who support socialism for solution to the problem of dependency and low-levelled development, which can be obtained only through socialistic revolution and through liberal-reformist revolutions and steps.

But critics of dependency theory mention many shortcomings and limitations of this theory. First, critics say that dependency theorists are not unanimous while doing a clear analysis of nature of dependency and low-levelled development. They give different thoughts in relation to analysis of

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dependency relations, sources for ending it and suggestions for its alternatives. Dependency theory, instead of being a single theory is a group of many thoughts.

Second, there is no organised stage or unanimous viewpoint of dependency theorists. Some of them are socialistic- Nationalistic, like Futardo and Sankal, while some are Radicals like Das Santose and others are revolutionary socialistic like A.G. Frank and Walstern. Where, some of these want complete change of capitalistic system either through revolution or through radical sources, while others take the side of end of dependency of periphery-states through structural improvements in relations of centre and peripheries and through establishments of a new kind of support.

Third, dependency theorists have been able to define neither dependency nor low-level development in clear and acceptable form. They do not present any acceptable measurement for clarifying the difference in dependent and non-dependent countries.

Fourth, as S. A Sahu has written, "The authors of the dependency theory have concerned themselves with attacking the desirability of the capitalist system in the periphery rather than the dependent states"

Fifth, when we analyse the low-level development level of many states of the third world, we find that nature and area of this level is different in countries and different continents. If dependency was the result of expansion of world capitalistic system, it would have been almost similar in its nature and area. Nature and area of low-levelled development in Asia, Africa and Latin American countries are quite different from each other.

Sixth, Critics give this reason that the concept of unequal exchange used by dependency theorists is unsuccessful and incapable of doing an objective analysis of causes of low-level development existent in the countries of the third world. In relation to the dependency of countries of the third world on the developed countries, the reason of uneven transfer which is considered, its nature and field cannot be measured at any universally accepted theory.

Seventh, while analysing low-levelled development in the context of capitalistic extension and exploitation dependency theorists use Marx's theory of extra value which is not correct. Extra value theory has its own internal limitations because of which it cannot be considered correct and appropriate.

Eighth, low level development of the third world is to a great extent is the reason of its partial industrialisation. For it, failure of low-levelled developed nations in relation to good, appropriately made and applied industrial policy is also responsible. Low-level-developed states also have been unsuccessful in completely utilising their geographic and human resources. Low level developed states are responsible for their incomplete development and dependency, this may be guessed from this fact also that where India, Brazil and even countries like Mexico had been able to achieve an industrial and technical development to a large extent, there many countries of the world have not been able to do so.

Ninth, by the dependency theorists, making the world depended to the centre and periphery to the metropolitan is like the task of discharging from development and path. It is actually difficult to accept that all low levelled developed nations, along with mainland such as India and Brazil are similarly dependent on developed countries.

At the end, the failure of socialistic system of development in previous communist countries of previous USSR and eastern Europe have shown this clearly that dependence cannot be ended through socialistic revolution or socialism. At world level in almost universal form such theories; free trade, market economy, free-competition, decentralization, democratization, international integration, regional support for development and functionality, etc., have obtained recognition in today's era. This happening reflects the rejection of all those theories which hold capitalism responsible for the dependency of countries of the third world on the developed countries. In reality, Marxist revolution – socialistic and communist also reject most thoughts of dependency theory, especially they reject this thought of this theory that capitalistic system is not only a method of production but also a social system of a special type of exchange relations.

In short, we may say that critics tell many shortcomings and limitations of dependency theory. Criticising the thoughts of A.G. Frank, Prof. Sahu has written, "Frank's model especially the model of ravenous metropolitan and victims of ravenousness is necessarily a top, stable and chart model. This inference that the receiving of social creations of peripheries is dependent on this that how they were moulded in world capitalist system is in reality not all globally acceptable and ubiquitous".

As opposed to his and Santose's concept many examples reveal that the nature of peripheral societies only determine their relation with capitalistic world. For example, the path of economic development chosen by India is quite different from other developing nations, it had been because of the nature of society and state-arrangement and it only determined its relation with outside world.



Caution

Considering colonial and imperialistic powers to be the main source of change (dependency) is to lose sight of importance of internal social and cultural elements, which created specific historical results through interaction with the previous (capitalistic world).

But the meaning of all these logics of criticism should not all be taken that dependency theory does not have any importance. This theory must be praised for this that it presented before us the shortcomings of western principles of development and low level development. Not only this, this theory also emphasised on historical sequence of development and low-level development and on the analysis of social, economic, political, cultural elements; it also did a good job by criticising the continuity model of development presented by the structural, functional theorists. It has rejected their biases. It is correct that in itself even this theory can neither do an objective and effective analysis of nature and area of low-levelled- development nor can present a possible solution for uprooting and throwing away the condition of dependency, still it will have to be accepted that it has been successful in recognising describable dependence and ill-effects and symptoms of low-level- development. It expresses the attributes of dependency and has also been able to determine its causes, relations by which it is created. In this way any person should not disregard these thoughts presented by dependence theorists which they advocate for ending the evil of dependence of third world on the developed world. What dependence theorists talk about the need to do away with the ill effects of capitalistic system is definitely worth paying attention.

3.5 Summary

- As a study stream political economics is a general study and is based on direct examples also. In it there are assumption based approaches of an ideal economic system, but direct facts are also emphasised at. Both critics and supporters of political economic system use this method.
- Political economics is strategic but it cannot be considered to be a branch of strategy analysis. In political economics, under a broad strategic preference, practical aspect of strategic recommendation is included which makes it both micro and macro study.
- According to North, the process of economic change is often a well-thought process which is induced by the viewpoint of the mandarins about the results of this activity.
- The promotion of the dependency theory of development was done in the last years of the decade of 1960 and in the initial years of the decade of 1970 in context of Latin American countries.
- According to this theory, for the backwardness of underdeveloped countries, capitalist countries of the west are responsible of which most were the powerful imperialistic states of the 19th century and 20th century.

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3.6 Keywords

- **Political Economy:** It means to arrange sufficient money or revenue for the state and people of state
- **Civil Society:** The concept of an autonomous and self-regulating economy

3.7 Review Questions

1. What do you understand by political economic system? Describe.
2. Describe the viewpoints of Political economy.
3. Describe the dependency theory of development.
4. Critically analyse dependency and world systems.

Answers: Self Assessment

- | | | | |
|-------------|-----------|------------|-------------|
| 1. Kautilya | 2. Policy | 3. Society | 4. Economic |
| 5. (b) | 6.(c) | 7. (b) | 8. (a) |

3.8 Further Readings



Books

1. **Comparative Politics** – Prof. Ramanand Gairola.
2. **Comparative Politics and Political Institutions** – C. B Jena, Vikas Publishing.
3. **Comparative Politics** – Jagdish Chandra Jauhari, Sterling Publishers.
4. **Comparative Politics** – Chandradev Prasad, Atlantic Publishers.

Unit 4: Globalisation and State

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Objectives

After reading this unit, students will be able to:

- Understand the historical background of Globalisation.
- Explain the characteristics of Globalisation.
- Discuss the Advantages and Disadvantages of Globalisation.
- Understand the effects of Globalisation and international relations.

Introduction

In the first half of twentieth century an era of radical change started in international political and economic system. The end of cold war, disintegration of the Soviet Union, termination of communism from Eastern Europe, consolidation of Germany and a rising polar world order, pushed the world towards a new world-order. Visible and invisible changes in the world economy provided strength to the concept of 'New World-Order'. Demand started to be made for 'New International Economic Order' slogans such as globalisation, economic liberalisation, privatisation, market based economy, corporatization, competitiveness and open economy started echoing. The importance of financial and trade institutions of international form started increasing. Bodies such as International Monetary Fund and World Trade Organisation started fulfilling an influential role determining international relations.

4.1 Globalisation: Historical Background

An era of globalisation had come a century before from today. This stage started from 1870 and stopped suddenly coming around 1914. World economy of that time was similar to today's international economy in many ways. In the end of 19th century also through the medium of international trade

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world economy was organised like today itself. Today Gross Domestic Production of 16 main industrial countries included in O.E.C.D, in comparison to 18.2% in year 1900 has become 21.2% in 1913; though trade taxes those days were very high, as compared to today. Same was the story of international investment also. In 1913, 9% of the world production was employed in investment. At stable prices, this investment in 1914 was 4/5th part of investment in 1980. Conditions of international market were also similar. In those days, there was no check on movement of goods, capital and labour between two countries. Heavy changes had come in transportation and communication through steam ships, rails and telegraph. New management and production techniques were being adopted in industries. Like today's American dominance, in those days, Britain had political and economic dominance over the world and pound sterling was playing the role of international currency. There was no trend of Passport. In those days, there was a large scale international flow of labourers. From the year 1830 till next 50 years 5 crores Indians and Chinese reached America, Caribbean, South Africa, South – East Asia, and far-off countries to work at the mines, farms and construction works under contracts. After this during 1870 and 1914, workers migrated on a large scale from Europe to America, Canada, Australia, New Zealand, South Africa, Argentina and Brazil.

After the World War II, International trade activities started to operate from Britain wood system. In July 1944, representatives of forty countries, for constructing new currency method, gathered at a place called Britain wood in New Hampshire. Most countries opined that the old currency system, which was mainly dependent on the market forces, is now proved irrelevant and governments will have to collectively take the responsibility of international currency management. The USA, which had emerged as the main economic and military power of that era, had taken the main responsibility of establishing new monetary system in the post-war era. The objective of new monetary system was to control economic nationalism and encourage free trade in reference to increasing international interaction. It was conceptualised that a liberal economic system which will be based on international co-operation, may guarantee a lasting and durable world peace. The plan of new system of international currency management, promoted by the USA and Great Britain became the first collective international monetary system of the world. This paved the way for promotion of international trade, economic development and political harmony between developed market economies of the world.

In early Britain woods era, two major events took place in the field of world economy – development of regional economic sub-systems and expansion of international corporations. The beginning of regional economic activities happened in the centre of capitalist industrial world, i.e., in the countries of Western Europe. In the decade of 1990, European economy, starting from common market, converted in the form of European Union. Similar economic systems emerged in Pacific region and South- East Asia. The evolution of financial and securities market in New York, Tokyo and London is a symptom of globalisation through regional and interregional alliances. International corporations are both reason and cause of globalisation. The rise of world market and international economic system prepared a favourable atmosphere for international firms.

After 27 years, American President Nixon declared the end of Britain woods system. He also said that the USA will now not follow the rules and processes of International economic system. Oil-crisis, increasing imbalance of market system and decline in growth rate of industrial countries are the reasons because of which globalisation was started in the decade of 1990.

4.2 Meaning of Globalisation

Word globalisation today echoes in international market. This word is representative of liveliness and extension of business opportunities. Globalisation is internationalisation of trading activities especially marketing related activities, in which entire world market is seen as one field only. In other words, globalisation is that process in which mutual dependency is developed among world markets and trade, instead of being restricted in the limitations of boundaries of the country is tending in the direction of exploitation of comparative cost advantage hidden in world trade.

According to Dr. Bipin Jalan, 'Word Globalisation is used in many ways. One meaning is literal that geographical distance among countries is irrelevant. World has become very small and any country can isolate itself from the world only by incurring loss. The other meaning of globalisation is exactly opposite. According to it, this is the name of policy change of keeping interest of other countries and multinational corporations above native interest.'



Did You Know?

Globalisation is that process of uniformity and symmetry in which entire world is reduced to one.

The relation of industries of the country with international corporations and multinational corporations transacting in goods and services in other countries out of the boundary of the country is globalisation. According to some scholars, the concept of considering the entire world in form of a global village is globalisation. Generally, following elements are included in this:

1. Reduce the trade barriers for making the transaction of various goods possible without any barrier in various countries of the world.
2. To make appropriate atmosphere for smooth flow of modern technology.
3. To create necessary conditions for making possible free flow of capital in various countries.
4. To make possible smooth flow of workers in various countries of the world.

In short, Globalisation is the process of flow of economic transactions and their management across the political boundaries of the countries. Openness that has come in the world economy, mutual bonding, and mutual dependency is called globalisation.

By globalisation is meant open market and competition; Adjustment of national economy with that of the world economy; converting national markets in international markets.



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Globalisation may be called the process of integration of national economy with the global economy.

Thought behind this system of open business is that may America produce goods like computer which is convenient for it and may India produce goods like rice which is convenient for it. India will import computer by exporting rice which will be profitable for both.

Self Assessment

Fill in the Blanks:

1. Globalisation is that of uniformity and symmetry, in which entire world is reduced to one.
2. Globalisation creates appropriate conditions for making possible of capital in various countries.
3. Because of revolutionary progress in of transportation and communication, geographical distances have reduced.
4. Far off reach of electronic media has established a culture.

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4.3 Globalisation: Characteristics

The **globalisation** that we discuss today, its origin is found around 25 years back in attacks by multinational corporations and conservative movements which had trapped the western world and whose precursors were Britain's Thatcher, Germany's Kohl, and America's Ronald Reagan. Multinational corporations and banks began to move their feet in the entire world and breaking the controls imposed on capital and currency, started shouting the slogans of free door for investment and trade. Their argument was that free trade will increase the growth rate, by growth poverty will reduce; reduction in poverty will be helpful in development and strengthening of democracy. They built 'World Trade Organisation' and for promoting market-oriented free economy, expected such change in the role of International Monetary Fund and World Bank so that they may promote 'Washington Consensus'.

There are some such characteristics of globalisation by which it seems that we are moving towards establishment of a new type of international political, economic and social system. These characteristics are as follows:

- Owing to revolutionary developments in the means of transportation and communication, geographical distances have reduced. Now not only trade, technology and service sector, but also the movement of people across the borders has become easy and cheap. Computer and Internet is also fast connecting the world.
- Far off reach of electronic media has established a global culture. Culture of Jeans, T-Shirt, Fast-food, Pop-Music, Hollywood films and satellite television are the culture of every youth today, no matter in which corner of the world he is located. Consumerism in a way has also become the culture of the entire world. Not only this, methods of corruption and crime are also similar today in the entire world.
- Labour market has become worldwide. In year 1965 almost 7 crores 50 lakh people had migrated from one country to another from the perspective of employment, whose number in 1999 had increased to 12 crores.
- Many organised mediums are there for meeting the demands of labour market. In labour exporting countries, many such brokers and agents are active which provide job to people in foreign nations in both legal and illegal manner. In labour importing countries such networks of old migrants are there which direct the migrants and help them in every possible manner.
- The globalisation of education has happened. Those foreign students who go to industrial countries such as America for attaining higher education, most of those stay there only. At the other end, the curriculum of educational institutions of many developing countries today is also of world level, so that the students attaining education from there may get employment anywhere in the world.
- The movement of professionals started from Brendren has today got quiet loud. Today doctors, engineers and educationist are attracted towards foreign, also foreign movement of lawyers, architects, accountants, managers and computer specialist has also become flexible like capital flow.
- Multinational companies, through which earlier movement of produced goods, services, technology and capital was moved, today are playing the role of employment provider at international level.



Example

Specialists, managers, skilled-unskilled workers from various countries are appointed by these corporations.

These workers are appointed in various branches of the corporation spread in the entire world. In this way, this process also encourages the flow of labour.

In 'Human Development Report' of U.N. D. P. three workers of globalisation have been mentioned- **First**, 'World Trade Organisation' which has dominance over national governments of member nations. **Second** is multinational companies whose economic capacity is more than the total asset of many countries and **third** is international non-governmental organisations, whose infrastructure is spread worldwide. These three together give their desired direction to the Globalisation .

4.4 Advantages of Globalisation

In September, 2000 leaders of the world, from the platform of United Nations Organization had emphasised in their millennium declaration that ensuring globalisation is a concrete step towards making all strong. General Secretary Kofi Annan in his report titled, 'we the people of the World: Role of United Nations in 21st century' had said that 'If Globalisation has to succeed, people must feel that they are also involved in it'.

General Secretary said that advantages of Globalisation are clear—Progress at a faster speed, high standard of living, new opportunities for countries and people... from its own side, united nations 'will have to ensure that from globalisation, not only few but all are profited and opportunities are provided not only to few person but also to each individual at each place.'

Annan said multinational companies must be controlled by the feeling of 'global corporate citizenship' and wherever they are employed their working method should be good, justifiable, labour criteria's must be changed; respect towards human rights must be shown and environment be protected.

The sharp expansion of the process of globalisation has brought important changes in world economy. Today a large portion of world production is being done between supporting firms in international area. Till the mid of the decades of 1970—90, the contribution of world trade in world gross domestic product increased from 12 per cent to 18 per cent. There was also an increase in percentage of international investment. Between 1980—96 Foreign Direct Investment increased to 10.6 from 4.8 per cent. Apart from this international finance field also developed. Financial sector dominates the trade and investment sector. The expansion of foreign currency market is also surprising. Data of 1996 tell that in this market every day transactions of \$1200 Arab take place while in 1983, this figure was \$60 Arab.

Because of Jet planes, Computer, Satellite, Internet information technology, boundaries of countries era have ended. New management systems in industrial organisations have also provided pace to the process of globalisation.

Apart from this, political dominance of the United States of America has also strengthened globalisation because dominance of a super power is necessary for the process of globalisation by currency of which, international market is operated. This role is being played by American Dollar.

'National sovereignties in a way are becoming boundary less. Boundaries of various countries now only have geographical importance. When the world has shrunken to become a village, how can you expect that if one house of the village is on fire, other houses will not be worried by it? Just as world has shrunken, similarly definitions of sovereignty, autonomy and independence have also shrunken. Communication revolution and globalisation have provided a new type of mobility and vigilance to various ethnicities, races and identities'.

4.5 Disadvantages of Globalisation

United Nations general secretary Kofi Annan has clearly said in United Nations millennium report (September 2000) that unfavourable reactions of globalisations have started because these profits are

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distributed in a very unequal manner because global market has yet not been subjected to rules based on interactive social goals.

It is known to all that where in the last 25 years the process of globalisation has speeded up and there a clear reduction has come in international labour migration. The institutional structure of globalisation is full of bias. At one side there is a provision that boundaries of the nation do not become a hurdle in flow trade or capital, at the other side hurdles are being laid in the flow of technology or labour. It is expected that developing countries open their markets for rich countries and let the investment of capital happen, but in exchange, do not demand for flow of technology and uninterrupted labour from developed nations.

Today also in developed nations, negative behaviour towards immigrants is deep settled in their political and social thinking. It is believed that immigrants will put a dent in political dominance of the native residents and will attack the cultural unity. Some such beliefs are also there which do not have a solid base but they hand over a weapon to those doing the politics of naxalism, like, immigrants will grab the employment opportunity from native residents, or they will also have to give a share in welfare programmes etc. apart from this, immigration related laws are also full of restrictions. Embassies also impose many restrictions on immigration.



Caution

If expansion of globalisation does the job of filling the trench of income between developed countries and developing countries, definitely immigration pressure will be less.

At the other side, this process will increase the inequality of income hence immigration pressure will also increase. This globalisation helps in reducing poverty in poor nations, increasing employment and increasing the standard of living, then too immigration pressure will be less. Opposite to this if result is poverty, unemployment, inequality and low living standard, then this pressure will be more.

There are sufficient proofs of the fact that in the last 25 years owing to globalisation trench between the income levels of countries and people is getting deeper. Inequalities of income distribution have also increased. Poverty has increased in Latin America, Africa and former socialist countries. Employment opportunities in organised sectors have reduced. That is why most workers are forced to work in unorganised sectors where productivity and wage level is low. Type of labour and production is also poor.

Globalisation has opened some such opportunities of profit for few people, regions and nations only, which could not even be imagined three decades earlier. Rich and developed nations won this race. The section that has benefitted is prosperous, high educated professional, knower of management technique and is capable in reaching places for profit. At the other side, those doing odd works, not taking risk and adapting rented techniques have been in loss. In this era of globalisation name of USA, western Europe, Japan, Eastern Asia and south east Asia come as winners and among the lagging countries are Latin America, Africa, Western Asia, East Asia and countries of southern area.

In the era of globalisation, those matters also came in the frame if bodies like World Trade Organisation which also influence economic activities and social relations and come completely in the jurisdiction of sovereign nations only. It has been named as the process of Globalisation objective of which is to abuse the sovereignty of member nations and to limit their rights.

In the arrangement of globalisation, free trade industrialists are being strangled. Leave aside the developing nations even in developed nations huge crisis has emerged before the regional trade interest and they are left with no option but to work as unimportant hanger of multinational corporations.

After financial upheaval in East Asian countries, all the developing nations have understood the catastrophic results of globalisation cause of this turbulence is national corporations' business, full of speculation. Even South Korea, which was propoganded before the third world by being called the ideal example of progress and stability and which was recently included in the list of developed nations, was badly influenced. Countries of East Asia started feeling the danger of being pushed back to the situation of neo-colonial slavery. Along with help to the East Asian nations to overcome this crisis, World Bank, International Monetary Fund and world trade organisation imposed such strict conditions that it ignited civil unrst

Reserve Bank Governor Bimal Jalan has emphasised on the same thing in his recently published book, 'India's economy in the new Millennium'. He says that 'consolidation of capital market of the world has brought efficiency in the market but along with it, because of this treat and insecurity has also arose before developing nations'. He says that in eastern Asia, banking system was of almost world level itself still they were endangered because they were deeply connected with the world economy. They had not taken enough safety measure for protecting from the danger of this connectivity. Their economies shook by minor turbulence in world capital market. In comparison to eastern Asia, India was very less influenced by Asian crisis because our connection with international economy was less. In this series only he says that banks should not be completely privatised. This will reduce the control of government on banks. It will be difficult to control their behaviour at the time of crisis. From Jalan's view, there are less profit and more danger by privatisation of banks.

Self Assessment

Multiple Choice Questions:

5. Labour market is now
 - (a) Villagewide
 - (b) Nationwide
 - (c) Worldwide
 - (d) All the three
6. Consumerism in a way has also become the of the entire world.
 - (a) literature
 - (b) culture
 - (c) religion
 - (d) politics
7. said multinational companies must be controlled by the feeling of 'global corporate citizenship'.
 - (a) Kofi Annan
 - (b) Dr. Manmohan Singh
 - (c) Rajiv Gandhi
 - (d) Bill Clinton
8. In labour importing countries such networks of old migrants are there which the migrants and help them in every possible manner.
 - (a) educate
 - (b) direct
 - (c) religiously guide
 - (d) all the three

4.6 Globalisation and International Relations: Effects

Following results are discussed in relation to international relations, international trade and international finance system:

1. Role and importance of United Nations Organisations and international financial and trade institutions related to it have increased.
2. Such international organisation like 'World Trade Organisation' has been established which plays the role of policeman in the field of World Trade. Though World trade organisation was established to encourage international trade on the basis of multilateral theory, but the fact is that organisation is a medium of establishing dominance collectively and separately on economy, society and politics of developing nations.

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3. Globalisation has given open freedom to multinational corporations and multinational corporations are vehicles of neo-colonial control of rich nations on poor national.
4. The meaning of opening the doors of the country for international trade and international capital investment is to arrange the drinking of water of goat and the lion at the same coast and in such system, rich countries will draw profit from poor nations. In political meaning, increasing the participation in world trade means to increase dependency on rich nations which finally goes till political dependence and paying the cost of social-political cost.
5. Economy is globalised but our political system even today is based on the sovereignty of the states.

4.7 Summary

- An era of globalisation had come a century before from today. This stage started from 1870 and stopped suddenly coming around 1914. World economy of that time was similar to today's international economy in many ways.
- Globalisation is that process in which mutual dependency is developed among world markets and trade, instead of being restricted in the limitations of boundaries of the country is tending in the direction of exploitation of comparative cost advantage hidden in world trade.
- In September, 2000 leaders of the world, from the platform of United Nations Organization had emphasised in their millennium declaration that ensuring globalisation is a concrete step towards making all strong. General Secretary Kofi Annan in his millennium report had said that 'If Globalisation has to succeed, people must feel that they are also involved in it'.
- General Secretary Kofi Annan has clearly said in united nations millennium report(September 2000) that unfavourable reactions of globalisations have started because these profits are distributed in a very unequal manner because global market has yet not been subjected to rules based on interactive social goals.

4.8 Keywords

- **Globalisation:** Process of uniformity and symmetry of the world
- **Colony:** Settlement of people comes from other nations
- **Consolidation:** Combine two or more things to give one form

4.9 Review Questions

1. What do you understand by Globalisation? Describe the historical background of globalisation.
2. Explaining the meaning of Globalisation, describe its characteristics.
3. What is Globalisation? Describe the advantages of Globalisation.
4. Interpret the disadvantages of globalisation.
5. Describe the effect of globalisation on international relations.

Answers: Self Assessment

- | | | | |
|------------|---------|----------|-----------|
| 1. Process | 2. Free | 3. Means | 4. Global |
| 5. (c) | 6. (b) | 7. (a) | 8. (b) |

4.10 Further Readings

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Books

1. **Comparative Politics and Political Institutions:** *C. B. Jena, Vikas Publishing.*
2. **Comparative politics and Political Analysis:** *Dr. D. S. Yadav.*
3. **Comparative Politics:** *Prof. Ramanand Gairola.*
4. **Indian Politics – Comparative Perspective –** *B. B. Chaudhary, Shree Mahaveer Book Depot.*

Unit 5: Regional Integration and State

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Objectives

After reading this unit, students will be able to:

- Understand India and World Trade Organisation.
- Explain Expansion of NATO and European Union World Conference.
- Discuss America-China Relation and Philistini-Israeli Problem.

Introduction

In recent decades, Regional Economic Grouping or Regional Economic Integration has developed very fast. The meaning of economic integration is to organise individual nations in groups. After this bans are removed from trade of goods and services of the countries of the group. Closeness is an important reason behind the concept of such integration. Neighbouring countries get ready for integration for the following reasons:

- Less distance has to travel among these countries.
- Similarity may be found in the interest of consumers and it is easier to establish distribution system among neighbours.
- Neighbouring countries may have a common history, there may be awareness towards common interests and for other such reasons may be more willing to adjust their policies.

Regional Economic Groups may be of four types

1. **Free Trade Area - FTA:** Tariff between the member countries is ended, but external traffic of trade with non-member nations is maintained.

2. **Customs Union:** All internal tariffs inside the union are ended and all countries of the union charge same external tariff.
3. **Common Market:** All characteristics of custom union are present in it. Apart from it, there is no ban on movement of labour and capital.
4. **Complete Economic Integration:** In this situation, unifying the monetary and fiscal policies, more economic integration is done. The meaning of integration of this level is also political integration. European Union is definitely moving towards complete Economic Integration.

Regional integration has Social, economic and political effects. Social effect means social-cultural integration. Economic effect means much better allocation of resources, increase in efficiency because of increase in competition etc. Political influence is little loss of sovereignty.

In the last one decade, there is a sharp rise in regional economic contracts. WTO under Section 1 of GATT in form of an exception of the fundamental principle of non-discrimination has agreed to its member nations for customs union and establishment of Free Trade Zone. 90 per cent of regional trade groups are contracts of Free Trade and only 10 per cent are of customs unions. Though there has been an increase in such contracts from the decade of 1990 itself, however, under the leadership of Western Europe and America increase had started in these contracts since 1980. Recently, Japan and other Asian countries have stopped completely depending on MFN based trade. The number of regional group has increased since 1990 after collapse of COMECON (Council of Mutual Economic Corporation). According to World Trade report 2003, 43.2 per cent of world import in 2000 had happened through the medium of these regional groups only.

5.1 India and WTO

From 1986-1993 during Uruguay round negotiations the treaty resolution that was proposed with the objective of regulating the world trade process, reasonableness of India's initial hesitance on it is now getting clear. The bitter truth of the doubt that India has been expressing since beginning is now coming up. The issue on which India had expressed maximum doubt towards this treaty proposal is the area of intellectual property and agricultural products. India had doubted that so called developed and cultured nations may try to take undue advantage of those laws and will try to put hurdles in economic and industrial growth of developing and simple countries and India's doubt proved correct. Though at that time all developed nations and their followers had claimed that world trade regulation treaty had been prepared keeping in view the harmonious development of the world and for fulfilment of this objective itself and in it interests of developing and undeveloped nations will be sufficiently protected, but considering some recent incidents this claim seems to be false and it seems that this treaty is a deep conspiracy prepared to cleverly cheat the undeveloped and developing nations.

First Neem, then Turmeric and now Basmati Rice. Going ahead it is difficult to assume that what else will be added in this list. It seems that if clone technique reaches its final destination then all the living beings, even humans will come under the frame of this patent law and any capitalist of America will put his hereditary claim on all humans of the world. May god bless the American government, which has banned this technique at least for now!

When an American trade company claimed its stake on neem, the entire world and India are struck by thunderbolt. However, claimant's claim was dismissed and everyone took a breath of relief. It was assumed that it was a egoistic act of a mad capitalist. But when a company demanded to get turmeric patented in its name by saying it was a discovery of its forefathers India was shocked. It was an attempt to snatch something that is an inseparable part of Indian culture from kitchen till wedding pavilion; and not from today but since the Vedic era. However, quickly a team was prepared, which was given the responsibility of collecting all references and reference epics related to Indian culture in which turmeric has been mentioned. When this collection was presented before American Patent Institute, finally American company's claim was dismissed and India took a sigh of

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relief. But after all this hard work, country had not even breathed properly that American company presented one more new claim- Basmati is the sign of our ancestors hence we are its legal heirs. It must be patented in our name. Now India is again working quite hard for dismissing this claim also. The question is that where, will series end. It seems that there is no end to this tendency born in the womb of heinous business mentality and its bloody claws will not refrain from trying to take into its grip anything in the world.

There is one more discrepancy towards which developing countries like India had drawn the attention of the world community, before signing the treaty. It was said that all the countries of the world are not the same from the view of economy and technology. Hence by any such treaty there is every possibility of threat of nations with underdeveloped technology being slit, because they are not in a position of open competition with developed nations. For doing away with this doubt of developing nations in contemporary atmosphere world community promised that 'objective of this treaty is the improvement of living standard and increase the level of production at world level. But while doing so interests of developing and undeveloped nations will be paid special attention.' And after this in 1994 all countries like India signed on this treaty. But developing countries are now being negligent in keeping this promise. Recently only Anti-dumping charge has been levied at Britain on clothes being exported from India to Britain. This has influenced the clothes industry of India and its export suffered a shock. From such acts, doubt arises that under the guise of global trade pact developed countries want to maintain trade balance in their favour, but by raising various hurdles, want to prevent developing nations from export oriented. If the example of India is kept forward then it may be easily understood.



Example

Textile industry is such a field in which from distant past itself, India has had high participation and it can compete in this field at world level. Developed countries, through various hurdles want to restrict this field in such a manner that India, by drawing benefit of it may not be able to establish its dominance at the world stage.

Such discrepancies have compelled countries like India to rethink on the present arrangement of world trade pact. Recently (May 1998), the ministerial conference of member nations of WTO, organised at Geneva, Indian representative, Shri Ram Krishna Hegade (commerce minister) demanded for removing faults of this treaty. Shri Hegade made it clear that present form of treaty is not being able to fulfil the declared basic objective of World Trade Organisation and owing to it developing and underdeveloped nations are falling victim of discrimination.



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Shri Hegade Said that there are clear instructions in the treaty that 'developing countries, considering specific conditions of undeveloped and developing countries, will give them special discounts', but practically it is not being followed at all, instead taking advantage of many provisions of this treaty, attempts are being made to harass and discourage them.

In this recent conference of Geneva, director General of the organisation, Renato Regato supporting the speakers like Shri Hegade, accepted that for maintaining this pact discrepancies being raised in this relation must be done away with. Organisation will have to prepare such a structure through which all the questions- doubts being raised at world level are answered. Better would be that developed

countries accept this suggestion being given by Sri Regato. This need not be told that in every nation associated with this pact had a plan to move ahead with its help. If only developed nations will like to draw benefit out of it, developing and undeveloped society will not sit for long as silent spectator. Is this treaty and organisation will become just the supporter of developed nations then remaining nations will be compelled to reconsider their decision to remain associated with it.

5.2 Expansion of NATO

In 1991 after the end of Warsaw Pact and Cold war, changes came in the policies of NATO. For facing the new challenges in Europe, discussion was Made in NATO conferences organised at London in July 1990, in November 1991 at Rome and at Brussels in 1994 and keeping in view new role of NATO changes were made in its form and policies. In 1991, for establishing close security relations with states separated from central Eastern Europe and earlier Soviet Union, North Atlantic Cooperation Council (NACC) was established in December 1991. NATO reducing army power made support in it liberal. Constructed the policy of harmony and cooperation with other international institutions like United Nations Organisation, European Union, etc.

Conference organised in Brussels in 1994, NATO organised partnership for peace program. This program partnership is open for all member nations of North Atlantic cooperation council and for all 54 nations of Organisation for Security and Cooperation in Europe (OSCE). Through its medium, NATO establishes treaties for establishing peace with those nations of Europe that are not the member of NATO. If there is danger to regional integrity, political freedom and security to any member, all its members will collectively provide security to it. At this time there are 27 nations in partner for peace – Albania, Armenia, Austria, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Finland, Georgia, Hungary, Kazakhstan, Kirgizstan, Latvia, Lithuania, Macedonia, Malta, Moldova, Poland, Romania, Russia, Slovakia, Sweden, Slovenia, Turkmenistan, Ukraine and Uzbekistan.

Mr. Clinton was elected at the President's post and after completing the tenure of four years, was again made the President of America. NATO was given a special place in foreign policy of Clinton. American Congress and a large portion of general public are against NATO, but Clinton administration is supportive of the policy of making NATO more and more powerful and expanding it to the limit that nations separated from earlier Soviet Union are also included in NATO. Clinton's Declared policy is that membership of NATO is to be provided to the nations of Eastern Europe. By disregarding United Nations organisation or where there is need for action by nation's organisation for military interference, there bringing out the armies of NATO, establishing dominance in peace army of United Nations. He believes that American dominance in the world is a fundamental right and wants to live true the dream of 'Packs Americana' on the basis of gun strip and vandalism, but the rise of European Union and decision of 'Euro-currency' may prove dangerous for America in future. That is why the dominance of America is maintained in Europe, for this reason too America wants that through the medium of NATO everyone is aware of his iron stick. At the other side its sight is focussed on remaining Russia and on China, developing as a super power, because development of China in economic and military perspective had been so fast that it is a matter of concern for America. That is why, by the medium of expansion of NATO America wants to aim many targets with one arrow and because of this only Clinton, in July 1997 Madrid conference of NATO made the decision of including Poland, Hungary and Czech Republic in NATO. At the other side America has made a military treaty with Ukraine, neighbouring country of Russia, equipped with atomic- nuclear weapons, which had separated by the dissolution of Soviet Union. America also did a navy exercise with Ukraine at Crimean port, which was opposed by Crimean and Russian nationalists.

In this way America wants to develop the net of NATO to such a limit in whose grip, if needed, any big power of present or future may be trapped and destroyed.

In short, it may be said that under this policy of NATO, America has made it the centre point of its foreign policy. It is not even ready to listen to any proposal to weaken NATO to any limit.

Notes



Did You Know?

NATO has become the corner stone of American foreign policy.

Self Assessment

Fill In the Blanks:

1. The meaning of economic integration is to individual nations in groups.
2. In trade there is no ban on movement of labour and capital.
3. All the countries of the world are not the same from the view of economy and
4. In 1991, after the end of Pact and cold war changes came in the policies of NATO.

5.3 European Union World Conference

On May 1st, 1998, a historical decision was taken at Brussels, the headquarters of European Union. The decision taken under the summit of European Union, those first 11 countries were selected which will start the implementation of European Economic and Monetary Union (EMU) from first January 1999. From that day Germany, France, Italy, Spain, Netherlands, Belgium, Austria, Portugal, Finland, Ireland and Luxemburg will start electronic and non-cash transaction in a common currency 'Euro'. Change in notes and coins will happen after three years in 2002. Till that time the legal validity of individual currency of member nations of European Union will be maintained. But in that duration, attempts will be made that prices are shown both in current currency and euro, so that people may be introduced to the new currency, so that they have ease in transaction. Britain, Sweden and Denmark have decided to stay out of EMU for the time being, while Greece cannot be included in this process because it does not fulfil desired economic conditions for being included in this process.

From the year 1999, because of the participant economies, euro will represent such an economic unit which in matter of number of consumers and Gross Domestic Product, will be at second place after America. Generally, Central bank will have to change its resources present in Deutsche Mark, Franc and other European currencies to euro as soon as Euro becomes the official currency of European Union. But the main question is that will Euro be able to challenge the capacity of Dollar in form of main reserve currency? It is known that the participation of dollar in foreign monetary assets of central banks of the entire world was 61.5 per cent. After this was deutsche Mark with 14.2 participation, and with 7.4 per cent participation was the place of Yen. Though it depends on many factors. Main out of these is that what is the opinion of the world about the inherent power of Euro? It will also depend on the fact that how is the stable long term economic performance of monetarily united European Union. An important question regarding this new policy is what will be the effect of Euro on trade of developing countries like India with European Union. Also, what changes will come in the concept of reserve currency fund linked to American Dollar by the new currency. As far as trade is concerned, it is clear that currency exchange calculations applicable in matters of various European currencies will reduce. There, on the other side no special effect will be there on policies directing the policies of trade of European Union with other nations, because they have nothing to do with monetary Union. Instead of any special impact on external trade, importance of its inter- European Union will be more.

5.4 G-8 World Conference

World conference of 8 developed and industrial countries of the world, G-8 started in Birmingham (England) on May 15th 1998. In this conference America, Japan and Canada demanding for ban on

India for conducting nuclear test had to face defeat due to the approach of European countries. On the first day itself of the conference, discussion was made on the nuclear test by India. In this duration Japan and Canada emphasised for ban against India, but Russia and France opposed it. Britain which supports America in almost every matter showed a cold shoulder on the question of ban, while Germany and Italy also did not agree to it. But a statement was prepared by all these countries in which it was appealed from India that it participates in main international stream and follows the treaties of Nuclear Weapon controls.

Not being able to impose collective economic ban, it is clear that five of these eight countries are not willing to go against India at sign of America. This decay of collectivism of group-8 may prove good for India but only when India completely convinces these five countries strongly by its perspective or by the relevance of nuclear test. As far as N.P.T. is concerned four countries of the world have not signed on this treaty as yet. India's belief is that this treaty is based on discrimination and in it nuclear possessing countries are favoured. Similar is the matter with C.T. B. T. also. Till now 149 countries have signed this treaty while India, Pakistan and Israel have not signed it. Though out of signatory countries, parliaments of 61 countries have not accepted it. America itself is included in these. Countries of Group-8 have appealed Pakistan for not doing the nuclear testing. Even if Pakistan does the test it will be in favour of India only. If Clinton's argument of a different kind of cold war among India, Pakistan, China and Russia is accepted, this possibility may not be denied that nuclearly prosperous these four countries somewhere make a treaty of not doing a nuclear attack on each other. This possibility is a matter of concern for America because in this area, its vandalism will be reduced.

In world conference countries of group-8 looked unanimous on the matter of giving relief from loan to poor nations of the world. In this duration declaration was made to provide loan help worth \$ 5.7 Arab to Bolivia, Burkinofaso, Guyana, Ivory Coast, Uganda and Muzanbik. Apart from this thought was also given on helping the developing nations of Africa and Asia. Member nations of group-8 were also unanimous on campaign on malaria eradication and against aids.

5.5 America–China Relationship

Though America has imposed financial bans against India after it does the nuclear testing in May 98, yet America industrial area is quite anxious regarding this ban. After all India is a big market for their products. Looking at the turbulence in American industrial market, visit of communist country China by its president Bill Clinton from 25th June to 3rd July 98 seems very important. Though America is criticising China by alleging it for violating human rights, because of the pressure from its trade world, it had not shifted the matter of human rights to the corner.

Though Clinton administration has considered the trip to be successful, if seen properly, objectives of Clinton trip have remained incomplete and traditionally deep differences have surfaced between both countries on various matters. Traditionally, both countries have shared a very opposing relationship. Even talks were stated from the 1972 visit of American President Richard Nixon. This series was continued by Ronal Regan's 1984 and George Bush's 1989 China visit and through America visits of Chinese leaders Teng Shiyo Fing in 1979 and Jhao Jiyan in 1984 and some contracts of transactions in the field of trade were made. Some hurdles came in the relations of both countries by suppression of student movement in 1989 in China. America used its most tested weapon of financial ban. But in 1994 American President Bill Clinton had to again give the post of 'Most Favoured Nation' to China. It was the result of pressure of American Traders only. Like this, matter of human rights was done away with. On the foundation put by this policy only Jiyan Jeming made a 9-day American visit in 1997 and in return to this visit only Clinton also made a nine-day visit to China.

When an American President visits another nation, especially China, may be for show off only but human rights and democracy will have to be supported. But actually objectives of Clinton's China visit also reveals the helplessness of America. Both countries represent different political atmosphere,

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ideology, social system, values, culture and traditions. Even there is nothing in past relations and experiences from which inspiration may be drawn. Two years earlier during the presidential election of Taiwan, both countries have demonstrated security activities against each other.

Most important issue during Clinton's visit was that of trade transactions. As of now China has advantage in trade. America consumers draw profit from China's cheap toys, shoes, slippers, clothes and household items. Obviously, it is possible only because American markets are open for Chinese products, but on the other side consumer demand and relatively open American markets has been balanced the trade in favour of China. In other words, China exports more to America and imports less. In 1997, difference in export and import was more than \$40 Arab. Hence America's main demand has been of opening of domestic market of China for American products. America has been demanding for reducing and removing customs duty and other barriers from its products. This will facilitate America in export of Computers, machinery for communications and medicines. America also requests China for opening of important services such as banking, law, insurance and accounts for foreign companies.

China had applied in 1986 to be included in GATT. China had got the status of supervisor from 1982 itself. In this duration after the acceptance of Duncal proposal World Trade Organisation was made and China remained out of it also. But now China wants complete membership of WTO. America has been opposing it. Obviously, all these matter were important for Clinton's visit. In other words, those conditions that America has put before China for membership of WTO, they are also associated with America's own trade interests with China. Hence the meaning of no significant progress on the question of China's membership of WTO during Clinton's visit is data related to America's own trade contracts also indicate in this direction. During this visit, 11 contracts were made which were of around \$3.3 Arab. It is not even 1/10th part of America's trade deficit from China. It is obvious that trade contract of such small value cannot balance trade, keep aside trade balance in favour of America.

America was emphasising for signing such a treaty by which China shall not be able to give nuclear technique to other countries. American secret agency had many a times brought into light the fact of China helping nuclear programme of Pakistan or providing long distance missile to countries such as Pakistan, Iran and Saudi Arab, but it is result of America's Policy of attaining China's market at any cost that it does not consider these acts to be violation of Nuclear Non-proliferation Treaty. Even this time no agreement could be done on this matter.

In this America's selfishness is also clear. On one side America has strongly opposed India's nuclear testing and has been ordering to sign on comprehensive Test Ban Treaty or C.T.B.T. On the other side its satellite companies have been given free hand in trading with China. Out of \$3.3 Arab contracts that happened this time, out of those seven contracts worth \$2 Arabs were such in which contracts were given to American Nuclear energy companies.

After the dissolution of Soviet Union, America is dreaming of monopoly in the world. Only through the support of China and America can at least think of such a role in Asia. Even today many people in America, especially republicans think that interests of America and China are opposing each other, hence America should adopt the policy of controlling China. But this would have hurt American Interests.



Caution

America wants to establish dominance by joining hands with China and also gives the right to China that it considers South Asia to be its property.

Clinton had opened this policy in his first visit also, in which he had mentioned of including China also in the matter of Kashmir matter. Hence unnecessarily arbitration was talked about. The new

equations that arose during Clinton's visit in that China was authorised the administration of Asia. It has been possible mainly because of two reasons, which are related to each other. First, because of financial reasons now America is not thinking of playing the role of administrator in Asia. Because of this reason only it is reducing to finish its military bases in Asia. Secondly, looking at the power of China and importance of its markets America is handing over this responsibility to China. This equation has not only given wrong signals to India but also to Japan and Taiwan, the traditional friends of America.

Self Assessment

Multiple Choice Questions:

5. Conference organised in Brussels in, NATO organised partnership for peace program.
(a) 1994 (b) 1996 (c) 1990 (d) 1995
6. North Atlantic Cooperation Council (NACC) was established in December
(a) 1990 (b) 1985 (c) 1991 (d) 1992
7. China exports more and imports less to
(a) Nepal (b) India (c) America (d) Pakistan
8. After the dissolution of, America is dreaming of monopoly in the world.
(a) Pakistan (b) England (c) Nepal (d) Soviet Union

5.6 Philistini-Israeli Problems

Washington had the misconception that it will dare and Netanyahu of Israel will bend, but this time, Clinton was highly disappointed. The talks that were organised at London in the beginning of the month of May between Israel and Philistinis failed. Next round of talks was to happen in Washington. Clinton had invited Netanyahu for talks but after the failure of London round of talks, foreign minister of America had scared Netanyahu that either listening to America he accepts to hand over 13 per cent barren land of western coast to Yasar Arafat or does not come to show his face in Clinton, Arafat and Netanyahu conference organised on 11th may at White house, America's President house. Netanyahu refused to participate in the summit organised in white House. In this manner, the talks that were no moving ahead since over one year and a quarter, for applying Oslo agreement, once again a big hurdle came before it.

For solving this issue, Clinton was ready to play the role of a mediator. There was a hope that some solution will be attained in Washington summit by which obstacle in solving Philistini problem will end. But at the same time a statement from Mrs. Hilary Clinton came up which annoyed Netanyahu. Hilary Clinton was in Switzerland where while talking to Arab and Israeli Youth, in a very easy way expressed some of her clear thoughts about Philistini State. A student asked her that what does she mean when she says that Philistini State is not in existence today. Though from political point of view also this question was quite explosive still Mrs. Clinton replied it very simply that she understands that the establishment of Philistini state will be in long term interest of West Asia. Immediately, this statement was denied by the president house of America. It was said that it may be personal opinion of Mrs. Clinton. It is not the policy of American Government but then entire world had known the thoughts of Mrs. Clinton. Arab Newspapers printed this thought of Mrs Clinton in bold heading on the front page. Israelis expressed anger against their close friend. A senior Israeli Officer said that it seems that Clinton Administration has already decided that what will be the outcome of Washington Summit. Netanyahu became the prime minister of Israel in 1996. Since then he has been continuously trying that the agreement that Itzak Rabeen had done, its implementation may be stopped. The main argument of

Notes

Netanyahu is that by vacating the western coast, Israel Security will be endangered. In Oslo agreement also this right of Israel was accepted that Israel, before vacating Philistini area, will think over its security and will then decide that how much area be vacated. Israel also has the complaint that Whatever Arafat should have done for stopping terrorism, he did not do all that. In such a scenario, how appropriate is America opposing Israel, though it claims to be an unbiased mediator. After having doubts about the intentions of America, Netanyahu decided not to participate in the Washington Summit. Looking at the stubborn attitude of Netanyahu, American officers had to say that Israel, Philistini talks are on the edge and may end any time by falling in the valley.

Currently 73 per cent of the land on western coast is controlled by Israel. 3 per cent land portion is controlled by Philistinis. On 24 per cent land portion, Philistinis do have political control but in matters related to security of this area, all decisions are taken by Israel. Since 1973 itself, America has been associated with western Asia Peace process, but here since some time, its role, instead of a general mediator has become that of an active participant in peace process. Oslo agreement took place in 1993, but America itself took over the initiation of implementation of the agreement. On 13th September 1993, Clinton, by calling Arafat and prime minister Itzak Rabin to Washington, made them both shake hands and declared stepwise application of Oslo Agreement. In this it was told that which targets will be achieved in which steps. According to determined targets, Israeli army will move from Gaza strip and western coast in stepwise manner and the area that Israel will vacate, Philistini self-rule will establish there. According to agreement declaration by October 1996, Israeli army vacated entire Gaza strip and western coast leaving Hebron city. The election of Philistini parliament was organised. Yasar Arafat was elected the first president of Philistini occupancy and Philistini police force was organised. Israel for the first time formally accepted Philistini freedom union as legal representative of Philistini public. Philistini freedom Union also accepted the existence of Israel, gave up the call for finishing Israel, criticised terrorism and accepted the area as area of peace. Netanyahu came to power by winning the elections in 1996. After that hurdles started coming in solution of philistine problem. Last around year and a quarter there is stagnancy in talks.

Arafat was emphasising Israelis to hand over 30 per cent part of western coast to Philistini. Netanyahu did not agree to this. Arafat also wanted that Israel completely shut down the job of Jewish construction at western coast and Jerusalem. America intervened and kept before Netanyahu the proposal of handing over 13.1 per cent area of western coast to Philistinis. Arafat accepted American suggestion for agreement. Netanyahu clearly refused to vacate more than 9 per cent area. He has to say that Israel is not ready to endanger its security by vacating more area than this. Fellow ministers of Netanyahu informally gave the signal that Israel may agree to vacate 10–11 per cent area. Analysts say that vacating 2 or 4 percent more area is not a matter of much importance for Israelis. They want to keep matter of two–four per cent entangled for a bigger agreement. Their intention is that before vacating the area, Philistinis may come to discussion table for permanent solution of the problem.

Philistinis are also in favour of taking for permanent solution of the problem but they have to say that first the area be vacated. Talks be done later on. Israeli also wants that Arafat hastens the process of crushing the philistine terrorists and by amending the philistine manifesto, completely does away with the clauses of finishing Israel.

Self Assessment

State whether the following statements are True or False:

9. Netanyahu became the president of Israel in 1996.
10. After doubting the intentions of America, Netanyahu participated in Washington summit.
11. Oslo agreement took place in 1995.

12. Israel for the first time formally accepted Philistines freedom union as legal representative of Philistini public.

Notes

5.7 Summary

- In recent decades, Regional Economic Grouping or Regional Economic Integration have developed very fast. The meaning of economic integration is to organise individual nations in groups.
- In the last one decade there is a sharp rise in regional economic contracts. WTO under section 1 of GATT in MFN class in form of an exception of the fundamental principle of non-discrimination has agreed to its member nations for customs union and establishment of Free Trade Zone.
- From 1986–1993 during Uruguay round negotiations the treaty resolution that was proposed with the objective of regulating the world trade process, reasonableness of India's initial hesitance on it is now getting clear. This treaty is a deep conspiracy prepared to cleverly cheat the undeveloped and developing nations.
- For facing the new challenges in Europe discussion was made in NATO conferences organised at London in July 1990, in 1991 at Rome and at Brussels in 1994 and keeping in view new role of NATO changes were made in its form and policies.
- On May 1st, 1998, a historical decision was taken at Brussels, the headquarters of European Union. Under this decision taken at the summit of European Union those first 11 countries were selected which will start the implementation of European Economic and Monetary union (EMU) from first January 1999.
- World conference of 8 developed and industrial countries of the world, G-8 started in Birmingham (England) on May 15th 1998. In this conference America, Japan and Canada demanding for ban on India for conducting nuclear test had to face defeat due to the approach of European countries.
- Though America has imposed financial bans against India after it does the nuclear testing in May 98, yet America industrial area is quite anxious regarding this ban. After all India is a big market for their products.
- Washington had the misconception that it will dare(Dhamki dega) and Netanyahu of Israel will bend, but this time, Clinton was highly disappointed. The talks that were organised at London in the beginning of the month of May between Israel and Philistinis, it failed.

5.8 Keywords

- **WTO:** World Trade Organisation
- **G-8 World Conference:** It was demanded in this conference to ban India against conducting nuclear test

• Review Questions

1. Describe the relationship of India and WTO.
2. Explain NATO in detail.
3. Interpret America-China Relationship.
4. What is Philistini-Israeli problem? Describe.
5. Comment:

Notes

(a) European Union World conference

(b) G-8 World Conference

Answers: Self Assessment

1. Organise

2. Common

3. Technology

4. Warsaw

5. (a)

6 (c)

7. (c)

8. (d)

9. True

10. False

11. False

12. True

5.9 Further Readings



Books

1. **Comparative Politics** – Jagdish Chandra Jauhari, Sterling Publishers.
2. **Comparative Politics** – C. B. Jena, Vikas Publishing
3. **Comparative Politics** – Chandra Dev Prasad, Atlantic Publishers
4. **Outline of Comparative Politics** – Politics of liberal, communist and developing Nations – Gava O. P. Mayur Paper Backs.

Unit 6: International Organisations and State

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Objectives

After studying this unit, students will be able to:

- Understand International Monetary Fund and World Bank.
- Explain World Trade Organisation, UNCTAD, European Common Market.
- Discuss Asian Development Bank, Multilateral Investment Guarantee Agency.
- Understand ASEAN, SAARC and United Nations.

Introduction

International Monetary Fund was established on 27 December, 1945 in Washington with an objective to balance international trade, international monetary support and for maintaining stability in exchange rates. World Bank was also established with International Monetary Fund in 1945 but, World Bank started working from June 1996. International Bank of Reconstruction and Development, International Financial Corporation, International Development Association, Multilateral Guarantee Agency are also included in it. GATT was established for promoting international trade and for solving problems related to international trade. After the ending of its existence, more powerful organisation WTO was established in place of it. To overcome trade interval of underdeveloped nations United Nations Organisation (UNO) decided for organising United Nations conference of Trade and Development

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(UNCTAD) in March-June 1964. UNCTAD is a permanent part of general assembly of United Nations. Its headquarters are at Geneva (Switzerland).

6.1 International Monetary Fund

As a result of conference held at a place named Britain-woods in America in 1944, two structures were born:

1. International Monetary Fund
2. International Bank of Reconstruction and Development

IMF was established on 27 December, 1945 at Washington. IMF started working from March 1947. The number of members of IMF was 40 on March 1st, 1947 which has increased to 183 by the end of December 2001.

Objectives of IMF

1. Establishing International Monetary support
2. Doing balanced development of international trade
3. Maintaining stability of exchange rates
4. Ending or minimising exchange restrictions by arranging multilateral payments
5. Providing financial help for making unfavourable balance of payments of member nations favourable.
6. Reducing quantity and duration of imbalance

Financial Resources of IMF

Since 1976 after the amended provisions, it is compulsory for each member nation to deposit 75 percent of its determined contribution in its own currency and 25% in form of Gold or Dollar.

Time to time, changes have been made in contributions as per the requirements. The eleventh revision of contribution of International Monetary Fund was approved on 6th February 1998 according to which two important decisions were taken:

1. 45% increase in contributions by member nations
2. Reallocation of SDR to member nations

After eleventh revision, total quota amount of IMF has increased from current level of 145.6 Arab SDR (approximately 204 Arab American Dollars) to 212.029 Arab SDR (Approximately 297 Arab dollar). By this Quota increase, India's Quota in IMF has increased from 3.5 Arab SDR to 4. 158 SDR, but India's participation in total Quota of the fund has reduced from 2.098% to 1.961%. India's place among contributors of IMF is 13th. Among the main contributors, in decreasing order respectively are America, Japan, Germany, France, England, Italy, Saudi Arabia, Canada, Russia, Netherlands, China, Belgium and India.

SDR-New Calculating Currency

Till December 1971 calculating currency of IMF was American dollar but in December 1971 Special Discount Right (SDR) became the new currency of monetary fund and all transactions of fund started to be expressed in SDR.



Notes

In international monetary field, SDR plays the role of Gold Currency. That is why it is also called **Paper Gold**.

Notes

In 1971, the value of a SDR was considered equal to a Dollar but due to fall in value of dollar in April 1995 the value of SDR became 1.585 dollar.

In method adopted from 1st January 1981 value of SDR was determined on the basis of basket of currencies of 5 big exporting countries.

In 1991, weight of these five currencies in value determination of SDR was as following:-

American dollar	40%
German Mark	21%
Japanese Yen	17%
British Pound	11%
French Franc	11%
Total	100%

IMF and India

India is one among those initial 44 nations who had participated in Britain woods conference. Initially, India was one among those five nations whose contribution was the maximum. Hence India was given permanent place in governing board. But after 1970, because of quota of other nations being more, permanent membership of India in governing board has been ended.

India's initial contribution was \$400 million which increasing respectively became 1145 million SDR in 1976, 2208 million SDR in 1984 and 3055.5 million SDR in November 1992. After 11 quota revision India's contribution increased in 1988 to 4158.2 million SDR, but its participation in total quota amount of fund reduced from 2.09% to 1.961%.

To overcome the problems of balance of payment, India has taken loan from monetary fund from time to time. India had taken a loan of 100 million dollar from monetary fund in 1948-49. Returned it by 1956-57. During send plan in 157 India made a contract of loan of 200 million dollar from fund so that it may finance temporary loss in balance of payment due to development work. \$63 million was still pending from this amount when in 1961 contract was made with monetary fund for extra loan. This help proved extremely valuable because India's foreign exchange stock had ended dangerously at that time. India's foreign exchange fund once again reduced extremely in 1965-66. Monetary fund saved India from the danger by lending \$300 million at that time.

In July 1975 monetary fund gave a loan of 210.3 million SDR under oil facility. In 1976 also under this facility itself, gave another loan of 200 million SDR and provided this amount in 1977 also.

In year 1981, India took a huge loan of 5000 million SDR from the fund so that it may solve the problem of Balance of Payment. This problem had mainly aroused because of oil import until exporting countries made a huge rise in petroleum prices second time in 1974 after 1973-74 (four times in 1973-74 and double in 1979). This was the largest loan given by monetary fund to any nation. India used only 3900 million SDR from this amount and returned the remaining 1100 million SDR.

In 1988-89, Indian Balance of Payment once again came under pressure. This year there was a loss of 8 billion dollar in foreign current account. As a result foreign exchange stock reduced a lot. Situation

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became even worse in 1990-91 because external commercial banks stopped giving loans and Non-resident Indians started withdrawing their deposits. In these conditions, India once again went to monetary fund and took a loan of \$1.2 billion. Loan was approved on the following conditions: (i) 22 per cent devaluation of Rupee (ii) Heavy cut in import duty (iii) increase in excise duty (iv) Cut in public expenditure.

Details of loans that India had taken from Monetary Fund in the decade of 1990 are as follows:

Year Till the end of March	Total Loan (Million American Dollar)
1991	2,623
1992	3,451
1993	4,799
1994	5,040
1995	4,300
1996	2,374
1997	1,313
1998	664
1999	287
2000	287
India has not taken any loan from monetary fund after 31st march, 2000	

(Source- Financial survey 2002-03, p.S-107)

6.2 World Bank

Though International Bank for Reconstruction and Development (World Bank) was established with International Monetary Fund (IMF) in December 1945, but World Bank started working from June 1946 itself. The twin organisations created from Britain woods conference are supplementary to each other.

Below mentioned institutions are included in World Bank group

1. International Bank for Reconstruction and Development (establishment Year-1945)
2. International Finance Corporation (Establishment Year-1956)
3. International Development Association (Establishment Year-1960)
4. Multilateral Investment Guarantee agency (Establishment Year-1988)

Objectives of World Bank

- To make available long term capital for reconstruction and development of member nations.
- To encourage long term capital investment for equilibrium of balance of payments and balanced development of international trade.

- Arranging capital for encouraging capital investment in member nations.
- To provide loan for implementation of small and large projects of member nation and to give guarantee for such loans.
- To apply programmes for changing the economies of countries suffering from war to peaceful economies.

Notes

IMF vs World Bank

Though IMF and World Bank are supplementary organisation to each other but there is fundamental and theoretical difference in financial help provided by both. Short term loans are provided by IMF for doing away the unfavourability of Balance of Payment of member nations while World Bank provides long term loans for encouraging balanced economic development in member nations.

There are two main supporting institutions of World Bank – International Development Association (IDA, which was established on 24th September, 1960) and International Finance Corporation (IFC, which was established in July 1956). MIGA is also a World Bank supportive organisation. All these organisations work under World Bank.

World Bank and India

There has been an important role of world bank in initial economic development of India after attaining Independence. Among Asian nations, **first loan was given by World Bank to India itself in 1949**. Bank's long and creative relations with India have helped the organisation a lot in developing in form of a development organisation. India is one of the initial members of the World Bank. Initially, India's contribution was \$400 million and its name was included in 5 nations with maximum capital because of which India had got the right to appoint a permanent executive director in World Bank. But now because of the contribution of other nations being more than that of India, India's place is not left among first five nations. At present India's contribution is \$5404 million out of which amount paid to bank is \$333.7 million and rest \$ 5070 million are subject to call. India's percentage in a him total contribution to World Bank is 3.28.



Example

India's Share in the shares of World Bank is 44.795 and the number of votes is 45,045 which are 3.46 per cent of total votes.

Cumulative loan given by World Bank to India till 31 October 2001 is 28797 million American dollars.

World Bank had provided an instantaneous aid of \$ 300 million for recovery from the destruction caused by Gujarat earth quake and in next six months proposal was made by the bank to again provide support to the government for reconstruction of Gujarat.

In recent years the plans for which India has taken loan, out of those main ones are as follows:-

(i) Renovation and development of Railway system (ii) TATA iron and ISPAT and Iron and ISPAT company of India, (iii) development of Chambal valley area and Rajasthan Canal Zone (iv) Damodar Valley Power Project, (v) Purchase of Aeroplanes by Air India, (vi) construction of Haldia Harbour and development of Chennai and Kolkata harbours (vii) electric power extension projects (viii) increase in working capital of Industrial Credit and Investment Corporation (ix) loan for agricultural development (x) Loan for development of Coal industry in private sector (xi) Loan for establishment of Trombay Thermal Power station.

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Maximum loans were given to India for development of railways and after it comes the number of power generation, fertilizer factories, agriculture and irrigation respectively.

World bank, with an objective to provide financial help to India in its second and third five year plan, established **India Aid Club** in 1958 in which other than World Bank and international Development Association there are ten nations. These nations are—USA, England, France, Germany, Canada, Japan, Austria, Belgium, Italy and Netherlands. Club's meeting is held from time to time in which it is thought about providing help to India. At present name of India Aid club has been changed to **India Development Forum**.

Self Assessment

Fill in the Blanks:

1. The Value of SDR was determined on the basis of of 5 big exporting countries.
2. IMF was established on 27 December, at Washington.
3. The twin organisations created from Britain woods conference are to each other.
4. Among Asian nations, first loan was given by World Bank to itself in 1949.

6.3 World Trade Organisation – WTO

The GATT that was established on 30 October, 1947 for promoting international trade, discouraging quantitative restrictions in trade and for solving various problems related to international trade, its existence came to an end on 12 December 1995. In its place, in relation to international trade a more powerful organisation- World trade Organisation- WTO has been established.

Accepting **Duncal proposals** of Eight round of discussion of GATT (Which is known as Uruguay Round), finally on 15th April 1994 at Maracas city Morocco, 123 member nations of GATT signed it as a result of which World Trade Organisation was established on January 1, 1995. India became the founder member of World Trade Organisation by signing this contract on 30th December, 1994. Because of all members of GATT not being able to take the membership of WTO by 1st January, 1995, it was decided to maintain the existence of GATT till December, 1995. Finally, existence of this international organisation that kept an eye on world trade till 12 decades came to an end on 12th December, 1995.

Headquarters and Membership: Like GATT, headquarters of WTO is situated at Geneva itself. Its membership count till January 2002 was 144.

World Trade Organisation has been established on the basis of an international treaty approved by the parliaments of member nations. Hence opposite to temporary nature of GATT, WTO is a permanent organisation.

According to estimates prepared by World Bank, Economic co-operation and Development Association and GATT secretariat, as a result of Uruguay Round Package in form of impact on trade there will be an increase of \$ 745 Arabs by year 2005.

Objectives of World Trade Organisation

- To encourage production and trade of goods and services
- Making an extensive and impactful increase in effective demand and employment
- Making the optimum use of the resources of the world
- Accept the conception of sustainable development
- Improve the standard of living
- To conserve and protect the environment

Jobs of World Trade Organisation (WTO)

Notes

- To act as a forum for discussion among the member nations on any matter related to trade and tariff.
- To make the facilities available for application, administration and operation of World trade Agreement and multilateral and multi termed agreements.
- To apply rules and provisions related to trade policy review process.
- To administer rules and processes related to solving of issues.
- To support International Monetary Fund and World Bank for establishing more feeling of harmony in construction of world economic policy.
- To make most optimum use of resources of the world.

Administration of WTO— There is a general council for function operation of the organisation in which there is a permanent representative of each member nation. Its meeting is generally held once in a month at Geneva.

For policy determination of WTO its ministerial conference is there with maximum rights. Ministerial conference is generally organised after each two years.

For operation of day to day administrative works, highest executive of the organisation is its Director General who is elected for four years by the general council. Four director generals are elected by member nations for supporting the director General.

World Trade Organisation Report: Main Facts

World Trade Organisation released its report, 'International Trade Statistics: 2001' on 25th October 2001. Main points of this report are:

- Increase of 12 per cent in world trade during the year 2000 but in year 2001 this increase is expected to be just 2% – main reason for this reduction is global recession.
- According to the report in 1990 in total export of the world, contribution of developing nations was 17% which increased to 17% in the year 2000 – contribution of Asian countries had been maximum in this better export execution.
- In the year 2000, India's contribution in net merchandise export was 0.7% and India's place among the big exporter nations was 31st.
- In the year 2000, India's contribution in net merchandise import was 0.8% and India's place among big importing nations was 26th.
- In the year 2000, there was an increase of 26% in India's export of services.
- In the year 2000, in net export of services of the world, India's contribution was 1.2% and India's place among the big exporters of services was 22nd while India's contribution in net import of services in the world was 1.4% and India's place among the big importers of services was 19th.
- In year 2000, India's situation remained unfavourable in services trade. Net export of services was \$17.6 Arab and import was that of \$19.9 Arab.

End of Quantitative restrictions by India on imports: According to World trade agreement, Indian government has decided to end Quantitative Restrictions (QRs) from imports of the country. In this relation government in perspective of a decision of WTO signed an agreement with America on 29th December, 1999. It is mentionable that India, according to the conditions of World Trade Organisation had removed quantitative restriction from import of many products but looking at the unfavourable condition of its Balance of Payments, with a view of providing protection to domestic industries,

Notes

had still imposed restriction on 1429 products and was not in favour of removing these restrictions any soon. But owing to pressure from trade supporting developed nations India agreed to remove quantitative restriction on import of all these products till March 2003. India also made a bilateral agreement of this effect with European Union, Japan, Australia and New Zealand. But America did not agree for this agreement and rejecting the time limit of 2003, took this matter to World Trade Organisation in July 1997. The decision of WTO went in favour of America. Settlement body of WTO directed India on 22nd September 1999 that it makes an agreement with America in this reference hence it will have the liberty to impose punitive tariff on import done from India. As a result of this decision, India has expressed consent to remove restriction from import of remaining all 1429 products by April 2001. Under this agreement done with America, India has removed quantitative restrictions from 714 products till April 2000 and quantitative restrictions on remaining 714 products have been removed in export import policy of year 2001 – 02, declared on 31st march 2001.

Other Major International Organisations/ Agreements: A Snapshot

	Organisation	Present Number of Members	Member Nations	Main Objectives
1.	Association of South East Asian Nations (ASEAN)	10	Singapore, Indonesia, the Philippines, Malaysia, Thailand, Brunei, Vietnam, Laos, Myanmar, Cambodia (Status of full negotiator to India in 1996)	Brining economic stability in South East Asia by increasing economic support, Plan of establishing AFTA (ASEAN Free Trade Area) among ASEAN countries by the year 2003
2	South Asian Association for Regional Cooperation (SAARC)	7	India, Maldives, Pakistan, Bangladesh, Sri Lanka, Bhutan and Nepal	The expansion of regional support among south Asian nations
3	South Asian Preference Trade Association (SAPTA)		Agreement among SAARC nations effective from 7th December, 1995	The plan of establishing SAFTA(South Asian Free Trade Area) by 2005
4.	Organisation of Petroleum Exporting Countries (OPEC)	11	Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela	Protection and up gradation of interest of Petroleum exporting counties
5.	G-8 (Was earlier known by the name of G-7)	8	America, Canada, Germany, Britain, France, Italy, Japan and Russia	Discussion on economic and political matter at world level
6	G-15 (group of 15 non-aligned and developing nations, later on 4 more nations were added)	19	1. Mexico 2. Jamaica 3. Venezuela 4. Peru 5. Brazil 6. Argentina 7. Senegal 8. Algeria 9. Nigeria 10. Zimbabwe 11. Egypt 12. Kenya 13. India 14. Malaysia 15. Indonesia 16. Sri Lanka 17. Iran 18. Colombia 19. Chile	Making the relation between member nations more meaningful

7.	North American Free Trade Agreement (NAFTA)	-	Tri-lateral agreement between America, Canada and Mexico on 12 th august, 1992	Facing European Economic community and economic challenges of Japan
8.	Asia Pacific Economic co-operation (APEC)	21	Australia, America, Canada, Peru, Mexico, Japan, China, Hong-Kong, Taiwan, South Korea, Indonesia, Brunei, The Philippines, Singapore, Malaysia, Thailand, Papuanyugini, New Zealand, Chile, Russia and Vietnam	The development of free trade zone between member nations
9.	Indian Ocean Rim Association for Regional Cooperation (IORARC)	19	India, Australia, Malaysia, Indonesia, Sri Lanka, Oman, Singapore, Yemen, Tanzania, Kenya, Mozambique, Madagascar, South Africa, Mauritius, Thailand, UAE, Seychelles and Bangladesh	The expansion of economic cooperation among countries situated on coastal areas of Indian Ocean

6.4 United Nations Conference of Trade and Development (UNCTAD)

After establishment of GATT, it was experienced that the benefit of activities of GATT was attained by developed nations only and by working method of GATT, bargaining power of under developed and developing nations weakened. Because of this though developing nations started considering GATT as a hurdle in their development and it was started being experienced that some new organisations must be established for international trade and support so that trade gap of underdeveloped nations may be done away with. In this direction United Nations Organisation (UNO) declared the decade of 1960-70 as 'United Nations Development Decade' whose main objective was to find out extra possibilities of trade and development and to make an increase of 5% per year in income of underdeveloped nations. In July 1962, a conference of trade ministers was held at Kahira on which emphasis was laid on need for organising a conference on the subject of trade and development. As a result of this support only UNO decided to organise United Nations Conference of Trade and Development. UNCTAD was born with this first conference itself whose complete credit goes to Dr. Rowel Prebish.

UNCTAD is an integral part of general assembly of UNO, but it has its own supporting institutions and independent secretariat. At present this conference has become a permanent organisation and its headquarters is located in Geneva (Switzerland).

Main Functions of UNCTAD

(i) To encourage international trade among the developed and developing nations in the entire world and to make the economic development progressive. (ii) To determine principles and policies for international trade and matters related to it and for problems related to economic development. (iii) Prepare proposal for application of above mentioned principles and policies (iv) Work in form of a central point for establishing harmony of UNCTAD with other institutions of UNO related to international trade.

Notes

World Investment Report, 2002: UNCTAD

- In year 2001 there has been an increase of 47% in foreign Direct Investment (FDI) of India in comparison to the year 2000.
- In year 2001 in south Asia, approximately \$4Arabs of foreign direct Investment took place. Out of this \$3.4 Arab investment happened in India.
- India has attained success in attracting approximately 70% out of the total direct investment.
- In matter of attracting FDI, India's place is 96th in the list of 142 countries of the world.
- FDI done by developing countries of Asia in other countries had been around \$32 Arab, which was least after 1998.
- In the year 2001, FDI at world level reduced by 51% was left to \$735 Arab, in which there was a decline of 14% foreign investment done in developing nations and 14% in developed nations.

World Development Report 2003

- i. The title of World Development report released by world bank is - 'Sustainable Development is a Dynamic World'
- ii. Gross domestic Product of four big economies of the world on the basis of purchasing power parity as follows:

United States of America	\$9,901 Arabs
China	\$ 1, 131 Arabs
Japan	\$ 4, 574 Arabs
India	\$ 474 Arabs
- iii. Per capita income of India is \$460 whereas maximum per capita income at first and second rank is respectively Switzerland (\$36, 970) and America (\$34, 870).
- iv. Growth rate in India during 2000-2001 was 2.7%
- v. Life Expectancy in India in 2000 was 63 years
- vi. 35% population of India was below poverty line (Urban poverty 30.5% and rural poverty 36.7%)

6.5 European Common Market

A treaty was signed in Rome in March 1957 by six countries – **France, Germany, Italy, Belgium, Netherlands and Luxemburg**. As a result of this treaty **European Economic Community** or **European Common Market** was constructed. The objective of European Economic community was to establish a common market so that with growth and stability in member nations, there may be improvement in standard of living of the people. Common market arrangement established by these EEC countries was only given the name of **European Common Market (ECM)** which was started on 1st January 1958. In this manner the other name of EEC itself is European Common Market (ECM). In year 1973, the number of member nations of ECM became 9 in which **Britain, Denmark and Ireland** also joined. Later **Greece, Spain and Portuguese** also attained the membership of ECM. On 1st January 1995, three more nations **Austria, Finland and Sweden** also became the members of ECM by which the total number of members of ECM increased to 15. Headquarters of ECM is at **Brussels (Belgium)**.

Euro-New Currency of European Community

Notes

On 1 January 1999, Euro, the common currency of European community came into existence. The then 12 nations of European economic Community kept the foundation of starting the euro currency at summit organised at Maastricht (Netherlands) on 9–10 December 1991. As a result of this treaty applicable from 1st November 1993, today Euro, the common currency of Europe is born on the world platform.

Exchange rate of Euro with European currencies

(Determined on 31st December, 1998)

European Currency	Value of an Euro
German – Mark	1.96
French – Franc	6.56
Italian – Lira	1936.27
Spanish – Peseta	166.39
Dutch – Gilder	2.20
Belgium – Franc	40.34
Austrian – Shilling	13.76
Portuguese – Escudo	200.48
Finnish – Maraca	5.95
Irish – Pound	0.79
Luxemburg – Franc	40.34

Main Conditions of Participation in Euro

In the documents of Maastricht treaty, four main conditions have been mentioned for monetary and economic integration and for introduction of common currency 'Euro'.

- (i) Control on inflation rate (inflation rate of the currency in use not being more than 1.5% in first three countries having best performance.)
- (ii) Minimum Interest rate (should not be more than 2% in comparison to interest rates of first three countries with optimum performance)
- (iii) Public loan not being more than 60% of the GDP
- (iv) Annual budget deficit should not be more than 3% of the GDP

In Maastricht treaty, request was made to the countries of EEC to fulfil these conditions so that they may register their participation in 'Euro' the common currency of Europe; 12 countries of Europe have been able to fulfil all conditions for participation in euro, among these countries are – **Germany, France, Belgium, Netherlands, Luxemburg, Ireland, Italy, Finland, Spain, Portugal, Greece and Austria.** Three countries of Europe, **Britain, Sweden and Denmark** have not yet registered their participation in Euro.

Various Stages of Euro Introduction

For keeping a control on operation of 'Euro' common currency being adopted in Europe since 1st January, 1999, formal establishment of European central bank had been done in June 1998 at Germany in Frankfurt and **Bindyuzenburg** of Netherlands was made the first president of European central bank.

Notes

Though use of euro in currency of accounts had started on January 1st 1999, get use of cash euro in transaction is being done from January 1st 2002. This gap of three years in **transition period of euro** because a gap of three years is not only necessary but also practical for printing and typing of currency notes and coins of euro at a large size. Coins and notes of euro issued by European central bank are being transferred in the boundaries of the countries coming under the umbrella of euro in cash transactions from January 1st 2002.

It was decided not only keep the currencies of all the 12 countries alive during the transition period of Euro but also agreed to maintain them as medium of exchange, measure of value and base of accumulation along with euro, after completion of printing of Euro currency and it being brought in use, since January 1st, 2002, all currencies have become ineffective. All 12 countries adopting euro have printed their unique identity but all coins will be accepted equally in all member countries.

7 currency notes of euro currency have been printed from value group of 5 to 500 Euros and 8 coins have been printed; each country coming under the umbrella of euro is free to print any unique creation of their country, but any coin of euro will be accepted in uniform manner by each member country. In this way from January 1, 2002 euro took the form of currency of use along with the currency of account.

Euro and India

At present India's biggest trade partner is European Union. In foreign trade of India with European community along with import goods in large amount export goods are also included. After the common currency 'euro' being adopted by European union India got an alternative good currency for **invoicing**. Apart from this after 12 countries adopting euro India got rid of the difficulties of convertibility with 12 currencies and India's foreign trade will be more favourable by reduction in uncertainty in exchange rate. Euro has come out as a strong alternative currency in international market. It is hoped that in foreign market dependence of India's foreign trade on dollar will reduce and in atmosphere of exchange stability Indian exports with Euro land will increase. Apart from this by rise of euro loans at low cost will be available to Indian borrowers in international market.

Self Assessment

Multiple Choice Questions:

5. Headquarters of World Trade Organisation is in
(a) Paris (b) Geneva (c) London (d) Washington
6. As opposite to temporary nature of GATT, WTO is a permanent
(a) organisation (b) union (c) community (d) state
7. UNCTAD is an integral part of the of United Nations Organisation.
(a) Trade (b) World Bank (c) General Assembly (d) GATT
8. of European Common Market is at Brussels (Belgium).
(a) Office (b) Headquarters (c) Union (d) Organisation

6.6 Asian Development Bank

In September 1963, for Asia and far-east a special committee was formed by the economic commission (At present, Economic and social commission for Asia and Pacific region), on whose recommendation Asian Development Bank was established on 26 November, 1966, which started working from 19th December, 1966. Headquarters of Asian Development Bank is in Manila, the capital of the Philippines.

At present the number of member nations of this bank is 59. The main objective of Asian Development Bank is to encourage economic support and development in the countries of Asia and Far east. Encouraging investment of public and private capital in these countries for economic growth is also the objective of Asian Development Bank. Apart from this, this bank provides help in establishing adjustment in growth policies and plans of its member nations.

Asian Development Bank Report-2002

- (i) In year 2000, GDP growth rate in India was 6% but these rates for 2001 are expected to be between 5.3–5.8% and for year 2002 between 6.1–6.5%.
- (ii) The estimation of inflation rate in the country to remain at a satisfactory level of 5% during 2001 and 2002.
- (iii) The possibility of export of the country to be 13% in 2001 from 12%.
- (iv) The possibility of balance of Payment condition to remain stable.
- (v) It is hoped that current account deficit to be remain 0.9% and 1% of GDP in 2001 and 2002 respectively.
- (vi) Main suggestions:
 - The expansion of irrigation facilities
 - More emphasis on agriculture development
 - Boost to public and private sector in development of infrastructure.
 - Emphasis on increasing public savings
 - The suggestion of continuing economic improvement.

6.7 Multilateral Investment Guarantee Agency – MIGA

MIGA is an insurance equivalent hand of world bank which was formed in 1988 for motivating foreign /direct investment in developing countries. MIGA provided investment guarantee to investors for protecting them from non- trade risks. MIGA may provide insurance up to 90% of investment amount but upper limit of this guaranteed investment is American dollar 50 million. In the year 1977, MIGA approved 293 investment guarantees of the value of 3400 million dollar. Its number of members at present is 154.

International fund for Agricultural Development

In year 1974 at the world food conference, suggestion came for making an international fund for agricultural development. On 30th November 1977 international fund was established for agricultural development. The main objective of establishment of IFAD was to ensure better nourishment in developing poor nations and to collect extra funds for increasing production. IFAD benefits poor rural population through the medium of various programmes. IFDA makes available much discounted loans and grants. Till the year 1999 IFAD has funded 6400 million American dollars for 520 projects of 114 developing countries. Its member count is 160.

Organisation of Petroleum Exporting Countries (OPEC)

OPEC is an organisation of Petroleum exporting countries which was established at Baghdad in 1960. Iran, Iraq, Kuwait, Saudi Arabia and Venezuela are its founder members. **At present there are eleven members of OPEC –** Algeria, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela. Headquarters of OPEC is at Vienna.

Notes

Main objectives of establishment of OPEC are

(i) To protect the interests of petroleum exporting countries by controlling the production and costs of mineral oil. (ii) To bring stability at international level in oil prices (iii) To determine policy relating to oil production, cost and export.

28th Summit of G-8
<ul style="list-style-type: none"> • A two-day summit of G-8, eight industrial nations was held on 27-28th June 2002 at Alberta in Canada at a place named Kananaskis. • The matter of terrorism was the main among the subjects of discussion in this conference. • For loan relief to 42 poorest countries, the determination of extra support of one Arab dollar was expressed (those countries were considered to be poorest, on whom total loan was more than 120% of their GDP). Among such countries 22 countries are of Africa. • The support of 20 Arab dollar was approved in this conference for preventing nuclear weapons of earlier USSR under the scheme named '10 plus 10 over 10', from falling in the hands of terrorists.

Group of Eight Developed Nations (G-8)

Initially, organisation formed in 1975 by the name of G-7 is now known as G-8. Initially, seven developed nations – America, Canada, Germany, Britain, France, Italy and Japan had prepared an organisation by the name of G-7 for discussing over the political problems and economic matters of the world. On end of communist structure in Russia and after start of market oriented economy in 1997, Russia was included in it in form of eight members which is now known by the name of G-8.

G-15

G-15 is an organisation of 15 non-aligned and developing countries. At present 19 countries are included in this organisation in which except Brazil and Mexico, rest all nations are non-aligned nations. Present members of G-15 are India, Indonesia, Malaysia, Sri Lanka, Egypt, Algeria, Senegal, Zimbabwe, Kenya, Nigeria, Venezuela, Peru, Brazil, Argentina, Mexico, Jamaica, Iran, Columbia and Chilli. The main objective of establishment of G-15 is to encourage discussion among developed and backward nations for maintaining balance in trade, investment and financial flow in developing nations. G-15 was established in 1989 at Belgrade at non-aligned summit.

List of summits of G-15 are as follows:

First summit	1990	Kuala Lumpur (Malaysia)
Second summit	1991	Karakas (Venezuela)
Third summit	1992	Dakar (Senegal)
Fourth summit	1994	New Delhi (India)
Fifth summit	1995	Buenos Iris (Argentina)
Sixth summit	1996	Harare (Zimbabwe)
Seventh	1997	Kuala Lumpur (Malaysia)
Eight summit	1998	Kahira (Egypt)
Ninth summit	1999	Montego be (Jamaica)

Tenth summit	2000	Kahira (Egypt)
Eleventh summit	30 – 31 May, 2000	Jakarta (Indonesia)
Twelfth summit	2002	Porlamar Margarita Island (Venezuela)

Organisation for Economic Co-operation and Development

After the Second World War, with the objective of upliftment of financial condition of Europe in 1948, a conference of European countries was organised in Paris and Organization for European economic Co-operation (OEEC) was established. In the year 1961, the name of OEEC was changed to OECD (Organisation for European Co-operation and Development).

The objective of OECD is to make appropriate adjustment of economic – social welfare policies between member nations and also to encourage member nations for making detailed work-plan for welfare of developing nations. Headquarters of OECD is in Paris (France).

Member nations of OECD are – Austria, Australia, Belgium, Canada, Czech Republic, Hungary, South Korea, Mexico, Poland, Denmark, Germany, Finland, France, Greece, Iceland, Ireland, Italy, Japan, Luxemburg, New Zealand, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Slovakia, Turkey, U.K. and America.

Asia Pacific Economic Cooperation

With the objective of increasing economic cooperation in Asia Pacific region, APEC was established in June 1992. At present member count of APEC is 21. These members are – Australia, America, Canada, Mexico, Japan, China, Hong Kong, Taiwan, South Korea, Indonesia, Brunei, The Philippines, Singapore, Malaysia, Thailand, Papua, New Guinea, New Zealand, Chile, Peru and Vietnam. Members of Apec have more than 45% participation in world trade.

Till now eight conferences of APEC have been held:

First conference	1993	Seattle (America)
Second conference	1994	Bogor (Indonesia)
Third conference	1995	Osaka (Japan)
Fourth conference	1996	Suvik Port (Manila Philippines)
Fifth conference	1997	Vancouver (Canada)
Sixth conference	1998	Kuala Lumpur (Malaysia)
Seventh conference	1999	Auckland (New Zealand)
Eighth conference	2000	Bandar Seri Begawan (Brunei)
Ninth conference	2001	Shanghai (China)

Members of APEC are endeavouring to establish APEC as a Free Trade Zone just like European Economic Community (EEC)

Notes

G-24

It is a group of 24 developing nations including India which tries for interest promotion of developing nations in the meeting of World Bank, International Monetary fund and UNCTAD. Last meeting of G-24 was held on 26th April, 1999 at Washington.

Gulf Co-operation Council

Gulf co-operation council was established in 1981. Six countries of the oil-rich gulf region – Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, and United Arab Emirates are its members. The objective of establishing this council is to encourage mutual economic co-operation. Latest summit of the council was organised from 27 – 29 November 1999, at Riyadh, Saudi Arabia. In this conference along with economic co-operation, emphasis was also laid on military co-operation among member nations but mutual consent could not be established on equal tariff structure.

Group of Eight Developing Muslim Nations (D-8)

This group ‘Developing- 8’ or D-8 was formed in June, 1977 by eight Muslim developing nations of the world with large population. The objective of this organisation is to establish mutual co-operation in trade and other areas. Among the countries included in this group are Turkey, Iran, Indonesia, Malaysia, Nigeria, Egypt, Pakistan and Bangladesh whose total population is approximately 80 crores and combined contribution in world trade is approximately 4 percent. The second summit of D-8 took place at Bangladesh on 1 – 2 March, 1999.

Shanghai -5

Five countries of central Asia Russia, China, Kyrgyzstan, Kazakhstan and Tazikistan are the members of this group. This group was formed in 1996 at Shanghai city of China. Its objective is to maintain political stability in the region along with increase in economic co-operation. 2-day conference of Shanghai -5 nations took place from 24 – 25 August, 1999 at Bishkek, the capital of Kyrgyzstan. In manifesto issued at end of 2-day conference determination was expressed for mutual practical co-operation for struggling against terrorism, illegal international trade of additive medicines and weapons, illegal migration, international crimes, separatism and religious fanaticism.

Mercosur

Four countries of south America – Brazil, Argentina, Paraguay and Uruguay, on 1st January 1995, for growth of international market, have ended mutual trade restrictions by establishing a common market Mercosur (Mercosur is a word abbreviation of a Spanish Name which means common market of South cone). All four countries of Mercosur have kept the door open for other nations for being included in this trade agreement.

6.8 Association of South – East Asian Nations – ASEAN

Formation of ASEAN



Did You Know?

Complete name of ASEAN is ‘Association of South East Asian Nations’.

It is a regional organisation of Indonesia, Malaysia, Philippines, Singapore and Thailand. In 1967, five countries of South East Asia, with the objective of 'economic co-operation' made a non-military organisation named ASEAN and by signing a treaty on 8th August 1967, made a formal declaration of its formation. Later in 1984, Brunei also became its member. Initially, Vietnam, Laos, Cambodia and Myanmar were given the status of observer. In 1995, Vietnam and on 30th April, 1999, Cambodia was given complete membership. With this member count of ASEAN is now 10. Among the present 10 member nations of ASEAN Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar and Cambodia are included. ASEAN countries have made India their partial partner. On 24th July, 1996 India has been made complete conversation partner of ASEAN. Russia and China are also provided the status of complete conversation partner.

Central secretariat of ASEAN is in Jakarta (Indonesia) and its president is the General Secretary. Post of General Secretary is given to each nation for two years and the basis of election of country is alphabetical sequence. The joining of bureau director of secretariat and other posts happens after three years.

Summits of ASEAN are not many like SAARC. First summit was organised in 1976, second in 1977, third after a decade in 1987, fourth in January 1992, fifth in 1995 at Bangkok, the capital of Thailand, sixth in December 1998 at Hanoi, and seventh was organised at Bandar Seri Begawan (Brunei). Though the meetings of foreign ministers had been happening each year.

ASEAN: Nature and Objectives

In 10 member nations of ASEAN, people of different Languages, religions, castes, cultures, eating habits, life styles are living and there are differences in informal heritage of these countries, historical background, political, economic and social life values, however, they also have a common understanding of facing certain challenges. These countries face similar challenges of population explosion, poverty, economic exploitation, insecurity etc. which have compelled them to move on the path of regional co-operation.

The main objective of formation of ASEAN is to create economic growth in south east Asia and to maintain its economic stability. Broadly main objective of its formation is to do mutual help in political, social, economic, cultural, scientific, technical, administrative fields etc. and to look for solution for various common problems through collective support which are clearly written at the time of its formation in ASEAN declaration. Its target is to create a common market in this area and to encourage trade among the member nations. On 14th December 1987, third summit of ASEAN took place in Manila. At the end of the 2 day summit ASEAN countries signed on four agreements for increasing mutual trade.

ASEAN is an organisation emphasising on regional economic co-operation, its nature is not at all military. Member nations are not tied with any strict and compulsory condition like 'collective security'. It is not motivated, promoted and related with any super power. Its membership is open for all those south east Asian nations which agree with its objectives.

6.9 Functions and Role of ASEAN

The area of functions of ASEAN is quite broad. Today it is functional in all political, economic, social, cultural, scientific, technical and administrative areas. Its member nations present their personal working procedures for solving problems through regional organisation.

Permanent committee related to social and cultural activities has made many projects whose objectives is to encourage population control and family planning programmes, control on manufacturing of medicines, to give importance to joint working method in educational, sports, social welfare and in national arrangement. In 1969, an agreement was made to increase communication system and cultural activities under which member nations of ASEAN mutually exchange each other's programs

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through the medium of radio and doordarshan. In the field of tourism, ASEAN has established its own collective organisation 'ASEANTA' which provides the facility of tourism in member nations without 'visa'. ASEAN countries had signed on contracts related to protection of trade rights in air services in 1971 and in 1972 in contracts related to providing help to tied up ships. ASEAN has taken a few steps for giving latest technical education to farmers for giving importance to production of food-items which are especially helpful in sugarcane, rice and livestock raising.

ASEAN countries are endeavouring towards establishing 'Free Market Area' (Common Market) of limited goods on the basis of priority. Mutual export and import among ASEAN countries will extend their limited market and will save foreign currency. Apart from this, in the federation agenda of ASEAN commerce and industry association, objective of combined market and trade of ASEAN countries among the main exports has been kept.

In Bali summit of 1976, below mentioned three suggestion were put forward in relation to increasing mutual co-operation among the member nations of ASEAN- (i) by reducing the external import, member nations will give importance to mutual trade; (ii) nations with surplus, food and energy power will help ASEAN nations suffering with scarcity in these areas; and (iii) countries of ASEAN will try to make trade more and more regional.

In Bali summit itself chiefs of ASEAN nations presented a solid outline on role of ASEAN in regional co-operation. In a declaration and agreement president of Indonesia and the Philippines and prime ministers of Singapore, Malaysia and Thailand made the declaration that function of ASEAN will be limited only till economic, political and cultural matters and 'security' will not be included in it.

Assessment of the Role of the ASEAN

It is the opinion of certain scholars of international politics that broadly function and role of 'ASEAN' have been slow and disappointing. Comparing ASEAN with 'European Common Market' their view is organisation has not been able to increase economic and other types of co-operation among the member nations with a sharp speed. Reason for the speed of 'ASEAN' being slow in economic co-operation is lack of necessary capital and purchasing power with member nations. Because of clash of interests of member nations, many international issues have also arose among them.

Allegations are also raised that inclination of ASEAN nations have been more towards western countries. It is true that except Indonesia, other member countries such as Malaysia, Singapore, The Philippines and Thailand are associated with security agreements with western countries and they have stood with western powers not only on many matters of international politics but also on Indo-China also. Foreign military camps are also present in member countries of ASEAN.

Despite of all these criticisms, ASEAN is an organisation of non-military form. Doors of membership of ASEAN are open for all those nations who keep a faith in its objectives, principles and projects. Public of member countries of ASEAN considers it in form of such a machinery which connects the public of a country with the public of another country. The effort of making 'ASEAN' zone a free trade zone is an important step in the direction of regional co-operation.

6.10 South Asian Association for Regional Co-operation- SAARC

Complete name of 'SAARC' is 'The South Asian Association for Regional Co-operation' or 'South Asian Regional Co-operation Union'. On 7 and 8 December 1985 a conference of presidents of 7 countries of south Asia was held and 'SAARC' was founded. These countries are – India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka and Maldives. This was the first initiative of seven neighbouring countries of south Asia in regional co-operation in world politics. On the event of formation of 'SAARC' the lectures that the leaders of south Asia gave, in them, emphasis was laid on increasing mutual co-operation and ending tensions. They also said that by the birth of this new organisation a new era of

harmony, brotherhood and co-operation among these seven nations will start. They called the birth of 'regional support union' to be 'landmark event', 'beginning of a new era' and 'expression of collective imagination and political will power'.

In 14th SAARC summit organised in April 2007, Afghanistan was included in form of eighth member. Leaving aside Maldives rest members of union (India, Bangladesh, Pakistan, Nepal, Bhutan and Sri Lanka) are parts of Indian sub-continent. All these countries are associated with each other through history, geography, religion and culture.



Example

Before partition, India, Bangladesh and Pakistan were eternal parts of one administration and economy, but after independence these countries went away from each other.

'SAARC' was developed slowly. The suggestion of making a regional organisation of countries of south Asian countries was given by ex-prime minister Jia-Ur- Rehman. He had travelled India, Pakistan, Nepal and Bangladesh between 1977–1980. After that only he prepared a document in which ten matters were decided for mutual co-operation in November 1980. Later tourism and joint industry were taken out from that. Chosen matters from these only are still the foundation of co-operation among 'SAARC' countries.

A meeting of foreign secretaries of SAARC took place for discussing documents of Bangladesh in April 1981. First meeting of foreign ministers took place at New Delhi in 1983. In this meeting formal declaration of South Asian Regional Co-operation was done. The meeting of Foreign ministers took place in Maldives in 1984 and in Bhutan in 1985. After that only South Asian Association of Regional Co-operation was established and its constitutional nature was determined.

Determination of Co-operation Areas

Basic foundation of SAARC is to emphasis on regional co-operation. In august 1983, such nine areas were underlined – agriculture, health services, weather science, postal-telegram services, rural development, science and technology, transport and communication, sports and cultural co-operation. Two years later in Dhaka, few more subjects were added to this list – problem of terrorism, smuggling of addictive liquid and role of ladies in regional growth.

Charter of SAARC and Dhaka Declaration

There are 10 sections of the charter of SAARC. In these objectives, principles, institutions and financial arrangements of SAARC have been defined which are as follows:

Objective- According to Article 1, the main objectives of SAARC are- (i) improvement in welfare of public of South Asian region and their living standard. (ii) increasing the collective self dependence of the countries of south Asia (iii) speed up economic, social and cultural development of the area (iv) evaluate mutual trust, understanding and each other's problems (v) increase in active co-operation and mutual help in economic, social, cultural, technical and scientific area (vi) increase in co-operation with other developing nations (vii) strengthening mutual support at international platforms on the matters of general interest.

Principles: According to Article 2 main principles of SAARC are as follows:- (i) under the structure of the organisation support, equality, regional unity, political freedom, not interfering in internal matters of other nations, and respecting the principles of mutual profits (ii) such support will not take place of bilateral or multilateral co-operation but will be its supplement. (iii) such co-operation shall not be opposing bilateral or multilateral responsibilities.

Notes

Institutions- following institutions of 'SAARC' have been mentioned under the charter-

- (i) **Summits:** According to Article 3, each year a summit is organised. The head of the government of member countries participate in the summit. First summit was held in Dhaka, the capital of Bangladesh (7–8 December, 1985), second in Bangalore city of India (16–17 November, 1986), third summit at Nepal (1987), fourth summit (1988) at Pakistan's capital Islamabad, fifth summit (1990) at Male, the capital of Maldives, sixth summit 1991 at Colombo, the capital of Sri Lanka, seventh Summit (April 1993) in Dhaka, the capital of Bangladesh, eighth summit in India's capital New Delhi (3-4 May 1995), ninth summit in the capital of Maldives, Male (12-14 May, 1997), tenth summit in July 1998 at Colombo, 11 summit in January 2002 at Kathmandu, 12th summit in 2004 in Islamabad, 13th summit on 12-13th November, 2005 in Dhaka, 14th summit from 3-4 March in New Delhi, and 15th summit was organised from 2-3 August 2008 in Colombo.
- (ii) **Council of Ministers:** According to Article 4 it is the council of foreign ministers of member countries. Its special meeting may take place any time according to the requirement but one meeting is compulsory in every six months. Its functions are—determining the policy of the association, deciding about the matters of general interest, searching new areas of co-operation etc.
- (iii) **Permanent committee:** According to Article 5, it is a committee of secretaries of member countries. Their meeting may happen any time as per the requirement but one meeting in a year is compulsory. Its main functions are—monitoring the programmes of co-operation, determining inter-regional priorities, recognising new areas of co-operation on the basis of study etc.
- (iv) **Technical committees:** Its arrangement has been made in Article 6. In it representatives of all member countries are there. They are responsible for applying programme in their areas, creating harmony in them and monitoring them. This agreement finds out areas of support and possibilities in the zone.
- (v) **Working committee:** In Article 7, the arrangement of working committee has been done. It is established by the permanent committee.
- (vi) **Secretariat:** In Article 9 there is provision of secretariat. It was established on 16th January, 1987 after the second SAARC conference. Secretariat started working from 17 January 1987. The term of general secretary was kept to be 2 years and post of general secretary keeps revolving among the members one by one. Each member when its turn arrives nominates some persons who are appointer of the SAARC ministerial council. SAARC secretariat has been divided into seven parts and the chief of each part is called director.
- (vii) **Financial Provisions:** The contribution of each member for the functions of SAARC has been kept optional. For distributing the expenditure of programmes among the members support of recommendation of technical committee is taken.

For fulfilling the expenditure of secretariat, the contribution of member countries has been determined as follows: India 32%, Pakistan 25%, Nepal, Bangladesh and Sri Lanka, each 11% and Bhutan and Maldives each 5%.

Assessment of the Role of SAARC

Time has turned very fast in south Asia. Take a look at the time before 24 years. Especially, with the efforts of Rajiv Gandhi, the then prime minister of India, SAARC came into existence. India, Pakistan, Maldives, Bhutan, Bangladesh, Nepal and Sri Lanka were included in it. Accumulating 22 per cent population of the world, this is the biggest regional organisation of the world. In the decades of 80s and 90s meaning of SAARC was just announcements related to big conferences and regional matters,

though raising bilateral matters on this platform was restricted. Pakistan would raise Kashmir Matter and India had been answering it. Because of it conference would lose its track.

Conditions changed with the change in century. Leaders of South Asia took a lesson from the success of regional organisations such as European Union and ASEAN.

These regional organisations have attained quite a lot of success through economic unity. It was clear before SAARC, an organisation of seven countries that in economic development, regional and global contacts can play an important role. These countries started considering SAARC to be a medium for economic growth. They accepted that through it along with economic growth, help will also be found in the process of settlement of thoughts. In the conference held at Islamabad in January 2004 such clear expression came forward. In this conference SAARC countries expressed determination to make South Asian Free Trade Area (SAFTA) by 2012. Also India and Pakistan started solutions for their political problems. In November 2005, this process moved forward at a historical conference held in Dhaka. Since SAARC coming into existence, first time new member of this area, Afghanistan was accepted in form of complete member. Along with that China, South Korea, Japan, United States of America and European Union were given the status of observer. Thought behind this was that SAARC countries should take economic support from these powerful countries.

Self Assessment

State Whether the following statements are True False:

9. Central Secretariat of AEAN is in Geneva.
10. The conference of chiefs of governments of 7 countries took place in Dhaka and SAARC was established.
11. SAARC is also known as 'Daxes conference'.
12. Charter of United Nations Organisation is less detailed in comparison to covenant of nation's organisation.

6.11 United Nations Organisation

Objectives and Principles of United Nations

Charter of United Nations Organisation is more detailed in comparison to its covenant. It has 10,000 words, 111 articles and 19 chapters. It is said in the manifesto of United Nations that United Nations Organisation is established for doing away the fear of war forever, for protecting fundamental human rights, dignity, ability, equal rights of men and women and all small-big nations, establishing justice and for raising social status and standard of living.

Objectives of the union: In Article 1 of the charter, four main objectives of the union have been told:

1. Maintaining international peace and security; Stopping the crisis of peace through influential and collective efforts; suppressing the powers disturbing peace and solving international quarrels on the basis of international laws.
2. Motivating widespread peace, on the basis of equality and freedom, motivating friendly relations between the countries.
3. Attaining international co-operation for solving economic, social, cultural and mental problems of the world and encouraging human rights and fundamental freedom without any bias.

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4. Making United Nations Organisation such a centre, where for attaining the above mentioned objectives, harmony between different works of the countries may be established.

Apart from the above mentioned objectives, it is also accepted that until any member nation behaves under the charter, its internal matters will not be interfered into. Responsibility of world peace has been laid on all members in collective form.

Principles of United Nations Organisation

1. Universalsness and equality of member nations is unabated. The status of big or small countries is considered to be equal and they have equal right to send equal number of representatives and cast votes.
2. Members will follow the responsibilities applicable on them according to the charter of United Nations Organisation, with complete loyalty.
3. Member countries are committed to solve mutual issues in a peaceful manner.
4. Members will not do any job against the objectives of United Nations Organisation. Neither will they fight against each other nor will give any threats of war.
5. Any member will not help the country working against the charter of United Nations Organisation and will co-operate in every manner in the proceedings of the union.
6. For maintaining peace and security, United Nations Organisation will make such an arrangement that the countries which are not the members they also behave according to the principles of the charter.



Caution

For protection of peace, until there is a need, United Nations Organisation will not interfere in internal matters of any country.

Above mentioned principles look very appropriate in form of ideals but practically present many difficulties are present in it. For example, in the charter all the members are given the right of equality but the special position that is available to five members of security council, it is against this principle.

Membership of United Nations Organisation and Main Points

In the charter of United Nations Organisation, there is an arrangement of two types of members. In the charter of the union, from Articles 3 to 6 there is a detailed mention of membership. There are two types of members of the union- (1) Initial members (2) Nominated members. Countries signing the charter in the san Francisco conference were considered its initial members. For becoming a member it is necessary for a country to be peace loving, accepting the objectives and principles of the charter and being able to complete them. New members are made on recommendation of security council, with the two-thirds majority of the assembly. Any permanent member of the security council may stop any new country from being the member of United Nations Organisation by the use of its 'veto'. Rights of all the countries are considered to be equal and it is expected from them they will follow their responsibilities and duties according to the charter with complete loyalty. Non-member countries also are given the facility of presenting their international issues before the security council. It has been said in Article 6 of the charter that if any member country continuously violates the principles of the charter, then on the recommendation of the security council, general assembly may expel it. Though in relation to giving up membership there is no mention in the charter of the union, but its member

countries may willingly leave its membership. Hindasia had willingly given up the membership of the union.

Head office of United Nations Organisation is in New York which was completed in the year 1952. English, Chinese, Spanish, French and Russian languages are the accepted languages of United Nations Organisation but most works are done in English and French language only.

Income-expenditure of United Nations Organisation is estimated to be approximately \$5 crores. Every year there is a possibility of increase in it. This amount is completed by contributions given by member countries. Estimated ratio of contributions is as follows:

United states of America	31.19%
Soviet Russia	14.92%
England	7.21%
China	5.75%
France	6.91%
India	1.85%
Canada	3.25%
Other Countries	29.02%

At present United Nations Organisation is going through a serious financial crisis. Its main reason is that some states have done some cut in the contribution given to united nations. **Presently numbers of its members are 190.**

Main parts of United Nations Organisation

According to Article 7, in the third chapter of United Nations charter, 'main parts' of this institution are as follows:-

1. General Assembly
2. The Security Council
3. The Economic and Social Council
4. The trusteeship Council
5. The International Court of Justice
6. The Secretariat

Evaluation of the Functions of United Nations Organisation

On thinking over the political and non-political functions of United Nations organisation, we clearly conclude that history of this world institution had been the story of success and failures. It had successfully solved many political issues. At many occasions it has effectively stopped the expansion of war. There have been occasions when it had reduced the severity of issues and created an atmosphere of mutual conversation. But it has been unsuccessful in solving a lot of issues. Its story in solving the issues in which interests of super powers have been clashing, these are a sorrowful story. Role of this institution in some issues had been very controversial. Even in the direction of disarmament also any solid progress could not happen through the medium of United Nations Organisation.

Achievements and importance of United Nations Organisation are not less, despite of all these as according to Clark M. Eichelberger (*The U.N. - The First Twenty Five Years*) 'though countries might

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have ignored it for a few moments but they return to it because it is only such a medium through which solution to the problems of the world may be taken out.' Palmer and Perkins write in '**International Relations**' "United Nations has made itself inevitable in the lives of the countries". There is no doubt in that mere presence of United Nations has balanced the competitors and had an influence on the directions of the events. But biggest crisis before United Nations is financial crisis. Without a solution to this crisis effective form may not be provided to reconstructions and improvements of united nations. On the fifth anniversary of United Nations (October 1995), the then General Secretary, Boutros Ghali open this secret that United Nations is at the verge of 'Bankruptcy'. He criticised the member countries that they are guilty of not giving their contributions on time. Among these, America is the biggest guilty. The amount of \$3.3 billion that is due from 91 countries, approximately half amount from it has to be paid by America.

As far as there is a question of non-political matters of United Nations Organisation, it has attained praisable success. According to Rojen and Jones, "in economic, cultural and health related areas its successes are issueless, unsusceptible, and praiseworthy". Contribution of special agencies of United Nations making human life happy, prosperous and healthy is unforgettable. For control of malaria in Greece World Health Organisation provided help at a large scale and average of this illness reduces there from 95% to 5%. In India also for curing T.B. it has given B.C.G. vaccine in ample quantity. It has provided DDT for controlling Malaria and Penicillin for stopping other illnesses in large countries to different countries. Some important 'conventions' adopted till now are as follows: (i) in 1919, hour related policy in work in industries and policies related to not employing females at night. (ii) 1927 – forced labour related (iii) 1933 – old age pension related (iv) 1934 – unemployment related (v) 1952 – Forced labour related convention (vi) 1951 – contract related to refugees was promoted (vii) 1955 – organising conference on peaceful use of nuclear energy.

In 1963, United Nations food and agriculture organisation started a world food programme for necessitous countries. As a result of a movement organised by world health organisation in 1980 small pox was eradicated from the entire world. In 1964, for education promotion in 8 countries selected by UNESCO, 'Pilot Projects' were prepared. Where UNESCO is taking modern education and science towards undeveloped nations, there on the other side, UNICEF is making a mentionable contribution in development of needy children of the third world.

In short, United Nations Organisation has been doing the job of a 'Safety Valve' in preventing international issues from being severe. Its jobs done for human welfare are praiseworthy.

6.12 Summary

- International Monetary Fund was established on 27 December, 1945 in Washington with an objective to balance international trade, international monetary support and for maintaining stability in exchange rates.
- GATT was established for promoting international trade and for solving problems related to international trade. After ending of its existence, more powerful organisation WTO was established in place of it.
- World Bank had an important role in initial economic development of India after attaining Independence. Among Asian nations, **first loan was given by World Bank to India itself in 1949.**
- World Bank had provided an instantaneous aid of \$ 300 million for recovery from the destruction caused by Gujarat earthquake and in next six months proposal was made by the bank to again provide support to the government for reconstruction of Gujarat.

- A treaty was signed at Rome in March 1957 by six countries – **France, Germany, Italy, Belgium, Netherlands and Luxemburg**. As a result of this treaty, **European Economic Community** or **European Common Market** was constructed.
- MIGA is an insurance equivalent hand of world bank which was formed in 1988 for motivating Foreign / direct Investment in Developing countries. MIGA provided investment guarantee to investors for protecting them from non- trade risks.
- Main objective of formation of ASEAN is to create economic growth in south east Asia and to maintain its economic stability.
- Complete name of 'SAARC' is 'The South Asian Association for Regional co-operation' or 'South Asian Regional Co-operation Union'. On 7 and 8 December 1985 a conference of presidents of 7 countries of south Asia was held and 'SAARC' was founded.
- Head office of United Nations Organisation is in New York which was completed in the year 1952. English, Chinese, Spanish, French and Russian languages are the accepted languages of United Nations Organisation but most works are done in English and French language only.
- According to article-7 in the third chapter of United Nations charter, 'main parts' of this institution are as follows:
 1. General Assembly
 2. The Security Council
 3. The Economic and Social Council
 4. The trusteeship Council
 5. The International Court of Justice
 6. The Secretariat

6.13 Keywords

- **WTO:** World Trade Organisation
- **UNCTAD:** United Nations Conference of Trade and Development
- **SAARC:** South Asian Association of Regional Co-operation
- **IMF:** International Monetary Fund
- **ASEAN:** Association of South East Asian Nations

6.14 Review Questions

1. What do you understand by International Monetary Fund? Describe.
2. What is World Bank? Describe India's relation with the World Bank.
3. What is meant by World Trade Organisation (WTO)? Throw light on its functions.
4. What do you understand by UNCTAD? Interpret its various conferences.
5. What is European common Trade? Explain.
6. Explain Multilateral investment Guarantee Agency.
7. Describe nature and objectives of ASEAN.
8. What do you understand by South Asian Association for Regional Co-operation (SAARC)? Describe its various institutions.
9. Describe the objectives and principles of United Nations organisation.

Notes

Answers: Self Assessment

- | | | | |
|-------------------------|----------|------------------|-----------|
| 1. basket of currencies | 2. 1945 | 3. Supplementary | 4. India |
| 5. (b) | 6. (a) | 7. (c) | 8. (b) |
| 9. False | 10. True | 11. True | 12. False |

6.15 Further Readings



Books

1. **Comparative Politics and Political Institutions** – C. B. Jena, Vikas Publishing.
2. **Comparative Politics and Political Analysis** – Dr. D. S. Yadav.
3. **Comparative Politics** – Prof. Ramanand Gairola.
4. **Indian Politics** – Comparative Perspective- B. B. Chaudhary, Sri Mahavir Book Depot.

Unit 7: Transnational / Multinational Corporations and State

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Objectives

After studying this unit, students will be able to:

- Understand reasons for the growth of MNCs.
- Explain domination of MNCs.
- Discuss foreign collaborations in Indian Industries.
- Know symbol of Neo-Colonialism : the Multinational Corporations.

Introduction

Multinational corporations are those oligopolistic companies whose factories and network of sales administration are spread in many countries. These corporations try to earn more benefits from their business activities spread across the world instead of decreasing the maximum profits from one or two units and from this point of view their business strategy gets comprehensive. According to a report of the United Nations, these type of corporations are not essentially private enterprises; they may also have a cooperative or government ownership. These type of corporations have immense capital (a measure of this can be taken from the fact that their capital in 1967 was 105 billion dollars which increased to 287 billion dollars in 1976) ; their production techniques are very advanced and their goodwill is spread in many countries of the world. So, whatever product these companies produce, they are able to sell it easily in any country.



Example

There is a particular craze for the products manufactured by multinational corporations in least developed countries and the common people prefer them more over local products.

7.1 Reasons for the Growth of MNCs

Some of the factors responsible for the growth of MNCs are given below:

1. **Expansion of market territory:** As a very big firm grows in size and its goodwill starts spreading in foreign countries, the firm tries to spread its operations beyond the geographical boundaries of its country.
2. **Marketing superiorities:** In comparison to the national firms, the multinational firms are superior in the area of marketing. For example (i) The multinational corporations have quicker and complete access to information regarding the market situation; (ii) MNCs have less difficulties in selling their goods due to their goodwill; (iii) they are in a position to arrange for more and better advertisement and promotion for the sale of their products; and (iv) they have better storage facilities.
3. **Financial superiorities:** The multinational firm has financial superiority in comparison to national firm because of these reasons (i) it has excessive financial resources with which it can make all the situations as favourable; (ii) it is more efficient in the utilisation of funds and the resources originated in one country can be used in other countries when needed; (iii) it can mobilise resources from foreign capital markets more easily; and (iv) due to its international goodwill it can collect international resources with greater ease. Even the investors and banks from other countries are eager to invest in them.
4. **Technological superiority:** Least developed countries have basically invited the MNCs for providing support to their industrial growth because they have better technology in comparison to the national firms. The transfer of technology from the MNCs is considered to be useful by the less developed countries due to the reasons given below:
 - (i) In order to get out of underdevelopment, the most important way is industrialisation but these countries do not have many sources to help them start industrial development on their own;



Caution

The optimum use of local manpower, capital instruments and other resources is necessary but less developed countries do not have enough capacity to carry out such work on their own.

- (ii) In order to put the complete responsibility of industrial growth on local companies, heavy imports of raw materials, capital instruments, machinery and technical knowledge will be needed but MNCs arrange all these by themselves.
- (iii) Less developed countries need to compete heavily in order to sell their goods in the international markets. Till they are not able to produce international level goods of good quality, their goods will not get sold. MNCs help them to produce such goods.
5. **Product innovations:** MNCs have big Research and Development units which are always trying to develop new products and to improve the types and designs of existing products. Hence, the 'production opportunities' of MNCs are much greater in comparison to national companies.

7.2 Domination of MNCs

The status of MNCs is very strong in the business administration of India. Actually, 10 years ago these big companies had around 53.7 per cent assets of India's giant sector. According to the 1966 report

Industrial Licensing Committee, 112 companies had ` 10 crores or more worth of assets. 48 of these companies were either branches or Indian subsidiary companies. Apart from this 14 companies either had heavy foreign risk capital or they had heavily borrowed foreign debts. This implies that there was a considerable amount of foreign control on these companies. This way in 1966, foreign control on 62 out of the 112 big companies was quite apparent. Dalip S. Swami has argued that there was a lot of influence of foreign companies apart from these on Indian companies by means of technical support. In return for technical assistance, they were providing the foreign companies secure markets for machines and components, etc. A few companies were highly dependent on large international financial agencies for financial assistance, as a result of which the foreign control on them was very strong. So in 1966, the top of the Indian industrial pyramid was controlled by foreign companies.

In India, a remarkable thing about the working of the multinational corporations is that they have raised most of the finances for their business in India. Sudeep Chaudhary has examined the sources of finance for the multinational corporations from 1956 to 1965. It is clear from his analysis that during this whole period the share of foreign resources was only 5.4 per cent of the total percentage of financial sources. That is to say that 94.6 per cent of the financial resources were collected from domestic sources. It is clear from the Table 5.4 of John Martinussen's study that while in 1976, the consent for foreign share in the capital issued by public limited companies, was 61.5 per cent of the total consent, it went down to only 29.5 per cent in 1980. According to Martinussen, 20 companies connected with multinational corporations even reduced their foreign funds. Many of these companies did not receive any resources in the form of currency from 1974 to 1983. This fact is very important because it refutes that multinational companies bring foreign capital with them in large quantities. The reality is that the multinational corporations in India collect most of the capital in this country only but send the profits earned to their own countries.

Self Assessment

Fill in the Blanks:

1. In comparison to the national firms, the multinational firms are superior in the area of
2. MNCs have big Research and Development units which are always trying to develop new
3. are those companies which control production facilities in two or more countries.
4. MNCs have difficulties in selling their goods due to their goodwill.

7.3 Foreign Collaborations

Foreign collaboration is the main form of the partnership of multinational corporations in the Indian industries. For this purpose, collaboration agreements are made with the Indian industrialists which often have arrangements for the provision of technology. Sometimes the permission to use the brand names is given too. How high the rate of collaboration of foreign companies with Indian companies can be estimated from the mere fact that after independence, there has been some or the other type of collaboration in all industries that were established in the big or medium industries group. In the last few years, the government's policy has become more liberal, as a result of which there has been a flood of foreign collaborations.

Some interesting facts are revealed from this study of foreign collaborations. Many collaborations were made to produce commodities which were unnecessary or which could easily be produced from domestic technology. The names of many goods can be taken in this context such as vacuum flask (thermos), lipstick, toothpaste, cosmetics, ice cream, beer, biscuits, readymade clothes, etc. Not only was

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the permission for agreements of foreign collaboration given for these goods but also the permission was given to different industrialists to collaborate with different companies for the production of the same goods. The duration of foreign collaborations was often renewed in case they ended. It is clear that all these foreign collaborations were made to fulfil the demands of a typical high income group and to earn the benefits of a foreign brand name.

Apart from this 'tendency' of foreign collaboration, it had many other flaws which are clear from the following details:

1. In many agreements of foreign collaboration, the government has given permission to different industrialists to import the same or similar technology from different sources. This has increased the burden of payment on the country, but there has been no increase in available technical knowledge.
2. Due to the import of technology for the same kinds of goods from different sources and countries, the necessity for some types of components, designs, raw materials and so on has increased. Hence, arrangements are required for their production or storage of their stocks, due to which there has been wastage of resources. Apart from this, there have also been difficulties in the standardisation of goods.
3. The terms of the agreements were often favourable for the foreigners and unfavourable for our interests. The main reasons for this were weak bargaining power of Indian industrialists and the readiness of the government to obtain foreign collaborations due to the foreign exchange crisis.
4. Since the task of the specification of machinery and the supply of equipment were left to the foreign partners, not only did they charge arbitrary prices but also imported more than needed resources. Goods were imported several times despite being locally available. Sometimes the machinery remained idle due to unavailability of components and sometimes the production process was more sophisticated and mechanised than needed. There are also examples that foreign partners handed over their obsolete technology to India.
5. The rates of payment were fixed in such a way that maximum benefit can be derived. Normally, the government's policy was that 5 per cent of maximum annual sales and 5
6. per cent of the cost of imported plant should be given in the form of technical fees or per cent of the capital issued in the form of technical fees should be given as a lump sum. But these 'maximum limits' became 'normal rates' in reality.
7. The biggest difficulty in foreign collaboration agreements is the presence of restrictive and controlling conditions. Some of the controlling conditions were as follows— (i) Technology cannot be transferred to any other person or industrialist (sometimes even after the termination of agreement); (ii) Production is to be done according to the specifications of the foreign partner and no changes can be done according to the local needs; (iii) If any transaction is to be done in foreign countries, it can only be done with the foreign partner (or through it as a medium); (iv) Sometimes it was arranged to control production under the close watch of foreign technical experts; (v) There was intervention of foreign firms in the pricing policy, marketing and so on. Sometimes there was a condition that a part of production had to be made available at a pre-determined commission to any of the employed unit of the foreign company in this country or any specific firm had to be appointed as the sole sales agent; (vi) Restrictions were also there on the power to export and there was a provision that exports could only be done to specific countries or on specific conditions.
8. Monopolistic powers have been encouraged due to foreign collaborations and the concentration of economic power has increased. Foreign companies have tied in with big business houses and both parties have benefitted from this.



Notes

Foreign collaborations have helped the big industrial houses in obtaining patent instruments, foreign currencies, etc. due to which there has been an increase in their wealth and economic power.

Notes

Self Assessment

Multiple Choice Questions:

5. The status of MNCs is very in the business administration of India .
(a) weak (b) strong (c) normal (d) low
6. In , the top of the Indian industrial pyramid was controlled by foreign companies.
(a) 1966 (b) 1950 (c) 1948 (d) 1962
7. Monopolistic powers have been encouraged due to foreign collaborations and the concentration of power has increased.
(a) social (b) political (c) economic (d) religious
8. Foreign is the main form of the partnership of multinational corporations in the Indian industries. .
(a) misuse (b) collaboration (c) disruption (d) none of these

7.4 Symbol of Neo-Colonialism: The Multinational Corporations

Multinational companies or corporate imperialist countries have new and the best quality of huge monopolies, which control vast resources and spread their activities outside their countries by searching for cheap labour, cheap materials and favourable markets to earn maximum profit and invest capital. They have the economic, political and military support of their countries. These corporations are tools of the neo-colonialist policy of imperialism.



Notes

According to Raymond Vernon, “ Multinational enterprise is a group of corporations of different nationalities which are tied in a shared management plan.”

Manis and Sanwant have written that multinational corporations are those companies which control the production facilities in two or more countries. **Louis T. Wells** considers multinational corporations as multinational trading enterprises and calls them transnational actors.

The activities of multinational corporations are oriented towards two objectives: **First**, in order to guarantee the supply of staple goods such as raw materials, oils, iron ore, copper, tin, rubber, tea, coffee and natural resources and **Second**, to establish factories through capital investment in those countries where cheap labour and cheap raw materials are available.

Notes

Economic Power of the Multinational Corporations – Kegley Jr. and R. Witcoff have written that "The reason that multinational corporations have attracted so much attention is the range of their activities and the strength of their economic power". On one side, multinational corporations have become the resources of transfer by developing the capital, industries, techniques and technical knowledge to the third world which is less developed from the first world but on the other side, they have made the third world countries extremely dependent on the developed countries.



Did You Know?

These multinational corporations made 50,000 million dollars of new money which was one-fifth of the overall national production (excluding the socialist countries).

The growth rate of multinational corporations is twice that of non-socialist countries and the average growth rate, so it has been estimated that by 2010, multinational corporations will gain 60 per cent of control of the total production (excluding the socialist countries).

In 1970, the total sales of the biggest companies, each of which had annual sales of more than 300 million dollars, was more than the total national production of 80 countries. The annual sales of America's three multinational corporations – General Motors, Standard Oil and Ford are equal to India's total national production. In 1971, while the total national income of India was 4,897 million dollars, the total sales of General Motors, Standard Oil and Ford are 1,875 million dollars, 1,655 million dollars, and 1,498 million dollars respectively.

America's 10, Britain's 5 and Switzerland's 3 multinational companies respectively generate 40 per cent, 30 per cent and 40 per cent of total production of the capitalist world. In other words, 18 multinational companies of the world generate 84 per cent of the total production of the capitalist world. The multinational companies which produce munitions of war make sales of more than 2,000 million dollars annually. This value is half of India's total national income. There are 500 big companies in America which control 60 per cent of production and it has been estimated that by 2010, they would control 90 per cent.

Multinational companies spend a lot of money in America to appoint their preferred presidents. This is evident from the revelation of the Watergate Scandal that multinational companies spent 7 million dollars in the campaign of Nixon. It is almost clear that the assassination of President Kennedy was done by these companies through C.I.A, which disliked certain policies of Kennedy.

Instruments of Multinational Corporations

The type of exploitation done by multinational companies can be understood with the help of an example. Multinational companies sell cold drinks to the third world nations and buy oil. There is 99 per cent water and 1 per cent secret chemical formula in the foreign cold drinks. The 99 per cent water is local and the companies sell these cold drinks at a rate of ₹ 25 to ₹ 30 per litre or ₹ 4,000 to ₹ 5,000 per barrel by mixing 1 per cent chemical. The cost of imported oil from second and third world countries at a rate of mere ₹ 450 per barrel. The explanation of the methods of multinational companies to complete their entrusted motives becomes clearer from the following examples:

1. There is possession of multinational companies on majority of oil reserves in the Middle-East. Unreasonable attacks have been done by imperialists, especially American imperialists, through the medium of Israel as a puppet on those Arab countries which want their control on national natural resources.

2. There was possession of multinational companies on gold, iron and oil reserves of Angola. The independence of Angola under the leadership of M.P.L.A would mean the loss of iron, gold and oil reserves from the hands of multinational companies. To protect this, America and South Africa had attacked the legitimate government of Angola in 1975 while rejecting the international law.
3. In 1975, an American multinational electronic company pressurised the Mexican government to change their labour laws which gave some protection to the workers. When Mexico refused to do this, the company shut down its factories and relocated to Costa Rica. As a result of this, 12,000 workers were unemployed.
4. When the Allende government in Chile took steps to nationalise an American multinational company, in retaliation, the American companies got Allende assassinated and changed the government.
5. There is possession of multinational companies on exports of Bananas in Latin America. The Banana exporting countries receive only 11.5 per cents on Dollar income of Bananas. In order to receive more income from Banana, 5 Banana exporting countries formed their own group and levied export tax on Bananas. In response, a company destroyed 1,45,000 boxes of bananas instead of paying the tax, another company bribed the authorities with 15 lakh dollars and saved 70 lakh.
6. Multinational companies bribe ministers and authorities of different countries in order to receive maximum order for their production and to make the internal politics of different countries favourable. The news of bribing in different countries by multinational companies such as Lockheed, Northrope, Goodyear, Fager, etc., has come to light, the fact has emerged that in Bofors Cannon deal in India and Enron companies gave bribes to crack deals. In this manner, multinational companies earn a profit 1,500 million dollars annually by paying bribes.

Notes

Instrument of Neo-Colonialism-Unequal Trade

Unequal trade is a medium by which multinational companies rob the developing countries. Developing countries sell raw iron, oil, copper, tin, manganese, wool, jute, cloth, tea, coffee, etc. to capitalist countries and in return, buy industrial materials, machines, medicines, fertilisers, chemicals and grains. The control of the capitalist countries in the world is on the basis of unequal trade.

Instrument of Neo-Colonialism-Direct Capital Investment

The main objective of direct capital investment by multinational companies in developing countries is to guarantee the supply of raw materials and primary production for the industries of capitalist countries and to earn maximum profit by using cheap labour and raw material. Hence, after analysing the direct capital investment by multinational companies in developing countries, we find that :

- (i) multinational companies do not invest capital in basic industries.
- (ii) they invest the highest in oil, mining, smelting and farming, from where they can obtain raw materials and primary production.
- (iii) they invest capital in goods which give maximum profits such as – medicines, dalda, oil, powder, etc.
- (iv) they invest capital in trade banks, transportation and other non-productive fields.

Instrument of Neo-Colonialism-Highest Profits

The rate of profit earned from the capital invested by the multinational companies in developing countries is the highest because of cheap labour, raw materials and the intensity of exploitation in these countries. In Europe, there is an average of 8 per cent profit on invested capital while in developing countries the profit is 14-15 per cent. It is even higher in some fields. The rate of profit in Africa is 20 per cent. It is 60 to 70 per cent in Chile's copper industry. Medical multinational companies earn 200 to 300 per cent profit on the capital invested in developing countries.

Notes

Instrument of Neo-Colonialism – Supply of Weapons

In order to prevent the economic growth of the Third World, multinational and imperialist governments created infinite military bases in the Third World and they are spanning the Third World with weapons. Between 1950 to 1972, weapons were exported to the Third World by America worth 852.2 million dollars and by Britain worth 297.9 million dollars.

The imperialists forced the developing countries to ignore development and increase the defense expenditure by arming the puppet and nations of Israel, Saudi Arabia, Pakistan, South Rhodesia, South Korea and other countries.

Cultural Imperialism

It is a cultural tale, a cultural colonialism to promote one's own civilisation, culture and values and calling the cultural values of others as worthless and destroying them. After the Second World War, the policy of cultural expansion of Western countries, the tendency to inflict the western cultural values on developing countries in an indirect manner, the tendency to convert the minds of the people of developing countries to western ways is a live example of 'cultural colonialism'. American Cultural Centre, American and British libraries, American magazines, scholarship plans, B.B.C. and Voice of America are the main tools of cultural colonialism.

France is the first country to consider cultural relations as a political responsibility. Britain had cultural relations with its colonies, so it made arrangements to maintain these cultural relations on the basis of commonwealth by providing peaceful regional independence to most of them. Due to Britain's foresight and the efforts of American missionaries and government, more than about one crore of the people of semi-developed countries can read and write English today and through their medium, these governments can easily keep the communications system running.

From the point of view of expansion of cultural relations by the United States of America with other countries, the exchange of students was given a lot of encouragement. A feature of America's cultural program is that every year millions of less costly books are sent from here to foreign countries.

The Results of Neo-Colonialism

An example of how much the multinational corporations can intervene in the political life of a country is – Lockheed Corporation, which bribed a high ranking politician in Japan to make decisions in its favour. The story of the demise of the Allende government in Chile is also the story of intervention of multinational companies. These companies enter any country like termite and dominate its economic and political life. Neo-Colonialism has been hampered by this.

7.5 Summary

- Multinational corporations are those oligopolistic companies whose factories and network of sales administration are spread in many countries.
- According to a report of the United Nations, these type of corporations are not essentially private enterprises; they may also have a cooperative or government ownership. These type of corporations have immense capital. Their production techniques are very advanced and their goodwill is spread in many countries of the world.
- The status of MNCs is very strong in the business administration of India.

- Foreign collaboration is the main form of the partnership of multinational corporations in the Indian industries. For this purpose, collaboration agreements are made with the Indian industrialists which often have arrangements for the provision of technology.
- Multinational companies or corporate imperialist countries have new and the best quality of huge monopolies, which control vast resources and spread their activities outside their countries by searching for cheap labour, cheap materials and favourable markets to earn maximum profit and invest capital.

7.6 Keywords

- **Multinational Corporation:** These are oligopolistic companies whose factories and network of sales administration are spread in many countries
- **Cultural Colonialism:** Promoting our own civilisation, culture and values, and calling the cultural values of others as inferior, destroying them, is cultural colonialism

7.7 Review Questions

1. What do you mean by Multinational Corporations? Explain the reasons for the growth of Multinational Corporations.
2. Explain the domination of MNCs in India.
3. Comment on Foreign Collaboration in Indian industries.
4. What is a Multinational Corporation? Describe the economic status and methods of an MNC.
5. Describe the instruments of Neo-Colonialism with reference to Multinational Corporations.

Answers: Self Assessment

- | | | | |
|--------------|-------------|------------------|---------|
| 1. Marketing | 2. Products | 3. Multinational | 4. Less |
| 5. (b) | 6. (a) | 7. (c) | 8. (b). |

7.8 Further Readings



Books

1. **Comparative Politics** – C. B. Jena , *Vikas Publishing*.
2. **The Outline of Comparative Politics: Politics of Liberal, Socialist Developing nations** – Gava O.P., *Mayur Paperbacks*.
3. **Comparative Politics** – Jagdish Chandra Johri.
4. **Comparative Politics** – Chandradev Prasad, *Atlantic Publishers*.

Unit 8: Nationalism: Approaches

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Introduction

8.1 Introduction of Nationalism

8.2 Nation and Nationalism

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8.4 Summary

8.5 Keywords

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8.7 Further Readings

Objectives

After studying this unit, students will be able to:

- Understand Nation and Nationalism.
- Explain Nationalism and Pluralism.

Introduction

What is the normal understanding of nationalism? If the opinion of the people is asked roughly, we will get to hear things like patriotism, national flag, sacrifice for the nation and so on. The Republic Day parade in Delhi is an unmatched symbol of Indian nationalism. This symbol exhibits power and strength along with a sense of diversity. Many people connect this diversity with the Indian nation. But if we try to go in deep we will find that it is difficult to give an unambiguous and binding definition of nationalism. This does not mean that we should leave our effort. It is important to study nationalism because it plays a significant role in global affairs.

8.1 Introduction of Nationalism

During the last two centuries, nationalism has emerged as a compelling political theory which has contributed in creating history. Along with classic fidelities it has also inspired deep animosities. It has united as well as divided the people. It helped in getting freedom from tyrannical regime and is also the reason for opposition, bitterness and wars at the same time. It is also one of the reasons for the demise of nations and kingdoms. Nationalist struggles have contributed in setting-resetting the borders of kingdoms and nations. Even today a large part of the world is divided into nation-states. Although the process of recombination of the borders of the nations is not over and the separatist struggle in the existent nations is a normal thing.

Nationalism has passed through many stages. For example, in the 19th century Europe, it paved the way for the unification of small kingdoms into greater nation-states. The unification, formation and

strengthening of today's Germany and Italy also happened through this process. New kingdoms were established in large numbers in Latin America. The strengthening of the borders of the kingdoms along with the local loyalties and languages evolved in the form of progressive national loyalties and binding vernacular languages. The people of the new nations acquired a new identity, which was based on the membership of the nation-state. In the previous century, we have seen the strengthening of our nation go through such a process. However, nationalism was also responsible for the decline of some big kingdoms.



Example

In the beginning of the twentieth century in Europe, it was Nationalism only which was the root of the dissolution of Austrian, Hungarian and Russian empires along with the British, French, Dutch and Portuguese empires in Asia and Africa.

The struggles of India and other colonies to gain freedom from the colonial rule were also nationalist conflict. These struggles were inspired by the aspirations of establishing independent nation-states from the foreign control.

The process of resetting of the borders of the nation is still going on. From the decade of 1960, the directly sustained nation-states too have faced the nationalist demands of some groups or zones. These demands also include the demand for an isolated state. Today we can see such nationalist struggles in many parts of the world that are creating dangers for the existence of the current nations. These movements for isolated states are being run by Quebecers in Canada, Basquans in Northern Spain, the Kurds of Turkey and Iraq and the Tamils of Sri Lanka. Some groups of India too speak the language of Nationalism. Today all Arab countries can expect a pan-Arab union to unite in the name of Arab Nationalism. However, struggles for the isolated nations such as in the case of Basque and Kurd are conflicting for the fragmentation of the existing states.

We can agree on the question that nationalism is an impactful power even today. However, it is very difficult to reach an agreement in relation to defining terms such as nation or nationalism. What is a nation? Why do people build a nation and what a nation inspires us to do? Why are people willing to sacrifice even their lives for the nation? How and why the claims of patriotism be connected to the claims of statehood? Are the nations allowed to remain isolated or have the right to stay self-determined? Can the claim of nationalism be satisfied without accepting isolated statehood? In this unit, we shall examine some of these matters.

8.2 Nation and Nationalism

A nation is not any casual group of the people. However, it is different from the groups or communities found in the human society. It is also different from a family. A family is based on direct relations, each member of which has personal information of the personalities and characters of other members. It is also different from ethnic, tribal and other groups. The traditions of marriage and dynasty connect the members to each other. That is why, if we do not know the other members personally, we can still find those links which connect us to each other when require. However, as the members of the nation we can never and are not able to know most of the members of our nation directly and it is also never required to form hereditary bonds with them. Still, nations exist, people live in them and respect them.

Normally, it is believed that the creation of the nations is done by such groups which are participants of some particular identities such as race or language or, religion or ethnicity. However, there are no such specific qualities which exist within the nations in the same way. Many nations do not have their own same language. The example of Canada can be taken. English and French speakers live together in Canada. In India too, there are many languages which are spoken in different regions and among different communities. In many countries, there is no standard religion to connect them. The same can be said for qualities such as breed or race. Then what is it that creates a nation?

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Notes

A nation is an imaginary community to a large extent, which is bound by the collective beliefs, aspirations and imaginations of its members.

It is based on some special opinions which people forge for that overall community, with which they make their identity. Let us try to identify and understand some opinions.

Shared Beliefs

First, a nation is made through beliefs. A nation is not like mountains, rivers or houses, which we can see and touch. They are also not such things which have an existence independent from the people's beliefs. To give the name of a nation to the people of some society does not mean to describe their physical qualities or manners. It is the evidence of the collective views and identities for the future of the group which is an aspirant of independent political existence. In this sense, a nation can be compared to a team. When we talk about a team, we mean a group of people who work or play together and what's more important they believe themselves to be a united group. If they do not think of themselves in this way, their reputation as a team will keep on diminishing and they will remain separate people who play or work. A nation's existence remains only when its people believe that they are together.

History

Second, the people who consider themselves to be a nation have a frequent feeling of permanent historical identity within themselves. This means that the nations see themselves in such a way that as if they have collected the foregone past with the coming future. They create historic perceptions for themselves through the creation of texts, legends and historical records to present the outline of the permanent identity of the nation. In the same way, the nationalists of India have presented evidence of the country's ancient civilisation and cultural heritage and other accomplishments in order to claim that India has a long and unabated history as a civilisation and it is the foundation of the civilisation's continuity and the united Indian nation. For example, Nehru has written in his book 'Discovery of India' – "Although from the outer appearance there was diversity and infinite differences, there was a tremendous trace of unanimity everywhere which kept us together for long, irrespective of the political future or adversity we faced."

Territory

Third, the identity of many nations is connected to a specific geographical area. Living in a specific territory together for a long time and the memories related to its past, give a perception of a collective identity to the people. It also gives them a sense of oneness. That is why it's not wonderful that those people who see themselves as one nation, talk of one homeland. The territory on which these people fix their authority, the place where they live, present their claim on it and give it a lot of importance. Nations define their homelands in different ways. Some call it motherland or fatherland while some call it holy land. For example, the Jewish people despite being spread in different parts of the world for most of the time in their history, have always claimed that their original home location Palestine is their 'heaven'. The Indian nation is identified by the rivers, mountains and zones of the Indian subcontinent. Since more than one group can have a claim on a single territory, therefore, the aspiration of homeland has been a big reason for struggle all over the world.

Shared Political Ideals

Notes

Fourth, although own territory and shared historical identity play an important role in developing a perception of oneness, a shared view for the future and the collective want to create an independent identity is that main thing which separates a nation from other groups. The members of the nation have a shared view in the matter that they want to make a state of this type. Apart from other things they accept values and principles such as democracy, secularism and liberalism. In reality, these are the only conditions by which they want to come and live together. In other words, these thoughts depict their political identity in the form of the nation.

In democracy, for some political values and ideals, only shared commitment is the most wanted basis for some political community or nation. Within this the members of the political community are bound by some political liabilities. This liability is born from the giving of identity to the rights in the form of all the people as citizens. If the citizens of the nation know and accept their responsibilities towards their fellow citizens, it makes the nation strong. We can even say that accepting this perspective of personal responsibilities is the biggest test of loyalty towards the nation.



Task

Express your thoughts on shared political ideals in nationalism.

Shared Political Identity

Many people believe that the shared political view for making the kind of society that we want is not enough to bind people in the form of a single nation. They want a shared cultural identity such as a common language or ethnic lineage in its place. There is no doubt that in speaking a common language, the personal communication becomes easy. On having a common religion, many beliefs and social traditions get shared. Celebrating similar festivals, getting holidays on same events and holding the same beliefs can bring the people together, but it can also pose danger for those values which we consider important in a democracy.

It has two reasons – one is that all the big religions of the world are full of diversities from the inside. They have developed and grown from the interaction in their community. As a result, many cults are formed within religion and their interpretations of religious texts and rules are very different. There is a doubt that we might create a very dominant and oppressive society if we defy these differences and establish an identity on the basis of a common religion.

The second reason is that most of the societies are full of cultural diversity. People of different religions and different languages live together in a single territory. Some groups will not be able to get admitted by entrenching a particular religious or lingual identity as a condition for membership of a state. This can limit the religious independence of the groups not admitted or harm the groups not speaking the national language. In both cases, the principle of 'a common behaviour and freedom for everyone' which we consider valuable for democracy will be greatly retrenched.



Caution

It's better to imagine the nation in political terms and not in cultural expressions.

This means that in a democracy, there is need for loyalty towards a main group instead of being associated with a particular religion, race or language. This main group can also be included in the constitution of the country.

Notes

Some situations have been identified above through which nations express their collective identity. We also saw why democratic nations forge this identity on the basis of shared political ideals. However, an important question is still unanswered that why do people organise themselves as a nation? What are some aspirations of different nations?

Self Assessment

Fill in the Blanks:

1. The Republic Day parade in Delhi is an unmatched symbol of Indian
2. Nationalism was also responsible for the of some big kingdoms.
3. The struggles of India and other colonies to become from the colonial rule were also nationalist.
4. The unification, formation and strengthening of today's Germany and Italy happened through this process of

8.3 Nationalism and Pluralism

While dropping the thought of 'One culture, one state,' it becomes important to think of such ways by which different cultures and communities can develop in a country. In order to achieve this objective, many democratic countries have started projects of accepting the identity and protecting the minority communities in a cultural manner. There are detailed provisions for the protection of religions, languages and cultural minorities in the Indian constitution.

The rights that are given to the groups in different countries include—minority groups and their language, right to constitutional protection for culture and religion. In some matters these groups have the right to represent legislative institutions and other state institutions. These rights can be justified lawful in this manner that these rights provide security and same behaviour to the members of this group by law as well as security for the cultural identity of the group. Apart from this, these groups are to be given recognition as a part of the national community. This means that national identity is to be defined in an inclusive manner which can give importance to all the members of the nation-state and give significance to the unique contribution.

Although it is hoped that the expectations of the groups can be met by providing them significance and security, still it can happen that some groups remain fixed on their demands for a separate state. It can appear opposing that while the era of Globalisation is going on in the world, political aspirations are still overwhelming many communities and groups. In order to deal with such an obstacle in a democratic manner, it is important that the related countries introduce utmost generosity and humility.

In totality, the right of national self-determination was normally understood as a form in which there is the right of independent state for the nationalities. But it is impossible that an independent state is provided to all the national groups. Also, it would possibly be undesirable. It can lead to the formation of such states which would be very small from economic and political points of view and would increase the problems of the minority groups. This redefinition of this right is now done. It means the approval of some democratic rights for some nationality within the state.

We live in a world which is very alert towards the importance of giving recognition to the identities of groups. Today we are witnesses to many such struggles which are going on for the identity of the group and are using the means of nationalism. It is required that we accept the trueness of their claims

of national identity but it does not mean that we show sympathy to the intolerant and homogenetic forms of nationalism.

Self Assessment

Multiple Choice Questions:

5. A family is based on relations.
(a) direct (b) indirect (c) neutral (d) normal
6. A nation is an imaginary
(a) committee (b) community (c) group (d) organization
7. The Indian nation is identified by the rivers, mountains and of the Indian subcontinent.
(a) Plateaus (b) Lakes (c) Zones (d) All of these
8. Lots of beliefs and social customs are shared by having the same
(a) species (b) culture (c) religion (d) politics

8.4 Summary

- During the last two centuries, Nationalism has emerged as a compelling political theory which has contributed in creating history. Along with classic fidelities it has also inspired deep animosities.
- The identity of many nations is connected to a specific geographical area. Living in a specific territory together for a long time and the memories related to its past, give a perception of a collective identity to the people.
- Although own territory and shared historical identity play an important role in developing a perception of oneness, a shared view for the future and the collective want to create an independent identity is the main thing which separates a nation from other groups.

8.5 Keywords

- **Minority** : One which is less in number
- **Contradictory** : Related to contradiction
- **Provision** : Related to procedure
- **Displacement** : To displace

8.6 Review Questions

1. What do you mean by Nation and Nationalism? Explain.
2. What is the significance of Nationalism and Pluralism? Explain.

Answers: Self Assessment

- | | | | |
|----------------|------------|----------------|----------------|
| 1. Nationalism | 2. Decline | 3. Independent | 4. Nationalism |
| 5. (a) | 6. (b) | 7. (b) | 8. (c). |

Notes

8.7 Further Readings



Books

1. **Comparative Politics and Political Analysis** – *Dr. D. S. Yadav.*
2. **Comparative Politics and Political Institutions** – *C.B. Jenna, Sterling Publishers*
3. **Comparative Politics** – *Prof. Ramanand Gerolla*
4. **Indian Politics: Comparative Perspective** – *B. B. Chaudhary , Shree Mahavir Book Depot.*

Unit 9: Forms of Nationalism

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- 9.1 Forms of Nationalism
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- 9.4 State Nationalism
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- 9.6 Romantic Nationalism
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- 9.8 Post-colonial Nationalism
- 9.9 Liberation Nationalism
- 9.10 Left-wing Nationalism
- 9.11 National Conservatism
- 9.12 Religious Nationalism
- 9.13 Summary
- 9.14 Key-Words
- 9.15 Review Questions
- 9.16 Further Readings

Objectives

After studying this unit, the students will be able to:

- Understand forms of Nationalism.
- Explain Ethno, Civic, State and Expansionist Nationalism.
- Discuss romantic, Cultural and Post-Colonial Nationalism.
- Know liberation, Left-wing, National Conservatism and Religious Nationalism.

Introduction

A nation is to a large extent an 'imaginary society', which is united through the support of the collective beliefs, expectations and imaginations of its members. Often, nationality is that group which is closely associated due to the same species, languages, religions, culture, geographic densities, etc., and is inspired by the feelings of unity due to the same political expectations and the same historical evolution. Nationalism is still effective in the world. Nationalism is that concept in which the interests

Notes

of one's own nation are given the most importance, that is, the importance and the welfare of one's own nation are considered supreme.

9.1 Forms of Nationalism

Many scholars argue that nationalism has more than one forms. Nationalism can be expressed or presented in the form of the ideology of the state government or among civic, ethnic, cultural, religious or conceptual lines in the form of a popular movement. Several definitions of the nation itself are expressed in the form of nationalism, although these categories are not mutually distinct. Some changes in many of the nationalist movements can be expressed or classified by parameters such as scale and location.

Some political principalists believe that it is wrong to differentiate between the various forms of nationalism. Many features of the common culture still remain in all the forms of nationalism. The concept of nationalism, in reality, is an attempt to analyse the expressions or interpretations. The academics have tried to define nationalism in different days within one year of the development of the concept of nationalism.



Notes

Nationalism is that principle in which the interests of one's own nation are considered supreme.

9.2 Ethnonationalism

Some of the elements of earlier generations always remain in ethnonationalism. It usually includes a common language included among ideas of a shared culture. Ethnic group tends to protect the national group to achieve political legitimacy of their work and makes available the facilities for the socio-cultural life of the group.

This is the most prominent form of nationalism which is now known only in the form of 'Nationalism'. Famous scholar, Anthony D. Smith, uses the term 'Ethnonationalism' to oppose the western thoughts of the defined nation through the geographical area. It is normally in the case of nationalists.

9.3 Civic Nationalism

It is that form of nationalism in which the nation achieves legitimacy through the active participation of its citizens. Often, it is believed to have been originated from Russo's principle of Social Understanding which was first discussed in Russo's book 'The Social Contract' in 1762 A.D. Civic nationalism is included in tradition of rationalism and liberalism but it is the exact opposite of Ethnonationalism. The membership of civic nationalism is voluntary. This nationalism can be seen in developed countries like America and France. This concept believes that the nation is a group of such people who contribute in the power and administration of the state and every person contributes in achieving the objectives at individual level.

Self Assessment

Fill in the Blanks:

1. Nationalism to a large extent is an imaginary

2. is still effective in the world today.
3. Nationalism is that principle in which national interest is considered
4. Many features of remain in all the forms of nationalism.

Notes

9.4 State Nationalism

Usually, we recognize the modern state in the form of a national state. So sometimes the nation and the state are considered to be options. A nation is a group of those people who permanently live in a specified territory and experience unity due to the feeling of common political aspirations, common interests, common history and common fate. They are ready to sacrifice themselves living as the citizens of one nation and keeping strong loyalty towards their nation and consider their nation to be supreme while giving importance to their nation's interests.

State nationalism is often used in the context of opposition in between the nationalism and in a way is considered to be related to separatist ideology. This normally depicts the unity of the people of a smaller region in a big nation, which also depicts democratism.

9.5 Expansionist Nationalism

Expansionist nationalism is a harder form of imperialism which includes autonomy, sense of patriotism with detailed confidence in itself. This is closely related to Nazism.

9.6 Romantic Nationalism

Romantic nationalism is a form of ethnonationalism which achieves political correctness in the form of a natural and expressed consequence. It reflects the thoughts of romanticism and opposes the renaissance related to rationality. It emphasizes on the historical ethical culture.

9.7 Cultural Nationalism

Cultural nationalism is defined in terms of shared culture, but it is not voluntary or hereditary overall. If someone's son is raised in a different culture, the members of the group look towards him as a foreign person. Cultural nationalism is annotated in that form of nationalism which is neither civic nor ethical.

9.8 Post-colonial Nationalism

At present, nationalism is the basis of the national state. Marx rejects this nationalism, his belief is that, 'there is no country for the labour.' Marx believe that the wealthy class exploits the proletariat class. When this exploitation of one person by another person ends, the exploitation of one country by another country will also end. No matter how natural and desirable the notion of internationalism is, the fact that nationalism is the greatest power of present times which cannot be ignored. The notion that the feeling of nationality becomes strong from sectionalism can now be seen in the crucial situations.

After the end of the Second World War, the nationalism of the third world emerged with the process of colonization. The nationalism of the third world emerged in those countries which were colonized and which were exploited in a horrible manner. The sense of nationalism developed in these countries in order to maintain their existence. An important example of this is the nationalism that developed in African and Arabic countries.

Notes



Did You Know?

Civic is that form of nationalism in which the state achieves political correctness through the active participation of its citizens.

9.9 Liberation Nationalism

Many movements in the world have been dedicated to national independence, where countries are exploited by other countries. In such countries, the feeling of sacrifice through self-determination developed among the people in order to liberate their country from the tyrants by liberating themselves. This ideology has a relation with the Marxist-Leninist ideology from the inside in which the following words of Marx are famous “ What’s left for you to lose ?”

Soon after the Second World War, the end of the European-Kingdom or Colonialism started and independent sovereign nations emerged in large numbers. The main reason of this was the end of colonialism. America’s colony of the Philippines gained independence in 1946 but the process of the end of colonialism gained momentum with the independence of India while Africa had only four independent countries – Egypt, South Africa, Ethiopia and Liberia. When colonialism ended, the number of independent countries in Africa rose to 55. All the independent and sovereign states started moving towards development for their own interests and welfare. Tribalism in Africa was a major obstacle in the path of nationalism. Economic backwardness and exploitation by foreign countries were also disruptive in the development here. The end of colonialism has been termed a revolution of international politics. At this time, due to the emergence of new leadership the concept of nationalism reached its greatness.

9.10 Left-wing Nationalism

Left-wing nationalism is also often known as socialist nationalism. This nationalism presents any political movement which mixes nationalism with left-wing politics. A good example of this was the revolution of Fidel Castro in Cuba.

Self Assessment

Multiple Choice Questions:

5. The membership of Nationalism is hereditary.
 (a) religious (b) ethnic (c) civic (d) romantic
6. Civic nationalism is included in the tradition of rationality and
 (a) liberalism (b) socialism (c) populism (d) racism
7. Cultural Nationalism is defined in the form of shared
 (a) religion (b) race (c) culture (d) politics
8. Left-wing nationalism is also often known as nationalism.
 (a) Culturist (b) Religious (c) Political (d) Socialist

9.11 National Conservatism

National conservatism is a political term which is mainly used for that form of conservatism in which attention is focused on national interests through standard conservatism. Many national traditionalists

are social traditionalists who are of the opinion of limiting immigration. Often this is oriented towards the traditional family and social stability.

9.12 Religious Nationalism

Religious nationalism is related to that form of nationalism which is related to a specific religious belief. This relation is broken by two viewpoints

- (i) From the politicization of religion, and
- (ii) From the narrow impact of religion on politics.

In the first one, shared religion can be seen as a contribution in context of national usefulness which unites all the citizens of the nation together. The second political opinion helps the national identity which shares the culture, language and ethnicity normally. The impact of religion on politics is more theoretical, where the present explanation of thoughts and theories which makes the political happenings active.

9.13 Summary

- Nationalism is often known as the group of such people who are related due to the same species, languages, religion, cultures, geographical densities, etc., and is inspired by the sense of unity due to the same political aspirations and the same historical developments.
- Nationalism is that principle in which the interests of the nation are given the most primacy, that is, the unity, importance and welfare of one's own nation or country are considered supreme.
- Nationalism can be expressed or presented in the form of the ideology of the state government or among civic, ethnic, cultural, religious or conceptual lines in the form of a popular movement.
- Some of the elements of earlier generations always remain in ethnonationalism. It usually includes a common language included among ideas of a shared culture.
- It is that form of nationalism in which the nation achieves legitimacy through the active participation of its citizens.
- Religious nationalism is related to that form of nationalism which is related to a specific religious belief. This relation is broken by two viewpoints:
 - (i) From the politicization of religion, and
 - (ii) From the narrow impact of religion on politics.

9.14 Keywords

- **Nationalism** : That principle in which one's own nation's interests are considered to be supreme
- **National Conservatism** : In which standard conservatism is considered to be higher than nation's interests

9.15 Review Questions

1. Describe the various forms of nationalism.
2. Explain:
 - (a) State Nationalism

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- (b) Liberation Nationalism
- (c) Religious Nationalism

Answers: Self Assessment

- | | | | |
|------------|----------------|------------|------------|
| 1. Society | 2. Nationalism | 3. Supreme | 4. Culture |
| 5. (b) | 6. (a) | 7. (c) | 8. (d) |

9.16 Further Readings



Books

- 1. Comparative Politics** – C. B. Jena, *Vikas Publishing*.
- 2. The Outline of Comparative Politics : Politics of Liberal, Socialist , Developing Nations** – Gava O.P, *Mayur Paperbacks*.
- 3. Comparative Politics** – Jagdish Chandra Jauhari , *Sterling Publishers*.
- 4. Comparative Politics** – Chandradev Prasad, *Atlantic Publishers*.

Unit 10: Anti-Colonial Movements

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Objectives

Introduction

10.1 Change at the International Level

10.2 Changes at Local Level : Freedom Movement in the Colonies

10.3 Different Stages Towards Independence

10.4 Summary

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10.6 Review Questions

10.7 Further Readings

Objectives

After studying this unit, students will be able to:

- Understand change at International Level.
- Explain internal transformation of the colonial powers.
- Know changes at local level and freedom movement in the colonies.
- Discuss different stages towards independence.

Introduction

The end of European colonialism began soon after the end of the Second World War. At the time when the United Nations was established in 1945, the number of its members was only 51. In 1995, after the completion of 50 years of foundation of the United Nations the number of its members increased to 185. This increase of more than three times in the members of the United Nations was possible because of the emergence a very large number of independent sovereign nations during this period. Its basic cause was the end of colonialism. New states came into existence with the end of the Second World War.

Most countries of Asia were independent by the end of the decade of forties. The Philippines and the colony of America got independence in 1946 but the process of the end of colonialism gained momentum in August 1947 with the independence of India. Meanwhile in Africa, there were only four independent countries at the end of the decade of forties – Egypt, South Africa, Abyssinia (Ethiopia) and Liberia. When the decolonisation was almost complete in 1995, the number of independent countries of Africa was 55. Namibia, the last colony of Africa got independence from South Africa in 1990. Two kingdoms situated in the Pacific Ocean – Micronesia and Marshall Islands became independent in 1991.

Notes



Notes

A new era started with the end of the bondage of most countries of Asia and Africa. This process of change was called Decolonisation.

There are two agents of decolonisation or dissolution of colonialist kingdom. First, the demand for independence by the dependent people of the colonies, which got strength from freedom movements. Second, the inability of the colonial powers to keep control over the colonies. Decolonisation was the result of the struggle of most colonies but after the Second World War, the change that took place in the international environment also triggered process of elimination of colonial administration by weakening the colonial powers.

The biggest change in the politically divided world is the increase in the number of sovereign states. This also happened on a very small scale after the breakdown of Habsburg and Ottoman empires in 1918. The same process developed at global level after the passing of one generation with the breakdown of the European empire. This process was largely complete in 25 years. Although some countries like Namibia had to struggle for some more time. The period of the process of decolonisation was affected by the Cold War. So, it is natural that some new states would have been affected by the international environment. The basis of Cold War was the division of the world in two factions. Hence, there were expectations from the new countries that they would certainly join one of the two factions; but on the initiative of Jawaharlal Nehru, many new countries like India took the decision to adopt independent foreign policies and function on the policy of non-alignment by not joining any of the two factions. These new countries were called Third World because they had kept themselves aside from the two factions or two worlds. So decolonisation played an apparent part in the emergence of the third world.

The colonial empires did not make any effort for the development of the colonies in Asia and Africa, as a result of this, these colonies remained in an undeveloped or underdeveloped condition. We should not think of only the colonial countries as the culprits for their slow rate of development. Some colonies were themselves responsible for this or their condition was such that they could not develop at a rapid rate. Tribalism in Africa is a very big obstacle in the way of national unity. Tribalism and other traditional beliefs, which are encouraged by the colonial powers, are not only become an obstacle in the way of African nationalism but are also the reason for internal instability and disunity in different states. Economic backwardness and exploitation by the foreign countries is also an obstacle in the development here. The African nations cannot develop till the time the foreign domination persists on the African administration.

The end of colonialism was termed a revolution of international politics. There were many reasons for this revolution. Lundestad has reviewed all the reasons at three different levels based on a model created by Ronald Robinson and Rojan Louise. These three levels are – International level, National level (colonial powers) and local level (colonies). The different reasons at these three levels contributed to decolonisation.

10.1 Change at International Level

The impact of the traditional colonial countries rapidly decreased after the Second World War. Small colonial countries such as Britain, France and Holland started losing power from their hands. The two countries that emerged as superpowers after the world war were normally adversaries of colonialism. Although in the past, the United States of America had acquired some colonies, still it was principally against maintaining a colonial administration. As a result of American-Spanish war in 1898, America had acquired the Philippines as a colony. It was the most prominent colony of America. President Franklin Roosevelt was certainly a sharp critic of colonialism. He gave assurance of the independence

of the Philippines in 1935 only. America did not take any steps for the independence of the Philippines at the beginning of the war in 1939. The American belief in the principle of self-determination did not match with its occupation of colonies. It was originally against colonialism. Other colonies should have been made independent in the same way America made itself independent from British empire in the eighteenth century. America thought of accelerating the process of decolonisation as its responsibility despite being claimed to be a colonialist by the Soviet faction.



Example

The United States of America was the first country which gave independence to a black colony after the Second World War.

This example had many good effects. The American administration kept constant pressure on accelerating the process of decolonisation. During the war, Roosevelt was pressurising Britain to impose such changes, which helped India to achieve independence sooner. The United States of America was mainly pressurising such colonial powers, which were not very powerful countries. Still America did not put pressure on the government of Holland for the independence of their colony Indonesia prior to 1948–49.

The policy of the Soviet Union too was clearly against colonialism. The Soviet Union was emphasising that all the colonies should be made independent sooner but those republics of the Soviet Union, which were in Asia, never hoped to get freedom from Soviet control. These republics were not colonies in the formal sense anyways. According to Marx's principle, imperialism was the last stage of capitalism. Hence, the Soviet Union had a commitment towards decolonization on a conceptual basis too. It was committed to support freedom struggles for this but after the Second World War, The Soviet Union started calling the freedom-fighting leaders of different colonies as Western-Lackeys. Many leaders in the Indian independence struggle were also kept in this category. Due to this viewpoint, frequent struggles arose between the local communists and the leaders of the independence struggle. The Soviet Union gave a lot of support to those colonies where the leadership of the freedom movements was in the hands of the communists and leftists. It did not show much interest in the freedom struggles of those countries which were being led by non-communists. This viewpoint had an apparent effect on the policies of the colonial powers. Some colonialist countries imposed such changes in their colonies, which prevented their freedom struggles from coming in the hands of the communists. So according to **Lundestaad**, "the Soviet Union affected the activities of the colonial powers by both, its policies and its bare existence." If in any country, the freedom struggle came in the hands of the communists, the colonial countries slowed down the rate of decolonisation in that country. This also happened in the matter of the viewpoint of France in Indo-China because Indo-China had come under the apparent control of the communists.

Latin encouraged the independence of foreign region. Britain made Iraq independent in 1932. It was a mandate of Britain. In the same way, the United States of America played a remarkable role in ensuring the independence of the trustee territories under the trust arrangements.

Self Assessment

Fill in the Blanks:

1. The end of colonialism is termed of international politics.
2. The biggest in the politically divided world is the increase in the number of sovereign states.
3. The Philippines became in 1946.
4. According to Marx's principle, imperialism was the last stage of

Notes

10.2 Changes at Local Level: Freedom Movement in the Colonies

The decision for the freedom of colonies could not be taken voluntarily by the colonial powers. There were many differences in the policies and viewpoints of these powers. Some colonies had forcefully taken the independence. Freedom struggle of different colonies did not have the same basis or their nature was not the same. Their nature often had heavy differences. The time taken for the success of the freedom struggles of a colony was determined by many reasons.

Some of the main determining elements were – commitment of local leaders, support of the common people and the viewpoint of colonial power. There were some colonies in which the colonial rule started almost around a time when the rulers had conquered the colony involved. At the other end, there were colonies like Ghana, Nigeria, The Congo, Angola, etc., too where the freedom struggles did not start while the colonies of Asia became independent.

The anti-imperialist movements were usually of two types. We can call the first category of struggle as National Independence Movement. National Liberation Movement can be put in the second category. The movements of the first category were done in most colonies. The objective of these national independence movements was to establish national government in place of foreign power and to establish strong states post independence. The objective of this freedom movement was not to make immediate changes in the colonial society. The Leftist scholars were not satisfied with the nature of these movements. They called them as capitalist, commercial and bureaucratic movements. According to them, their objective was only to make political changes. National Liberation Movements come in the second category. These movements started relatively late and their leadership and support was done by leftists who believed in class-struggle. Their objective was to make fundamental changes in the socio-economic structure along with the elimination of foreign rule. The end of foreign colonial rule was a common objective among both the categories. Basically, the freedom struggles were political, they were led by leaders who had a sense of patriotism and their objective was Swaraj or self-rule but the liberation movements were affected and run by the Marxist-Leninist ideologies. Their objective was to bring social revolution along with political independence. In this way, the goal of the national movement done in India was political independence. On the other hand, liberation movements were run in Indo-China, Angola, etc. In short, liberal democratic rule was often established in the countries which gained freedom through national independence movements but liberation movements paved way for socialist states.

Self Assessment

State whether the following statements are True or False:

5. The decision for the freedom of colonies could not be taken voluntarily by the colonial powers.
6. The anti-imperialist movements were usually of three types.
7. The goal of the national movement done in India was political independence.
8. The colonial empire of started with the decline of Salazar.

10.3 Different Stages Towards Independence

Geoffrey Barraclough has divided the freedom struggle in three stages. He does not believe in any difference between independence movements and liberation movements. Barraclough has done the analysis of three sequential stages of development. The first stage was dominated by proto-nationalism. During this stage colonial rule was accepted by local people, but social groups and political movements demanded reforms within the system. In India, the National Congress was established in 1885, it remained a forum of quality debates. The leadership believed in the superiority of British civilisation.

They also had faith in the Englishmen's sense of justice. The early demands of the Congress included limited local reforms and job opportunities for educated Indians. In Indonesia, the first stage began only in 1911 with the beginning of religious – nationalist movement called Sarekat Islam. Similar movements began in Tunisia, Nigeria, etc., around 1920.

The second stage is identified as the 'rise of new leadership.' Nationalism began to gain ground among the middle class. During this stage the demands made on colonial powers were substantially expanded, and independence was considered, at any rate, as a future goal. In India, this stage lasted till about the time of non-cooperation movement. The social base of the Congress had expanded, yet the struggle was far from being a mass movement. Complete independence in India was demanded only in 1930. Till then, the aim was restricted to dominion states. In India, Sarekat Islam committed itself to independence as early as 1917. In Tunisia and Nigeria, such turning points were reached only in 1934 and 1944, respectively.

Mass movements took birth in the third stage. The nationalist movement started getting the support and participation of the common people. National movements became so strong by this time that the colonial rulers had to use force to maintain themselves in power. In India, under Mahatma Gandhi's leadership the movement reached the common man even in remote villages. The Congress movement for 'purna swaraj' was a mass struggle for independence. The British had to use force and often sent leaders and their followers to jail. In Indonesia, a comparable movement could be launched by Sukarno only during the Second World War. In Nigeria, the third stage was reached only in 1951.

The three stages were not equally distinct everywhere. The process extended to longest period of time in British colonies. In many of the French colonies (especially south of Sahara) it took just 10 to 20 years. In the Belgian Congo there were hardly any demands for independence till 1955. Many local leaders then visualised a period of 60 years or longer for independence. Still, the Congo was free in 1960.

This way, we can see that the end of colonialism began in Asia and Africa after the Second World War, which was completed by the end of this century. Britain, France and Holland had lost their colonies. Though these colonial countries had tried to keep the colonies under them by different ways, it was impossible to stop the steam of freedom started in the history, so colonialism ended by the end of twentieth century and all the independent nations became members of the United Nations. Both the superpowers too, encouraged the end of colonialism.

10.4 Summary

- The end of European colonialism began soon after the end of the Second World War. At the time when the United Nations was established in 1945, the number of its members was only 51. In 1995, after the completion of 50 years of foundation of the United Nations the number of its members increased to 185.
- There are two agents of decolonisation or dissolution of colonialist kingdom. First, the demand for independence by the dependent people of the colonies, which got strength from freedom movements. Second, the inability of the colonial powers to keep control over the colonies.
- The impact of the traditional colonial countries rapidly decreased after the Second World War. Small colonial countries like Britain, France and Holland started losing power from their hands.
- A principle of decolonisation is that the logically compatible process of the breakdown of colonial empires was responsible for the success of freedom movements.

10.5 Keywords

- **Colonialism:** The principle of keeping colonies as a subject to (under) oneself
- **Imperialism:** The principle of maintaining and expanding the empire

Notes

10.6 Review Questions

1. What is the Colonisation Movement? Explain its changes at the international level.
2. Explain the changes at local level of the freedom movement in colonies.
3. Highlight the different stages towards independence.

Answers: Self Assessment

- | | | | |
|---------------|-----------|----------------|---------------|
| 1. Revolution | 2. Change | 3. Independent | 4. Capitalism |
| 5. True | 6. False | 7. True | 8. False |

10.7 Further Readings



Books

1. **Comparative Politics** – *Prof. Ramanand Gerolla.*
2. **Comparative Politics** – *Chandradev Prasad, Atlantic Publishers.*
3. **Comparative Politics and Political Institutions** – *C. B. Jena, Vikas Publishing.*
4. **Comparative Politics and Political Analysis** – *Dr. D. S. Yadav.*

Unit 11: Nationality and Self-determination

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Contents

Objectives

Introduction

11.1 Nationality

11.2 National Self-determination

11.3 Summary

11.4 Keywords

11.5 Review Questions

11.6 Further Readings

Objectives

After studying this unit, students will be able to:

- Understand Nationality.
- Explain National self-determination.

Introduction

We commonly recognise the modern state in the form of a nation-state. So sometimes, nation and state are thought to be synonyms. However, nation and state are separate concepts.

In order to understand the dynamics of a nation, it is important to differentiate between nation and national race or nationality. Nationality is usually a group of such people who are connected from within because of a common race, language, religion, culture, geographical compactness, etc., and are inspired by a sense of unity due to common political aspirations and common historical evolution. Most of these elements are based on circumstances of birth, so the field of nationality remains very limited and there is very little scope of its expansion. The sense of nationality separates a group of people from another and sometimes the notion of our own superiority and disrespect towards others is hidden with it. Sometimes the existence of many nationalities in a state becomes the reason of critical stress.

11.1 Nationality

Some writers give the definition of nation in those terms in which the definition of nationality is given. So sometimes, the demands for separate states for each nationality are raised. However, this viewpoint is not accepted now. The basis of nation is much wider as compared to nationality and it is also the appropriate unit for the organisation of state. This way the modern concept of nation reaches its logical consequence in the form of a nation state.

Notes



Notes

Nation is that group of people who permanently live in a specified territory and experience a bond of unity because of a sense of common political aspirations, common interests, common history and common destiny, although, they may be related to different nationalities.

In other words, when people of different races, while being related to different religions, languages and cultures, etc., live together as citizens of a common state and while having strong loyalty towards a common nation are ready to sacrifice their everything for it, they build their identity as a common nation. So, nationality is not determined by the circumstances of birth of humans, instead it gathers the permanent residents of the complete nation in its lap.

The members of one nation without doubt consider themselves to be separate from other nations and there can also be some prejudices in their hearts against other nations. However, the logical consequence of the thought of nation would be – similarities between nations, co-existence and support. After the First World War (1914–18), the Principle of National Self-determination has been usually accepted at global level. As a result of this, not only many new nation states have been established but also International Law has been developed rapidly to regulate the mutual relations of the nation states from 1920.

Self Assessment

Fill in the Blanks:

1. Nation and state are separate
2. Sometimes the of many nationalities in a state becomes the reason of critical stress.
3. The basis of nation is much wider as compared to
4. Nationality is not determined by the circumstances of of humans

11.2 National Self-determination

The group of people who recognies themselves in the form of a separate nation, has the right to decide that which state it should live in and what system of governance it should adopt?

The nation state emerged in Europe in fifteenth and sixteenth centuries. At that time the power of the landlords and religious authorities had exhausted and apart from economic relations the people had united in the form of permanent groups from the oneness of nationality, language, and culture, and from the thought of the natural boundaries of the country etc. This way the growth of nation states took place in France, Spain, England, Switzerland, the Netherlands and Russia first and then in Italy and Germany. The beginning nation-states had the influence of monarchy, in which all the power is in the hands of a king or a monarch. However, the constitutional government emerged in Europe in eighteenth century. This change took place in a peaceful way within the Glorious Revolution (1688), but it resorted to violence within the French Revolution (1789) in France. During the eighteenth and nineteenth centuries, the major nations of Europe resorted to Colonialism in order to increase their economic welfare after establishing their National Consolidation. During this period, Britain, France, Holland, Spain, etc., spread their network of colonialism over the regions of Asia, Africa and Latin America and exploited them fully. But after the end of the Second World War, that is, in the middle of the twentieth century, the decline of colonialism started and new nation states emerged on the world's

horizon. India, Pakistan, Myanmar (Burma), Egypt, Nigeria, Libya, Syria, Zimbabwe, Namibia, the Cuba, Brazil, Chile, Argentina, etc., come under such new countries which have faced the critical problems of their economic growth. In these, India has continuously been a democracy while at times military rule or the other kinds of autocracy was established in most countries. The main political problem of these states is that people of different races, religions, languages, cultures, regions, etc., have to shift their loyalty from narrow regions and focus it on a single central power, which cannot only bind them in a single thread of order but also possibly satisfy their feelings, demands and aspirations.

Different systems of governance came into existence in the history of humans but none of them could provide permanent peace or security to the people. Greek city states fought among themselves. Roman kingdom established its control over different races of Europe but it could not establish mutual faith among them. The popes and monarchs of the middle ages wanted to establish cosmopolitan administration on the basis of religious unity, but when different countries became cautious of their national identities, even the medieval kingdom got dispersed.

Nation state is facing the same problem in today's times. It has proved to be more efficient than the medieval system in providing security and peace to humanity, but it seems incapable of playing its role in the new circumstances of today. Today, in the beginning of the twenty-first century, the search has started for such a new organisation which is more efficient in satisfying the expectations and aspirations of humanity. But nothing is certain about what the future form of the state should be.

In the modern age, nation and state are normally considered to be concurrent, but many such examples can be found where both of these are not concurrent. There are such communities prevailing in many parts of the world, which experience mutual oneness on the basis of common culture, common language and common religion and are filled with national consciousness, but they are not in a position to organise themselves in the form of a nation.



Example

The Kurd people are spread in Iran, Iraq and Turkey but all of them identify themselves as a nation.

On the other side, there are many such states in which different ethnic groups live together, but they have not been able to unite themselves in the form of a single nation. Lebanon and Cyprus have been the victims of Civil War for a long time. The former Soviet Union, Yugoslavia, Czechoslovakia and Ethiopia have been divided into many parts due to these trends.

Some people have left their own country and settled in other countries in search of growth and have even adopted their citizenship. However, in the matters of their language, culture, religious loyalty and traditions, they experience so much attachment to their base country, they are ready to sacrifice their comfort in order to increase the happiness of that country. For example, the people of China have settled in foreign countries, they are contributing enough in the development of China even today.

One major operation of a nation state is to provide security to its residents. Any of today's nation states would be unable to provide complete security to its residents, given the possibilities of use such destructive weapons which have been invented.



Did You Know?

If a country does a nuclear attack on some other countries with the help of advanced missiles, it would lead to the destruction of humanity till far away.

As a result of this, pollution would spread in the environment, hardly any part of the globe would be spared from its devastating effects.

Notes

Also the effects of the pollution which are spreading from the activities of different countries, cannot be limited to the boundaries of the nation states. The complete atmosphere is being polluted by the waste which is dumped by the heavy industries of the developed countries into the environment. The ill effects of this waste would reach far and wide irrespective of whether it is dumped into the sea or buried underground. The amount of carbon dioxide in the environment is increased due to the increasing consumption of petrol and diesel in the developed parts of the world and spreads pollution. When forests are cut in some countries or the mountains are broken to build dams for the purpose of generating electricity or to extract limestone, the weather cycle till far regions is distorted due to soil erosion. The danger of Global Warming is looming upon the world because of such changes.

Margenthau writes, "The nation which sacrifices ideologies to clearly state that it wants power and will oppose the common ambitions of other nations due to the same reason, it will definitely find itself in a very detrimental situation due to this power struggle." That is, in international politics the makers of foreign policy and the people responsible for its implementation try to hide the true form of their political activities behind the mask of political ideology. A government whose foreign policy which creates a sense of attraction towards the intellectual beliefs and moral values of its people, gains unlimited benefits over that foreign policy, which not successful in selecting those objectives. Thought processes, like every thought, are those weapons which can increase the power of a nation by increasing the courage of the nation and decrease the courage of the adversary by this method. The 14 points of the American president **Woodrow Wilson** contributed a lot in the victory of the Allied nations, this decrease in the courage of the Axis nations and increase in the courage of the Allied nations is a remarkable example of the level of importance of ideology in international politics. British Prime Minister Lloyd George and American President Wilson stated that they fought the First World War for the protection of liberal ideologies such as **Democracy** and **Self-determination**. Hitler thought that this principle (ideology) of self-determination can be used as a cover in his state expansion policy. Based on this principle, the German minorities of Czechoslovakia and Poland tried to weaken the national existence of Czechoslovakia and Poland. Later, the beneficiaries of status quo of the Warsaw Treaty had no ideology to protect its benefits.

Ideology can play an important role as an element of power in building the morale of the members of the nation. Faith is produced in the justification of the national objectives among the people through the medium of ideology. When Hitler gave the slogan of a 'new state', a belief related to the justification of war emerged among the German people. The guidance based on the socialist, economic justice of the communist ideology helped in binding the Soviet states in a common thread. Hitler took the benefit of ideology and organised the Fifth-Columns in foreign countries. Nationalism inspired the people of the colonies for freedom.

The word ideology can be used in all the powerful contemporary ideologies such as Copyright, Communism, Fascism, Nazism, Marxism, Socialism, Liberalism, etc. Democracy is also a thought process from this point of view. If from the point of view of **Margenthau**, imperialism is a theoretical ideology, the most conducive principle of the twentieth century should also be considered as a theoretical ideology.

Self Assessment

State whether the following statements are True or False:

5. After the First World War, the Principle of National Self-determination has been usually accepted at a global level.
6. In the beginning nation states, all the power in the monarchy was in the hands of the commander .
7. The constitutional government emerged in Europe in eighteenth century.
8. In the modern age, nation and state are normally considered to be asynchronous.

11.3 Summary

Notes

- We commonly recognize the modern state in the form of a nation state, However, nation and state are separate concepts.
- Nationality is usually a group of such people who are connected from within because of a common race, language, religion, culture, geographical compactness, etc. and are inspired by a sense of unity due to common political aspirations and common historical evolution.
- After the First World War (1914–18), the Principle of National Self-determination has been usually accepted at a global level. As a result of this, not only many new nation states have been established but also International Law has been developed rapidly to regulate the mutual relations of the nation states from 1920.
- In the modern age, nation and state are normally considered to be concurrent, but many such examples can be found where both of these are not concurrent.
- One major operation of a nation state is to provide security to its residents. Any of today's nation states would be unable to provide complete security to its residents, given the possibilities of use such destructive weapons which have been invented.

11.4 Keywords

- **Nationality:** A group of such people who are connected from within because of a common race, language, religion, culture, geographical compactness, etc.
- **Monarchy:** Where all the power is in the hands of a king or a monarch

• Review Questions

1. What do you mean by Nationality?
2. What is the meaning of National – Self-determination? Comment.

Answers: Self Assessment

- | | | | |
|-------------|--------------|----------------|----------|
| 1. Concepts | 2. Existence | 3. Nationality | 4. Birth |
| 5. True | 6. False | 7. True | 8. False |

11.5 Further Readings



Books

1. **Comparative Politics** – Jagdish Chandra Johri, Sterling Publishers.
2. **Comparative Politics** – Chandradev Prasad, Atlantic Publishers.
3. **Comparative Politics** – Prof. Ramanand Gerolla.
4. **Comparative Politics and Political Institutions** – C. B. Jena, Vikas Publishing.

Unit 12: State Building and Constitutionalism

Contents

Objectives

Introduction

12.1 The Meaning of Constitution

12.2 The Meaning of Constitutionalism

12.3 General Characteristics of Constitutionalism

12.4 The Future of Constitutionalism

12.5 Summary

12.6 Keywords

12.7 Review Questions

12.8 Further Readings

Objectives

After studying this unit, students will be able to Understand:

- Understand constitution and Constitutionalism;
- Know the Basis and Element of Constitution;
- Explain general Characteristics of Constitutionalism;
- Discuss the Reception and future of Constitutionalism.

Introduction

It is still a matter of imagination that when and under what circumstances the outbreak of 'political power' occurred in the human society? Nothing can be definitely said about when man made himself subservient to 'political power'. However, from the time when early society emerged, maybe that is when the circumstances that gave birth to 'political powers' emerged. Some administration and stability were established in the primitive human society possibly from the use of this power. That is why, 'political power' can be said to be of importance in every society from the beginning. But, as the socialisation increased in humans and the use and importance of organised life became clear, the element of coercion and compulsion got incorporated in 'political power' which made organised life practical. It increased so much that at present, all the other types of powers (economic, social and martial) are not only controlled by this power, but also their limits are defined by it.

This element of obligation and necessity in 'political power' makes the field of its use and misuse wider. Its supremacy implies more chances of misuse in it. It is important that the government and rulers are kept in control and in limits so that, the State, which is a symbol of this power, does not become enforceable in itself and the government or ruler who uses the power of the state in practice, becomes vagrant and defy all those goals and objectives for the attainment of which, man accepted the coercive ties of political power to secure himself from the nature of political power and the heavy

bonds of chaotic set-order. Any ruler who is associated with binding power for the establishment of administration, can abuse or end the independence of a person with the use of this power. Only the independence of a person is fundamental in the growth of personality. Its end frustrates the man. So, on one side, man accepted the supremacy of political power and on the other side, it also arranged for effective control on him, with which the ruler can go ahead for the system and security of the independence of the person and at the same time can be stopped from the decoy of his abuse.



Example

The rulers have been controlled and contained from ancient times through methods, procedural protections and balancing powers.

Many such examples can be found from the ancient ages to modern times, when the rulers became vagrant, tyrannical and despotic against the wishes of the common people. The control over the powers of such rulers does not happen by merely saying, wanting or desiring of the citizens. Such a solid and permanent system is important for these controls which can keep the powers of the ruler contained through practice, which they cannot misuse the power even if they want. Man has established many types of controlling entities from the beginning for such effective, solid and permanent controls. He has made corrections and changes in them on the basis of experience many times, but many times, due to the weakness and ineffectiveness of the controlling entities political power has been misused in practice and individual freedom has been ended. For this reason, man in modern times is engaged in the search of such political institutions whose establishment would keep the power of the 'rulers' in control and they could only put it to good use. The role of the institutional system in the control of present political systems and the users of political power is clearly laid down in writing.

It is believed that a complete political system should be kept under a higher legal-constitutional-law and the control system of 'political power' and the prevention process of its misuse should be cited in such a duly proclaimed public integrated document-constitution, which is up and above the powers and reach of those institutions which determine its power, policy formulation and implementation and this document should have so much validity that it can overwhelm all those efforts which are done for its violation and every person, institution, group and team only plays a role determined by this 'higher law.' This arrangement of constitutional control based on the beliefs, values and political ideals contained in this 'higher law' for keeping rulers confined in the area of authority determined by the constitution is called constitutionalism.

Before understanding the meaning, basis, elements and concepts of constitutionalism, it is important that the difference in constitution and constitutional government is made clear, because the meaning of constitutionalism, can only be presented in the context of constitution and constitutional government. In reality, constitution and constitutional government are precursor situations of constitutionalism. Constitutionalism is only possible in that political system where there is a constitution and not only the roles of the users of political power through this constitution but also arrangements are made for the practicability of this role, that is, the government is run according to the mechanism of the constitution and there is arrangement for constitutional controls and constraints to make it possible in practice. It is important to understand the meaning of government and constitutionalism before investigating how and from which processes and structures this control system will be.

12.1 The Meaning of Constitution

It is necessary for every state to have a constitution. It is immensely difficult to run the rule of any state without the constitution. On the basis of the study of history, it is said that in order to run the rule in every state some regulations have been necessary in some or the other way from the beginning. In every state, whether it is democratic or totalitarian, it is necessary to accept some rules which determine and ascertain role of the political institutions and rulers of the state and keep the society free from anarchy. Whether the government is autocratic or democratic, it is always helpful to have some principles or

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rules for their operations. Since in every constitution there is explanation of the different parts of the government and their mutual relations. So, the different parts can work efficiently from the support of each other from the existence of the rules which describe these relations and the feelings of struggle or opposition in them are reduced too. The rights of the citizens too are explained in the constitution. This explanation only is their security administration, because they become separated from the reach of the government in this manner. In this way, the fundamental structure of any state is institutionally set up through constitution, from which the role of every person, institution and group is determined.

It is normally understood that the constitution is such a document which is created and accepted in a given time, but it is not the right and correct meaning of constitution. It is not necessary for the constitution to be in document, that is, in written form. There can be such arrangement of traditional rules in any state, which are never duly written but are still fixed in the minds and hearts of the rulers and citizens in such depth that there is not only effective control on the government from this but also the role of everyone in the political administration is determined. So, constitution is the group of all those written and unwritten (traditions), on the basis of which, the ruling administration of any country is formed and the division of powers is done between the different parts of the government and those principles according to which those powers are put to use are determined.



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“Constitution is that collection of rules which enables the attainment of those objectives for which the ruling power is promulgated and which creates those diverse parts of the rule through the medium of which the government uses its power.”

However, it can be seen many times in many political administrations that is some arrangement in the constitution and the government does something else in practice. In this situation, no knowledge about the use of political powers by the ruling system can be obtained from the study of constitution. That is why it is important to keep in mind that what administration the fundamental structure does and in what way, the rule is run in practice at the time of understanding the meaning of constitution? When the use of political powers is not done within the constitution, then such a constitution will be called ‘formal’ constitution. Such constitution is particularly mentioned in distinct procedures, acts and manifestos and can be said to be the formation of political administration in principality. On the other hand, if the use of procedures in practice and the political powers which are unfavourable for ‘informal’ constitution is done then such political conduct is called ‘effective’ constitution. It is related to the actual operation of the rule. In this type of political administration, the behavior of the rulers is not within the procedure and process determined by constitution in important political matters. As there is monarchy in Britain according to ‘formal’ constitution, the actual use of the political powers in practice brings it under the category of parliamentary democracy. The operation of the rule in the Soviet Russia further clarifies the difference between ‘informal’ and ‘effective’ constitution. The constitution of Russia establishes optimal parliamentary democracy and unitary rule from the formal point of view. However, the rule runs according to the ideals of the communist group in practice here instead of being within the constitution. The autocracy and monopoly in the practice of this group makes it impossible for the operating of the rule according to the political power mentioned in the ‘informal’ constitution.



Example

The complete ruling system in Russia is run according to the ideals of the communist party, and not according to the arrangements provided in the constitution.

This not only clarifies the difference between the 'informal' and 'effective' constitution, but also gives indication that there is no uniformity in both.

Many such examples can be found in developing countries. In the absence of political experience in newly independent political administrations, due to the inability of the quickly adopted constitutions to come within the rapidly changing situations and new necessities, the behavior of political leaders keeps changing in practice while neglecting these constitutions. Often, some leaders have kept on becoming the only users of political powers to administer the growth and unity in the absence of agreement on compulsions of economic growth and fundamental political questions in these countries. In such a situation, the ruling administration does not remain within 'formal' constitution and 'effective' constitution is differentiated from 'formal' constitution.

So, while understanding the meaning of constitution, it is important to keep in mind that what arrangement does the 'formal constitution' make and to what extent does this become a basis for political behavior? Constitution clarifies the character or nature of political administration, because constitution is to the state as character is to a person. This not only presents the basis for political game but also expresses the consistency in various political forces and demands. In order to understand the actual nature of any political administration, it is necessary to understand both structure and substance, and, principles and practice, because constitutionalism is only present where there is uniformity between the structure and then substance of constitution. That is, constitutional government should be there. Constitution is compulsory in every state but it is not necessary that there is a constitutional government. On not having a constitutional government, the administration of constitutionalism cannot be practical. Thus, to understand the meaning of constitutionalism, it will not be enough to merely clarify the meaning of constitution, but also the investigation of constitutional government, its basic foundation is also compulsory.

Self Assessment

Fill in the Blanks:

1. This element of obligation and necessity in 'political power' makes the field of its use and misuse
2. It is necessary for every state to have a
3. That power of loyalty and faith, in which a well-administered political power is controlled is called
4. Constitution clarifies the character or of political administration.

12.2 The Meaning of Constitutionalism

Constitutionalism points towards those thoughts and principles, which describe and support that constitution, through the medium of which effective control can be established over political power. It is an ideology based on constitution, whose basic meaning is that the rule should be operated according to the rules and procedures written in the constitution and such effective control should remain established, from which those values and political ideals remain secured, for which the society accepts the bonds of the state. But does not mean that the operating of rule according to rules of the constitution only is constitutionalism. This can happen in some autocratic rule too. A dictator can make a constitution according to his wishes, can imply this constitution forcefully on the people while defying their wishes and expectations. There is no inclusion of the values and ideals of the people in this constitution and this system will be the opposite of constitutionalism due to this reason. So, constitutionalism is more than rule within the constitution. It means regulated rule, an opposite of autocratic rule, where the availability of the fundamental beliefs, faiths and values of the human beings

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is possible in practice. The conclusion drawn out from this is that constitutionalism is that method of ruling in which ruling is done only on the basis of the rules and principles of the constitution which reflect faiths, values and ideals of the people and the rulers are kept controlled and contained through the medium of this constitution only from which the fundamental faiths of political administration are kept secured and are available to every person in practice. In short, "constitutionalism is the name of that loyalty which the human beings keep in the power contained in the constitution from which the government is kept arranged." That is, that power of faith and loyalty in which a well-organised political power is kept controlled, is called 'constitutionalism'.

In order to keep some thoughtful rule controlled and limited and to make the security of human values possible, division of power is given a lot of importance and is considered to be the basic foundation of constitutionalism. Their belief is that constitutionalism divides political powers and establishes effective control over the activities of the government. So constitutionalism is possible only when in some political administration, effective control can be established over political activities through division of powers.

It is clear in the above description that constitution and constitutionalism are not synonyms of each other. It is also clear from this that it is not necessary that constitutionalism is essentially found where constitution is. We get an indication of the political administration of any country, that is the form of government, its powers and the principles and rules related to the relations of the citizens and government through the medium of constitutionalism. While constitutionalism is such a system in which effective control is established on the powers of the government through the distribution of power only through the medium of the constitution. From which those expectations and values stay secured, in the form of the availability of resources, the constitution was adopted and supported and still gets support today.

In this way, in the words of Pinok and Smith, "Constitutionalism is not only the name of a process or substance, but is also related to the effective control of the well-organised groups, parties and parts of the political power, intangible and extensive representative values, symbols, past traditions and future ambitions." Man keeps expectation of progressive and exhaustive growth and has been full of efforts for its administration. The administration of this multi-faceted growth is possible through the medium of constitution in modern states. But to prevent the rulers from ending the goals and ideals of growth while defying the constitution, the society not only constitutes the political power but also collects the instruments to keep it limited, controlled and contained. Constitutionalism is the secured control administration in some political administration for the availability of beliefs and ideals in the human society. Carl J. Friedrich has rightly said, "Constitutionalism is the complex procedural administration of systematic change." Only the government and citizens make this change possible. According to William G. Andrews, Constitutionalism is the functional measure of these two kinds of government and citizens, and the relations of one power with another. That is, constitutionalism is the solid administration of the relationship of government and citizens, and the relations of one political power with another political power. From which all these goal-oriented changes become possible and the human ideals, political values and faiths get practical in the particular administration.

It is clear from the meaning of constitution and constitutionalism that there are a lot of differences between them. It is important to understand their difference, otherwise it is natural that there will be illusion understand the constitutional system measures as constitutionalism. So it is important to differentiate between them.

Difference between Constitution and Constitutionalism

Constitution expresses constitutionalism. Constitutionalism is based on it. So, it is difficult in practicality to draw a line of difference between both, because such situations can be recognised on differentiating both, which indicate different directions of both constitution and constitutionalism. Like the different

degrees of constitution and constitutionalism in military dictatorship administrations forcefully established through revolutions can only be understood when they are able to know that what is in the constitution there, is not favourable to constitutionalism, but is unfavourable. The compatibility or incompatibility of both can only be expressed in the context of the differences of constitution and constitutionalism. That is why the difference between both should be clearly understood. In short, the investigation of the differences between both is in this way.

- a. From the point of view of definition, constitutionalism is a symbol of ideology. The values, beliefs and political ideals of the nation are included in it, which combine together to form ideology and the symbol of that ideology is known as constitutionalism. Constitution is a symbol of organisation. It can be called the collection of those principles according to which adjustment between the powers of the rulers and rights of the ruled can be done. This gives a grasp of the personal relations of the organisations of the government, people and society. There is relation of tradition and supplementation in them. The uniformity in them is an indicator of administration, permanency and progressiveness in society. No uniformity in both, that is, difference in direction of both creates a background for revolution.
- b. In this way, in the words of C. F. Strong, "Constitution is the group of those principles according to which, the expression between the rights of the citizens and the relations between both is established." In reality, constitution keeps regular control over the government on one side, it also works as a symbol of the power which brings unity in the society on the other side. That is why Finer has said that constitution to be the 'autobiography' of the relations of power in some political administration. In the form of political process, constitution is said to be the rules which guarantee a justified name. Constitutionalism points towards those thoughts and principles which describe and support constitution and from whose medium it is possible to establish effective control over political power.



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In the words of Cory and Abraham, "The consistent rule of the instructions of the established is believed to be Constitutionalism."

There is difference in both from the point of view of origin. Constitutionalism has always been the result of growth. The development of the values, beliefs and ideals of every country occurs slowly in the envelopment of centuries and the limits of time. This growth of values and faiths is inspired by many elements. The beliefs and ideals of nations grow from the traditional, institutional and human related elements and get so mixed in the life of common people that the society is ready to make the biggest sacrifices for their attainment and security. Constitutions, excluding the constitution of Britain, are normally created and later keep on changing within the necessities of constitutionalism through the medium of traditions. They do not change automatically, constitutions are kept within constitutionalism through formal amendments. In this way, from the point of view of origin, constitution is created in a definite time from precise trials, whereas constitutionalism grows in a long period because of the arrangement of values in the nation.

- c. The area is also a basis for difference in both. Constitutionalism is an inclusive concept and constitution is an exclusive concept. Constitutionalism of many countries can be similar. Another country can have loyalty towards the values, beliefs, political ideals and culture of one nation. Culture, value, belief and political ideals of many countries are similar so we should not understand every country has its own basic constitutionalism. What Anglo-Americans call as western culture, indicates the uniformity in the constitutionalism of these states. The similarity of the political values of many countries of the communist world too

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reflects the homogeneity in constitutionalism. However, in many countries the difference in the uniformity of constitutionalism may not be of type but can definitely be of the extent. The examples of this quantitative difference can be seen in France and Germany in western states and China and Albania in the western world. This difference is found more in developing countries, because in these states, the search of fundamental life philosophy to build national ego combines them with difference. More chances of difference in the cultures of these countries and this also becomes the basis of quantitative difference in constitutionalism. This clarifies that constitutionalism is a pervasive concept and can be found in many nations equally.

The constitution of every country is different. Although the uniformity in the constitutionalism of many countries puts the upper cover of uniformity on the constitutions, despite this, constitutions have many differences. The difference of both type and extent can be seen in the constitutions of different states. Constitutions are the provisional measures to attain the similar ends from different resources because of the specific conditions of a particular state due to the arrangement of main resources and the constitution of the country gets differentiated from this. In this way, we get the knowledge of the concept limited by constitution. It remains to be of the particular country. It cannot become similar for many countries. As the body of every human being is different, in the same way, the constitution of every country is specific and different. But the life or spirit in every human being is widely similar. In the same way the similarity of the constitutionalism of many countries can be seen.

- d. The difference between constitution and constitutionalism can be done on the basis of justifiability and legitimacy as well. The justification of ideals in constitutionalism is mainly provided on the basis of ideology whereas the validity of constitution is held on the basis of procedure or law.

It is clear from the above description that despite of constitution and constitutionalism having a deep relation, both have fundamental difference. This difference clarifies that why the directions of both the state become different sometimes? And what can be the result of this difference? One more thing that is clarified from this description is that constitutionalism is possible in a state only on the happening of some fundamental consensus, because the consistency, support and mutuality in the government, citizen and different government powers cannot be made meaningful in the absence of these authorities. So, it is necessary to understand these authorities of constitutionalism in brief, because the building of constitutionalism stands on their foundation.

12.3 General Characteristics of Constitutionalism

Constitutionalism of any country or a particular society, has some common specifications, which are reflected in every constitutionalism in small or large amount. In order to understand the concept of constitutionalism in a better way, it would be appropriate to see some of its certainly common characteristics.

(a) Constitutionalism is a Value Based Concept: The relation of constitutionalism is with the life philosophy of the nation. It points towards those values, beliefs and political ideals which are dear to every citizen of the country. Those which are the life support of every nation. This constitutional philosophy, is provided by the elites of the political society. But this philosophy does not remain limited to the elites only. The thoughtful section of the society takes it to the people and the society does not only provide strength to it by accepting it, but makes it the 'nation-philosophy' in the true sense. It should not be understood from this that there is no support of the traditions, situations, requirements and problems of the country in the values of constitutionalism. Only the elites provide values to the society because the intellectuals themselves are the infants of the environment. There

is mark of the environment on the values provide by them. In this manner, constitutionalism is a concept combined with values created from one or more sources. These are those values which are dear to the society and for whose security, attainment and development, the society is ready to make the biggest sacrifices. This concept combined with them is called constitutionalism. The only meaning that can be drawn out from this is that the relation of constitutionalism is with values and that is why it is called value-related concept.

(b) Constitutionalism is a Culture Bound Concept: The creation of the values of any political societies is not in zero. They are related to the culture of the society. The ideologies, values and ideals of every country are the outputs of the culture of that country and remain tied to its culture. They are tied with the time, place and people. Constitutionalism can be said to be based on these. The conclusion that can be drawn out from this is that the concept of constitutionalism is found to be related to the culture of every particular place or area. The culture-relatedness of constitutionalism brings reality in it and makes it meaningful. In the present age, many political societies are so big that in them the diversity and difference of cultures is found in them. In these nations, constitutionalism is an indicator of the coordination of different cultures. The arrangement of support and understanding instead of struggle and opposition is through constitutionalism only. It is the greatest administration of the security and growth of the cultures, because constitutionalism is related to all these cultures and becomes powerful and affluent from them. So it should be said that the fabric of constitutionalism is intertwined with the culture of every country.

(c) Constitutionalism is a Dynamic Concept: Constitutionalism is not a motionless concept but it does not also mean that there is no stability in constitutionalism. The most unique thing in constitutionalism is that momentum is found in it with permanency at the same time. That is the reason why it is not a barrier to development, but instead an instrument for development. Permanency is very important for growth, or there will be no order in the direction of development. So the concept of constitutionalism is an indicator of momentum combined with stability. Its dynamic nature is necessary, because with changes come in values with changes in time and culture gets developed. Constitutionalism gets momentum from this. This clears that constitutionalism is a dynamic concept. It is also important to understand here that constitutionalism is not only a symbol of those values and ideals which are dear to the people in a particular time. It is also a medium for the establishment and attainment of new values. It is also a symbol of the future aspirations along with the presently dear values of the society. It becomes a dynamic concept from this. That is why Carl J. Friedrich has called constitutionalism as the Process of Development.'

(d) Constitutionalism is a Shared Concept: There can loyalty towards the values of the nation, trust and political ideals and culture in other countries too. So the political ideals, faiths and beliefs can be common. In such countries, constitutionalism has basic uniformities. As uniformities in constitutionalism are found in the countries with western cultures. In the same way, the difference of the type is not there in uniformity, although, the difference of extent can be seen in the constitutionalism of every country. This difference is also found in communist countries, but this difference is only of the extent, it is not of the type. It is clear from this that every country does not have its own basic constitutionalism. In developing democratic countries, although there are many uniformities and every country tries to establish the basic life philosophy to build its national ego and there is also a great mix of differences in cultures, still in these countries the constitutionalism is widely said to be the same. It is clear from this that constitutionalism is an equally liable concept.

(e) Constitutionalism is Predominantly an Ends Concept: Constitutionalism is predominantly a concept related to ends. However an end concept cannot fully defy the means. So the difference of quantity only rather than the kinds remains in them too. Also the means and ends cannot be separated from one another. Still, the indication of goals is mainly found from constitutionalism. When we say that constitutionalism is an ends Providing thought it means those ideals which the society adopts in the form of end. This way the major indication of constitutionalism is towards the ends and minor indication towards the means.

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(f) Constitutionalism is Generally a Constitution Based Concept: In the normal and common situations, the fundamental beliefs of every country are mentioned in the constitution of that country. But it can also happen sometimes that the image of the beliefs of constitutionalism cannot be seen in the constitution. In both of them, that is, in constitution and constitutionalism, there is no resemblance. There are different directions of both in this condition. This condition indicates the opposition and dispute in the political beliefs of the rulers and the ruled. Political chaos becomes inevitable in this situation. It is an indication of political crisis, but it only happens in abnormal circumstances. In normal circumstances, the values and then aims are clearly mentioned in the constitution of every democratic political society. Constitutionalism is based on such constitution. They form and establish those institutional processes, from which constitutionalism becomes practical and permanent. So, constitution presents that foundation for constitutionalism on which the base of constitution can be firmly fixed.


These characteristics exist in every constitutionalism. These features are found in more or less extent as the basis of constitutionalism in every country. The difference of one constitutionalism from another is only of the extent, not of the type.

After the investigation of the meaning, base, elements and common features of constitutionalism, it is necessary to mention its different concepts, because the resources adopted for the objectives of constitutionalism and for their attainment are not the same in every state. In some states constitutionalism puts the model for the practice of the independence of the person, political commonness, social and political justice, and social welfare, while in some countries it is believed to be the basic value in the economic commonness and faith in a single target in society. The resources adopted for their attainment, are of different types in different states. The description of different concepts of constitutionalism is important to understand why and how much of this difference is between the means and ends.

Self Assessment

State whether the following statements are True or False:

5. The creation of the values of any political societies is in zero.
6. The concept of constitutionalism is found to be related to the culture of every particular place or area.
7. Western Constitutionalism is also called the ‘Philosophy of Liberalism.’
8. There are mainly four bases of constitutionalism related to liberal democracies.



Task Express your thoughts on ‘Constitution is the director of growth.’

12.4 The Future of Constitutionalism

A question that is raised from the various concepts of constitutionalism is that, is the future of constitutionalism bright? According to C. F. Strong, many ups and downs have come in the growth of constitutionalism. Immediately after the First World War, the future of political constitutionalism seemed very bright. However, the wave of optimism blurred, due to the reactions against the constitutional rule in many parts of Europe. The Communist revolution ended the liberal rule through violent means. After that the Fascist uprising in Italy, Nazi stir in Germany, victory of General Franco

in Spain and the emergence of semi-authoritarianism in Poland, Romania and Greece happened and the roots of constitutionalism were uprooted. Despite all this, constitutionalism strongly remained in other kingdoms of the Western World. The situation after the Second World War became completely different from the situation after the First World War. In Western Europe, constitutionalism was re-established by the proposition of republican constitutions, but in Eastern Europe, the situation got more darkened from the viewpoint of constitutionalism. Even today the national republican constitutionalism has not been able to attain a precise and steady form. It is still running in the state of instability and experimentation. In the decades after 1950, the emergence of many political societies in the form of independent states and the rapid turmoil in them has raised more doubts regarding the future of constitutionalism. The future of constitutionalism seems to be covered in a thick fog of uncertainty due to the rate at which Communism and Militarism are spreading in Asia, Africa and Latin America. Although the roots of constitutionalism are deeply fixed in America and the kingdoms of Western Europe. The resignation letter given by the president of America, Nixon, is an example of the strength of constitutionalism there. Also, constitutionalism maybe successful in other societies in removing the barriers and obstacles, because in whichever political society where autocratic systems have been proposed by breaking the bonds of constitutionalism, indications of moving towards constitutional rule are found there too. Glimpses of this have been seen in the communist world itself. It can only be said from this that in every political society, the values and beliefs of the common people cannot be suppressed with political powers for many days. The chaos in autocratic systems and the rise-fall of military systems are indicators of a bright future of constitutionalism.

12.5 Summary

- It is necessary for every state to have a constitution. The fundamental structure of any state is erected institutionally with the help of a constitution, which ensures the role of every person, institution and group.
- Constitution is a group of all those written and unwritten (traditions) rules and laws, based on which machinery of government of any country is formed and power is divided between the different parts of the government.
- Constitutionalism points towards those thoughts and principles, which describe and support that constitution, through the medium of which effective control can be established over political power. 'Constitutionalism' is that power of faith and loyalty in which organised political power is controlled.
- Constitutionalism of any country or a particular society, has some common specifications, which are reflected in every constitutionalism in small or large amount.

12.6 Keywords

- **Constitution:** The Constitution is a collection of rules through which the government uses its power
- **Constitutionalism:** That ideology based on the constitution through which political power can be controlled

12.7 Review Questions

1. What do you understand by constitution?
2. What is constitutionalism? Comment.

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3. Examine the difference between constitution and constitutionalism.
4. Describe the general characteristics of constitutionalism.
5. Explain

The future of constitutionalism

Answers: Self Assessment

- | | | | |
|----------|-----------------|----------------------|-----------|
| 1. Wider | 2. Constitution | 3. Constitutionalism | 4. Nature |
| 5. False | 6. True | 7. True | 8. False |

12.8 Further Readings



Books

- 1. The Outline of Comparative Politics : Politics of Liberal, Socialist, Developing nations** – Gava O. P., Mayur Paperbacks.
- 2. Comparative Politics** – C. B. JENANA, Vikas Publishing.
- 3. Comparative Politics** – Jagdish Chandra Johri, Sterling Publishers.
- 4. Indian Politics: Comparative Perspective** – B. B. Chaudhary, Shree Mahavir Book Depot.