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## **Post-NPM Themes In Public Sector Governance**

Gambhir Bhatta September 2003

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#### Abstract

It is becoming increasingly apparent that the application of the principles of New Public Management (NPM) is being crystallised around three emerging themes: (a) a re-emphasis on the values of public sector standards and ethical behaviour; (b) a fresh look at how the centre of government can be strengthened so as to not only veer away from the apparent haphazard and vertical-silo nature of policy-making and service delivery but also to provide much-needed coherence and impetus on instituting a whole-of-government ethos in the public sector; and (c) the application of the principles of good corporate governance in the business, economic, and public management domains. This paper looks at these three emerging themes from the conceptual framework of NPM and agencyfication, and seeks to find a convergence point among them that might give cues as to the future directions in public sector governance.

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#### INTRODUCTION

This paper<sup>1</sup> argues that in the post-New Public Management (NPM) public sector environment, three particular phenomena have been in evidence: (a) a focus on public service values, (b) a renewed role for the centre of government, and (c) greater interest in corporate governance principles as applied in the State sector.

NPM was about getting things done better in the public sector, and was the culmination of various reform efforts in different areas of traditional public administration. A composite theme in NPM has been the role of institutions. Institutions do matter in public management since organisation structure tends to influence how services are provided. How governments structure their institutions then indeed does have substantive impacts on their public management systems. This is a key à priori assumption of this paper.

The purpose of this paper is to look at public sector governance through the conceptual framework of what emerged out of NPM, and, in particular, one of its components: agencyfication. It sketches three themes that are in evidence now and shows how there are linkages among them. The inclusion of agencyfication as a conceptual tool is relevant here since a key assumption of the paper is that of the primacy of institutions in public sector governance.

#### METHODS

#### Definitions

As used in the paper, the following terms are loosely defined thus:

Agency: In common parlance, an agency is synonymous with 'organisation', and is taken to be a blanket term that may include government departments, autonomous government bodies, and any other organisation within the public sector. However, as applied across jurisdictions, an agency is distinguished from traditional government departments by degree of autonomy from political control. Such autonomy is also evident in managerial and policy spheres.<sup>2</sup> The associated term 'agencyfication' then refers to the practice of creating these types of agencies in the pursuit of attainment of government goals.

Centre: Generally refers to a department (or a collection of departments) that has broad influence over the affairs of the public sector and that tends to play a coordinating – and in several cases, also a directive – role in the management of the public service. The term is often used as a synonym for central government. For purposes of this paper, the term refers to the corporate office of the government (usually the Ministry of Finance, Prime Minister's Office, and other bodies responsible for public management in the jurisdiction).

Corporate governance: While governance is about the acquisition and distribution of power in society, corporate governance denotes the manner in which corporations are governed and managed. It is usually taken in contrast with public sector governance, which refers to

<sup>&</sup>lt;sup>1</sup> This paper is based on a presentation made by the author at the14<sup>th</sup> International Conference on "Asian Futures, Asian Traditions," in late 2001 in Christchurch, New Zealand.

<sup>&</sup>lt;sup>2</sup> The author would like to thank an anonymous reviewer for pointing out these distinctions.

management of public sector agencies although the principles of corporate governance are also quite applicable in the broader State sector where non-Public Service agencies are clustered.

Disaggregation: Decoupling (i.e., separating) policy and executive functions from agencies; considered a key component of New Public Management.

Marketisation: The creation of market mechanisms of resource allocations to replace bureaucratic ones, as well as the practice of introducing market competition into public sector production; also considered a key component of New Public Management.

Public sector: Comprises the units of local, regional and central government authorities. Generally, this includes the Public (or Civil) Service and agencies outside it but not in the private sector. The associated term 'public sector ethos' is taken here to mean the spirit of providing service to the citizenry; while conceptually they are different, this term is used interchangeably here with 'public sector values'.

#### Logic Pattern

The pattern of logic for the paper is developed sequentially as follows:

- 1 While the government may have unfettered monopoly in policy-making, as service provider, it could be but one of many;
- 2 In service provision, NPM concepts are relevant; key ones include: information asymmetry, principal-agent problems, transaction costs, proximity, disaggregation, marketisation, and incentivisation;<sup>3</sup>
- Because governments do not have unfettered monopoly over service provision, and in order for governments to continue to provide service more efficiently and effectively, there will continue to be an increase in the use of different forms of institutions (this is derived from the assertion that 'form tends to follow function');
- 4 This will lead to both intended and unintended positive and negative consequences;
- 5 To manage the resultant fragmentation risks, and to improve state sector performance, three themes are critical:
  - a. Role of the centre (referring to disaggregation),
  - b. Values/ethos across the state sector (resulting from responsiveness of governments to citizens), and
  - c. Corporate governance (referring to marketisation).

The paper is based on ideas drawn from the institutional approach (consequently, New Institutional Economics, see Williams (2000)) and NPM, primarily in the realm of agencyfication. The paper is prognostic (involving trend-spotting) and analytic (involving epistemology). It also takes a very broad sweep rather than be country specific. The evidence in the paper is derived in some part from heuristic inquiry (see Patton, 1990, pp. 71-73) and in large part from a review of the existing literature on public management and public sector

<sup>&</sup>lt;sup>3</sup> <u>Information asymmetry</u> refers to the fact that not all parties have equal access to information and this notion is embedded in all of the activities of government and of the market and explains why individuals, firms, and governments behave in the manner they do (see, e.g., Stiglitz, 2002); <u>principal-agent problems</u> refer to conflicts of interest that emerge between principal and agent when–and if–they pursue different goals; <u>transaction costs</u> are costs incurred in market exchange and go beyond regular production and marketing costs and include ex ante costs of searching for information about the goods themselves and about the partners in the transaction (see, e.g., Zezza and Llambi, 2002); <u>proximity</u> means the degree of closeness to citizens in service delivery; and <u>incentivisation</u> means linking incentives to performance.

governance, and on reporting from various jurisdictions including multinational organisations such as the OECD and the United Nations.

#### A BRIEF WORD ON NPM

While NPM-type reforms appear to have had their day in advanced jurisdictions, the concept continues to define much of how public sector governance is structured and managed in many other jurisdictions including the developing countries of Asia and Africa. The literature on NPM is broad and extensive and the intention here is not to revisit all the issues that underlie this term.<sup>4</sup> NPM has at its roots a theoretical framework that draws upon various economic theories primarily public choice, agency, and transaction cost. Central to these theories is the view that individuals are maximisers of self-interest, which goes against the grain of traditional public administration that centred on propagation of the common good.

Spawning directly from the conservative ideologies of politicians such as Margaret Thatcher, the tenets of traditional public administration in the 1980s were systematically torn down in favour of something that was later termed 'managerialism', or new public management. The argument was simple: the public sector was inherently inefficient because it did not allow for: (a) incentives along the lines provided to firms operating in the markets; and (b) the freeing-up effect of deregulation on the constraints imposed on managers (hence NPM's rallying call: "let managers manage"). As Schick (2001) points out: "stripped to its essentials, NPM asserts that the performance of public organisations is enhanced when managers are given operating discretion and are held accountable for their actions and results" (paragraph 25).

Basically, NPM can be said to incorporate three components: (a) marketisation – introducing market competition into public sector production; (b) disaggregation – decoupling policy and executive functions; and (c) incentivisation – linking incentives to performance. It is clear from this that NPM was an attempt to replicate private sector values and practices in the public sector. Together with contracts, competition, and incentives, the intention was to ensure that what worked in the private sector would do so in the public sector as well.

One area of reforms that illustrates many of the NPM principles is the creation of executive agencies (resulting from the 1988 'Next Steps initiative' of the Government's Efficiency Unit in the UK) for service delivery.<sup>5</sup> NPM is a common thread in the analysis attempted here. NPM, for example, sees citizens as clients hence the focus on responsiveness; NPM also focuses on the policy-operations split hence the focus on the brokerage role of the centre; and NPM concentrates on values of efficiency and marketisation, hence the focus on corporate governance.

<sup>&</sup>lt;sup>4</sup> For detailed analysis on NPM and associated concepts in different jurisdictions, see Hood (1991), Minogue, et al (1998), Kettl (2000), Lane (2000), Frederickson and Johnston (eds) (1999), Pollitt and Bouckaert (2000), and Maor (1999), among others.

<sup>&</sup>lt;sup>5</sup> It is relevant to point out here that given the peculiarities of the UK system of public administration, executive agencies were created by executive decisions, not law. That means that the measure was "simply reported to Parliament as an accomplished fact" (Talbot, 2001, p. 282) and there was no discussion and debate on it. As a matter of fact, "the creation of executive agencies was based on a two-paragraph statement to Parliament by the Prime Minister, which did not even formally endorse the report on which it was based, and was not debated or voted on" (Talbot, ibid). Still, Schick (2001, paragraph 29) says that Britain's Next Steps initiative "has been characterised by a Parliamentary committee as the most ambitious management reform of the century". For an updated discussion of the nature of the agencies in various advanced jurisdictions (including the USA, Sweden, Canada, Germany, and Netherlands), see the series of reports brought out by the OECD in April 2001 for its Expert Meeting on *Governance of State Agencies and Authorities*, 19-20 April 2001, Paris.

In many ways, however, these can also be seen as manifestations of a post-NPM movement since at least in advanced jurisdictions responsiveness has now also been taken to be inclusive of value and ethics, and since the centre has begun to reassert itself. The arguments in this paper are based on this particular line of thought while at the same time seeking to use a conceptual tool that was central in NPM – that of agencyfication.

Two key theoretical trends in evidence in NPM are: Agency Theory and Public Choice Theory. Agency Theory deals with the contractual relationship between principals and agents in which the latter serve the former in accordance with the conditions stated in the contracts. As applied in the public sector, this means a clear relationship being defined between ministers ("the principals") and officials ("the agents"). Public Choice Theory, on the other hand, helps to understand problems of bureaucracies behaving in self-interested ways drawing primarily from the fundamental assertion that people will be utility maximisers in all that they do. Both the Agency Theory and the Public Choice Theory recognise that incentives are an important means of changing behaviour (which is why NPM focuses on incentivisation to managers).

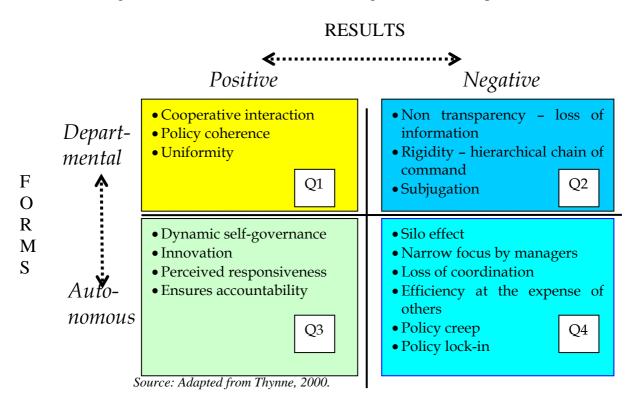
#### FOCUS ON AGENCIES

The primary underpinning focus of this paper is on agencies and agencyfication. One of the key developments in public management in the last decade and a half has been the rise of autonomous agencies which are largely mandated to provide services to the citizenry while at the same time remain at arm's length from Ministers. The reasons for creating autonomous bodies vary,<sup>6</sup> but they usually revolve around providing managerial autonomy to entities with specialised functions or separating policy implementation and policy advice from policy-making. Other reasons include enabling collaborative partnerships between different organisations of government.

There are advantages and disadvantages to having either of these forms of institutions (i.e., traditional government departments and the new executive agencies) (see Figure 1).

<sup>&</sup>lt;sup>6</sup> See Thynne (1998) for a discussion of the differences in characteristics of various types of organisations in government; see also Schick (2001) for a very cogent discussion on agencies.

Figure 1. Forms and Results Matrix of Agencies versus Departments



In Figure 1, it is clear that each form of institution has its pluses and minuses. It is also clear that if values of coherence and uniformity were to be preferred then the departmental form would appear to be suitable for governments. Conversely, if governments value responsiveness and greater accountability for results, then the autonomous form of institution should be preferred. While the latter has tended to be the norm currently, it is also obvious that there are downsides to the autonomous form institutions (most notably resulting in a narrow focus by managers in these individual bodies). Predictably, then, all governments have a mix of these two types of institutions.

Drawing from this discussion on NPM and agencyfication, the paper now proceeds to put forth the argument that in a post-NPM environment in advanced jurisdictions, the following three themes are emerging as central in public sector governance.

#### ROLE OF THE CENTRE

The idea of strengthening the centre is nothing new. More than a decade ago, Kanter (1989) talked of a small central core overseeing a flatter fragmented structure (see Quadrant 3 in Figure 1) claiming that these structures – by virtue of their focused work – were more responsive to external forces and changes, better able to facilitate creation of an organisational culture, and able to encourage entrepreneurship. However, NPM reforms – through agencyfication – also caused silos to develop (due to the policy-operations split and the consequent lack of coordination among institutions in many cases). Hence the role of the centre has become important here.

The focus has also now been on business-like central government agencies (James, 2001), hence the role of the centre in the context of NPM is appropriate (for an excellent review of the

need to reconceive the centre, see Lindquist (2000)). Given the silo effect in departments, there has been a vacuum that the centre needs to fill. There has also been a need to ensure cohesiveness of policy-making in a governance system that has such diversity (the OECD terms this the centre's "meta-task", 1990, p. 5). Drawing from this observation, then, there is need to ensure compactness of public policies, that is, take into consideration the diverse yet interconnected nature of public policy. Given the potential problem of fragmentation, this can be done by the centre brokering communications and drawing various stakeholders into the policy process. New Zealand's recent efforts at reviewing the role of the centre are reflective of this (Review of the Centre, 2001).

This brokerage role is evident across several levels (OECD, op cit, p. 9):

- 1 Horizontal (across ministries and policy areas, e.g., linking up public policy issues related to drug abuse across various agencies);
- 2 Vertical (from policy formulation to execution, e.g., linking up agencies involved in making policies on drug abuse and health and those providing remedial measures);
- 3 Temporal (across a time horizon, e.g., linking up agencies that deal with specific issues over time to ensure their continued participation in the policy process);
- 4 Institutional (combining administrative and political perspectives, e.g., linking up issues in the public sector to preferences of elected bodies);
- 5 Spatial (between central and regional/local governments; e.g., linking up policies across regions, such as between central government and local governments); and
- 6 Any permutations of the above.

It is relevant to keep in mind that the brokerage role implies that the centre is purposefully taking a whole-of-government perspective and emphasising public sector ethos and values, and that it is bringing together people and ideas by engaging all stakeholders. It also implies that the centre is helping share best practices and organisational innovations not only from within the public sector in the jurisdiction but also internationally. And it can do this more effectively than others because it is able to take a broad whole-of-government view of issues.

Clearly, then, for successful brokerage to occur, there would need to be the following in place:

- 1 Clarification of agency purposes including of the corporate responsibilities of the central agencies (this is to better align the interests of the departments, the centre, as well as the elected representatives);
- 2 A good monitoring system with centripetal information flows (i.e., with information flowing to the centre), and no asymmetry of information;
- 3 A good communication and consultation system between the parties (founded on trust and collegiality not only at the top echelons but also further on down; a control and compliance regime will not work);
- 4 Some basis for authority beyond just a legislative mandate; could be complemented by moral authority, expertise, common consensus, etc.;
- 5 Brokerage should transcend the transactional focus of governance (i.e., micromanagement) and be pitched at the strategic level so as to offer coherence to the constituencies; this means getting away from being bogged down in bureaucratic and political transactions; and
- 6 Sustained in lieu of muted or episodic political support.

We need to keep in mind that there is a real danger here of a degeneration of an initially facilitative environment to a more impedimentive one given, for example, over-zealousness on

the part of the centre or non-cooperation from the departments and/or agencies. There is also a danger that marginal costs could outweigh marginal benefits; that is, fostering comprehensiveness and compactness of policies will eventually come at the expense of greater costs of getting the information, of being able to sift the information being given, of getting others on board and engaging them, of seeking a 'lowest common denominator', and of being engaged in inter-agency arbitration. The costs are in terms of resources, time, goodwill, and ultimately quality of public policy.

#### "THAT GOOEY STUFF KNOWN AS VALUES/ETHOS"

One of the negative effects of creating more institutions that are not in the general ambit of direct Ministerial/Parliamentary control is that there will be disparate agencies that normally end up not sharing the same ethos and values. Public sector values refer, in general, not only to setting aside personal interests and working for the public good but also having integrity in dealings with others. There has been much work done in the area of values and the public sector; see, for example, Gregory (1999), and Brereton & Temple (1999). This is structured around the notion of a "confidence deficit" (OECD, 1997, p. 1). This deficit is evident not only on the part of the people towards their governments,<sup>7</sup> but also on the part of the departments towards the centre.

In the context of agencyfication, the role of the centre is probably the most immediate and critical in enhancing public sector ethos, particularly revolved around the notion of service responsiveness. At a generic level, this encompasses:

- 1 Service delivery responsiveness with its focus on assessing the extent to which clients are satisfied with the services being provided. There are four dimensions of service responsiveness that are relevant here:<sup>8</sup>
  - a. Comprehensibility do the receivers of services understand what they are entitled to?
  - b. Accessibility are they easily able to get them?
  - c. Relevance do they get the services that are relevant to their needs?
  - d. Participatory can they be more actively involved in service delivery?
- 2 System responsiveness which includes three strands:
  - a. On the part of the ministers to the public at large (or political responsiveness, i.e., responding to what the constituents want);
  - b. On the part of the public sector to the ministers (or policy responsiveness, i.e., responding to the agenda that the government of the day has set); and
  - c. On the part of the central agencies to the various departments (or organisational responsiveness, i.e., responding to what the latter require in order to better fulfil their organisational mandates).

Charges have been made that the NPM reforms were "economistic reductionism" and "technocratic structuralism" (Gregory, 1999, p. 65). Surprisingly, though NPM reforms also

<sup>&</sup>lt;sup>7</sup> For example, in the Philippines, in a 1999 World Bank study, 84% of those surveyed thought the government was corrupt ("84 percent of Filipinos say government is corrupt," <u>The Straits Times</u> (Singapore), 22 December 1999).

<sup>&</sup>lt;sup>8</sup> A good example of providing more efficient service to the public is the On-Line Procedures Enhancement (OPEN) system in Korea. The Seoul Metropolitan Government in April 1999 developed this Internet-based system that makes administrative procedures more open and transparent. It seeks to provide transparency in the municipal administration by preventing delays or unjust handling of permits, licenses, etc. The system allows citizens to monitor the progress of their applications and to raise questions in case any irregularities are detected.

made legalistic requirements based on contract, this made ethical sense but did nothing for enhancing a public sector ethos. Also, the issue of ethical probity has tended to be subsumed under narrow managerialist concerns.<sup>9</sup> Having said that, public standards appear to be moving from an emphasis on regulatory, compliance codes of conduct to developmental, reflective codes of ethics (however, practices across jurisdictions have tended to vary).

A related strand of the work within the values component of public sector management is related to customer service, citizen orientation, and bringing into sharper focus the public component of public administration (see, for example, Thomas (1999), Kramer (1999)). On a related theme of considering citizens as customers, Ryan (2001), for example, asserts that the "citizen as customer redefines the relationship between government and the public as a passive commercial transaction, rather than an interactive political engagement" (p. 105). Walsh (1994), for his part, argues that the fundamental relationship between citizen and government is "not one of exchange but one of mutual commitment, and public services are not simply the reciprocation of the payment of taxes" (p. 69) (see also Larson, 1997).

It is interesting to note that NPM could have opposing impacts on customer service and participative democracy. On the one hand, by giving more latitude to managers, NPM takes away from the elected officials and gives the power to unelected managers thus eroding democratic principles. On the other hand, by forcing the bureaucracy to take into greater consideration better service provision, it can be asserted that NPM enhances accountability and service to the citizenry hence having a positive impact on democracy.

#### **CORPORATE GOVERNANCE**

The third and final theme of note here that evolved – and continues to do so in many ways from the application of NPM – is that of an emphasis on enhanced corporate governance. The corporate sector in all jurisdictions – and particularly, in East Asia after the economic crisis of the late 1990s – has been getting a higher profile in public management.<sup>10</sup> As family-based firms transit to publicly-held corporations (Walton, 1997, p. 9), and, in parallel, as the number of public sector organisations grow significantly and governance arrangements evolve in a piecemeal fashion, how to enhance corporate governance has become a key concern of governments.

Corporate governance operates on several key principles (see, e.g., OECD (1998)):

- 1 A clear distinction exists between ownership and management where it is generally assumed that there is conflict of interests (though that need not always exist);
- 2 Clear corporate objectives are in place which, other than profit maximization and protection of shareholder rights, could also include concern for the environment, corporate responsibility, etc.;
- 3 Performance standards are very specific for those in management to meet and/or exceed, and incentives are built into the system to encourage them to do so;
- 4 Leading from (3), accountability is the core concept as the Board of Directors (representing the shareholders) seeks to ensure that management is answerable for all actions taken in the name of the firm; and

<sup>&</sup>lt;sup>9</sup> Gregory (1999, p. 64) has this to say on this issue: "microeconomic theoretical bases of the reforms are largely antithetical to the idea of public service as a public trust".

<sup>&</sup>lt;sup>10</sup> See, e.g., Oman (2001) for a discussion on the role of corporate governance on national development.

5 Leading from (4), disclosure and transparency are thus central to good corporate governance; a good example of this is the "clear disclosure of pay and … governance principles"<sup>11</sup> in companies.

Inherent in these principles are the following: protection of shareholders' rights, equitable treatment of all shareholders, cooperation with stakeholders in sustaining the company, timely and accurate disclosure, strategic guidance and effective monitoring by the board, and accountability of the board to shareholders. However, the application of corporate governance principles in the public sector has tended to focus less on notions of shareholder, etc., and more on the following themes: leadership, management environment, risk management, monitoring, and accountability (Ryan and Ng, 2000, citing the Australian National Audit Office (ANAO)). Ryan and Ng also report that in 1999, the ANAO added a sixth theme: that of legislation (arguing that unambiguous regulations are fundamental to good corporate governance). (For further discussion on the application of corporate governance in the public sector, see, for example, Hodges, et al (1996); Ferlie, et al (1995)).

The intellectual and conceptual base of corporate governance is contained in Agency Theory (or, by extension, within a principal-agent relationship problem) (see Mayer, 1998, p. 237). The premise here is that there are inherent differences between principals and agents and since each party is a utility maximiser, there is need for contractual agreements to ensure that rules of the game are adhered to. Given the rise of agencies that are at arms' length from ministers, there are some problems that have been evident:

- 1 Unclear expectations of the roles and responsibilities of all stakeholders and participants;
- 2 Accountability arrangements that are inconsistent across all the agencies;
- 3 Apparent lack of public sector ethos; and
- 4 Uneven monitoring of the agencies by the centre and ministers.

In that regard, there are two areas of corporate governance focus here: surveillance of the corporate sector, and increased board arrangements of government companies. For both of them, one of the key aims is to increase the transparency of the corporate sector. Transparency is important so that corporate statements give accurate (hence, useful) information. Hence, there is need to look at corporate disclosure standards. Some of the corporate governance trends that are evident, for example, in Asian jurisdictions include:

- 1 Listed companies becoming more transparent as institutional investors demand better financial data, improved auditing and more board independence;<sup>12</sup>
- 2 Growing interest among investment banks, brokers, etc. (e.g., Goldman Sachs' Asia Restructuring Scorecard – a quarterly survey of corporate governance issues);
- 3 Minority shareholder action evident, for example, in the work of the People's Solidarity for Participatory Democracy in Korea, and the Malaysian Investors Association;
- 4 New organisations coming up including the Corporate Governance Board in Singapore, and Institutes for Corporate Governance in Indonesia, Malaysia, etc.;

<sup>&</sup>lt;sup>11</sup> "Corporate governance in France: where's the Michelin woman?" The Economist (17 February 2001), pp. 66-67.

<sup>&</sup>lt;sup>12</sup> Asian Corporate Governance Association, "Recent developments in corporate governance in Asia," presentation by Jamie Allen, Secretary General, ACGA, to the 3<sup>rd</sup> Roundtable on Corporate Governance, Singapore, April 2001.

- 5 Examination of procedural rules – developing new codes of best practice (such as that recommended in India by the Confederation of Indian Industry in 1998), amending laws, drawing up new policies, etc.; and
- Restructuring the banking sector note, for example, the 1999 Bankruptcy and 6 Foreclosure Law in Thailand; a similar one in Indonesia; strengthening loan provision measures including on loan exposure and disclosure of information in Malaysia and Indonesia; and amending the Securities Exchange Act in Korea to enable foreign entities to generally freely acquire equity ownership.

It is generally believed that the quality of corporate governance across Asia is rather low.<sup>13</sup> These are but some of the indicators of how corporate governance is sought to be enhanced – at least in selected jurisdictions in Asia.

#### CONCLUSION

Given these three emerging themes (i.e., increasing role of the centre, emphasis on public sector values and ethos, and focus on corporate governance), can we find some common threads here? Closer examination of the contextual elements of these themes shows that there are indeed linkages inherent in them. It is obvious that the centre would need to not only broker productive relationships among different agencies but also play a greater role in propagating core public sector values across departments and agencies keeping in mind proper corporate governance norms. The centre would also have to be able to confidently express and represent the concepts of integrity and responsibility – and be clear about the importance of these concepts in the public management system.

Finally, we need to keep in mind that while NPM may have been the rage in the developed jurisdictions, much of the developing world continues to do things the traditional way. "Hierarchical bureaucracies have not been replaced substantially by chains of inter-linked contracts ... (and) most government functions are still performed by vertically integrated bureaucracies functioning pretty much as Weber imagined".<sup>14</sup> So, we can conclude that while different countries will focus on different aspects of NPM, the key to any success in public sector governance will remain the level of political will. Whether jurisdictions around the world – and, in particular, in Asia – have the requisite level of political will to reform public sector governance needs to be studied further.

<sup>&</sup>lt;sup>13</sup> McKinsey & Company, for example, in presenting evidence (titled: "Interpreting the Value of Corporate Governance") at the 3rd Asian Roundtable on Corporate Governance, in Singapore, April 2001, said that the investors' views on the quality of corporate governance in specific jurisdictions in Asia was low. Benchmarked with a US estimated value of 4 (out of 5), Japan stood at 2.6, Korea at 2.0, Malaysia at 1.5 and Indonesia at 1.1.

<sup>&</sup>lt;sup>14</sup> http://www1.worldbank.org/publicsector/civilservice/debate1.htm (date of access: 28 June 2001).

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