

New Public Management Syndicate Group 10

Flow of the Presentation

TOPIC	MEMBER
Introduction & Definition	Amit Kr. Singh, IPS, CFC-10
History & Development	K.A. Devaraj, IPoS, CFC-90
NPM vs. Public Admin.	N.K.Jha, IPoS, CFC-60
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Criticism & Conclusion	Abhimaniu Sharma, ITS, CFC-60

INTRODUCTION

- ***NEW PUBLIC MANAGEMENT***

- *The term “New Public Management “ was coined by Christopher Hood. He used it in his article entitled “A Public Management for all seasons” published in 1991.*

New Public Management

is also called as

- Managerialism
POLLITT
- Entrepreneurial government
OSBORNE and GAEBLER
- Market based public administration
LAN and ROSENBLOOM
- “third way “ between public administration and private administration
U.A.GUNN



New Public Management is a discussion and investigation of economic and political systems in various countries and their policies that aimed to modernize and render the public sector more efficient.

New Public Management is the application of the philosophy, culture and practices of the Management followed in Private Sector into the Public Sector

BASIC THEME

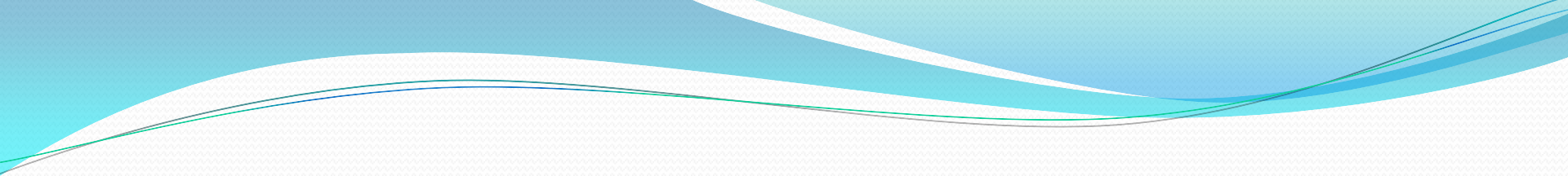
It represents a synthesis of the public administration and the private administration (business administration).

It takes “what” and “why” from public administration and “how” from private administration

3 Es of NEW PUBLIC MANAGEMENT

(POLLITT)

- ECONOMY ----- the eradication of waste.
- EFFICIENCY -----the streamlining of services.
- EFFECTIVENESS-----the specification of objectives to ensure that resources are targeted on problems.



The emphasis of new public management is on performance appraisal ,managerial autonomy , cost cutting ,financial incentives , output targets, innovation , responsiveness, competence , accountability, market orientation, quality improvement, contracting out, flexibility, competition, choice, information technology, debureaucratisation, decentralization, downsizing and entrepreneurialism.

K.A.Devaraj
IPoS
CFC-90

History & Development



Historical Background

- Coined by Christopher Hood
- Shift in state ideology in 1970s – towards Neo-liberal framework
- Worsened economic condition in Britain 1970s-Oil crisis , fiscal deficit , bureaucratic inefficiency etc.

Contd...

- First emerged in UK under the leadership of PM Margaret Thatcher in 1980s
- Drove changes in public management- Next Step initiative-civil services, Financial matters
- John Major , successor of Thatcher – implementation of Citizen Charter

Development

- In 1992 Osbourne and Gaebler articulated the concept in their book "Reinventing Government"
- It became major item on President Clinton's agenda.
- Vice President Al Gore included the NPM concept in National Performance Review and Government Performance and Results Act

Contd...

- In 1980s became the basis of policy making in developed countries like New Zealand , Australia ,canada ,France , Germany , Italy etc.
- Also in developing countries in Asia and Africa
- Reinforced by various international agencies like World Bank , IMF , ADB etc by advocating and prescribing NPM style reforms.

Contd...

- Apart from the international agencies, regional organizations like OECD , NAFTA , EU , APEC also helped developing through their initiatives.
- In short through active initiatives and programs pursued by international agencies , regional organizations and political leaders NPM model become a global model for reforming and managing the public sector in countries all over world

N.K.Jha

IPOS

CFC-70

New Public Management

vs.

Public Administration

**Table 1: Public Administration vs New Public Management
(Araujo, 2001)**

Sl. No.	Elements	New Public Management	Traditional Public Administration
1	Government organization	Break-up of traditional structures into quasi-autonomous units	Services provided on a uniform basis operating as a single aggregated unit
2	Control of public organizations	Hands-on professional management with clear statement of goals and performance measurement	Control from the head quarters through the hierarchy of unbroken supervision and checks and balances
3	Control of output measures	Stress results and output control rather than procedures	Control on inputs and procedures
4	Management practices	Using private sector management style	Standard established procedures throughout the service
5	Discipline in resources use	Check resources demand and 'do more with less'	Due process and political entitlements

Archana
Gopinath
IPoS
CFC-80

Essential
Characteristics &
Principles

Essential characteristics

Christopher Hood



1. Hands-on Professional Management of Public organization.

Visible managers at the top of the organization, free to manage by use of discretionary power.

2. Explicit standards and measures of performance

Goals and targets defined and measurable as indicators of success.

Essential characteristics

Christopher Hood

3. Greater emphasis on output controls.

Resource allocation and rewards are linked to performance.

4. Shift to disaggregation of units in the public sector

Disaggregate public sector into corporatized units of activity, organized around products, with devolved budgets. Units dealing at arm's length with each other.

Essential characteristics

Christopher Hood

5. Shift to greater competition in the public sector.

Move to term contracts and public tendering procedures; introduction of market disciplines in public sector.

6. Stress on private-sector styles of Management practice.

Move away from traditional public service ethics to more flexible pay, hiring, rules, etc.

7. Stress on greater discipline and economy in public sector resource use.

Cutting direct costs, raising labor discipline, limiting compliance costs to business.

Principles

Osborne and Gaebler

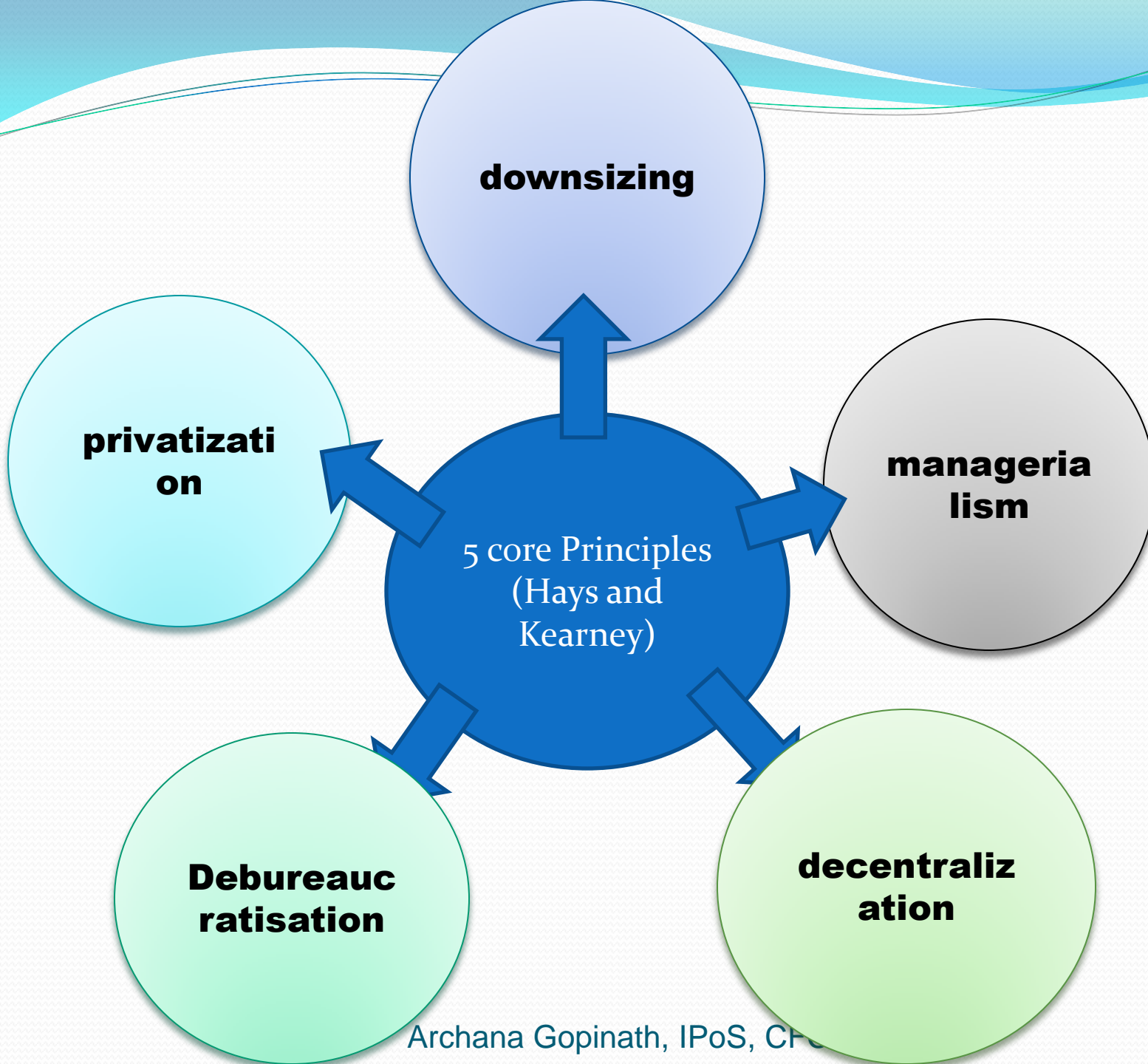


- **CATALYTIC GOVERNMENT:**
steering rather than rowing
- **COMMUNITY-OWNED GOVERNMENT:**
empowering rather than serving
- **COMPETITIVE GOVERNMENT:**
injecting competition into service delivery
- **MISSION-DRIVEN GOVERNMENT:**
transforming rule-driven organizations
- **RESULTS-ORIENTED GOVERNMENT:**
funding outcomes, not inputs

Principles

Osborne and Gaebler

- **CUSTOMER-DRIVEN GOVERNMENT:**
meeting the needs of the customer, not their bureaucracy
- **ENTERPRISING GOVERNMENT:**
rather than spending
- **ANTICIPATORY GOVERNMENT:**
prevention rather than cure
- **DECENTRALIZED GOVERNMENT:**
from hierarchy to participation and teamwork
- **MARKET-ORIENTED GOVERNMENT :**
leveraging change through the market



Ajoy Prasad
IPS
CFC-30

Public vs.
Private Sector

Types of Organisations

- Corporation
- Departmental

Public VS Private Sector

	Public	Private
Objective	‘Social Service’??	Profitability/Market Share
Change orientation	Resistant to change	Innovation oriented
Services	No Choice (TINA Syndrome)	Public Choice theory
Accountability	To comply with minimum Standards	Satisfaction of Customers/Market Based
Motivation	Compliance of rules	Excellence
Promotion	Based on Seniority	Based on Performance/Merit
Risk Taking	Minimum/Negligible	Calculated Risk
Retrenchment	Very Difficult	Perform or Perish
Funding	Taxation	Profit
Organisational Death	“RAVANA”	“KARNA”

Anand
Sharma, IPS
CFC-40

Indian
Perspectives

INDIAN PERSPECTIVE ON NEW PUBLIC MANAGEMENT

- Concept of New Public Management dawned in India in early 90s during the era of economic liberalisation. It included:
 - Slimming down of government both in size as well as functions
 - Disinvestment and increased role of private sector
 - Making PSUs face open competition in free market
 - Reduction of Government control and enhancing transparency and efficiency
 - E-governance
 - RTI Act, 2005
 - Decentralisation of governance esp focus on panchayati raj institutions.
 - New performance appraisal system for govt. employees

Current Political Regime & NPM

GoI focus on NPM principles manifested through:

- Lateral Entry of Private Sector Professionals in Govt. Organisations
- Digital India Campaign
- Removal of the requirement of affidavits
- Right to Receipt

Suresh Kumar
Chadive, IPS
CFC-20

Indian Best Practices

Common Services

Citizen Services at one shop



E-Seva version	State/Dept
Mee-Seva	AP, Telangana
Akshaya	Kerala
Bangalore One, Bhoomi	Karnataka
Samadhan	MP

**Common Services Centre Scheme – Under DeitY
– 1.3 Lakhs CSCs all over india – 35 states/UTs**

- **Principles:-** Service to Clients, Transparency, Application of IT in service delivery,

Suresh Kumar Chadive, IPS, CFC-20

Online Services

Citizen Services at Fingertips

- Railway Ticketing,
- Passport,
- Visa & Foreigners Registration,
- Income Tax Online,
- MCA21

• **Principles:-** Service to Clients,
Transparency, Application of IT in service
delivery,

Suresh Kumar Chadive, IPS, CFC-20



Electricity Reforms

BEST PRACTICE

- Unbundling of SEBs into GEN/TRANS/DIS Coms
- Corporatisation – Degrees of Privatisation – Across all states
- **Principles:-** Disaggregation, Efficiency, Deregulation of Monopolies,

Services as Rights

BEST PRACTICE

- Right to Service Act – MP (2010), Bihar (2011), Many states followed in 2012-2015
 - Citizens Charters – Quality, Timeframe, Charges & Procedures,
 - Banking Ombudsman Scheme - RBI
 - Quality management Certifications – Police !
- **Principles:-** Citizen Charters, Service Delivery to Citizens, Accountability, Transparency, Empowerment

Suresh Kumar Chadive, IPS, CFC-20

Direct Benefit Transfer

BEST PRACTICE

- LPG – Largest 12 Cr Consumers – 4000 Cr savings
Subsidy leakage
- MNREGA,
- Student Scholarships, etc.(35 Schemes) across 670+ districts (as on 31st March 2015).



- **Principles:-** Efficiency, Decentralisation, Using IT for Service Delivery, Transparency

Reforms

BEST PRACTICE

- Procurement (Reverse Auction) &
- Sale (Auction)
 - Auction of Coal
 - and Spectrum -
- **Principles:-** Professional Management, Efficiency, Transparency

Economic Reforms



- Liberalisation-Privatisation-Globalisation
- VSNL, HZL, BALCO – **Disinvestment**,
- Not only privatisation ! - SAIL, SBI, Air India – Asked to Compete –
- **MOUs Navratnas, etc. – 1987-88 Exptl Basis**
- **Principles:- Professional Management, Efficiency, Decentralisation with Accountability, Corporatisation & Privatisation**

Information Trends



- Right to Information Act
- Social Media in Govt – MyGov.in, Twitter

- **Principles:-** Transparency, People's participation in Policy,

Suresh Kumar Chadive, IPS, CFC-20

Meenakshi C,
IFS
CFC-50

Issues of NPM

STRUCTURAL ISSUES OF NPM

- PRODUCTIVITY
(WITH LESS TAX MONEY HOW TO PRODUCE MORE SERVICES)
- MARKETISATION
(TO ROOT OUT PATHOLOGIES OF BUREAUCRACY-HOW TO USE MARKET STYLE INCENTIVES)
- SERVICE ORIENTATION
- DECENTRALISATION (NOT IN SPIRIT ,ONLY IN LETTER)
- POLICY (IMPROVING THE CAPACITY TO DEVISE AND TRACK POLICY)
- ACCOUNTABILITY (DELEVERING WHAT GOVT PROMISED)

STRUCTURAL ISSUES OF NPM

- NEVER INTENDED TO INCORPORATE EQUITY AND SOCIAL JUSTICE CONCERNS.
- IDEOLOGY AND PRACTISE – TOO BRASH WITH BUSINESS ORIENTATION (CREATING UNEASE THAT SOCIAL JUSTICE CANT BE DELIVERED)
- MANAGERIAL PREDOMINANCE OVER POLICY CAPACITY
- AMBIGUITY IN POLITICIAN – BUREAUCRAT ROLE
- ABSENCE OF CLEAR CUT CONCEPT OF ACCOUNTABILITY.
- PROMOTION OF INDIVIDUALISTIC IDEAS IN PLACE OF COLLECTIVE INTERESTS.

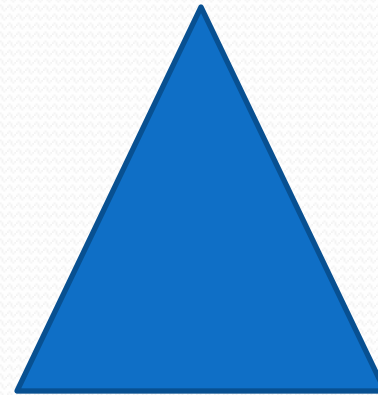
FUNCTIONAL ISSUES OF NPM

- While implementing RTI act
- Too much of MICROMANAGEMENT
- DECENTRALISATION PROCESS
- CORRUPTION
- ACCOUNTABILITY
- TRIBALS RIGHTS (TITLE)





FOREST LAND



**DISTRICT
COLLECTOR**

**TRIBAL
DEPT.**

RECENT SCENARIO

- INDIA IS PERHAPS THE ONLY COUNTRY WHERE PARLIEMENT DOES THE JUDICIAL FUNCTION;
- COURT DOES THE EXECUTIVE FUNCTIONS &
- EXECUTIVE DOES THE LEGISLATIVE FUNCTIONS.....

- MEDIA DOES ALL THE THREE FUNCTIONS INCLUDING FOREIGN AFFAIRS.....

**????? HOW BEST THE ORGANS DELIVER
TO THE PUBLIC ??????**

Dr. Meenakshi C., IFS, CFC-50

Abhimaniu
Sharma, ITS
CFC-60

Conclusion

CRITIQUE OF NEW PUBLIC MANAGEMENT(NPM)

- Anti- state ideology
- Negating social justice and equity concerns
- Reinforced Politics-Administration dichotomy
- Decline in basic social service and disintegration of social safety nets
- Dominant neo-liberal ideology

Dominant neo-liberal ideology

Washington consensus

It refers to a set of ten relatively specific economic policy prescriptions promoted by IMF and World Bank for crisis wrecked developing countries.

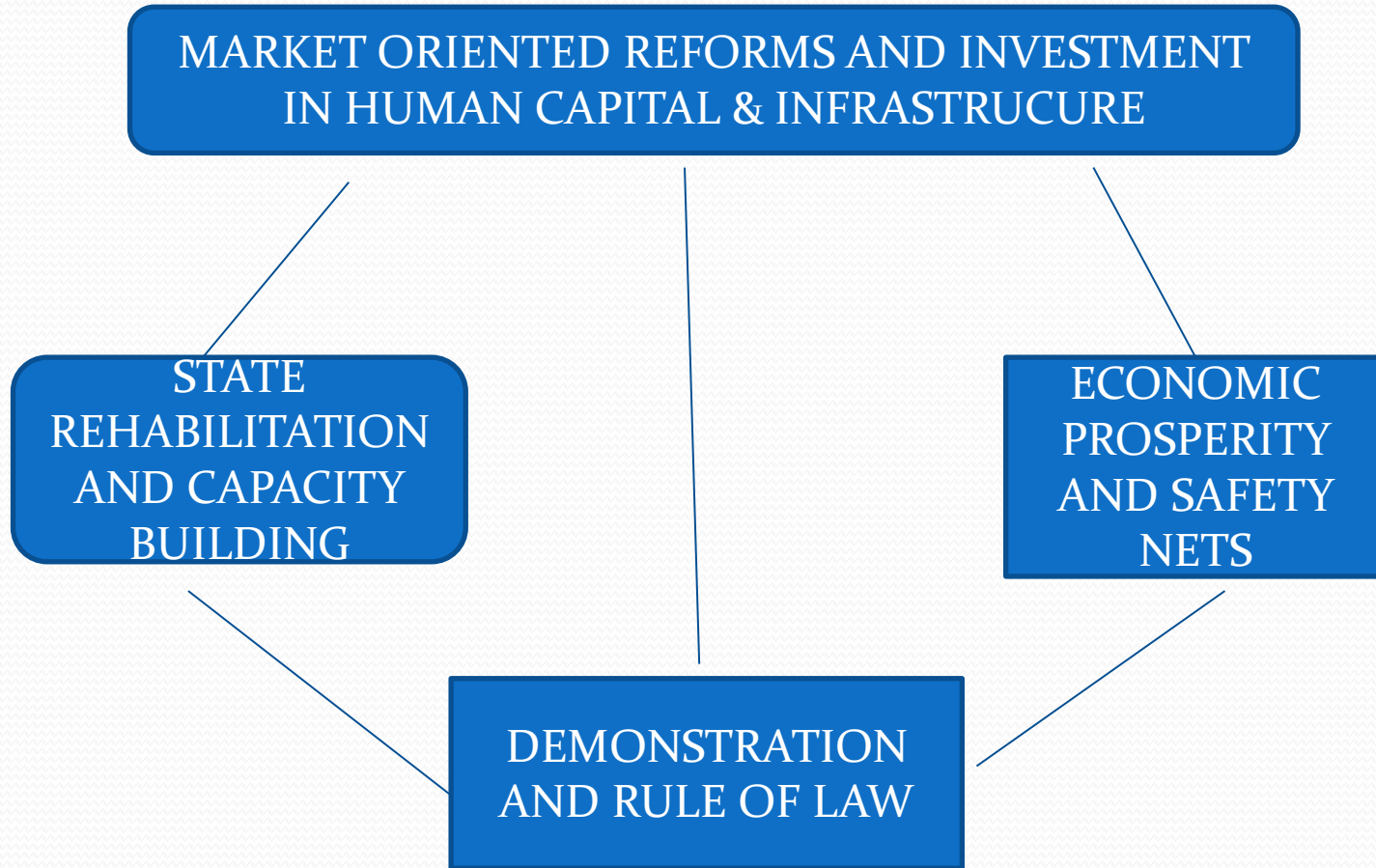
- Structural Adjustment and Stabilization Programmes
- “One size fits all approach” - Joseph Stiglitz
- Example Argentina, Bolivia, India(Delhi Power Reforms)

ALTERNATIVE PARADIGM

From NPM to Good Governance

- ❑ Holistic perspective- not just economic growth but also political and social transformation.
- ❑ Human Development Report, 2001
 - *Human Development as something more than the mere rise and fall of National Incomes.*
 - *Providing enabling environment to people to develop their full potential and expanding choices.*

Pragmatic neo-liberal development model



- ❑ “Sub-Saharan Africa: From Crisis to Sustainable Growth” (1989)
 - Crisis confronting the region as “crisis of governance”
- ❑ The Report on Human Development in South Asia (1999)
 - South Asia’s colossal human deprivation is not just due to economic reasons
 - The need for humane governance

GOOD GOVERNANCE

- ❖ Operation of **Rule of Law**
- ❖ A policy environment which facilitates **economic growth and poverty reduction**
- ❖ Adequate **public expenditures** on basic health and infrastructure
- ❖ Protecting the vulnerable through affordable and targeted **safety nets**
- ❖ Protecting the **environment**

Thank You

Any Questions ?