

## PUBLIC ADMINISTRATION: CONCEPTS AND PRACTICE

### III. NEW PARADIGMS OF PUBLIC ADMINISTRATION



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## CONTENTS

### THE NEW PUBLIC ADMINISTRATION

1. REINVENTING (ENTREPRENEURIAL) GOVERNMENT
2. THE NEW PUBLIC MANAGEMENT (NPM)
3. NEW PUBLIC SERVICE
4. POSTMODERN PUBLIC ADMINISTRATION
5. GOVERNANCE

- ❑ **PUBLIC ADMINISTRATIVE CULTURE IS CHANGING TO BE MORE FLEXIBLE, INNOVATIVE, PROBLEM SOLVING, ENTREPRENEURIAL, AND ENTERPRISING AS OPPOSED TO RULE-BOUND, PROCESS-ORIENTED, AND FOCUSED ON INPUTS RATHER THAN RESULTS.**

- ❑ THE CURRENT *PUBLIC ADMINISTRATION* DEBATE PLACES A NEW EMPHASIS ON 'WHAT MATTERS IS NOT WHAT WE DO, BUT HOW PEOPLE FEEL ABOUT WHAT WE DO' AND THAT 'PROCESSES MATTER' OR PUT DIFFERENTLY, 'THE ENDS DO NOT JUSTIFY THE MEANS'.
- ❑ HERE ARE SOME OF THE NEW PARADIGMS IN PUBLIC ADMINISTRATION.

## THE NEW PUBLIC ADMINISTRATION

- ❑ IN 1968, DWIGHT WALDO, SPONSORED A CONFERENCE OF YOUNG PUBLIC ADMINISTRATIONISTS ON THE NEW PUBLIC ADMINISTRATION.
- ❑ THE PROCEEDINGS WERE PUBLISHED AS A BOOK IN 1971, TITLED *TOWARD A NEW PUBLIC ADMINISTRATION: THE MINNOWBROOK PERSPECTIVE*.

- ❑ THE FOCUS OF THE NEW PUBLIC ADMINISTRATION WAS DISINCLINED TO EXAMINE SUCH TRADITIONAL PHENOMENA AS EFFICIENCY, EFFECTIVENESS, BUDGETING, AND ADMINISTRATIVE TECHNIQUES.
- ❑ THE QUESTIONS IT RAISED DEALT WITH VALUES, ETHICS, THE DEVELOPMENT OF THE INDIVIDUAL MEMBER IN THE ORGANIZATION, THE RELATION OF THE CLIENT WITH THE BUREAUCRACY, AND THE BROAD PROBLEMS OF URBANISM, TECHNOLOGY, AND SOCIAL CONFLICTS.

- FOR EXAMPLE, GEORGE FREDERICKSON (1980), IN HIS *NEW PUBLIC ADMINISTRATION*, ARGUED IN BEHALF OF SOCIAL EQUITY AS A GUIDING CONCEPT IN ADMINISTRATIVE AND POLITICAL DECISION MAKING. HE WROTE THAT "IT IS INCUMBENT ON THE PUBLIC SERVANT TO BE ABLE TO DEVELOP AND DEFEND CRITERIA AND MEASURES OF EQUITY AND TO UNDERSTAND THE IMPACT OF PUBLIC SERVICES ON THE DIGNITY AND WELL-BEING OF CITIZENS".

- SCHOLARS DURING THAT PERIOD EMPHASIZED THE NEED TO EXPLORE ALTERNATIVES TO THE TRADITIONAL TOP-DOWN HIERARCHICAL MODEL OF BUREAUCRATIC ORGANIZATION. INDICTING THE OLD MODEL FOR ITS OBJECTIFICATION AND DEPERSONALIZATION OF ORGANIZATIONAL MEMBERS AND CALLING FOR MODELS BUILT AROUND OPENNESS, TRUST, AND HONEST COMMUNICATIONS.

❑ MAIN ARGUMENTS OF THE NEW PUBLIC ADMINISTRATION:

- 1) PUBLIC ADMINISTRATORS AND PUBLIC AGENCIES ARE NOT AND CANNOT BE EITHER NEUTRAL OR OBJECTIVE.
- 2) TECHNOLOGY IS OFTEN DEHUMANIZING.
- 3) BUREAUCRATIC HIERARCHY IS OFTEN INEFFECTIVE AS AN ORGANIZATIONAL STRATEGY.
- 4) BUREAUCRACIES TEND TOWARD GOAL DISPLACEMENT AND SURVIVAL.

- 5) COOPERATION, CONSENSUS, AND DEMOCRATIC ADMINISTRATION ARE MORE LIKELY THAN THE SIMPLE EXERCISE OF ADMINISTRATIVE AUTHORITY TO RESULT IN ORGANIZATIONAL EFFECTIVENESS.
- 6) MODERN CONCEPTS OF PUBLIC ADMINISTRATION MUST BE BUILT ON POSTBEHAVIORAL AND POSTPOSITIVIST LOGIC—MORE DEMOCRATIC, MORE ADAPTABLE, MORE RESPONSIVE TO CHANGING SOCIAL, ECONOMIC, AND POLITICAL CIRCUMSTANCES. (MARINI 1971)

- ❑ THE OVERRIDING SPIRIT OF THE NEW PUBLIC ADMINISTRATION WAS A MORAL TONE.
- ❑ THE *NEW PUBLIC ADMINISTRATION* CAN BE VIEWED AS A CALL FOR INDEPENDENCE FROM BOTH POLITICAL SCIENCE (IT WAS NOT, AFTER ALL, EVER CALLED THE NEW POLITICS OF BUREAUCRACY) AND MANAGEMENT (SINCE MANAGEMENT ALWAYS HAD BEEN EMPHATICALLY TECHNICAL RATHER THAN NORMATIVE IN APPROACH).

(H. GEORGE FREDERICKSON, *TOWARD A NEW PUBLIC ADMINISTRATION*, 1977).

- ❑ THE NEW PUBLIC ADMINISTRATION NEVER LIVED UP TO ITS AMBITIONS OF REVOLUTIONIZING THE DISCIPLINE. NEVERTHELESS, THE MOVEMENT HAD A LASTING IMPACT ON PUBLIC ADMINISTRATION IN THAT THEY NUDGED PUBLIC ADMINISTRATIONISTS INTO RECONSIDERING THEIR TRADITIONAL INTELLECTUAL TIES WITH BOTH POLITICAL SCIENCE AND MANAGEMENT, AND INTO CONTEMPLATING THE PROSPECTS OF ACADEMIC AUTONOMY.
- ❑ HOWEVER, THEY LATER INSPIRE THE DEVELOPMENT OF NEW APPROACHES IN PUBLIC ADMINISTRATION SUCH AS THE NEW PUBLIC SERVICE AND THE POSTMODERN PUBLIC ADMINISTRATION.

## REINVENTING (ENTREPRENUERIAL) GOVERNMENT

- ❑ BUREAUCRATIC MODEL DEVELOPED IN CONDITIONS VERY DIFFERENT FROM THOSE EXISTING TODAY.
- ❑ IT DEVELOPED IN A SLOWER-PACED SOCIETY, WHEN CHANGE PROCEEDED AT A LEISURELY GAIT.
- ❑ IT DEVELOPED IN AN AGE OF HIERARCHY, WHEN ONLY THOSE AT THE TOP OF THE PYRAMID HAD ENOUGH INFORMATION TO MAKE INFORMED DECISIONS.
- ❑ IT DEVELOPED IN A SOCIETY OF PEOPLE WHO WORKED WITH THEIR HANDS, NOT THEIR MINDS.
- ❑ IT DEVELOPED IN A TIME OF MASS MARKETS, WHEN MOST PEOPLE HAD SIMILAR WANTS AND NEEDS.

- ❑ AND IT DEVELOPED WITH STRONG GEOGRAPHIC COMMUNITIES –TIGHTLY KNIT NEIGHBORHOODS AND TOWNS.
- ❑ TODAY'S ENVIRONMENT DEMANDS INSTITUTIONS THAT ARE EXTREMELY FLEXIBLE AND ADAPTABLE.
- ❑ IT DEMANDS INSTITUTIONS THAT DELIVER HIGH QUALITY GOODS AND SERVICES,
- ❑ IT DEMANDS INSTITUTIONS THAT ARE RESPONSIVE TO THEIR COSTUMERS, OFFERING CHOICES OF NONSTANDARDIZED SERVICES; THAT LEAD BY PERSUASION AND INCENTIVES RATHER THAN COMMANDS; THAT GIVE THEIR EMPLOYEES A SENSE OF MEANING AND CONTROL, EVEN OWNERSHIP.
- ❑ IT DEMANDS INSTITUTIONS THAT EMPOWER CITIZENS RATHER THAN SIMPLY SERVING THEM.

- ❑ MOST GOVERNMENT INSTITUTIONS PERFORM INCREASINGLY COMPLEX TASKS, IN COMPETITIVE, RAPIDLY CHANGING ENVIRONMENTS, WITH “CUSTOMERS” WHO WANT QUALITY AND CHOICE.

- ❑ BY THE FINAL TWO DECADES OF THE TWENTIETH CENTURY, A NUMBER OF FORCES—INTELLECTUAL, POLITICAL, AND FISCAL—WERE MAKING THEMSELVES FELT WITHIN GOVERNMENTS. THESE FORCES INCLUDED THE EMERGENCE OF LARGE, HIGH PERFORMANCE CORPORATIONS, INNOVATIONS UNDERTAKEN TO REDUCE NATIONAL DEFICITS, RAPID TECHNOLOGICAL CHANGES, THE END OF THE COLD WAR, WITH ITS ATTENDANT REFOCUSING BY CITIZENS IN MANY NATIONS ON DOMESTIC ISSUES, A DECLINING FAITH—A “TRUST DEFICIT”—IN THE GOVERNMENTS, AND NEW RESTRICTIONS ON PUBLIC ADMINISTRATORS THAT LED TO THEIR SEEKING NEW WAYS OF MANAGING.

- THESE KINDS OF SOCIAL TRENDS RESULTED IN AN EXPLOSION OF PUBLICATIONS IN THE EARLY 1990s THAT CALLED FOR A NEW KIND OF GOVERNMENT REFORM. THE MOST FAMOUS OF THESE CRITIQUES WAS THE NATIONAL BEST SELLER *REINVENTING GOVERNMENT: HOW THE ENTREPRENEURIAL SPIRIT IS TRANSFORMING THE PUBLIC SECTOR*.

(DAVID OSBORN AND TED GAEBLER, 1992)

1. **CATALYTIC GOVERNMENT:**  
STEERING RATHER THAN ROWING.
2. **COMMUNITY OWNED GOVERNMENT:**  
EMPOWERING RATHER THAN SERVING.
3. **COMPETITIVE GOVERNMENT:**  
INJECTING COMPETITION INTO SERVICE DELIVERY.
4. **MISSION-DRIVEN GOVERNMENT:**  
TRANSFORMING RULE-DRIVEN ORGANIZATIONS
5. **RESULTS-ORIENTED GOVERNMENT:**  
FUNDING OUTCOMES, NOT INPUTS.

6. **CUSTOMER-DRIVEN GOVERNMENT:**  
MEETING THE NEEDS OF THE CUSTOMER, NOT THE BUREAUCRACY.
7. **ENTERPRISING GOVERNMENT:**  
EARNING RATHER THAN SPENDING.
8. **ANTICIPATORY GOVERNMENT:**  
PREVENTION RATHER THAN CURE.
9. **DECENTRALIZED GOVERNMENT:**  
FROM HIERARCHY TO PARTICIPATION AND TEAMWORK.
10. **MARKET-ORIENTED GOVERNMENT:**  
LEVERAGING CHANGE THROUGH THE MARKET.

## THE NEW PUBLIC MANAGEMENT (NPM)

- ❑ IN THE EARLY 1990's, A NEW MANAGERIAL APPROACH TO PUBLIC ADMINISTRATION BEGAN TO TAKE HOLD. LIKE THE TRADITIONAL MANAGERIAL APPROACH AT ITS INCEPTION, THE NEW APPROACH IS REFORM-ORIENTED AND SEEKS TO IMPROVE PUBLIC SECTOR PERFORMANCE
- ❑ IT STARTS FROM THE PREMISE THAT TRADITIONAL, BUREAUCRATICALLY ORGANIZED PUBLIC ADMINISTRATION IS "BROKE" AND "BROKEN", AND CONSEQUENTLY THE PUBLIC HAS LOST FAITH IN GOVERNMENT.
- ❑ MANAGERIALISM REFERS TO AN ENTREPRENEURIAL APPROACH TO PUBLIC MANAGEMENT, ONE THAT EMPHASIZES THE RIGHTS OF MANAGERS TO RUN THE ORGANIZATION AND THE APPLICATION OF REINVIGORATED SCIENTIFIC-MANAGEMENT TECHNIQUES.

(LEMAY, 2002)

### A BRIEF CHRONOLOGY OF MANAGEMENT THOUGHT

APPROACH	DATE	SELECTED FEATURES
CLASSICAL	1900	ORGANIZATIONS PERCEIVED AS CLOSED SYSTEMS; STRESS ON EFFICIENCY, CONTROL AND THE BUREAUCRATIC FORM
BEHAVIORAL/ HUMAN RELATIONS	1930	EMPHASIS ON PEOPLE RATHER THAN MACHINES; CLOSE ATTENTION TO FACTORS SUCH AS GROUP DYNAMICS, COMMUNICATION, MOTIVATION, LEADERSHIP AND PARTICIPATION
QUANTITATIVE	1940	PROVISION OF QUANTITATIVE TOOLS TO SUPPORT MANAGERIAL DECISION-MAKING; FOUND IN MANAGEMENT SCIENCE, OPERATIONAL MANAGEMENT AND MANAGEMENT INFORMATION SYSTEMS

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21

APPROACH	DATE	SELECTED FEATURES
OPEN SYSTEM/ CONTINGENCY	1965	ORGANIZATIONS SEEN AS SYSTEMS OF INTERRELATED PARTS WHICH RELATE TO THE ENVIRONMENT; EMPHASIS ON 'FITTING' ORGANIZATIONAL STRUCTURE TO THE SPECIFIC ENVIRONMENT OF THE ORGANIZATION
POWER/ POLITICS	1965	ORGANIZATIONAL DECISION-MAKING IS NOT GUIDED BY TECHNICAL RATIONALITY BUT IS DETERMINED BY POLITICAL PROCESSES; A DOMINANT COALITION WILL BE THE MAJOR LOCUS OF ORGANIZATIONAL POWER
QUALITY MOVEMENTS	1955	STRONGLY PURSUED IN JAPANESE POSTWAR INDUSTRIAL DEVELOPMENT AND MUCH LATER ADOPTED ELSEWHERE; CONTINUOUS IMPROVEMENT BY WORKING TOGETHER AND CLIENT FOCUS; TYPIFIED IN TOTAL QUALITY MANAGEMENT, BENCHMARKING, QUALITY CIRCLES AND ISO 9000
MANAGERIALISM	1980	ADOPTION BY THE PUBLIC SECTOR OF PRIVATE SECTOR MANAGEMENT PRACTICES; APPLICATION OF PUBLIC CHOICE THEORY AND NEO-CLASSICAL ECONOMICS TO PUBLIC SECTOR MANAGEMENT

(TURNER AND HULME, 1997)

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22

- ❑ THE TERM "NEW PUBLIC MANAGEMENT" (NPM) WAS COINED IN 1989 BY CHRISTOPHER HOOD TO RETROSPECTIVELY CHARACTERIZE THE "QUITE SIMILAR ADMINISTRATIVE DOCTRINES" OF AUSTRALIA, CANADA, NEW ZEALAND, THE UNITED KINGDOM, AND (WITH A DIFFERENT EMPHASIS) THE UNITED STATES OF THE 1970s AND 1980s.
- ❑ IN KÖNIG'S TERMS NPM IS A POPULARISED MIXTURE OF MANAGEMENT THEORIES, BUSINESS MOTIVATION PSYCHOLOGY AND NEO-LIBERAL ECONOMY (1997, 219).

- ❑ IT CALLED FOR AMONG OTHERS: PUTTING CUSTOMERS FIRST, MAKING SERVICE ORGANIZATIONS COMPETE, CREATING MARKET DYNAMICS, USING MARKET MECHANISMS TO SOLVE PROBLEMS, EMPOWERING EMPLOYEES TO GET RESULTS, DECENTRALIZATION DECISION MAKING POWER, STREAMLINING THE BUDGET PROCESS, DECENTRALIZATION PERSONNEL POLICY, AND STREAMLINING PROCUREMENT.

- ❑ TODAY, THE NPM IS BECOMING THE DOMINANT MANAGERIAL APPROACH.
- ❑ ITS KEY CONCEPTS-SOMEWHAT EVOLUTIONARY A DECADE AGO- ARE NOW THE STANDARD LANGUAGE OF PUBLIC ADMINISTRATION.
- ❑ TERMS SUCH AS "**RESULTS ORIENTED**", "**CUSTOMERS FOCUSED**", "**EMPLOYEE EMPOWERMENT**", "**ENTREPRENEURSHIP**", AND "**OUTSOURCING**", HAVE DOMINATED THE MAINSTREAM.

- ❑ CHRISTOPHER HOOD (1991), CHARACTERIZE NPM's PRINCIPAL THEMES TO INCLUDE:
  - A SHIFT AWAY FROM AN EMPHASIS ON POLICY TOWARD AN EMPHASIS ON MEASURABLE PERFORMANCE;
  - A SHIFT AWAY FROM RELIANCE ON TRADITIONAL BUREAUCRACIES TOWARD LOOSELY COUPLED, QUASI-AUTONOMOUS UNITS AND COMPETITIVELY TENDERED SERVICES;
  - A SHIFT AWAY FROM AN EMPHASIS ON DEVELOPMENT AND INVESTMENT TOWARD COST-CUTTING;
  - ALLOWING PUBLIC MANAGERS GREATER "FREEDOM TO MANAGE" ACCORDING TO PRIVATE SECTOR CORPORATE PRACTICE; AND
  - A SHIFT AWAY FROM CLASSIC COMMAND-AND-CONTROL REGULATION TOWARD SELF-REGULATION.

- ❑ MANY SCHOLARS ATTRIBUTE THE ASCENDANCY OF THE NPM MOVEMENT TO THE RISING AND ENTREPRENEURIAL SPIRIT OF GOVERNMENT. ACCORDING TO NICHOLAS HENRY (2004), THE NEW PUBLIC MANAGEMENT IS AN EXPANDED VIEW OF REINVENTING ENTREPRENEURIAL GOVERNMENT.

- ❑ ACCORDING TO NICHOLAS HENRY(1995), THE ROOT THE NEW PUBLIC MANAGEMENT IS COMPOSED OF THE FOLLOWING SIX IDEAS:

- GOVERNMENT SHOULD BE ENTREPRENEURIAL AND IMPROVE THE QUALITY OF ITS SERVICE.
- GOVERNMENT SHOULD COLLABORATE AND WORK WITH OTHER GOVERNMENT AND THE NONPROFIT AND PRIVATE SECTORS TO ACHIEVE SOCIAL GOALS.
- GOVERNMENT SHOULD JUDGE ITS PERFORMANCE WITH MEASURABLE RESULT.
- GOVERNMENT SHOULD IMPROVE ITS ACCOUNTABILITY TO THE PUBLIC INTEREST, WHICH SHOULD BE UNDERSTOOD IN TERMS OF LAW, COMMUNITY, AND SHARED VALUES.
- GOVERNMENT SHOULD EMPOWER CITIZENS AND PUBLIC EMPLOYEES ALIKE.
- GOVERNMENT SHOULD ANTICIPATE AND SOLVE PROBLEMS.

TOONEN (2001) DEvised AN ANALYTICAL MODEL OF NPM,  
AS:

- ❑ A BUSINESS-ORIENTED APPROACH TO GOVERNMENT;
- ❑ A QUALITY AND PERFORMANCE ORIENTED APPROACH TO PUBLIC MANAGEMENT;
- ❑ AN EMPHASIS ON IMPROVED PUBLIC SERVICE DELIVERY AND FUNCTIONAL RESPONSIVENESS;
- ❑ AN INSTITUTIONAL SEPARATION OF PUBLIC DEMAND FUNCTIONS, PUBLIC PROVISION AND PUBLIC SERVICE PRODUCTION FUNCTIONS.

- ❑ A LINKAGE OF PUBLIC DEMAND, PROVISION, AND SUPPLY UNITS BY TRANSACTIONAL DEVICES (PERFORMANCE MANAGEMENT, INTERNAL CONTRACT MANAGEMENT, CORPORATIZATION, INTERGOVERNMENTAL COVENANTING AND CONTRACTING, CONTRACTING OUT) AND QUALITY MANAGEMENT;
- ❑ WHEREVER POSSIBLE, THE RETREAT OF (BUREAUCRATIC) GOVERNMENT INSTITUTIONS IN FAVOR OF AN INTELLIGENT USE OF MARKETS AND COMMERCIAL MARKET ENTERPRISES (DEREGULATION, PRIVATIZATION, COMMERCIALIZATION, AND MARKETIZATION) OR VIRTUAL MARKETS (INTERNAL COMPETITION, BENCHMARKING, COMPETITIVE TENDERING).

## NEW PUBLIC SERVICE

- ❑ JANET V. DENHANDT AND ROBERT B. DENHANDT POSTULATE THAT WHILE THE NEW PUBLIC MANAGEMENT HAS BEEN TOUTED AS AN ALTERNATIVE TO THE OLD PUBLIC ADMINISTRATION, IT ACTUALLY HAS MUCH IN COMMON WITH THE MAINSTREAM MODEL OF PUBLIC ADMINISTRATION, SPECIFICALLY A DEPENDENCE ON AND COMMITMENT TO MODELS OF RATIONAL CHOICE.
- ❑ SO WHILE THERE ARE CLEARLY DIFFERENCES BETWEEN THE OLD PUBLIC ADMINISTRATION AND THE NEW PUBLIC MANAGEMENT, THE BASIC THEORETICAL FOUNDATION OF THESE TWO "MAINSTREAM" VERSIONS OF PUBLIC ADMINISTRATION AND PUBLIC POLICY ARE IN FACT VERY MUCH ALIKE.

- ❑ IN CONTRAST TO THESE MAINSTREAM MODELS OF PUBLIC ADMINISTRATION OR PUBLIC MANAGEMENT THAT ARE ROOTED IN THE IDEA OF RATIONAL CHOICE, THEY SUGGEST AN ALTERNATIVE CALLED **THE NEW PUBLIC SERVICE**.
- ❑ THEY BASE THEIR THEORY ON CONTEMPORARY PRECURSORS INCLUDING (1) *THEORIES OF DEMOCRATIC CITIZENSHIP*, (2) *MODELS OF COMMUNITY AND CIVIL SOCIETY*, (3) *ORGANIZATIONAL HUMANISM AND THE NEW PUBLIC ADMINISTRATION*, AND (4) *POST MODERN PUBLIC ADMINISTRATION*.

## *DEMOCRATIC CITIZENSHIP*

- ❑ CITIZENS LOOK BEYOND THEIR SELF-INTEREST TO THE LARGER PUBLIC INTEREST. ADOPTING A BROADER AND LONG-TERM PERSPECTIVE THAT REQUIRES A KNOWLEDGE OF PUBLIC AFFAIRS AND ALSO A SENSE OF BELONGING, A CONCERN FOR THE WHOLE, AND A MORAL BOND WITH THE COMMUNITY WHOSE FATE IS AT STAKE.
- ❑ PUBLIC SPIRIT NEEDS TO BE NOURISHED AND MAINTAINED, AND THAT CAN BE AIDED BY CONSTANT ATTENTION TO PRINCIPLES OF JUSTICE, PUBLIC PARTICIPATION AND DELIBERATION.

- ❑ CONSISTENTLY WITH THIS PERSPECTIVE, KING AND STIVERS (1998) ASSERT THAT ADMINISTRATORS SHOULD SEE CITIZENS AS CITIZENS (RATHER THAN MERELY VOTERS, CLIENTS, OR "CUSTOMERS"), SHOULD SHARE AUTHORITY AND REDUCE CONTROL, AND SHOULD TRUST IN THE EFFICACY OF COLLABORATION.
- ❑ MOREOVER, IN CONTRAST TO MANAGERIALIST CALLS FOR GREATER EFFICIENCY, KING AND STIVERS SUGGEST THAT PUBLIC MANAGERS SHOULD SEEK GREATER RESPONSIVENESS AND A CORRESPONDING INCREASE IN CITIZEN TRUST.

## *MODELS OF COMMUNITY AND CIVIL SOCIETY*

- ❑ CITIZENS FELT GREAT FRUSTRATION AND ANGER THAT THEY HAD BEEN PUSHED OUT OF THE POLITICAL SYSTEM BY A PROFESSIONAL POLITICAL CLASS OF POWERFUL LOBBYISTS, INCUMBENT POLITICIANS, CAMPAIGN MANAGERS AND A MEDIA ELITE. THEY SAW THE SYSTEM AS ONE IN WHICH VOTES NO LONGER MADE ANY DIFFERENCE. THEY SAW A SYSTEM WITH ITS DOORS CLOSED TO THE AVERAGE CITIZEN (MATHEWS, 1994). AS A CONSEQUENCE, CITIZENS FELT ALIENATED AND DETACHED.
- ❑ HOW ARE PUBLIC ADMINISTRATORS AFFECTED BY AND HOW DO THEY AFFECT COMMUNITY AND CIVIL SOCIETY?

- ❑ **FIRST**, WHERE STRONG NETWORKS OF CITIZEN INTERACTION AND HIGH LEVELS OF SOCIAL TRUST AND COHESION AMONG CITIZENS EXIST, PUBLIC ADMINISTRATORS CAN COUNT ON THESE EXISTING STOCK OF **SOCIAL CAPITAL** TO BUILD EVEN STRONGER NETWORKS, TO OPEN NEW AVENUES FOR DIALOGUE AND DEBATE, AND TO FURTHER EDUCATE CITIZENS WITH RESPECT TO MATTERS OF DEMOCRATIC GOVERNANCE (WOOLUM, 2000).
- ❑ **SECOND**, PUBLIC ADMINISTRATORS CAN CONTRIBUTE TO BUILDING COMMUNITY AND SOCIAL CAPITAL. SOME ARE ARGUING TODAY THAT THE PRIMARY ROLE OF THE PUBLIC ADMINISTRATOR IS THAT OF BUILDING COMMUNITY (NALBANDIAN, 1999). OTHERS ARGUE THAT PUBLIC ADMINISTRATORS CAN PLAY AN ACTIVE ROLE IN PROMOTING SOCIAL CAPITAL BY ENCOURAGING CITIZEN INVOLVEMENT IN PUBLIC DECISION MAKING.

- BASED ON THEIR EXPERIENCE IN CONDUCTING BROAD-SCALE EFFORTS IN CIVIC ENGAGEMENT, JOSEPH GRAY AND LINDA CHAPIN (1998) COMMENT, "CITIZENS DON'T ALWAYS GET WHAT THEY WANT, BUT INCLUDING THEM PERSONALIZES THE WORK WE DO-CONNECTS PUBLIC ADMINISTRATION TO THE PUBLIC. AND THIS CONNECTION LEADS TO UNDERSTANDING FOR BOTH CITIZENS AND ADMINISTRATORS". SUCH AN UNDERSTANDING ENRICHES BOTH GOVERNMENT AND THE COMMUNITY.

### *ORGANIZATIONAL HUMANISM AND THE NEW PUBLIC ADMINISTRATION*

- OVER THE PAST TWENTY-FIVE YEARS, PUBLIC ADMINISTRATION THEORISTS HAVE JOINED OTHER DISCIPLINES IN SUGGESTING THAT TRADITIONAL HIERARCHICAL APPROACHES TO SOCIAL ORGANIZATION ARE RESTRICTIVE IN THEIR VIEW OF HUMAN BEHAVIOR, AND THEY HAVE JOINED IN A CRITIQUE OF BUREAUCRACY AND A SEARCH FOR ALTERNATIVE APPROACHES TO MANAGEMENT AND ORGANIZATION.
- COLLECTIVELY, THESE APPROACHES HAVE SOUGHT TO FASHION PUBLIC ORGANIZATIONS LESS DOMINATED BY ISSUES OF AUTHORITY AND CONTROL AND MORE ATTENTIVE TO THE NEEDS AND CONCERNS OF INTERNAL AND EXTERNAL CONSTITUENTS .

- ❑ IN MOST ORGANISATION, PEOPLE HAVE RELATIVELY LITTLE CONTROL OVER THEIR WORK. IN MANY CASES, THEY ARE EXPECTED TO BE SUBMISSIVE, DEPENDENT, AND LIMITED IN WHAT THEY CAN DO. SUCH AN ARRANGEMENT ULTIMATELY BACKFIRES, AS IT LIMITS THE CONTRIBUTIONS EMPLOYEES CAN MAKE TO THE ORGANIZATION (ARGYRIS, 1962).
- ❑ IN ORDER TO PROMOTE INDIVIDUALS GROWTH AS WELL AS IMPROVED ORGANIZATIONAL PERFORMANCE, ARGYRIS SOUGHT AN APPROACH TO MANAGEMENT IN WHICH MANAGERS WOULD DEVELOP AND EMPLOY "SKILL IN SELF-AWARENESS, IN EFFECTIVE DIAGNOSING, IN HELPING INDIVIDUALS GROW AND BECOME MORE CREATIVE, [AND] IN COPING WITH DEPENDENT-ORIENTED ... EMPLOYEES".

- ❑ OTHER IMPORTANT CONTRIBUTIONS TO CONSTRUCTING MORE HUMANISTIC ORGANIZATIONS IN THE PUBLIC SECTOR WERE MADE BY THE GROUP OF SCHOLARS COLLECTIVELY KNOWN AS THE NEW PUBLIC ADMINISTRATION (AS DISCUSSED EARLIER) , ESSENTIALLY THE PUBLIC ADMINISTRATION'S COUNTERPART TO THE LATE SIXTIES/EARLY SEVENTIES RADICAL MOVEMENTS IN SOCIETY GENERALLY AND IN OTHER SOCIAL SCIENCE DISCIPLINES.
- ❑ THE PROPONENTS OF NEW PUBLIC SERVICE RECALL SOME OF THE IDEAS ASSOCIATED WITH THE NEW PUBLIC ADMINISTRATION WITH RESPECT TO THE ISSUE OF ORGANIZATION HUMANISM.

- ❑ ALL THOSE ARGUMENTS, AND THE CURRENT DISCOURSES ON POST MODERN ADMINISTRATION CONTRIBUTE TO THE NEW APPROACH IN PUBLIC ADMINISTRATION: THE NEW PUBLIC SERVICE.

## POSTMODERN PUBLIC ADMINISTRATION

- ❑ POSTMODERN PUBLIC ADMINISTRATION THEORY CAN BE MOST EASILY UNDERSTOOD AS THE ANTITHESIS OF POSITIVISM AND THE LOGIC OF OBJECTIVE SOCIAL SCIENCE.

- ❑ MODERNISM IS THE PURSUIT OF KNOWLEDGE THROUGH REASON, AND KNOWLEDGE THUS DERIVED IS SIMPLY ASSUMED TO BE FACTUAL AND THEREFORE TRUE.
- ❑ EQUALLY IMPORTANT, THE AGE *OF* REASON REJECTED KNOWLEDGE BASED ON SUPERSTITION *OR* PROPHECY AND REPLACED IT WITH KNOWLEDGE BASED ON SCIENCE. ALL MODERN ACADEMIC DISCIPLINES AND FIELDS *OF* SCIENCE ARE ROOTED IN THE ENLIGHTENMENT AND IN AN EPISTEMOLOGY BASED ON THE OBJECTIVE OBSERVATION *OF* PHENOMENA AND THE DESCRIPTION, EITHER QUANTITATIVELY OR QUALITATIVELY, OF PHENOMENA.

- ❑ POSTMODERNISTS DESCRIBE MODERN LIFE AS HYPERREALITY, A BLURRING OF THE REAL AND THE UNREAL. POSTMODERNISTS CLAIM THAT A FUNDAMENTAL BREAK WITH THE MODERN' ERA HAS OCCURRED RECENTLY. MASS MEDIA, INFORMATION SYSTEMS, AND TECHNOLOGY ARE NEW FORMS OF CONTROL THAT CHANGE POLITICS AND LIFE. BOUNDARIES BETWEEN INFORMATION AND ENTERTAINMENT ARE IMPLODING, AS ARE BOUNDARIES BETWEEN IMAGES AND POLITICS. INDEED, SOCIETY ITSELF IS IMPLODING.

- ❑ MODERNITY IS ALSO CHARACTERIZED IN POSTMODERNITY AS PARTICULARLY AUTHORITARIAN AND UNJUST. MUCH OF POSTMODERN LANGUAGE HAS TO DO WITH THE ABUSE OF GOVERNMENTAL POWER, INCLUDING BUREAUCRATIC POWER. KEY SUBJECTS IN THE POSTMODERN LEXICON ARE COLONIALISM, INCLUDING CORPORATE COLONIALISM, SOCIAL INJUSTICE, GENDER INEQUALITY, AND THE DISTRIBUTION OF WEALTH BETWEEN THE DEVELOPED AND SO-CALLED THIRD WORLD.

- ❑ FINALLY, MODERNITY, IN THE POSTMODERN PERSPECTIVE, IS PRIMARILY CONCERNED WITH OBJECTIVE KNOWLEDGE AND ITS DEVELOPMENT; POSTMODERNITY IS MORE CONCERNED WITH VALUES AND THE SEARCH FOR TRUTH THAN IN CHARACTERIZATIONS OF KNOWLEDGE.

(FREDERICKSON & SMITH, 2003)

- ❑ TO POSTMODERNISTS, MODERN PUBLIC ADMINISTRATION BASED ON ENLIGHTENMENT LOGIC IS SIMPLY MISGUIDED.
- ❑ PUBLIC ADMINISTRATION THEORISTS EMPLOYING THE POSTMODERN PERSPECTIVE ARE PARTICULARLY CRITICAL OF THE FIELD'S APPARENT PREOCCUPATION WITH RATIONALISM (ESPECIALLY MARKET-BASED RATIONAL CHOICE THEORY) AND TECHNOCRATIC EXPERTISE.
- ❑ IN CONTRAST, POSTMODERN PUBLIC ADMINISTRATION THEORISTS HAVE A CENTRAL COMMITMENT TO THE IDEA OF "DISCOURSE", THE NOTION THAT PUBLIC PROBLEMS ARE MORE LIKELY RESOLVED THROUGH DISCOURSE THAN THROUGH "OBJECTIVE" MEASUREMENTS OR RATIONAL ANALYSIS (McSwite, 1997).

- ❑ THE IDEAL OF AUTHENTIC DISCOURSE SEES ADMINISTRATORS AND CITIZENS AS ENGAGING FULLY WITH ONE ANOTHER, NOT MERELY AS RATIONALLY SELF-INTERESTED INDIVIDUALS BEING BROUGHT TOGETHER TO TALK, BUT AS PARTICIPANTS IN A RELATIONSHIP IN WHICH THEY ENGAGE WITH ONE ANOTHER AS HUMAN BEINGS.
- ❑ THE RESULTING PROCESS OF NEGOTIATION AND CONSENSUS BUILDING IS ONE IN WHICH INDIVIDUALS ENGAGE WITH ONE ANOTHER AS THEY ENGAGE WITH THEMSELVES, FULLY EMBRACING ALL ASPECTS OF THE HUMAN PERSONALITY NOT MERELY RATIONAL, BUT EXPERIENTIAL, INTUITIVE, AND EMOTIONAL.
- ❑ POSTMODERN PUBLIC ADMINISTRATION DERIVES ITS CORE IDEAS FROM SOME CONCEPTS AND ASSUMPTIONS OF THE NEW PUBLIC ADMINISTRATION.

- ❑ THROUGH APPROACHES SUCH AS THESE, SCHOLARS HOPED TO BUILD ALTERNATIVES APPROACHES TO THE STUDY AND PRACTICE OF PUBLIC ADIMINISTRATION, ALTERNATIVES MORE SENSITIVE TO VALUES (NOT JUST FACTS), TO SUBJECTIVE HUMAN MEANING (NOT JUST OBJECTIVE BEHAVIOR), AND THE FULL RANGE OF EMOTIONS AND FEELINGS INVOLVED IN RELATIONSHIPS BETWEEN AND AMONG REAL PEOPLE.

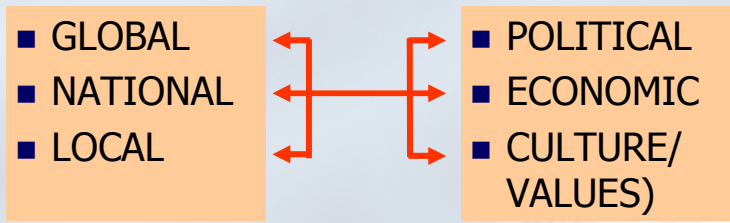
## GOVERNANCE

- ❑ IN THE TWENTIETH CENTURY, HIERARCHICAL GOVERNMENT BUREAUCRACY WAS THE PREDOMINANT ORGANIZATIONAL MODEL USED TO DELIVER PUBLIC SERVICES AND FULFILL PUBLIC POLICY GOALS.
- ❑ PUBLIC MANAGERS WON ACCLAIM BY ORDERING THOSE UNDER THEM TO ACCOMPLISH HIGHLY ROUTINE, ALBEIT PROFESSIONAL, TASKS WITH UNIFORMITY BUT WITHOUT DISCRETION.
- ❑ TODAY, INCREASINGLY COMPLEX SOCIETIES FORCE PUBLIC OFFICIALS TO DEVELOP NEW MODELS OF GOVERNANCE.

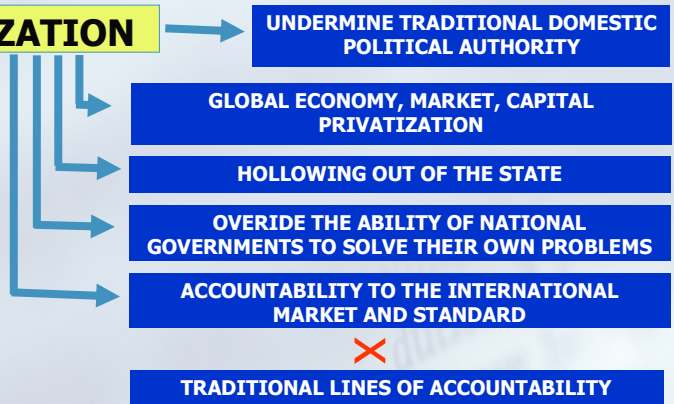
- ❑ THE TRADITIONAL, HIERARCHICAL MODEL OF GOVERNMENT SIMPLY DOES NOT MEET THE DEMANDS OF THIS COMPLEX, RAPIDLY CHANGING AGE.
- ❑ RIGID BUREAUCRATIC SYSTEMS THAT OPERATE WITH COMMAND-AND-CONTROL PROCEDURES, NARROW WORK RESTRICTIONS, AND INWARD-LOOKING CULTURES AND OPERATIONAL MODELS ARE DEEMED TO BE PARTICULARLY ILL-SUITED TO ADDRESSING PROBLEMS THAT OFTEN TRANSCEND ORGANIZATIONAL BOUNDARIES.

- ❑ IN MANY WAYS, TWENTY-FIRST CENTURY CHALLENGES AND THE MEANS OF ADDRESSING THEM ARE MORE NUMEROUS AND COMPLEX THAN EVER BEFORE.
- ❑ PROBLEMS HAVE BECOME BOTH MORE GLOBAL AND MORE LOCAL AS POWER DISPERSES AND BOUNDARIES (WHEN THEY EXIST AT ALL) BECOME MORE FLUID.
- ❑ ONE-SIZE-FITS-ALL SOLUTIONS HAVE GIVEN WAY TO CUSTOMIZED APPROACHES AS THE COMPLICATED PROBLEMS OF DIVERSE AND MOBILE POPULATIONS INCREASINGLY DEFY SIMPLISTIC SOLUTIONS.

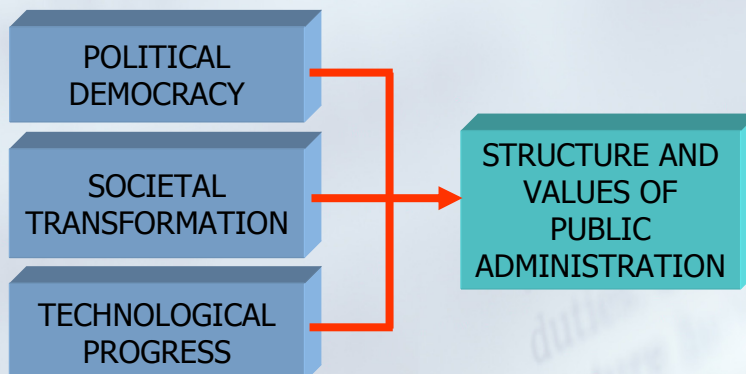
## • PARADIGM SHIFT



## GLOBALIZATION

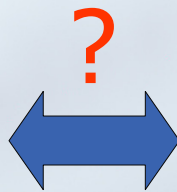


- ❑ QUESTION: *DO GOVERNMENTS KNOW WHAT THEY ARE DOING? WHY SHOULD WE TRUST THEM?*
- ❑ THE DEMAND FOR GOOD GOVERNMENT HAS A LONG HISTORY. BUT SELDOM HAVE THE FORMS OF GOVERNMENT BEEN UNDER GREATER CHALLENGE.
- ❑ DISSATISFACTION AND DISILLUSIONMENT ABOUT POLITICAL SOLUTIONS ARE RIFE.



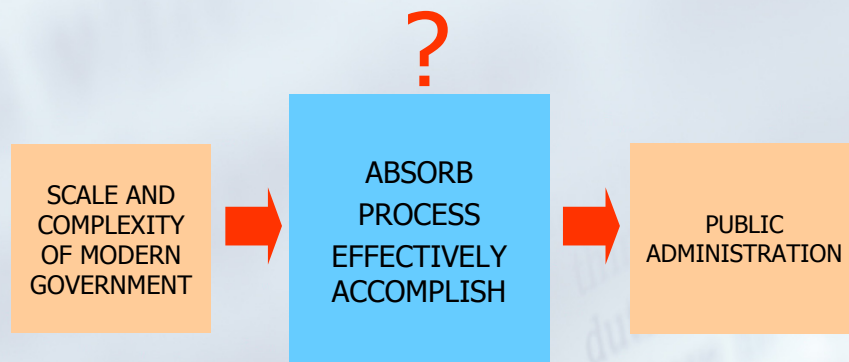
- ❑ IN A CLIMATE OF SOCIAL VALUES THAT STRESS PARTICIPATION AND DEMOCRACY, BUREAUCRACIES WITH THEIR CENTRALIZED STRUCTURES OF AUTHORITY AND CONTROL ARE ANACHRONISTIC.  
(PFEFFER AND SALANCIK, 1978)
- ❑ POLITICAL DEMOCRACY, SOCIETAL TRANSFORMATIONS, AND TECHNOLOGICAL PROGRESS HAVE MODIFIED THE STRUCTURES AND VALUES OF PUBLIC ADMINISTRATION.

**CORE VALUES OF  
PUBLIC  
ADMINISTRATION**

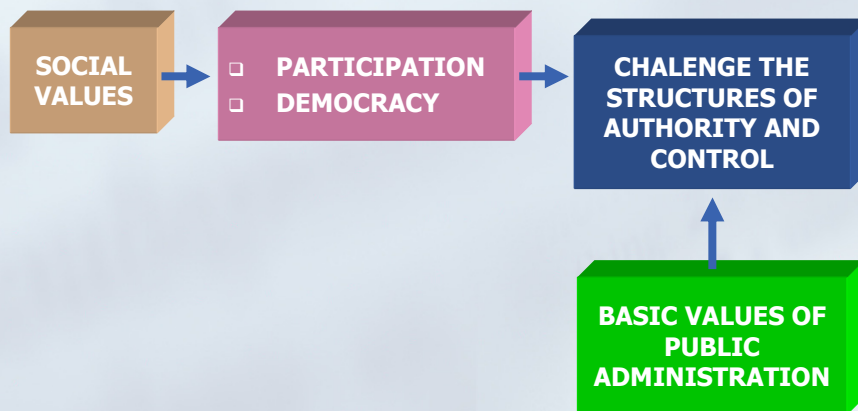


**VALUES & NEEDS  
OF SOCIETY AT  
LARGE**

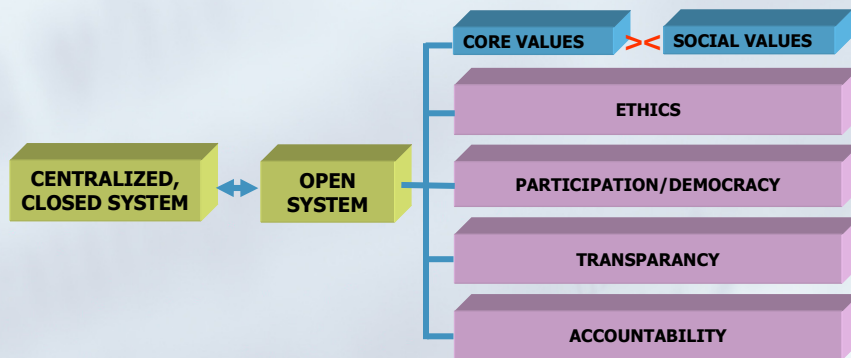
- A COMPLEX PROCESS OF FUNCTIONAL AND SOCIAL DIFFERENTIATION HAS GRADUALLY ERODED THE RIGIDITIES OF HIERARCHICAL AUTHORITY STRUCTURES AND FURTHER MITIGATED THE OLD PERCEIVED ANTINOMY BETWEEN STRUCTURE AND CHANGE.



- THE STRAINS ON MODERN GOVERNMENT CAUSED BY THE GROWING COMPLEXITY AND SCALE OF OPERATION HAVE BROUGHT INTO SHARP FOCUS THE PROBLEM OF *CAPACITY*: HOW MUCH, A HUMAN ORGANIZATION CAN COMPREHEND, ABSORB, PROCESS AND ACCOMPLISH EFFECTIVELY.



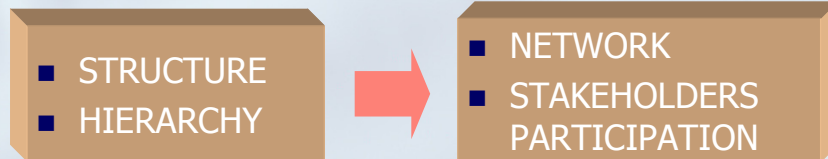
- THROUGHOUT THE WORLD TODAY, THERE IS A MOUNTING CHALLENGE TO CENTRALIZED, HIERARCHICAL, CONTROL-ORIENTED STRUCTURES.



- ❑ FROM ANOTHER PERSPECTIVE, JAN KOOIMAN (2006) OFFERS A WORKING DEFINITION OF 'SOCIAL-POLITICAL' OR 'INTERACTIVE' GOVERNING AND GOVERNANCE AS FOLLOWS:
- ❑ GOVERNING *CAN BE CONSIDERED AS THE TOTALITY OF INTERACTIONS, IN WHICH PUBLIC AS WELL AS PRIVATE ACTORS PARTICIPATE, AIMED AT SOLVING SOCIETAL PROBLEMS OR CREATING SOCIETAL OPPORTUNITIES; ATTENDING TO THE INSTITUTIONS AS CONTEXTS FOR THESE GOVERNING INTERACTIONS; AND ESTABLISHING A NORMATIVE FOUNDATION FOR ALL THOSE ACTIVITIES.*
- ❑ GOVERNANCE *CAN BE SEEN AS THE TOTALITY OF THEORETICAL CONCEPTIONS ON GOVERNING.*

- ❑ GOVERNANCE *REFERS* TO SELF-ORGANIZING, INTERORGANIZATIONAL NET-WORKS CHARACTERIZED BY INTERDEPENDENCE, RESOURCE-EXCHANGE, RULES OF THE GAME, AND SIGNIFICANT AUTONOMY FROM THE STATE.
- ❑ 'GOVERNANCE' MEANS THERE IS NO ONE CENTRE BUT MULTIPLE CENTRES; THERE IS NO SOVEREIGN AUTHORITY BECAUSE NETWORKS HAVE' CONSIDERABLE AUTONOMY.

(RHODES, 1997)



□ ACCORDING TO H. GEORGE FREDERICKSON (1997) THERE ARE AT LEAST THREE DISTINCT CONCEPTIONS OF GOVERNANCE:

- 1) GOVERNANCE IS SIMPLY A SURROGATE WORD FOR PUBLIC ADMINISTRATION AND POLICY IMPLEMENTATION. THUS GOVERNANCE THEORY IS AN INTELLECTUAL PROJECT ATTEMPTING TO UNIFY THE VARIOUS INTELLECTUAL THREADS RUNNING THROUGH A MULTIDISCIPLINARY LITERATURE INTO A FRAMEWORK THAT COVERS THIS BROAD AREA OF GOVERNMENT ACTIVITY. THIS, ESSENTIALLY, IS THE POSITION STAKED BY LYNN ET AL. (2000, 2001).

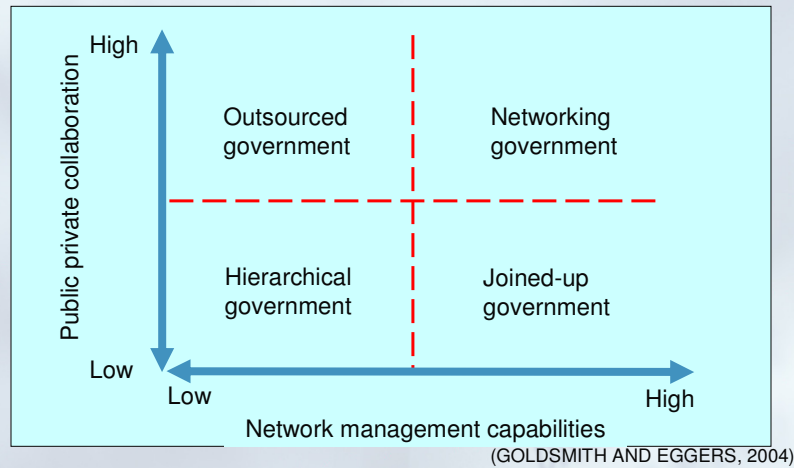
- 2) GOVERNANCE EQUATES TO THE **MANAGERIALIST OR NPM** MOVEMENT. THIS IS PARTICULARLY EVIDENT IN NATIONS ASSOCIATED WITH THE WESTMINSTER MODEL, WHERE NPM FOLLOWED FROM SERIOUS ATTEMPTS TO REFORM THE PUBLIC SECTOR BY DEFINING AND JUSTIFYING WHAT GOVERNMENT SHOULD AND SHOULD NOT DO, AND TO RESHAPE PUBLIC SERVICE PROVISION BY ATTACKING THE PATHOLOGIES OF BUREAUCRACY (KETTL, 2000).
- 3) GOVERNANCE IS A BODY OF THEORY THAT COMPREHENDS LATERAL RELATIONS, INTERINSTITUTIONAL RELATIONS, THE DECLINE OF SOVEREIGNTY, THE DIMINISHING IMPORTANCE OF JURISDICTIONAL BORDERS, AND A GENERAL INSTITUTIONAL FRAGMENTATION (FREDERICKSON, 1997).

- ❑ THE HIERARCHICAL MODEL OF GOVERNMENT PERSISTS, BUT ITS INFLUENCE IS STEADILY WANING, PUSHED BY GOVERNMENTS' NEEDS TO SOLVE EVER MORE COMPLICATED PROBLEMS AND PULLED BY NEW TOOLS THAT ALLOW INNOVATORS TO FASHION CREATIVE RESPONSES.
- ❑ THIS PUSH AND PULL IS GRADUALLY PRODUCING A NEW MODEL OF GOVERNMENT IN WHICH EXECUTIVES' CORE RESPONSIBILITIES NO LONGER CENTER ON MANAGING PEOPLE AND PROGRAMS BUT ON ORGANIZING RESOURCES, OFTEN BELONGING TO OTHERS, TO PRODUCE PUBLIC VALUE.

- ❑ GOVERNMENT AGENCIES, BUREAUS, DIVISIONS, AND OFFICES ARE BECOMING LESS IMPORTANT AS DIRECT SERVICE PROVIDERS, BUT MORE IMPORTANT AS GENERATORS OF PUBLIC VALUE WITHIN THE WEB OF MULTIORGANIZATIONAL, MULTIGOVERNMENTAL, AND MULTISECTORAL RELATIONSHIPS THAT INCREASINGLY CHARACTERIZE MODERN GOVERNMENT.
- ❑ THUS GOVERNMENT BY NETWORK BEARS LESS RESEMBLANCE TO A TRADITIONAL ORGANIZATIONAL CHART THAN IT DOES TO A MORE DYNAMIC WEB OF COMPUTER NETWORKS THAT CAN ORGANIZE OR REORGANIZE, EXPAND OR CONTRACT, DEPENDING ON THE PROBLEM AT HAND.

- ❑ NETWORKS CAN SERVE A RANGE OF IMPROMPTU PURPOSES, SUCH AS CREATING A MARKETPLACE OF NEW IDEAS INSIDE A BUREAUCRACY OR FOSTERING COOPERATION BETWEEN COLLEAGUES.
- ❑ PUBLIC-PRIVATE NETWORKS COME IN MANY FORMS, FROM AD HOC NETWORKS THAT ARE ACTIVATED ONLY INTERMITTENTLY—OFTEN IN RESPONSE TO A DISASTER—TO CHANNEL PARTNERSHIPS IN WHICH GOVERNMENTS USE PRIVATE FIRMS AND NONPROFITS TO SERVE AS DISTRIBUTION CHANNELS FOR PUBLIC SERVICES AND TRANSACTIONS.

## MODELS OF GOVERNMENTS



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73

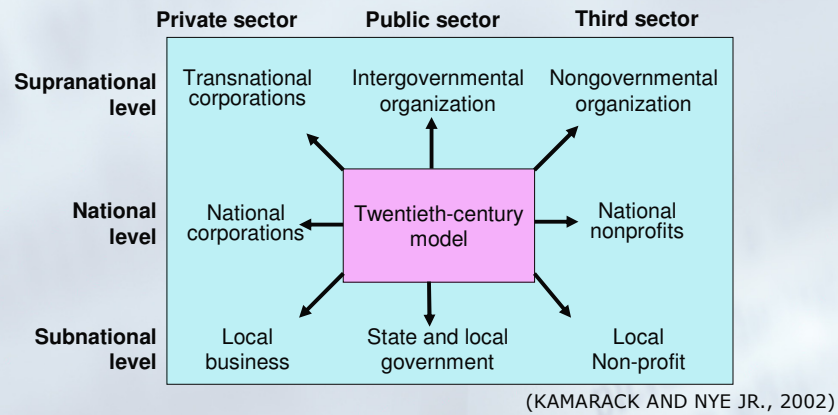
- ❑ THE NEW USE OF GOVERNANCE DOES NOT POINT AT *STATE* ACTORS AND INSTITUTIONS AS THE ONLY RELEVANT INSTITUTIONS AND ACTORS IN THE AUTHORITATIVE ALLOCATION OF VALUES.
- ❑ THEY ALL, TO SOME EXTENT, FOCUS ON THE ROLE OF NETWORKS, IN THE PURSUIT OF COMMON GOALS.

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74

## THE DIFFUSION OF GOVERNANCE IN THE TWENTY-FIRST CENTURY



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75

## **THE CHALLENGES**

- ❑ THE ACCOUNTABILITY PROBLEM PRESENTS NETWORKED GOVERNMENT WITH ITS MOST DIFFICULT CHALLENGE.
- ❑ WHEN AUTHORITY AND RESPONSIBILITY ARE PARCELED OUT ACROSS THE NETWORK, WHO IS TO BLAME WHEN SOMETHING GOES WRONG? HOW DOES GOVERNMENT RELINQUISH SOME CONTROL AND STILL ENSURE RESULTS?

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76

- ❑ *HOW DO NETWORK MANAGERS BALANCE THE NEED FOR ACCOUNTABILITY AGAINST THE BENEFITS OF FLEXIBILITY?*
- ❑ GOVERNMENTS HAVE TRADITIONALLY TRIED TO ADDRESS MOST OF THESE ISSUES OF GOVERNANCE AND ACCOUNTABILITY THROUGH NARROW AUDIT AND CONTROL MECHANISMS. ALTHOUGH SUCH TOOLS HELP, THEY SHOULD NOT CONSTITUTE THE GREATER PART OF AN ACCOUNTABILITY REGIME.

- ❑ NETWORK PARTNERS, FACED WITH INTRUSIVE AND FREQUENT PERFORMANCE AND PRICE AUDITS, TEND TO BECOME RIGID AND RISK AVERSE. INNOVATION COLLAPSES AND TRUST SUFFERS, REDUCING THE ESSENTIAL VALUE OF THE RELATIONSHIP.
- ❑ ADDITIONALLY, TRADITIONAL ACCOUNTABILITY MECHANISMS, WHICH RELY ON PROCESS STANDARDIZATION, CLASH WITH THE VERY PURPOSE OF THE NETWORK: TO PROVIDE A DECENTRALIZED, FLEXIBLE, INDIVIDUALIZED, AND CREATIVE RESPONSE TO A PUBLIC PROBLEM.

## CORPORATE GOVERNANCE

- ❑ WHEREAS THE GOVERNANCE DISCUSSIONS IN THE PUBLIC SECTORS IS RELATIVELY RECENT, THE TERM *GOVERNANCE* IS MUCH MORE COMMON IN THE PRIVATE SECTOR WHERE A DEBATE ABOUT *CORPORATE GOVERNANCE* HAS BEEN GOING ON FOR QUITE SOME TIME.
- ❑ *COORPORATE GOVERNANCE* REFERS TO ISSUES OF CONTROL AND DECISION-MAKING POWERS WITHIN THE PRIVATE (CORPORATE) ORGANIZATIONS.

- ❑ 'CORPORATE GOVERNANCE' IS THE WATCHWORD OF THOSE WHO WISH TO IMPROVE THE ACCOUNTABILITY AND TRANSPARENCY OF THE ACTIONS OF MANAGEMENT, BUT WITHOUT FUNDAMENTALLY ALTERING THE BASIC STRUCTURE OF FIRMS.

❑ (ROE, 1994)

## GLOBAL GOVERNANCE

- ❑ ANOTHER DEVELOPMENT IS THE GLOBALIZATION OF THE ECONOMY AND THE GROWING IMPORTANCE OF TRANSNATIONAL POLITICAL INSTITUTIONS LIKE THE EUROPEAN UNION (EU), WORLD TRADE ORGANIZATION (WTO), ASSOCIATION OF SOUTH EAST ASIAN NATIONS (ASEAN), AND NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA).

- ❑ THE DEREGULATIONS OF CAPITAL IN THE 1980s SET IN TRAIN A MASSIVE RESTRUCTURING OF BOTH DOMESTIC ECONOMIES AND THE INTERNATIONAL ECONOMIC SYSTEM.
- ❑ WHAT SEEMS TO BE THE MAIN CONSEQUENCE OF GLOBALIZATION IN THE PRESENT CONTEX IS THE EROSION OF TRADITIONAL, DOMESTIC POLITICAL AUTHORITY.
- ❑ INTERNATIONAL FORCES APPEAR TO OVERRIDE THE ABILITY OF NATIONAL GOVERNMENTS TO SOLVE THEIR OWN PROBLEM.

- ❑ NEW DEMANDS OF ACCOUNTABILITY TO INTERNATIONAL MARKETS AND STANDARDS MAY CLASH WITH THE TRADITIONAL LINES OF ACCOUNTABILITY.
- ❑ SOME COMMENTATORS (RHODES 1994, 1997; DAVIS 1997) HAVE CHARACTERISED THESE TRENDS AS A '*HOLLOWING OUT OF THE STATE*', IN WHICH THE COMBINED EFFECTS OF GLOBALISATION, INTERNATIONAL OBLIGATIONS, PRIVATISATION AND REDUCED REGULATION DEplete THE CAPACITY OF GOVERNMENT TO SHAPE AND ORGANISE SOCIETY.

- ❑ PESSIMIST SUGGEST THAT GLOBALIZATION MEANS THAT GOVERNMENT EVERYWHERE HAVE BECOME POWERLESS AND THAT MANAGING GLOBALIZATION IS IMPOSSIBLE, SINCE GLOBALIZATION IS SHAPED BY MARKETS, NOT BY GOVERNMENT
- ❑ SOME HAVE SUGGESTED THAT THIS POWERLESSNESS IS REINFORCED BY THE COMING OF THE INTERNET AGE –THAT THERE IS NO GOVERNANCE AGAINST THE ELECTRONIC HERD (FRIEDMAN, 2000).
- ❑ *GLOBAL GOVERNANCE* HAS THEN BECOME VERY TOPICAL.
- ❑ IN A NUTSHELL, GLOBAL GOVERNANCE IS ABOUT HOW TO COPE WITH PROBLEMS WHICH TRANSCEND THE BORDERS (SUCH AS AIR POLLUTION, NARCOTICS, TERRORISM OR THE EXPLOITATION OF CHILDS WORKERS) GIVEN THE LACK OF A WORLD GOVERNMENT.