



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

NEW PUBLIC MANAGEMENT(NPM) IN PUBLIC ADMINISTRATION

LAXMI KANTA GHOSH, SET QUALIFIED, SACT-1,

DEPARTMENT OF POLITICAL SCIENCE,

RAJA RAMMOHUN ROY MAHAVIDYALAYA

ABSTRACT: New Public Management is the new thrust of administrative reforms sweeping through the world. The term has been in use in recent times to describe a management culture that emphasizes the centrality of the citizen or customer, as well as accountability for results. Its other important dimension relates to structural or organizational choices that promote decentralized control through a wide variety of alternative service delivery mechanisms, including quasi-markets with public and private service providers competing for resources from policy-makers and donors. The central spirit of NPM is about getting things done better. It has assumed to be a tool for Good Governance in the present times. New Public Management has its foundations in economy management on the pattern of market management and by virtue of it, is imbedded into economic theories of Public Choice, Agency Cost and Transaction Cost Analysis.

KEYWORDS : Economy, Efficiency, Effectiveness, Market, Governance, Accountability, Rationality, Entrepreneurial government.

METHODOLOGY OF THE STUDY : Qualitative methodology with analytically view.

INTRODUCTION : The New Public Management(NPM) perspective is the latest paradigm in the evolution of public administration. It came into existence in the 1990s . The book entitled Reinventing Government by David Osborn and Red Gaebler, published in 1992 heralded the birth of the new public management. NPM represents the second reinvention in public administration; the first being the New Public Administration of the late 1960s. 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.

The new public management is also called as 'managerialism' (by Pollitt), 'entrepreneurial government' (by Osborne and Gaebler) , ' market-based public administration' (by Lan and Rosenbloom) and 'third way' between public administration and private administration (by U.A. Gunn) .

EXPONENTS OF NPM : Some notable scholars contributing to NPM are Christopher Hood, Gerald Caiden, David Osborne, Ted Gaebler, P. Hoggett, C. Poliitt, R. Rhodes, R.M. Kelly, P. Aucoin and L.Terry.

BASIC THEME OF NPM : The new public management has emerged out of theThatcherism (Britain – the first country which initiated the privatization of public enterprise) and Reaganism (USA) of the 1980s. It represents

a synthesis of the public administration and the private administration (business management). It takes 'what' and 'why' from public administration and 'how' from private administration.

AIMS OF NPM : The new public management aims at 3Es – economy, efficiency and effectiveness (the words used by Pollitt) :

(i) Economy – the eradication of waste.

(ii) Efficiency – the streamlining of services.

(iii) Effectiveness – the specification of objectives to ensure that resources to ensure that resources are targeted on problems.

MAIN THEME OF NPM: 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, down-sizing and entrepreneurialism.

The new public management staunchly advocates a basic change in the role of state in society and economy. It emphasizes on the vital role of the 'market' as against the 'state' as the regulator of society and economy. Thus. It involves a shift from direct provision of services by government to indirect methods like policy-making , facilitating, contracting, providing information and coordinating other actors. In other words, the government should change from a 'doer' of public activities to a 'distributor' of public benefits and 'facilitator' and 'promoter' of change in society and economy.

Thus, the new public management suggests a series of shifts of emphasis in the way in which the public sectors should be organized and managed to meet the new challenges of liberalization, globalization, and privatization.

The Central theme of new public management, as summarized by Osborne and Gaebler, is, 'We don't need more government ; we need better government. To be more precise, we need better governance. Governance is the act of collectively solving our problems. Government is the instrument we use . The instrument is outdated, and it is time to remake it'.

THEORETICAL BASES : The new public management has two theoretical bases (defining pillars) : public choice approach and Neo- Taylorism.

ANTI-GOALS OF NPM : The new public management rejects the various concepts and principles of traditional public administration. These are :

(i) Politics – administration dichotomy

(ii) Hierarchy – ridden organization

(iii) Over – centralization of power

(iv) Supremacy of rules in administration

(v) Rationality in decision – making

(vi) Impersonal nature of administration

(vii) Rigidity in administrative process

(viii) Inward – looking orientation

GOALS / FEATURES : According to Christopher Hood, the new public management has the following seven features (goals or elements or doctrines) :

- (i) Emphasis on professional management in the public sector.
- (ii) Laying of explicit standards and measures of performance.
- (iii) A shift to greater emphasis on output controls (results) rather than procedures.
- (iv) A shift to disaggregation of units in the public sector.
- (v) A shift to greater competition in public sector.
- (vi) A stress on private sector management practices.
- (vii) A stress on greater discipline and parsimony in resource use.

CENTRAL DOCTRINES : According to R.A.W. Rhodes, the new public management has the following central doctrines (salient features) :

1. A focus on management, not policy, and on performance appraisal and efficiency.
2. The disaggregation of bureaucracies into agencies which deal with each other on a user-pay basis.
3. The use of quasi-markets and contracting out to foster competition.
4. Emphasis on cost-cutting – motto being ‘value for money’.
5. A style of management which emphasizes output targets, limited-term contracts, monetary incentives and freedom to manage.

OSBORNE AND GAEBLER : They have identified the ten goals (feature or principles) of new public management. These are explained below :

1. CATALYTIC GOVERNMENT : Government engaged in steering rather than rowing.
2. COMMUNITY-OWNED GOVERNMENT : Strengthening and empowering communities to solve their own problems.
3. COMPETITIVE GOVERNMENT : Injecting competition into service delivery by rewarding efficiency and economy.
4. MISSION-DRIVEN GOVERNMENT : Transforming rule-driven government into mission-oriented government.
5. RESULT-ORIENTED GOVERNMENT : Funding outcomes encouraging target achievement and goal-directed efforts.
6. CUSTOMER-DRIVEN GOVERNMENT : Meeting and working towards customers and not bureaucracy.
7. ENTERPRISING GOVERNMENT : Emphasis on earning and resource mobilization rather than spending.
8. ANTICIPATORY GOVERNMENT : Identification and prevention before occurrence of problems.

9. DECENTRALISED GOVERNMENT : Shift in working pattern from hierarchy to participation and teamwork.

10. MARKET-ORIENTATION GOVERNMENT : Leveraging change through market forces.

KEY CONCERNS OF THE NPM : Some of the key concerns of the NPM approach are :

- Downsizing the bureaucracy.
- Debureaucratization process.
- Decentralisation of the decision making.
- New managerialism.
- Privatisation
- Performance evaluation.

THE DRAWBACKS OF NPM :

- Imposition of standardized managerial norms over governance structure.
- No attention on creation of creation of institutions and institutional values.
- Lack of transparency.
- Mixed impact on equity.
- Relegation of social concerns to the background.
- No clear-cut policy guidelines for privatization initiative.
- Methodological problems pertaining to evaluation.

CONCLUSIONS : The influence of NPM and reinventing government has been quite significant. The extent of this influence can be seen in the emergence and acceptance of several new terms in Public Administration Literature and practice, which have a prominent place in the agenda of public sector reformers who are in favour of good governance. The policies of developed and developing countries are being increasingly influenced by NPM and reinventing government prescriptions. One of the direct outcomes of the impact of NPM and reinventing government initiatives is that the role of public administration has been propelled to undergo significant transformation in many developed and developing countries. Consequently, responsibilities of public administration as well as those of the executive branch of the government are being confined to facilitating, leading and catalyzing changes to achieve more with limited financial resources and fewer personnel.

REFERENCES :

1. Al Gore. (1993) From Red Tape to Results : Creating a Government that Works Better and Costs Less. A Report of the National Performance Reviews 1 , Washington, DC.
2. Barzelay, M. (1993) The New Public Management. US : Russell Sage.
3. Batley , R. (1999) The Role Government in Adjusting Economies : An Overview of Findings. Birmingham : International Development Department.
4. Bhattacharya, M. (2006) New Horizons of Public Administration. New Delhi : Jawahar Publications.
5. Charih, M. and Daniels, A. F. (1997) New Public Management and Public Administration in Canada. Canada: Institute of Public Administration.
6. Cheung, A. and Scott, I. (2003) Governance and Sector Reforms in Asia: Paradigms, Paradoxes and Dilemmas. New York : Routledge. P. 12.
7. Hughes, O. E. (1991) Public Management and Administration : An Instruction. 2nd ed. New York : Palgrave. P . 36.
8. Held, D. et al. (2005) Debating Globalization. Cambridge : Polity Press.
9. Hood, C. (1991) 'A Public Management for all Seasons?' Public Administration. 69. Pp. 3-19.
10. Lan, Z. and Rosenbloom, D.H. (1992) 'Editorial : Public Administration in Transition.' Public Administration Review. 52(6). pp. 535-537.
11. Olsen, J.P.(1989), cited in Christensen, T. and Laegrid, P. (2001)New Public Management: The Transformation of Ideas and Practice. Aldershot : Ashgate. Pp. 15-17.
- 12 . Osborne, D. and Gaebler, T. (1992) Reinventing Government : How the Entrepreneurial Spirit is Transforming the Public Sector. New York : Plime Books.
13. Pollitt, C. (1995) 'Justification by Works or by Faith?'. 'Evaluating the new public management'. Evaluation.12.pp. 133-154.
14. Sainath, P.(2006) 'Privatization : Come Hell or High Water'. The Hindu, 22nd March.