

New Public Management

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Structure

- New Public Management(NPM) -Rationale, Core Principles and Critique of NPM
- Shift from NPM - Governance




Drivers of Change

- Globalisation
- Management Orientation in Public Administration
- Need for reform and innovation

New Public Management (NPM)

- Paradigm shift in Public administration
- Most striking international trends in Public Management
- The term (NPM) – Christopher Hood(1991) in the research paper – ‘A Public Management for all seasons’(*Public Administration*, vol.69, issue I)
- Other scholars : Gerald Caiden , P. Hoggett, C.Politt R.Rhodes, R.M.Kelly, P.Aucion and L.Terry

Different Interpretations

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- Managerialism - Christopher Pollitt
 - Entrepreneurial Government - Osborne and Gaebler
 - Market - based Public Administration-
Lan and Rosenbloom
 - ‘Third way’ - U.A.Gunn



Thrust/Focus

- 3Es-economy, efficiency and effectiveness
- Borrows ‘how’ from business management and blends it in the ‘what’ of Public Administration
- Preference to the term ‘management’ than to the term ‘administration’



NPM Perspective: Genesis/Rationale

- Increase in government expenditure - weaknesses or failures of Traditional Bureaucracy
- Historical shift in state ideology towards a neo-liberal framework –market oriented
- Impact of New Right Philosophy, Neo - conservative political leaders in UK and US - especially Thatcher (1979 - 90) and Reagan(1981-89)
- International actors-advocating and prescribing NPM - style reforms

Core Principles of NPM

- Managerialism (a proactive, outcome - oriented, customer - centric government based on decentralisation and participative management)
- Marketisation (charging for public services, promotion of markets through creation of incentives, introducing competition between units through contracting)

Traditional Public Administration Vs New Public Management

Traditional Public Administration

- Policy- administration dichotomy
- Government- exclusive provider of services
- Structure oriented
- Anonymity and secrecy in operations
- Authoritative approach
- Public- Private distinction
- Emphasis on rules, structures and processes
- Hierarchical model

New Public Management

- Policy- administration confluence
- Network of stakeholders- providers of services
- People- oriented
- People friendly, responsive, transparent and accountable
- Participatory Approach
- Public- Private Partnership
- Emphasis on performance and outcomes
- Flexible models

David Osborne and Ted Gaebler 'Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector'(1992)



- “We do not need more government ; We need better government to be more precise ,we need better governance **(Osborne and Gaebler)**
- “Governance is an act of collectively solving our problems, government is the instrument we use. The instrument is outdated and it is time to remake it”.

Characteristics - Osborne and Gaebler (10 commandments)

- Catalytic Government - **steering not rowing**
- Community-owned government - **empowering than serving**
- Competitive Government - **not public vs private, but competition vs monopoly**
- Mission - driven government - **not just rules and regulations**

- Results - oriented government - **measuring performance on the basis of outcomes rather than inputs**
- Customer - driven government - **needs of customer with wide choice**
- Enterprising Government - **earning than just spending**
- Anticipatory approach - **proactive**
- Decentralised government - **less of hierarchy, decision making close to citizen**
- Market oriented government - **leveraging change through market**



Some NPM Postulates – Indian Context

- Citizens' Charters
- Redressal of citizen's grievance mechanisms
- Information and facilitation counters
- Use of Information Technology
- One stop or single window services
- The Right to Information Act
- Administrative Reforms



Critique

- Involves a paradox of centralisation through decentralisation (giving public managers more authority to manage programmes)
- Applicability of private sector management techniques to public sector ?(contextual differences)
- ‘public interest’ – heart of government operations is irreplaceable by market philosophy
- Validity and universality of NPM?
- Capacity and systemic processes to initiate NPM (State’s capacity precondition for successful NPM reform)
- Is political reform not a necessary condition for governmental reform ?

Four New Avenues of thought



- Neo Weberian state
- Government - governance theory
- The 'glocalisation' theory- think globally, act locally
- Theories about new combinations between state, civil society and market

Civil Society as a Supplementary Democratic Model



- Civil society - a mediating link between state and markets
- Debate of state vs market not valid
- Integrating of 3 critical players - state, market, civil society in governance.

Governance: Operation of 3 Key Actors

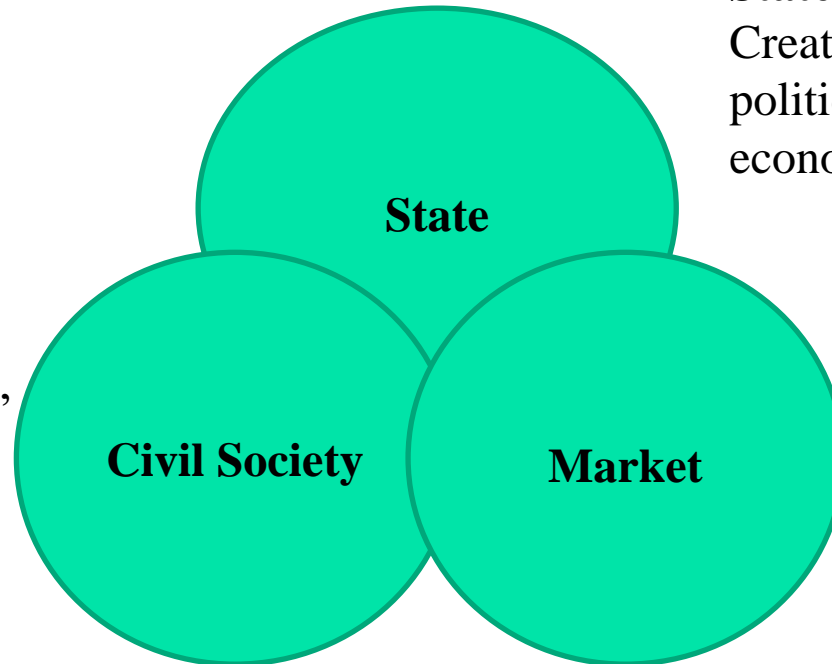
Governance: Goes beyond the Government

State:

Creating a favorable political, legal & economic environment

Civil Society:

Mobilizing peoples' participation



Market:

Creating opportunities for people

International Agencies
Management Orientation

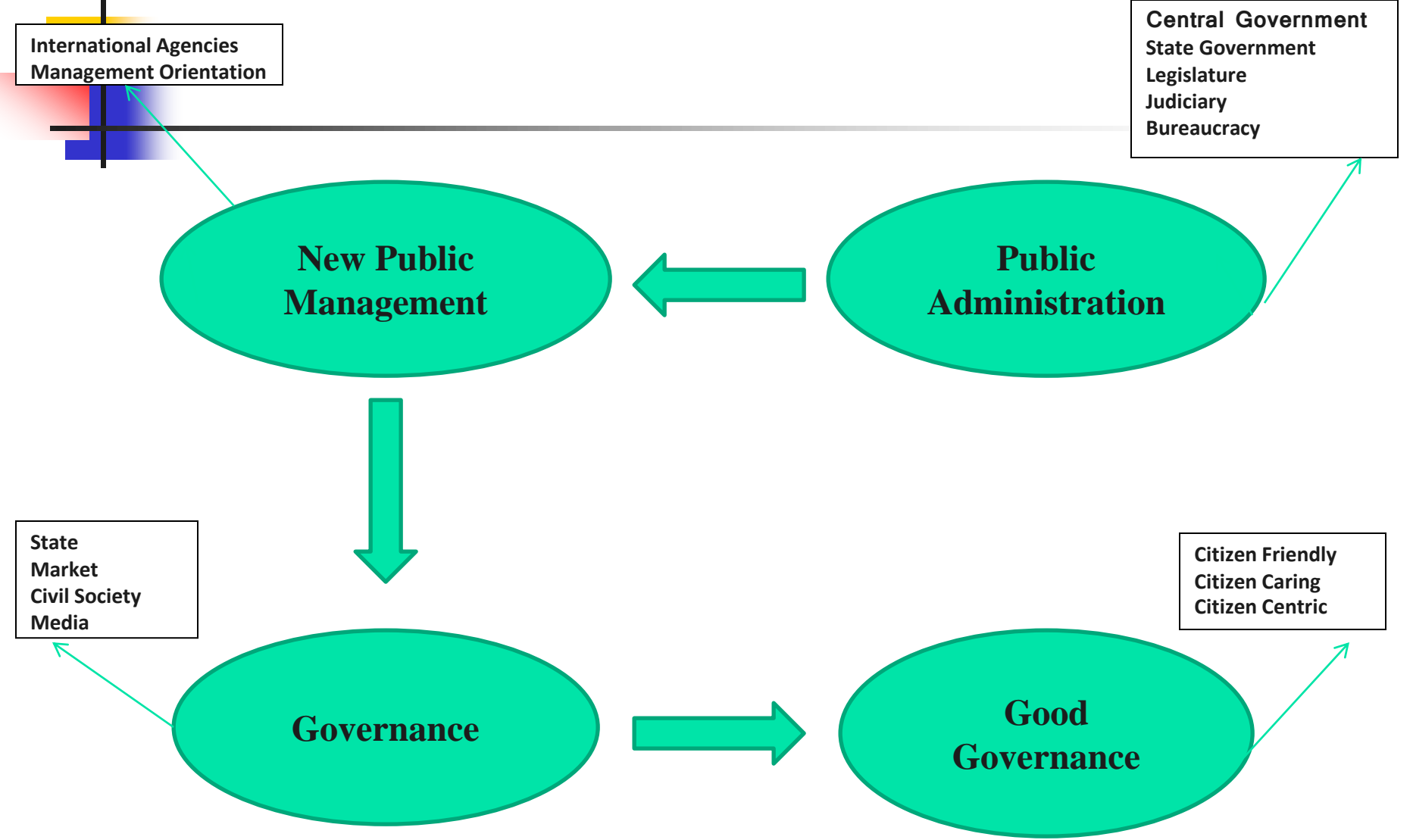
Central Government
State Government
Legislature
Judiciary
Bureaucracy



State
Market
Civil Society
Media



Citizen Friendly
Citizen Caring
Citizen Centric





Administration - Governance

- **Governance is another mode of conceptualizing public administration in a changed global scenario**



Quiz...

- (1) Who interpreted New Public Management as ‘Third Way’?
- (a) Christopher Pollitt
 - (b) Gerald Caiden
 - (c) Lan and Rosenbloom
 - (d) U.A. Gunn



Cont...

(2) Who is the author of the research paper ‘A Public Management for All Seasons’?

(a) P. Hoggett

(b) Christopher Hood

(c) R. M. Kelly

(d) L. Terry



Cont...

(3) What does a Catalytic Government signify?

(a) Mission – driven

(b) Market oriented

(c) Customer driven

(d) Steering not rowing

References

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THANK YOU