



GOVERNANCE, DEVELOPMENT ADMINISTRATION AND NEW PUBLIC MANAGEMENT (NPM): A COMPARISON

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ABSTRACT

Two major approaches have emerged as alternatives to classical bureaucratic government, the new Public management and the governance approach. Although both learn to some extent from each other and evolve by taking ideas from one another they, in many ways, can be positioned as opposites with which governments can tackle the increasing complexity of policy processes, implementation and service delivery. While the new public management focuses on setting the goals right and then leaves the implementation to separate bodies, governance is very much preoccupied with combining different perceptions on goals and tries to improve inter-organizational cooperation. This study compares both perspectives.

INTRODUCTION

Although governance emphasizes horizontal coordination to solve policy problems and bind resources for collective action that is not the only direction of movement. Depending on the nature of the resource dependencies between the actors, governance can still show vertical or a-symmetrical travel. At the same time we see a different development in modern government; that is a continuation of the New Public Management (NPM), which originated in the eighties. Here governments are trying to provide service delivery and public policy through a wide range of private and non-profit actors. Using techniques of rational management and through a separation of policy formation and policy implementation governments try to enhance efficiency and effectiveness of service delivery and policy implementation. We see trends of agentification (Pollitt et al, 2004) and privatization that accompany this attempt. Actually one could also regard both NPM and governance as answers to the growing complexity of society and the difficulties of the classical welfare state to cope with that complexity. Both NPM and governance recognize this growing complexity but have different attitudes to coping with it. But before we start a comparison it is essential that we differentiate between governance and new public management.

GOOD GOVERNANCE

Good governance is a concept that has recently come into regular use in political science, and public administration. Within the public management discipline, good governance has been regarded as new paradigm in Public Administration, which emphasizes the new type of approach of public officers in providing high quality services to citizens.

Good governance is a system of governance that is able to unambiguously identify the basic values of the society where values are economic, political and socio-cultural issues including human rights (Chopra, 1997). UNDP defined as the exercise of political, economic and administrative authority to manage a nation's affairs is the complex mechanisms, processes, relationships and groups articulate their interests, exercise their rights and obligations and mediate their differences (Ncube, 2005). Smith (2007) argued that it is a type of government related to political values and implies government within a democratic political culture and with efficient administration plus the right policies, particularly in the economic sphere. Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions. According to the World Bank, there are 6 major issues that need to be considered when discussing and assessing the level of Good governance development World Bank. (2012).

Voice and Accountability - captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media;

Political Stability and absence of violence -measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism;

Government Effectiveness- captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies;

Regulatory Quality- captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development;

Rule of law -captures perceptions of the extent to which agents have confidence in the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence;

Control of Corruption- captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.



Good governance has major implications for equity, poverty and quality of life. Therefore, Good governance should be participatory, transparent and accountable in characteristic. This provides a framework which enables decision making based on broad consensus in society, respecting the needs of the poorest and most vulnerable groups while allocating public funds and resources. The trend of reforming the public sector is based mostly on implementing basic "good governance values", while providing public services in proper time and in the most convenient and efficient manner. Thus, the citizens' demand is focused towards government's top performance and efficiency, proper accountability and high level of delivery of services, which might be accomplished by extensive use of information and communication tools.

COMPONENTS OF G-GOVERNANCE

UNDP (1997) identified five basic principles of good governance like legitimacy and voice, direction, performance, accountability and fairness while OECD (2001) focused on the accountability, transparency, efficiency and effectiveness, responsiveness, forward vision and rule of law. Kettani (2009) identified eight features like participation, rule of law, effectiveness and efficiency, equitable and inclusiveness, responsiveness, transparency, accountability and consensus orientation (Figure 1).

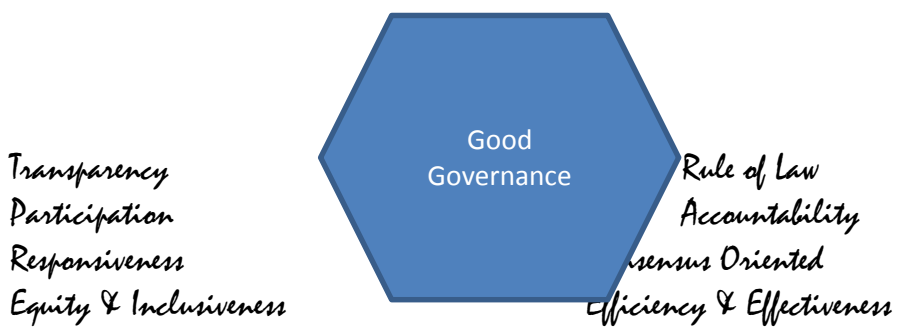


Figure 1 Characteristics or components of good governance (Kettani, 2009)

The present condition of good governance in Nigeria is not satisfactory and needs good governance to improve its poor economic, social and political condition and to provide the environment for sectoral development and employment generation. It has spotlighted the transparency, accountability, rule of law, responsiveness, effectiveness and participation attributes of good governance.

CHARACTERISTICS OR COMPONENTS OF GOOD GOVERNANCE AND ITS MEANING

Characteristics or components of good governance and its meaning are:

<i>Components</i>	<i>Meanings/Definitions</i>
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Transparency:	Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to.
Participation:	The involvement of citizens, government department and agencies in policy and decision-making processes.
Accountability:	Responsibility of government departments and organizations toward the citizens for their decisions and actions.
Rule of Law:	The follow up of rules and regulations in the decision making and actions of government organizations.
Effectiveness:	The competency of government organizations in carrying out various functions of the departments in a less period and in a useful manner.
Responsiveness:	Timely response of the enquiry or exchange of information between the government department and organizations.

FACTORS OF GOOD GOVERNANCE

Kalsi et al. (2009) assumed that the following factors contribute to good governance. These are good education facilities by the government which are job oriented, basic infrastructure development, peaceful law and order, creating new job opportunities in the private sector and the government, effectiveness and efficiency of the working of government and its staff, good business environment with free-market economy, reducing digital divide and other inequalities in the society by positive discrimination in favor of the poorest of the poor, providing total freedom of speech, and an attitude of noninterference by government.

E-Service and Customer Satisfaction

E-service provides customers with a different experience with the interactive flow of information. Much of research work in e-service quality takes a combination of traditional service quality dimensions and web interface quality dimensions as its point of departure. Field et al. (2004) argued that e-service can play a critical role in improving the services quality delivered to its



customers as it can achieve survival, increase satisfaction and trust and then generate the competitive success for organizations.

Dabholkar (1996) conducted research work on dimensions of e-service quality focusing on web site design, and he argues that seven dimensions of e-service quality can be illustrated as the basic parameters in the judgment of e-service quality, including website design, reliability, and delivery, ease of use, enjoyment and control. Cox and Dale (2001) laid down six dimensions of online retailing service quality with the comparison of the traditional dimensions of service quality such as website appearance, communication, accessibility, credibility, understanding and availability.

Yang (2001) argues that customers reach satisfaction decision by comparing the performance a product or service with their prior expectations. If performance exceeds the expectation positive disconfirmation occurs and increases in satisfaction can be expected to take place.

Saha and Zoha (2005) state providing a good service quality is a major issue for all business. Online quality service is a key issue to maintain customer satisfaction. Customer satisfaction is collective outcome of perception, evaluation and psychological relations to the consumption experience with a product or service.

Kalsi et al. (2009) has addressed the e-government initiatives has a direct impact on the citizens and in which the citizens derive benefits through direct transactions with the governmental services. Al-Tarawneh (2012) is studied on e-service quality and customer perception, the study indicates that responsiveness, ease of use, personalization, security; and website design have influence on customer's perception of e-service quality.

Efficiency of E-Governance Processes in Nigerian Public Sector

The following are the various ways that e-governance has played a useful role or its efficiency in the Nigerian Public Sectors:

- a) **Providing Services to Citizens:** The introduction of Information Technology in public administration allows the government, individuals and companies to interact in new ways, such that individuals and organizations will receive efficient and effective services, regardless of their location or time of day when they log on to the Internet
- b) **Good Governance:** This means a modern, democratic and transparent approach to politics and political administration with special attention given to its developmental aspects. Information Technology in administration allows internal processes in government administration to be improved and new processes to be created. This makes it possible to bring together various existing systems into a single entity or to share resources and improve internal management among several entities.

- c) **Consolidation of Democracy:** Citizen's access to the Internet allows them to play a more active role in government decisions while generating new spaces for and types of citizen participation. It promotes transparency and accountability in government through the proliferation of ICT in management and operations. It also opens opportunities for citizens to be more actively involved in the policy and decision-making processes of government. However, e-governance by itself will not put an end to corruption but it is a major tool in building transparent and good governance which will be able to fight corruption. The transparency of information will not only further democratic values but also instill a sense of accountability among government leaders and compel effective governance.
- d) **Transformation:** Technology is a proven catalyst in increasing productivity and socio-economic growth, especially in rural and underserved communities. The use of E-governance has helped in creating a business-friendly environment by streamlining the interaction and improving the interface between government and business, especially small and Medium Scale Enterprises (SMEs). The use of ITs is geared towards introducing new work methods, by creating new operational processes and changing current processes, as well as by changing government's relationship with the public. E-governance creates the conditions that attract investors / investment (UNDP, 1997).
- e) **Broad Scope:** The implementation of IT in government processes gives all citizens equal access. For this purpose, factors such as geographic location, the issue of time and social strata was taken into account.
- f) **Ease of Use:** Most of the system applications that are implemented or used are oriented towards citizens and, hence be user friendly.
- g) **Greater Benefits:** Applications make sure that the benefits citizens obtain from using ITs to complete formalities will be greater than those from going in person to government offices. It reduces time and cost.
- h) **Security and Privacy:** When implementing applications, consideration- been given to ensure security and privacy mechanisms and policies. This helps to ensure the proper use and handling of personal information and transactions.
- i) **Role of the Private Sector:** The private sector has assisted the State in providing computer-based solutions, as well as in training government employees. And it can do so without limiting citizen's access to information.



j) **Decentralization:** Each government department is responsible for maintaining electronic services, as well as for ensuring that newly implemented systems are compatible with existing systems within the same organization and with other government bureaus (FSC: 2010)

(B) NEW PUBLIC MANAGEMENT

Emergence of New Public Management

New Public Management is a vision, an ideology or a bundle of particular management approaches and techniques. In the 1980s, the drivers of change, particularly financial pressures, pushed most Western countries towards a focus on making the public sector more competitive and public administrators more responsive to citizens by offering value for money, flexibility of choice and transparency. This movement was referred to later as New Public Management by academics.

New Public Management (NPM) is an administrative philosophy concerning organizational design in government. An administrative philosophy is a part of a framework that intended to explain the government agenda and authoritative decisions in a given place and time. Hence, the concept of administrative philosophy is a tool of political and historical analysis. The acceptance of NPM is an event which established a climate of opinion in favor of its various doctrines. Both concepts refer to a set of doctrinal arguments despite administrative arguments suggest these arguments share similar types of justifications. Thus, in order to change in organizational design government need to incorporate a satisfying analysis of process of doctrinal change (Kalimullah and Khan, 2011). New public management is also defined based on two fields of discourse or paradigm for example, public choice and managerialism. Here public choice is a contemporary field of discourse about government with wider concern than management, whereas managerialism is a field of discourse initially meant to apply to organizations in the private sector. Despite a common disagreement about the specific illustration of NPM (Dunleavy, 1994) however, the classic formation of NPM has seven directions (Hood, 1991). It focuses on hands-on and entrepreneurial management that is opposite to the traditional bureaucratic focus of public administration. NPM explicitly sets the standards and measures performances. Another direction is it emphasizes on output control. Alongside, it focuses on the importance of disaggregation and decentralization of public, services. Moreover, there is a shift to the promotion of competition in the effective delivery of public services (Kalimullah and Khan, 2011).

NPM is a modern management practice with the logic of economics retaining core public values. But in general one can say that NPM can be characterized by a number of features which are connected to each other but 4 do not necessarily have to be present all at the same time (see Hood 1991; Kickert, 1997; Kettl, 2000; Lane, 2000; Pollitt et al, 2007). The main features focus on: 1. improving the effectiveness and efficiency of government performance; 2. ideas and techniques that originate from the private sector; 3. the use of privatization and contracting out of governmental

services, or parts of governmental bodies to improve effectiveness and efficiency; 4. the creation or use of markets or semi-market mechanisms, or at least on increasing competition in service provision and realizing public policy; 5. the use of performance indicators or other mechanisms to specify the desired output of the privatized or autotomized part of the government or the service that has been contracted out. This also means a shift from *ex ante* to *ex post* control. Through instruments such as contracting-out and privatization, not only do we acquire a different relationship between the public and private sectors, but we also disentangle the complex responsibilities that were created during the evolution of the welfare state. The reform agenda of NPM in itself needs a lot of work to succeed. Strict regulation is required to create the conditions for separation, and to create possibilities for monitoring and control. Not surprisingly various authors emphasize the emergence of a regulatory state and regulatory capitalism (Levi-Faur, 2005) or stress the enormous growth of auditing and control (Power, 1999). Others have stressed that the 'post NPM reforms' advocate a more holistic approach and put more emphasis on the horizontal dimension of the reforms. Christensen and Lægreid (2012) mention developments as creating coordinative structures inside central structures (task forces, inter-ministerial collaborative units etc) of the central state to cut across traditional boundaries and move away from the fragmentation that is a feature of the early NPM reforms.

New Public Management (NPM) means:

- i. A politically-conservative appeal for government to reduce bureaucracy and adopt private sector management practices.
- ii. A managerial regime which has had global influence in the management of public services over the past two decades with a focus upon the breaking up of large public sector bureaucracies, the introduction of market like relationships between service providers themselves as with as with service users, and the introduction of market-based mechanisms of incentivisation and reward, in particular for public professionals.
- iii. Refers to new mode of thinking in public management that includes organizational changes within the state with privatization, corporate management, decentralization, regulation and political control.
- iv. A series of beliefs and reforms that attempted to transform the public sector into an image of the private sector. The NPM was based largely on a belief that the private sector was intrinsically more efficient and superior in delivery to the public sector. This argument was and still is highly contested within the academic literature.
- v. Management ideology with which private-sector business management techniques, performance management systems, benchmarking, autonomization) are introduced in the public sector.



- vi. Management philosophy which focuses on the change in management practices of the public sector towards more private sector practices, with accountability focusing on results rather than processes.
- vii. Neo-liberally oriented public management doctrine based on a market-oriented view stating that, instead of direct political control and hierarchies, public organizations should rely on indirect control—that is, market-based coordination—in the interaction between public organizations and their environments. It emphasizes the efficiency and effectiveness of public organizations, customer focus in provision of public services, and market-based conditioning frameworks, such as privatization, competition, and contracting out

Good Governance and New Public Management: A Comparison

The two major perspectives in Public Administration portray 'ideal types' but the descriptions do make it clear that the perspectives differ considerably in focus, key ideas, management strategies and the role of politics. While governance tends to emphasize the horizontal relationships between governmental and other organizations, NPM can be considered an opposing paradigm to governance in many ways since it emphasizes central steering and political control where governance tends to emphasize the limits of central control. (Hanf and Scharpf, 1978)! Table 2 summarizes some of the main differences.

Table 2. Two dominant perspectives in public administration

	Governance	New Public Management
Focus	Changing and adaptations in the relations between governments and other actors (inter organizational focus)	Organizational and institutional changes and adaptations within the public sector (intra organizational focus)
Objectives	Improving interorganizational coordination and quality of decision-making	Improving effectiveness and efficiency of public service delivery and public organizations
Core ideas/management techniques	Using network management: activating actors, organizing research and information gathering (joint fact finding), exploring content, arranging, process rules, etc.	Using business instruments (modern management techniques, market mechanisms, performance indicators, consumer boards) to improve service delivery
Politics	Goals are developed during interaction and decision-making processes, elected officeholders are part of the process or meta-governors	Elected officials set goals and implementation is achieved by independent agencies or market mechanisms on the basis of clear performance indicators
Complexity	Modern society is complex and requires interdependence; citizens do not take the decisions of public actors at face value. Taking part in complexity by	Modern society is complex but we need clear goals and flexible implementation for that. Keep away from the complex interactions with society. If necessary

	interacting with actors in society is unavoidable and/or necessary to reach satisfactory outcomes	use consumer boards or market incentives to govern implementing units
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Thus where NPM is mainly intra organizational, trying to improve the internal operation of governments, governance is mainly inter-organizationally oriented, trying to improve coordination of governments with the other actors who are necessary to deliver services or implement policies. One could also say that NPM is more occupied with efficiency and improving existing services and policies while governance is more concerned with delivering new solutions for complex problems by improving coordination between the various actors.

CONCLUSION

New Public Management (NPM) is a new paradigm of public management that puts forward a different relationship between governments, the public service and the public. There have been changes in the public sector and reforms of an unprecedented kind. For a variety of reasons, the traditional model of public administration has been replaced by a new model of public management. The change to new public management involves much more than mere public service reform. It means changes to the ways that public services operate, changes to the scope of governmental activity, changes to time-honored processes of accountability and changes to the academic study of the public sector. NPM offers the possibility of order and control but has difficulty coping with the real life complexity of governing while governance may help with that but cannot satisfy our longing for forms of control and our search for mechanisms to evaluate in a clear cut way the performance of governments This means that the two major perspectives will probably continue to co-exist and flourish because they depend on each other. The NPM perspective will be attractive because it provides an answer to how to govern complex society from one- political centre. There is still room for development of the two perspectives, good governance and NPM.

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