

GLOBALIZATION, POSTMODERNITY AND THE NECESSITY OF NEW GOVERNANCE WITH A PARTICULAR REFERENCE TO EASTERN EUROPEAN COUNTRIES

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Abstract:

The purpose of this paper is to discuss on the necessity of pursuing the development of normative models –in a general sense– and namely New Governance models in order to face the negative tendencies of globalization and postmodernity in the present world, which undermine the settlements of collective aim, progress and social justice.

In this sense, different arguments are provided to prove the suitability and convenience of using a New Governance approach as the opposite or supplementary point to overcome the shortcomings of previous hierarchical and New Public Management approaches and principles.

Keywords: *globalization; New Public Management (NPM); New Governance; social models; social policies*

GLOBALIZACIÓN, POSTMODERNIDAD Y NECESIDAD DE LA NUEVA GOBERNANZA CON UNA REFERENCIA PARTICULAR A LOS PAÍSES DE EUROPA ORIENTAL

Resumen:

El propósito del presente artículo es debatir sobre la necesidad de proseguir con el desarrollo de modelos normativos –en un sentido general– y en concreto de modelos de Nueva Gobernanza de cara a afrontar las tendencias negativas de la globalización y la postmodernidad en el mundo actual, que socavan los fundamentos del ánimo colectivo, el progreso y la justicia social.

En este sentido, se proponen diferentes argumentos para probar la adecuación y conveniencia de utilizar un enfoque de Nueva Gobernanza en oposición o como aspecto suplementario para superar los defectos de los previos enfoques y principios jerárquicos y de Nueva Gestión Pública.

Palabras clave: *globalización; Nueva Gestión Pública (NGP); Nueva Gobernanza; modelos sociales; políticas sociales*

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1. Introduction

In most cases, globalization serves the needs and meets the expectations of the “winners”. However, it has a negative effect on social sphere. Specifically, globalization is one of the key causes of the rising social risk, which is related to the establishment of the New Economy. Moreover, in the changing modern world, social risk is becoming a dangerous daily routine for the entire society. Therefore, the standards of security and abiding them should become a more relevant objective of the society than the pace of economic development and the “magical” Gross Domestic Product (GDP) figures, which have turned into a kind of a self-pointed indicator (Guogis 2013b).

While promoting the increase in the rate of return and reckless pursuit of profit, globalization is becoming a threat to the society’s health, rights, education, sufficient quality of medical care and balanced ecology. It is becoming a threat to social insurance and health services, not only in the narrow sense of social security protecting traditional social risk groups but also in the sense of a wider scope of social risk. Social insurance and health services, human rights, education and ecology are being removed from the top positions in the lists of national priorities. Under the circumstances of globalization, such order of priority is also encouraged by a lower participation of the society: local initiative, self-governance and social and public movements are of low political value. This has a clearly negative impact on the political and social systems of the developing countries and does not serve the aims of social justice, social responsibility and other social tasks.

2. The risks of globalization and the necessity of normative models

A personal independent voice of an individual has lost in the present world its value and is becoming meaningless. Under the circumstances of globalization, uncontrolled situations emerge and not only for they threaten individuals, but also communities, entire social groups and, finally, national states (Guogis 2013a). On the one the hand, social risk is expanding, i.e. when global problems affect every single member of the society irrespective of their social status, class or power; on the other hand, globalization affects only particular spheres of life as, for example, alteration of financial markets, military conflicts and increasing oil prices (Guogis 2013b).

At the same time, social risk is being institutionalized through the appearance of respective organizations which view social risk as the principle of individual activity (e.g. investment markets, gambling, sports and insurance). Under the circumstances of globalization, the principle of *boomerang* activities is strengthened (e.g. industrialization and the New Economy cause ecological problems and new ones, the so-called *social illnesses*, which emerge due to the improper lifestyle or profession). Globalization risk factors form an unstable and unpredictable social lifestyle.

The past twenty-five years saw the end of the *period of golden welfare state* in the West (Wincott 2013), when the focus on the traditional hierarchical governance of social protection to passive social and healthcare benefit systems were replaced by the focus on individualistic New Public Management to the *active* social and healthcare services. Basically, it was not only the types of welfare states that changed but also the models of public and social administration. The increasingly prevailing welfare model in the contemporary world has become a liberal-marginal model, which expresses the paradigmatic breaking from the more social welfare models, such as the institutional-social democratic and corporate-conservative models, and which increases individualism, social inequality and social exclusion.

The reasons of nowadays suicides, moral degradation, disbelief and uncertainty in Eastern Europe –and specifically Lithuania– lie also in the fact that individuals are often not only unaware of what they want and do not know where they are heading to, but they also do not try to formulate this knowledge. And if they sometimes formulate it, then they must follow it. The shortage of normative models in politics, economy and science and the lack of following them appears at the moment as a big problem in the entire Eastern Europe. The normative model or the formed vision is necessary not only for setting a clear objective but also to facilitate the achievement of the objective, when concrete means of implementation are foreseen.

What is worth, for example, the strategic planning currently applied in Public Administration, which has been foreseen for five or ten years if it is set aside after the first year? Visions, strategic plans or normative models are created to be implemented. Obviously, some corrections are sometimes necessary, life always goes on, finally, there are some really unforeseen circumstances but one cannot constantly

change the formerly taken course. Let's take the Lithuanian situation as an example and then, who can now remember, e.g., the *National Agreement of 2002* between the main political parties in the country to seek for economic and social advance? It was forgotten in a month time... and the specialists were working on it.

And currently new *formed visions* are created, from which, it seems the most well-known one is *Lietuva 2030 (Lithuania 2030)*. It should also be known to the Lithuanian society that the year 2013 was declared the "year of wellness". Had anybody noticed any qualitative change in terms of health during that year? An optimist critic would say that the economy of Lithuania is constantly growing, there are new inventors, the increase of GDP last year was 3.4% (Verslo Žinios 2014), but do citizens feel to have more generic objectives? Even in their personal life if they do not have a clear model of activities, their concrete steps may lead them astray.

Certainly, on the country level we can develop also chaotically according to the principle *someone might succeed individually*, but this kind of activity can only produce individual breakthrough in certain niches, which can only be accessible to a very small part of the elected ones or the gifted ones, which got to the right place at the right time and managed to remain healthy. The plans of the *Soviet* type can be understood as a harmful leftover –and the author of this paper is not suggesting to return to them–, but can contemporary postmodernity with the attitude of relativism, uncertainty, hovering and disregard of authorities, apart from art, give something to politics, economy or social sciences?

Certainly, one can question everything and raise questions in all areas, but one day one must also act with some very concrete means by having a defined more general normative model or a formed vision. This is extremely necessary for people psychologically by giving significance to the steps of their activities, finally, to the wish to live, and what is the most important, to meaningfully and healthily co-exist with others. How could one otherwise push oneself forward if not by *ideological or valuable* motivation when there are difficulties or setbacks? In political prisons and Siberias would first and foremost survive those persons who would have a strong inner value-related motivation. In this regard one could remember the statement of one Latvian protestant minister that a person without values is only a *vertical quagmire*. Since we know that 80% of the human body is made of water, so why are we satisfied with the political, economic, scientific or cultural quagmire?

3. Postmodernity and the necessity of new governance

The middle of the 20th century in Western world marked the era of entrenchment of the modern welfare state, which in the 1970s and 1980s reached its *golden age*. The domination of individualism, globalization and neoliberalism in 1990s significantly contributed to the dismantling of the traditional welfare state in the West, when the national state values and practice which were mostly oriented towards its social aspect were refused and retreated from, by introducing more and more privatization, contracting and decisions directed towards quantitative results of Public Administration.

In addition to the above, individual structural parts of educational, social and health care systems were changed and the structural parts of civil service, the functions of various public services were reviewed or restricted. The postmodern project which started its formation several decades ago in the area of culture and was encouraged by intellectuals of culture, started penetrating also into public bodies of Administration.

So, starting with the postmodern pictures of Andy Warhol and the architecture of the George Pompidou Centre in Paris, postmodernity moved to the area of Administration, by creating a new type of model of competition and an individualistic New Public Management model. Such New Public Management generated the model of postmodern liberal-marginal wellbeing, which in turn both generated and strengthened the New Public Management. Francis Fukuyama (1992) referred to this historic period as the triumph of the ideas of liberalism and "*the end of history*". At least at the beginning of this period, he was right.

However, Fukuyama did not foresee the extent of the subsequent international and local antagonism and the emerging contradiction and, judging about the period, he was in fact mistaken. The relativist values of the period, the loss of belief in traditional equality and other values enshrined by the Enlightenment period, led to the increasing international and national inequality and other economic, political and cultural problems that were difficult to solve. In 2014, when the Ukrainian crisis enshrined, the world

started facing a threat of a world-wide military conflict that it had not faced with for a number of years, when it became increasingly difficult to forecast further both international and domestic policy issues.

Deeper confrontation in the world is pushing the societies towards legal nihilism, cynical dictation of the will of the stronger ones and disregard of moral-ethical norms. Not so long time ago the theoretically well understood necessity of the new public governance, when the values of openness, transparency, democracy, pluralism, social quality, social justice and social responsibility were faced in practice with an increasing disregard of these values or even absolute undermining of these.

New Public Governance, which is an advanced alternative to traditional Weberian and New Public Management model, is still more of a normative nature focusing on theoretical reflection. If New Public Governance without its great theoretical principles does not find its practical correspondence in the areas of governance and economy, it can face the same kind of threat of *death* of equality, collaboration and other social values, which was noticed after the outcome of the Minnowbrook Governance Conference by 1968 in the US (Denhardt 2001), when the significance of social values for Public Administration was raised and formulated. However, it could not be better practically adapted due to the subsequent neoliberal attack in the world. If this happens this time as well, the nearest worldwide and national events and theoretical reflections in the academic and intellectual community will start.

Do the terms New Public Management and New Public Governance refer to a same or a different thing? Somebody who is not used to them might simply think that they both refer to New Management (New Governance) and then he will not be able to distinguish between New Public Management and New Public Governance. However, theoretical and practical meanings of both terms are distinguished for huge differences. So, New Public Management is an application of the methods of private business in public administration. It has its principles, such as the orientation towards the results, orientation towards a client, competition, absolutization of quantitative indicators; and it has its concrete methods of implementation too: a one stop method, priority-based planning, benchmarking method, etc. The essence of all of these methods, separating them from the private sector, is not seeking for profit, but the improvement of indicators of the activities of the organization. The structure of public management according to the New Public Management means a decentralized, competing work of the units to achieve maximum client satisfaction with the services.

In the meantime, New Public Governance puts emphasis on some other areas: transparency, openness, pluralism, democracy, non existence of corruption, social responsibility, social justice, active operation of NGOs. Decentralized units of New Public Management were operating on the basis of some principles of closure, when the decisions of an individual head would be given specific significance, and New Public Governance is related to the collaboration of the citizens, their co-participation and co-authorship by taking decisions and implementing them. It is essential to note that both latter models of administration are rather different from the traditional hierarchical Weberian model of administration, for which the process and the procedures were the most important. New Public Management, on the contrary, emphasizes the achievement of results, whereas New Public Governance attempts to combine both the process and the results.

The aforementioned models of administration were tried out in practice in the developed Western countries, and after a while some elements of them came and were transferred to the context of the Eastern European countries. However, it was more difficult for them here since the nomenclature Soviet heritage of socialist type was still prevailing. It is especially related to the New Public Management, whose limits between the public and private sectors are easier to trespass, and then to confuse public and private interests. The system of the Soviet type nomenclature is marked for a huge amount of clients, which, e.g., in Lithuanian is merely translated by the phrase "*the policy of brothers-in-law*".

Therefore, it is rather difficult to define the Lithuanian model of governance or public administration even for very experienced researchers, since this is where numerous interrelated traditions and novelties that are difficult to combine come together. It is essential to note that the models of public administration are not developed in vacuum, and they are conditioned by the cultural context. Before regaining independence, Lithuanian Public Administration was encouraged by the mood of modern cultures, and after the regaining of independence postmodern cultural climate was prevailing. Modernity everywhere in the world was associated with the creation of an industrial society and more traditional attitudes with the higher understanding of the truth and normative models. Postmodernity brings disregard of authority, relativism, uncertainty, ambiguity about the abilities to follow clear normative models. Modernity in the

Soviet Union and its settlement, was only related to certain aspects of life, but its significance was especially well felt in post-war Western world until 1980s (Guogis 2013c). That is when several models of welfare states were created and developed in the West, which shared a lot of common features. When Lithuania stepped into the period of independence, the processes of dismantling welfare states had started in the West, which were encouraged by the newly formed postmodern environment.

New Public Management is first of all different from the traditional hierarchical model and the New Public Management by the fact that this is a value model. Quantitative indicators are not predominating as in New Public Management, and the qualitative part of it and the elements of effectiveness, social justice, equality and ethics are important. In the traditional hierarchical model the process was especially important, whereas in the New Public Management model the focus is on the results, and New Public Governance focuses both on the process and the results. The social and value-related sides of New Public Governance are discordant with the prevailing philosophy of neoliberalism, globalization and postmodernity that have been enshrined for 30 years in the world, which had juxtaposed the philosophy of competition, individualism and relativism with collaboration and solidarity. Co-participation and co-production form the essence of the organization of New Public Governance and the provision of services.

Indeed, New Public Governance has a number of flaws as compared to the traditional hierarchical model and the New Public Management model. The latter were marked not only for clear principles but also for concrete methods of implementation, and New Public Management are theoretically welcomed in a very enthusiastic way due to its clear ethic values, but it lacks concrete methods of implementation. The sphere and the depth of the search of these methods in 2014 were very affected by the tense international situation which had formed due to aggressive Russia's actions against Ukraine, when cynicism, lie and amorality destroyed the hardly existent but still existent order of international arrangements and the equilibrium of the political powers. Therefore, recently it has been pointless to talk about a global objective of the implementation of the New Public Management since the world currently is not in a better, but in a worse socio-economic, political-value-related and moral-ethical position than it was before 2014. With individual countries of the world increasingly dissociating themselves from collaboration and by taking the direction of open confrontation, more realistic due to their implementation would be the attempts of the Western countries and most of the Eastern European countries to integrate into it in a more independent way, to reach some achievements in relation to certain New Public Governance in their countries and their public organizations that would have some influence both for the internal and external environment of the organizations and would encourage more sound and more effective decisions.

The economic crisis of 2008-2010 in Western countries should have been a big shock for the application of the New Public Governance. After the former major world crises, such as that of 1929-1933 or the post-war crises, essential rearrangements and the implementation of new strategies would follow in the political-administrative system. That is how the pre-war America started and successfully implemented Roosevelt's *New Deal* and in the post-war years in North America and Western Europe welfare states would be created. There were no new theoretical reflections after the 2008-2010 economic crisis in the West, the economic-political systems did not reassess their values and did not find and maybe did not look for ways to implement new decisions. In fact, the Western system and the EU Eastern European countries that are integrating into it have not changed their development practical trajectories and preserved it. The fact that the right-wing extremist powers were gaining ground in some of the political elections of the Western countries, and individual Eastern European countries were better dealing in economic terms, basically, they did not change their old neoliberal course of development. In the meetings of politicians and scientists and in theoretical conferences one continued to talk about the advantages of the New Public Governance. Social responsibility has become one of the major parts of Management and Administrative Sciences, failure to mention them in official speeches is seen as bad manners and some kind of a *sign of lagging behind*, without considering the issues of social responsibility any of the more significant projects of management of administration takes place.

From the theoretical point of view, it seems that all public organizations should consider the objectives of social responsibility to be important let alone due to the fact that they are taking care of public goods and public services. However, in real life it is precisely in public sector that the greatest scandals of confusion of the public and private interests take place and very often only personal benefit is sought after. The public sector by its nature should be a role model and a guide for the private sector how to implement social responsibility. However, in practice it is often vice versa, i.e. individual private organizations much

more effectively refer to social responsibility than public organizations. This is revealed in the greater formalization of social responsibility of private organizations.

New Public Governance with its objectives of social responsibility is merely necessary to remove the well-enshrined cankers of the public sector, which disturb both within the organizations and outside them to seek for social responsibility, to protect the employees and the environment. How can we talk about global social responsibility if it is frequently the case that public organizations mistreat their employees who themselves should take *the social responsibility* outside and be a role model for private organizations?

5. Final remarks

This paper was written under the viewpoint of revealing globalization and postmodernity as the critical conditions for seeking of urgent New Governance implementation. To be precise, the author suggests a concrete methodology implying the New Governance approach as the opposite or supplementary point to overcome the shortcomings of previous hierarchical and New Public Management approaches which have been in force.

In the above sense, the paper points to the necessity of implementation of the New Governance model as the new conditions of globalization and postmodernity are forming dangers for the more traditional public governance models.

However, it is also possible to talk on research or methodological limitations, which comprise the evidence that globalization and postmodernity are making a big impact for the Governance in current world, but designing exact criteria and indicators allowing further and in-deep research on this topic appears as a really difficult task.

Finally, it should be mentioned that New Governance is admired by the author as well as by other specialists in the field due to its welcomed principles of openness, transparency, pluralism, democracy, social quality, social justice, social responsibility, non-corruption and active role of NGOs. However, it should be also highlighted that, at the moment, this approach lacks concrete methods for the implementation of these principles.

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