

HSST POLITICAL SCIENCE

Part IV: Theories and concepts of Public Administration

Module III-Approaches to Public Administration

III-Contemporary Approach: Public Choice, Rational Choice, Contingency

1) Public Choice Approach

- ✓ The word public choice approach was coined in the late 1970s, and it started gaining importance as a discipline of public administration.
- ✓ **Vincent Ostrom** considered this approach the most appropriate one, which can help study political institutions, political processes, and different policies.
- ✓ They believed that when economic ideas are applied to something, it brings out efficiency and rationality.
- ✓ The public choice approach always favored the **democratic administration, which focuses on one simple thing that fulfils the demand of the public.**
- ✓ The study of the public choice approach always emphasizes the needs and ideas of the public as they believe that by fulfilling the needs of the public, gaining economic growth becomes easy.
- ✓ **Dennis Mueller** defines “Public Choice Approach the economic study of non-market decision-making or simply the application of economics to political science”.
- ✓ The subject matter of Public Choices is the same as that **to political science**: -
 - -the theory of the state
 - -voting rules
 - -voter behavior
 - -party politics
 - -the bureaucracy
- ✓ The **methodological bases** of public choice approach are:
 - -rational choice
 - -methodological individualism
 - -politics as change
- ❖ **Rational Choice**: It is the fundamental idea that people try to do the best they can given the constraints that they face. People are assumed to be able to rank alternatives in order to preference and choose the most preferred alternative –and also be consistent in their choice.
- ❖ **Methodological Individualism**: It is term coined by Joseph Schumpeter. It rejects viewing society as an organism and considers a holistic approach misleading.
- ❖ **Politics as Change**: It considers that realization of certain ends arises as a result of bargaining and exchange among individuals.

Features of Public Choice Approach

- It is an **anti-bureaucratic approach**.
- It is a **critique of the bureaucratic model of administration**
- **It encourages institutional pluralism** in the provisions of public goods and services
- Plurality of government and public agencies is supported on the ground of consumer preferences.
- It stands for diverse democratic decision-making centre, decentralization and popular participation in administration.
- It encourages institutional pluralism in the provision of public services.
- Providing public goods and services encourages institutional pluralism.
- It always supports the democratic decision-making centers and popular participation in the administration.

2) Rational Choice Theory

- The rational choice theory, also known as **choice theory or rational action theory** is a theory for understanding and often modeling social and economic as well as individual behavior.
- Rational choice theory states that individuals rely on rational calculations to make rational choices that result in outcomes aligned with their own best interests.
- Rational choice theory is often associated with the **concepts of rational actors, self-interest, and the invisible hand**.
- Many economists believe that the factors associated with rational choice theory are beneficial to the economy as a whole.
- **Adam Smith** was one of the first economists to develop the underlying principles of the rational choice theory.
- There are many economists who dispute the veracity of the rational choice theory and the invisible hand theory.
- Rational choice theory is a theory in social science that argues human behavior, and social life in general, can be explained in terms of rational choices of individuals.
- Social interaction, including political interaction, is considered to be a type of exchange where individuals will interact with each other if the expected gains outweigh the expected costs arising from the interaction.

Assumptions Rational Choice Approach

- **An individual acts rationally in pursuit of her own self-interest and not in the interests of others.** Individuals seek to maximize their gains and minimize their losses.
- An individual has sufficient information upon which to establish her preferences and perform her rational analysis.
- **Preferences are transitive in nature.** This is a logical principle that sounds more complicated than it really is. According to transitivity, if someone prefers strawberry ice

cream over vanilla ice cream, but vanilla ice cream over chocolate ice cream, then it logically follows that she'll prefer strawberry ice cream over chocolate ice cream.

3) Contingency Approach

- The contingency approach, often called the **Situational Approach** is based upon the premise that all management is **essentially situational in nature**. All decisions by managers will be affected (if not controlled) by the contingencies of a given situation. It is developed during **1970s**.
- The 'Contingency Approach to Management' is relatively a **new approach to management**.
- It is an extension of the system approach. The basic idea of the contingency approach is that the **organization has to come up with different situations in different ways**.
- There is no single best way of managing applicable to all situations.
- In order to be effective, the internal functioning of an organization must be consistent with the demands of the external environment. The managers must keep the functioning of an organization in harmony with the needs of its members and the external forces.

Characteristics Contingency Approach

- **Contingency approach is pragmatic in nature**. It avoids vague judgments and widens the horizons of practicing managers. It guides them to be alert and adaptive to environmental factors while choosing their techniques and styles. They get the opportunity of becoming innovative and creative.
- The contingency approach has a **wide-ranging applicability and practical utility in organization and management**. It advocates comparative analysis of the organizations to bring about matching between the organizational structure and situational peculiarities. Hence, this approach is also known as 'Situational Approach to Management'.
- The contingency approach **focuses attention on specific situational factors that affect the management strategy**. It requires the managers to develop skill in situational analysis. It combines the mechanistic and humanistic approaches to fit the particular situation.