2. SUMMARY: GOVERNMENT IN TRANSITION – A NEW PARADIGM IN PUBLIC ADMINISTRATION

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Introduction

The Inaugural Conference of CAPAM, the Commonwealth Association for Public Administration and Management, held in Charlottetown, Canada in August 1994, was the first time in the history of the Commonwealth that a high-level conference addressed itself exclusively to issues of public management. This Conference was not an official Commonwealth ministers' meeting because CAPAM is a voluntary association of individuals and organisations having an interest in the practice, study, and improvement of public management. Nevertheless, as the list of speakers included two current prime ministers, seven current or former ministers, and 15 current or former permanent secretaries or agency heads, the CAPAM Conference had the breadth of perspective and sophistication of discourse that would characterise a ministerial conclave.

Apart from the United Nations, the Commonwealth is the world's largest and most diverse assembly of nations. It encompasses 51 nations, with a population of 1.5 billion – a quarter of humanity. Representatives of 22 of these 51 nations gave papers. Categorised economically, this sample of 22 nations incorporates most of the world's diversity, as it includes two members of the G7 (Canada and the United Kingdom), four members of the Organisation for Economic Cooperation and Development (Australia, Canada, New Zealand, United Kingdom), three newly-industrialised countries of Asia (Hong Kong, Malaysia, and Singapore), and a large contingent from the developing world. The latter included three of the nations of the Indian subcontinent (Bangladesh, India, Sri Lanka), five small island states (Jamaica, Malta, Mauritius, Trinidad and Tobago, and the Seychelles), and seven African nations (Ghana, Namibia, Nigeria, South Africa, Tanzania, Zambia, and Zimbabwe).

The theme of the Conference was "Government in Transition". Sir Kenneth Stowe, Chairperson of the CAPAM Steering Committee, speaking at the first session, identified this decade as a time when Commonwealth nations are experiencing numerous unprecedented political and social transitions, including those from single-party to multi-party political systems, from national to regional sovereignty, from closed to open economies, from stable to exploding populations, and, in southern Africa, from apartheid to democracy. Optimistically, we might characterise all these transitions as promising greater freedom of self-expression in the political sphere and improved material well-being and better life-chances in the economic realm.

The choice of "transition" as a theme for the Conference itself expresses a particular point of view. Transition is defined as a movement, development, or passage from one stage or form to another. It connotes an element of foresight, planning, and purpose.[1] In contrast, many current management gurus, for example Tom Peters, use words like change, chaos, and craziness interchangeably, to describe a world of forces too random to be predicted and too powerful to be mastered. In this view, the best an organisation can do is stay loose and hope to survive. As this overview paper will show, the views expressed at this Conference are more hopeful.

Like the Conference itself, this report begins with a discussion of the environmental forces that are affecting and in some cases buffeting the public sector. Then the report discusses how governments throughout the Commonwealth have responded to these trends. *The key finding of the report is that, despite the diversity of the Commonwealth countries, there was a common pattern in their responses. So strong is this common pattern that it could be labelled a new paradigm in public administration.*[2] This new paradigm which has emerged in little more than a decade emphasises the role of public managers in providing high-quality services that citizens value; advocates increasing managerial autonomy, particularly by reducing central agency controls; demands, measures, and rewards both organisational and individual performance; recognises the importance of providing the human and technological resources that managers need to meet their performance targets; and is receptive to competition and open-minded about which public purposes should be performed by public servants as opposed to the private sector.[3] The central section of the report elaborates the components of this new paradigm and shows ways in which institutions and public sector managers and policy-makers in different Commonwealth countries are responding to its growing significance.

The next section discusses the impact of the new paradigm in two different ways. First, it summarises results that have been cited at the Conference. Then, it reviews the lessons about the process of change that were presented. The penultimate section of the report looks at the implementation of the new paradigm in three diverse economic contexts: among the OECD members, in the newly-industrialised economies of Asia, and in the developing world. The concluding section of the report, building on what has been learned at the Conference, outlines an approach for CAPAM's next conference.

This report draws from all the formal and informal discussions facilitated by the Conference, and very particularly from the papers presented by the illustrious speakers. Throughout this report, when a public management reform undertaken in any nation is described, the author of the conference paper discussing it is indicated in parentheses. This publication includes edited extracts from all available papers presented at the Conference.

Setting the stage

The keynote speaker at the first conference plenary, Marcel Massé, Canada's Minister Responsible for Public Service Renewal and a former President of the Canadian International Development Agency, lucidly described the environmental trends that governments all over the world are being forced to cope with. These include knowledge-based production, the communications revolution, and a five-fold expansion in world trade (compared to a doubling of global output) during the last forty years. During the same period, the value of goods and services produced by multinationals has grown just as rapidly and is now almost equal to that of world trade. The major implication of these trends is that the terms "domestic economy" and "domestic politics" are becoming veritable anachronisms.

Massé cited three examples of the effects of these forces on government. The end of the Cold War, which came about because of the clear inability of the Soviet Union to cope with these environmental trends, has led to a multi-polar world that is redefining traditional views about the role of the military, foreign policy, and diplomacy. Trade negotiations have led to the creation of a triad of large regional trading blocs, one in North America, another in Europe, and a third in East Asia. The information technology revolution, leading to the creation of the Internet, makes possible an era of direct electronic democracy that calls into question the rationale for and practices of representative institutions. While Massé is hardly the first to speak about globalisation, he did so with both conceptual breadth and illustrative personal experience, thereby setting the stage for the discussions that followed. This statement of the context within which the public sector now operates served as a common point of departure for all conference speakers.

His Excellency Chief Emeka Anyaoku, Commonwealth Secretary-General, in his address, placed these globalising trends within the context of contemporary multilateralism, and provided a timely reminder that public administration is not value-free. He emphasised the importance of professional networking and collaboration in the development and sustenance of a sound public service, working securely within the rule of law.

Components of the new paradigm

As discussed above, the new paradigm has several components. What makes exposition of the paradigm somewhat complicated is that the components are inter-related and there is no obvious hierarchy of ideas, no one key principle from which all others can be deduced.[4] This section of the report outlines each component and presents examples cited at the Conference of countries that are implementing that component. Two qualifications are in order. The components of the paradigm are themes that cut across traditional ways of organising government. For example, the theme of increasing managerial autonomy is reflected in new human resource and

financial management practices. The report is written thematically, rather than in terms of these functional areas; thus, it will not discuss financial management or human resource management separately.

Secondly, this report cites as examples of any theme only material presented at this Conference. Thus, the fact that a given practice is not cited for a given country does not mean that the practice is absent there, only that the paper(s) presented by representatives of that country did not touch on it. If one wanted to know what is going on in each country, it would be necessary to do a complete international survey of public management reforms. Such surveys have been done by the OECD, and the Commonwealth Secretariat is just completing a still more comprehensive survey of Commonwealth countries. The interested reader is urged to consult either or both.[5]

Providing high-quality services that citizens value stems from a reconceptualisation of the consumers of public services. Passive recipients are increasingly seen as active customers, and serious attempts are being made to find out what those customers expect, for example by surveys or focus groups. Once this is done, public sector organisations can set performance targets, measure how well they are doing, and make public the results. The most dramatic such initiative is the UK's Citizens' Charter, a global statement of the government's service quality commitments, launched by Prime Minister Major in 1991. It has received a great deal of attention and is now being emulated in New Zealand (Laking), Malaysia (Ahmad Sarji), and Namibia (Geingob). New Zealand, the UK (Mottram), Mauritius (Jugnauth) and Singapore (Quah) are all seeking customer feedback about service quality by means of surveys, focus groups, and consumer participation on review panels. For example, Singapore monitors complaints carefully and reports a decrease from 3,100 in 1991 to 1,900 in 1992 and an increase in compliments from 161 to 500 during the same period. The UK is making public comparative information about service in hospitals, schools, ambulance services, and local authorities.

Some public service organisations are changing their procedures to improve service. Singapore is establishing service centres to provide one-stop shopping in public services (Quah) and Tanzania has established an Investment Promotion Centre to facilitate the establishment and licensing of businesses (Rupia). The UK Inland Revenue is merging its assessment and collection units to reduce taxpayer confusion (Matheson). Both the UK Inland Revenue and the Malaysian Government (Ahmad Sarji) are implementing total quality management (TQM) programmes, and Canada's internal government consulting agency is helping departments implement TQM (Pearson).

In addition to departmental efforts, some governments are undertaking central initiatives to improve service. Singapore has established a Service Improvement Unit (SIU) in the Prime Minister's Office to oversee departmental efforts and has

appointed 93 senior-level service quality managers in departments and boards to assist the SIU in implementing its initiatives. The UK has established the Chartermark Awards, given annually by the Prime Minister to up to 100 public sector organisations or units that provide exemplary service and Malaysia has established both quality and innovation awards in the Public Service. Finally, the UK Government is producing a quarterly newspaper about best practice in the Public Service.

If managers are to achieve exacting service standards, they need *increased autonomy, particularly from central agency controls*, so they can use their expertise and creativity. The New Zealand Government began to move in this direction a decade ago, starting from the premise that policy advising ought to be separated from operations so as to counteract the inevitable tendency of advisers to recommend policies that will enhance the operational responsibilities of their organisations. The UK, in its Next Steps Programme, assigned operations to agencies whose CEOs were given both clear performance targets and increased autonomy in meeting them. Currently, 64 per cent of the UK Public Service is working in agencies. Singapore has also moved responsibilities for infrastructure development out of departments and into agencies (Mohideen).

In addition, there is now a broad trend to a reduction in central agency controls over departmental or agency human resource management practices, with examples cited in Australia (Dawkins), New Zealand (Laking), the UK (Matheson), Trinidad and Tobago (Draper) and Zimbabwe (Sibanda). An example of this trend is greater flexibility in working conditions, as evidenced by more parental leave, part-time work, and flexi-time arrangements in Australia (Ives) and New Zealand. Australia and the UK have moved from collective bargaining for the entire Public Service to workplace bargaining (Ives, Mottram). New Zealand has gone even farther, applying private sector employment law to the public sector, so that there can be individual as well as collective contracts and staff can nominate their own bargaining agents.

Managers' abilities to lead their organisations are being increased as organisational structures are being simplified and hierarchies flattened. Australia (Dawkins), the UK (Mottram), and Malaysia (Ahmad Sarji) have all created Senior Executive Services, with fewer grades than in the past. Australia, Malaysia, and the UK Inland Revenue have created single administrative services encompassing what were previously separate occupational groups, and also reducing the number of grades. Zimbabwe is also delayering its Public Service as part of a downsizing initiative (Sibanda).

This trend is also apparent in financial management. For example, both Australia (Dawkins) and the UK (Mottram) allow managers freedom to manage the consolidated running costs of their programmes. Namibia is permitting year-to-

year budget transfers (Geingob) and Australia and Malta (Fenech-Adami) have established three-year forward estimates.

There are numerous examples of previously centralised governments attempting to increase the autonomy of local managers by devolving power to them. South Africa is writing a new constitution that favours the states (Vil-Nkomo); Zimbabwe is decentralising to local authorities responsibilities in the areas of health, education, and social welfare (Sibanda); and Nigeria has created federal state advisory and co-ordinating councils (Elaigwu).

The third component of the new paradigm is that *organisations and individuals are being measured and rewarded on the basis of whether they met demanding performance targets.* In a sense, this is the other side of the bargain implicit in the second component of the paradigm: increased autonomy but more exacting expectations of performance. In New Zealand (Laking), the UK (Mottram), Malta (Fenech-Adami), and Malaysia (Ahmad Sarji), senior public servants are signing performance agreements with their political masters. New Zealand and the UK have been making greater use of performance pay at the senior levels. Both the UK and New Zealand are moving from a tenure system to fixed-term contracts, and permitting competition from outside the Public Service for senior positions. Currently, nine of 37 agency heads in New Zealand have come from the private sector, and three from overseas.

This performance orientation is also evident in the financial management area. The increasingly autonomous department and agency heads in the UK and Australia are being required to return an efficiency dividend of 1.5 per cent per annum on running costs to the Treasury. In Australia, this dividend amounts to about A$80 million per annum. New Zealand now charges departments for their use of capital, including depreciation, a policy that has resulted in much more economical use of capital. Australia is requiring departments to pay for internal government services, such as legal advice, also leading to the more careful use of resources (Dawkins). Both New Zealand and the UK have moved their agencies from cash to accrual accounting, which forces them to be more aware of the cost implications of resource commitments and puts them on a more equal footing with the private sector.

An example of this approach applied comprehensively is Australia's radical transformation of the management of its state-owned enterprises by giving managers more autonomy, requiring them to produce mission statements and financial targets, encouraging benchmarking, and increasing private sector competition (the latter a component of the paradigm that will be discussed below). Dawkins cited some impressive results: 10 per cent per annum increases in labour productivity between 1987 and 1992, 24 per cent lower real prices for air travel and for international telephone calls in 1993 than in 1987, and increased

profitability of the state-owned sector from A$170 million in 1988-89 to A$5.2 billion in 1993-94.

Finally, a number of countries are evaluating performance by establishing either ongoing or extraordinary programme reviews. Canada is currently undertaking a review of all government programmes, with the objective of making major expenditure cuts (Massé). Both Australia and the UK are requiring reviews of every programme every three to five years. Jamaica is undertaking reviews of its contracting procedures and its customer-service performance (Davis).

The fourth component of the new paradigm is *providing the human and technological resources that managers need to meet their performance targets.* In the area of human resource management, this means recruiting the most talented people available and improving their skills through constant training. Some Commonwealth governments have been aggressive recruiters at the entry level. Singapore entices high-flyers with scholarships to either the National University of Singapore or elite universities overseas; after completion of their programme, they are required to serve in the government. Both Singapore and Hong Kong recruit aggressively at local universities (Quah, Scott). Some departments or agencies have launched their own fast-track recruitment programmes, for example the Inland Revenue in the UK. Singapore has taken the boldest, if not most expensive, initiative in compensation policy by setting civil service salaries, at all levels, that are competitive with those in the private sector. Senior permanent secretaries are now earning in excess of US$300,000 per annum.

Representatives of many countries described imaginative training initiatives. For example, the UK and Singapore have instituted customer-service training for staff, the latter contracting with Singapore Airlines, an organisation well regarded for its high service standards. Following its policy of economic deregulation, Ghana is retraining public servants who had previously been responsible for regulation (Botchwey). Australia is using competency-based training, which starts by defining competencies relevant to a given organisational level and then trains in those competencies (Ives). The UK (Matheson) and Mauritius (Jugnauth) are also tailoring training to rank. Trinidad and Tobago has been sending most of its Public Service on departmental training retreats (Draper).

Employment equity initiatives are important, not only because they try to undo the damage caused by generations of systematic discrimination, but also because they will ultimately expand the pool of talent available to the government, as argued in Mkhonza's paper. Australia has established a strategic plan targeted at women, the disabled, aboriginals, and those of non-English backgrounds (Ives), and Mauritius

has created a Ministry of Women's Rights, Child Development, and Family Welfare (Jugnauth).

The transition from apartheid to democracy presents South Africa (Skweyiya, Vil-Nkomo) and Namibia (Geingob) with major challenges in expanding opportunity for non-whites. Both countries have to merge numerous racially or geographically-defined public services into one national Public Service. South Africa is attempting to use vacancies and a limited number of new positions to increase the presence of under-represented groups, especially blacks and women, in the Public Service. Bursaries are being given to encourage under-represented groups to join and training will be provided in basic skills and professional values (Skweyiya). In addition, collective bargaining rights are being extended to the entire Public Service (Skweyiya). Nevertheless, the Government's policy of inter-racial reconciliation dictates a recognition that whites have a valuable contribution to make. Applied to the Public Service, this has meant a commitment to protect the positions, salaries, and benefits of public servants who worked under the apartheid regime. This, coupled with the new Government's overall fiscal constraints, places limits on how rapidly the Public Service can be transformed.

Increasingly, the public sector is coming to recognise the importance of leading-edge information technology (IT) as an essential facilitator of service improvement initiatives. Singapore provides the most impressive example of this. In 1981 – in IT terms, at least four generations ago – it established a National Computer Board. By 1990, the Civil Service described itself as being "fully computerised", having 107 mainframes and minicomputers, 10,000 PCs and terminals, 293 application systems, and 606 computer professionals. An investment analysis indicated returns of $2.71 for every dollar spent on IT, and a reduction in the need for 5000 positions (Quah). Malaysia (Ahmad Sarji), Malta (Fenech-Adami) and Mauritius (Jugnauth) also report launching major office automation programmes. IT is being used not only for internal operations, but increasingly for service provision. Malaysia is establishing a Public Service network of electronic kiosks at post offices and Civil Service Link, a network of computer-supported information centres (Ahmad Sarji). Singapore is promoting electronic payment of bills and the UK Inland Revenue is establishing enquiry centres whose expert staff will have electronic access to taxpayer records.

Finally, smoothly functioning central agencies and Cabinet can be considered another supporting resource for departmental managers. While departmental managers may have increased operational autonomy, it is nonetheless important for them to be aware of and responsive to the overall direction of policy. Several nations report initiatives in Cabinet organisation. Australia (Dawkins) and Namibia (Geingob) have established systems of Cabinet committees. Australia has also reduced the number of departments and grouped programmes more logically. Dawkins argued that these changes have reduced the need for more interdepartmental co-ordination, reduced departmental overheads, provided more

stability for ministers, and enabled the full cabinet to concentrate on fewer, more important issues. Trinidad and Tobago uses frequent team-building retreats for ministers (Draper). Both Trinidad and Tobago and Canada have designated a minister with responsibility for public service reform; in the former the Minister has experience in management development, in the latter the Minister was an experienced and well-respected Permanent Secretary before entering politics. Several countries have reorganised their institutions for supporting Cabinet. Australia has strengthened its Cabinet Secretariat and Jamaica has created a Permanent Secretaries Board, laid down guidelines for Cabinet submissions, and given its Cabinet Office the responsibility of reviewing policies and performance in certain key areas (Davis).

The fifth and final component of the new paradigm is a *receptiveness to competition and an open-minded attitude about which public purposes should be performed by the public sector as opposed to the private sector.* The American authors Osborne and Gaebler have cast this as an exhortation to the public sector to steer (i.e., set policy) and to seek private sector involvement in rowing (i.e., implementation).[6] Australia, New Zealand, the UK, Mauritius, and Zimbabwe are increasingly involving the private sector in the production of what were previously internal services to the public sector. In the UK, the value of market-tested goods purchased by the Government has increased from 25 million to 1.3 billion pounds between 1992 and 1994, with cost-savings of 20 per cent or more. In many instances, the public sector continues to win contracts for market-tested goods, but the threat of private sector competition has improved public sector performance.

Throughout the Commonwealth, there is a great deal more private sector involvement in activities that were formally reserved for the public sector. The UK is inviting the private sector to finance infrastructure development (Mottram). Speakers from several developing countries outlined new roles that non-governmental organisations can play in implementing policy. For example, India is turning to non-governmental organisations for programme delivery in education, family planning, and rural development (Ranganathan). Ghana is beginning to use the traditional authority of village chieftains to deliver local government services (Kiggundu). The Grameen Bank in Bangladesh has pioneered micro-credit among the rural poor, particularly women (Shams). Shams cites impressive results showing that recipients are using this credit to improve their housing, food, clothing, and education and to create jobs, that women who receive credit are becoming socially more assertive, and that loan recipients are not defaulting. Finally, a strong indicator of its success is that the Grameen Bank approach is being replicated in other countries of Asia.

The ultimate expression of this approach is privatisation, which has been chosen very frequently. The record includes 47 privatisations in the UK since 1979 (Mottram), privatisation of Singapore's Telecom, airline, and shipyards (Mohideen), privatisation as part of Zimbabwe's Structural Adjustment Programme

as well as privatisations in Ghana (Botchwey), Tanzania (Rupia), New Zealand (Laking), and Malta (Fenech-Adami).

Many developing countries in the Commonwealth are dismantling price controls, import licensing regimes and exchange controls and are lowering tariffs: Jamaica (Davis), India (Ranganathan), Tanzania (Rupia), Namibia (Geingob), and Ghana (Botchwey). Kwesi Botchwey, Ghana's Finance Minister, reports a growth in real GNP of five per cent following deregulation, a substantial improvement from the previous period of heavy-handed regulation.

Probably the most sophisticated example of co-operation between the public and private sectors is Singapore's conceptualisation and implementation of an explicit industrial strategy over the thirty years it has been independent (Mohideen). In the 1960's, Singapore concentrated on labour-intensive exporting and also encouraged foreign investment by permitting 100 per cent foreign ownership and unrestricted repatriation of profits. In the 1970s and 1980s, the Government supported electronics industry investment by its own investments in skills for its workforce and in transportation and communications infrastructure. It developed a National Information Technology Plan and, as discussed above, computerised its public service. In the current decade, Singapore is attempting to play a leading role in the regional economy, through inter-governmental agreements with Malaysia, Indonesia, India, and China, thereby laying the framework for joint business ventures. Mohideen attributes Singapore's strong economic performance – an increase in per capita GNP from US$435 to US$17,000 and in trade from US$2.5 billion to US$159 billion, and a decrease in unemployment from 14 per cent to 2.7 per cent – to this deliberate and far-seeing strategy. An echo of Singapore's approach was heard at the Conference in Ahmad Sarji's reference to Malaysia Inc. However, this appears to be less of a fully-articulated industrial strategy and more of an attempt to improve relations and dialogue with business.

This completes the discussion of how the different Commonwealth countries have responded to the changing environment by developing and implementing a new paradigm of public management. This is not to say that the Commonwealth countries have been the only ones to develop the new paradigm. Similar changes have been happening all over the world. Nevertheless, some of the Commonwealth countries have been in the forefront. The next section summarises what was said at the Conference about the results that were realised when the new paradigm was implemented.

The impact of the new paradigm

(i) Results achieved

For reasons that will be discussed below, not all speakers recounted the results of the reform initiatives they have launched. However, enough speakers did that it

was possible to compile a list of the results that were cited, categorised by the themes presented in the previous section of the report. The results are as follows:

- Market-testing in the UK has achieved cost savings of 20 per cent or more.
- Capital charges in New Zealand have reduced the use of capital by departments and agencies.
- There has been a substantial reduction in consumer complaints about government services in Singapore.
- Information technology investments in Singapore between 1981 and 1990 produced labour saving of 5000 positions and returned $2.71 per dollar invested.
- Giving managers of Australia's state-owned enterprises both more autonomy and clearer goals resulted in increased labour productivity of 10 per cent per annum for 5 years, substantially lowered constant-dollar prices for air travel and telephone calls in the same period, and increased overall profitability from A$170 million to A$5.2 billion between 1988 and 1994.
- Deregulation led to 5 per cent per annum growth of real GNP in Ghana.
- Cabinet reorganisation reduced co-ordination effort and cost and increased the effectiveness of Cabinet meetings and individual ministers in Australia.
- Singapore's industrial strategy dramatically increased its per capita GNP and trade and reduced its unemployment rate over the last 30 years.
- Grameen Bank micro-credit is creating jobs, increasing incomes and standard of living, and increasing the assertiveness of women in rural Bangladesh.

This list illustrates that the results pursued differ by area. In the areas of financial management, information technology, and state-owned enterprise management, the results cited are mainly financial. Organisational reforms, such as those of the Cabinet system in Australia, affect indicators of organisational effectiveness, and wide-ranging programmes, such as, Singapore's industrial strategy or Grameen Bank's micro-credit affect a broad range of societal outcomes.

One might ask why it was that a substantial proportion of the speakers did not present results. Part of the reason might be that in many of the countries reform initiatives are in either the planning stage or the early implementation stage and

the results are not yet available. At this stage, speakers are likely to be enthusiastic about the process of reform they have initiated, and may think of these procedural changes as results. Up to a point they are. Nevertheless, the ultimate results of new forms of organisation must be measured in terms of the objectives of transitions that were postulated at the start of the paper, namely increasing freedom of self-expression and material well-being.

There was one paper given at the Conference that outlined a disappointing result. Plumptre argued that Public Service 2000, the Federal Government of Canada's attempt to implement the new paradigm, suffered from a deficiency of political will and interest. As a consequence, the process fell short in implementation and did not achieve attitudinal or institutional change. Disappointing results have an important role to play in learning. For example, if a disappointing case is characterised by the absence of what in a successful case was a key success factor, there is additional evidence pointing to the importance of that key success factor and dispelling the alternative hypothesis that success was due to mere good fortune.

Future CAPAM conferences could benefit from a greater focus on the definition and measurement of the results of reform initiatives. For example, governments that are planning reforms would do well to think carefully about what the ultimate objectives of their initiatives are, how progress in achieving those objectives can be measured, and whether their measures can distinguish the unique (or, to use the economist's term, *ceteris paribus*) effects of their initiatives. For example, if a treasury requires operating departments to return one per cent of their budget for running costs each year, observing that a certain amount of money was in fact returned to the treasury says nothing more than that the policy was implemented. The more interesting question is whether the pressure on operating departments this practice has created results in productivity increases, reductions in output, or a mix of the two. As another example, one could ask whether any of the increase in the profitability of Australia's state-owned enterprises can be traced to changes in general economic conditions between 1988 and 1994, rather than the managerial reforms? The more thoroughly questions such as these are answered, the more confidence conference participants will have that these reforms achieved valuable results. In any event, participants will benefit from sharing of experience about results, whether successful or disappointing, and candid explanations of the reasons why they occurred.

(ii) Lessons learned

Several speakers had some lessons about the reform process, in terms of the organisational dynamics that were necessary to bring about reforms. Four (Dawkins, Laking, Mottram, and Plumptre) dealt with government-wide reform initiatives, while Pearson focused more specifically on implementing a TQM programme within one organisation. However, there was a great deal of similarity

among all approaches. The following are the major lessons they draw from their experience.

1. A political or economic crisis or shock is often needed to force widespread recognition of the need for change.

2. High-level political support, encompassing both the Prime Minister and Cabinet, is required. Political support does not mean mouthing slogans, but rather includes active understanding of the initiative and its logic. While Pearson did not refer to elected politicians in her paper, she made clear that reform initiatives require the support of the organisation's CEO.

3. Reform programmes should have a clear vision and objectives, and clear and simple priorities. Dawkins also made this point in the context of strategy formulation for state-owned enterprises.

4. The organisation should make sure that some of its most capable people are involved in the reform effort. Pearson defined it as a job for "star performers", Mottram referred to "dedicated progress chasers", and Laking argued for a network of "key players who understand, support and can drive through change strategically located in key positions".

5. Complementing their call for powerful leadership, Mottram, Pearson, and Plumptre all argued for widespread employee involvement in the change process.

6. Laking and Mottram, well aware of the possibility of resistance to change, emphasised that it is important to mobilise those who gain from change, both outside and within the public service. In the case of those outside, mobilisation involves marketing to build constituencies. It should be possible to win the support of managers within the public service because they will benefit by receiving increased authority and greater extrinsic rewards for good performance.

7. Successful organisations should be recognised, either with awards or by disseminating information about their achievements in a "best practices" context.

8. Timetables should be used to sustain the momentum of change.

9. Organisations implementing TQM programmes must re-examine their core processes and change from a functional to a client orientation.

10. Consultation with clients should be an important part of any organisational redesign.

11. Organisations should not treat new technology as a panacea; careful analysis is needed *before* acquiring a new technology.

12. In implementing a new technology, organisations should resist cutting staff before the technology is implemented. Being short-staffed compounds the inevitable difficulties of changing from one system to another.

13. New systems should be tested in a pilot situation before full-scale implementation.

These maxims cover the entire process of reform, from building a rationale for reform, to the process of conceptualising reform, to the different organisational roles involved in the process, to the dynamics of building a winning coalition, down to the mechanics of implementation. While these maxims do not encapsulate all there is to say about implementing change, they are certainly a good place to start.

Global paradigm, local implementation

To this point, the report has treated the new public management paradigm without reference to the societal context. However, as mentioned at the outset, the conference presenters did represent nations that differ greatly; in addition, many conference participants expressed concern about whether the experience of a certain society would be equally applicable to an entirely different society. This section responds to these concerns by examining the new paradigm in three very different contexts.

(i) The OECD countries: "There is no alternative"

Three of the four OECD countries in the sample – the UK, Australia, and New Zealand – have become leaders in implementing the new paradigm, recognised not only within the Commonwealth, but throughout the world. The papers by Mottram, Matheson, Dawkins, Ives, and Laking made clear these Governments' serious commitment to reform, their comprehensive programmes, vigorous implementation, and substantial measure of results achieved. In each case, the programmes came about as a result of both significant external crises and coherent ideological responses. The UK faced unprecedented balance of payments and public sector labour relations crises between 1976 and 1979. As a result of spiralling balance of payments and fiscal deficits, New Zealand suffered a major foreign exchange crisis in 1984 and confronted the prospect of losing its access to the global capital market. In Australia, similar circumstances, while not leading to a defining moment of crisis, caused widespread concern that the country was so economically uncompetitive that it could become a virtual "banana republic".

The most comprehensive responses to these situations were based on the ideas of economists. In the UK, these ideas were driven by the politicians; in New Zealand, they were driven by public servants in the Treasury. In both these countries, as well as in Australia, both groups were on board. While sceptics might explain these policies in the UK as the result of ideological Thatcherism, the inescapable fact is that these policies were introduced and zealously implemented by left-of-centre Governments in both Australia and New Zealand. For them, as for the UK, "there was no alternative". The old Keynesian economics was seen as the problem, not the solution.[7]

These policies – in particular the use of market-like mechanisms and the expanded role for the private sector – remain controversial within the public management community. Some of this controversy was reflected in the questions posed of Dawkins, Mottram, Matheson, and Laking, all of whom are articulate advocates. For example, Mottram was asked whether he was concerned that neo-classical economics had captured the public sector throughout the world. His reply was that, at least within the UK, the negative feelings toward government that characterised the Eighties have now been replaced with a growing recognition of the value of government. However, there is also a recognition that the task of government is delivering services to citizens in the most efficient and effective way, which might well involve alternatives to public sector supply. The question of whether any government department or agency could be managed like a business was asked of Matheson, the senior manager at the Inland Revenue, and Laking, the CEO of the New Zealand Housing Ministry. Their answers were mutually reinforcing. Laking pointed out that the clarification of organisational missions and outputs that is such a critical component of New Zealand's approach enables managers to focus their attention in the way that private sector managers do. Matheson replied that continual central agency pressure for cost-effectiveness, through either mandated reductions in running costs or the threat of market-testing, keeps public sector managers alert in just the same way that competition keeps private sector managers alert. Public sector managers, too, must prove themselves again and again.

Paradoxically, the three countries which have most fervently embraced the new paradigm recently appear to be rethinking their position, in that they are now rediscovering the virtues of the old values. For example, Australia's Public Service Commission is now conceptualising a "new professionalism" that combines new management practices (for example, an emphasis on outcomes and performance and the decentralisation of collective bargaining) with traditional values, such as the merit principle, equity, and political independence (Ives). New Zealand has, to an extent, reasserted the "collective interest of government" relative to departmental autonomy by requiring more collective consultation on policy issues and setting common management standards, for example, in information technology. The British Government has just issued a White Paper that reasserts the importance of the Civil Service's role as policy adviser and declares that the Government does not envisage extending the agency structure into areas of the

Civil Service concerned primarily with policy. In addition, it reaffirms certain common standards in human resource management and announces a restructuring of the Senior Civil Service. The new Senior Civil Service category will be expanded to 3,000, including agency chief executives, and will be seen as a collective, not just a departmental, resource.[8]

(ii) The Asian tigers: on a rising curve

The three Asian newly-industrialised countries, Singapore, Malaysia, and Hong Kong, have all achieved impressive records of economic growth in the last three decades. This economic growth has given them stable currencies, little public sector debt, and large balance of payments and fiscal surpluses. The public sector has contributed to this economic performance, but it has also benefited from it. While it is under pressure to improve its performance, this is not due to the exigencies of debt crises, but rather to the demands and attitudes of the society it serves.

At the Conference, Singapore was the most admired of the three countries. Believers in the efficacy of the public sector must be impressed by the role it has played in formulating Singapore's industrial strategy and overseeing its implementation. Despite the country's wealth, Quah's paper gives the impression of a civil service that remains cost-conscious and efficiency-oriented. This contrasts with the ballooning of the civil services of some of the OECD countries during their years of rapid economic growth in the Sixties and Seventies. In these countries, rapid public service growth was due to public policy that was receptive to the incessant demands of interest groups and public servants who used activist public policies as a rationale for building organisational empires. Singapore is, of course, a much more disciplined society, and it is likely this attitude, emanating from both the political realm and the citizenry, permeates the Public Service as well.

Singapore's current strong fiscal situation means that its Public Service can afford to make investments in either human or physical capital that western governments, burdened by debt, can no longer afford. For example, the policies of paying salaries that are competitive with the private sector, supporting a relatively large number of high-flyers studying overseas, and major acquisitions of information technology are all expensive. Nonetheless, the Government of Singapore would justify them as providing future benefits that are worth the investment, as evidenced by its benefit-cost analysis of its investments in information technology.

Imitation, either actual or intended, is said to be the sincerest form of flattery. Singapore was the State that the other countries would most like to emulate. For example, Draper envisaged Trinidad as the financial and business centre of the Caribbean. Adedeji concluded his review paper on African transitions with a call to learn from Singapore. The Commonwealth country that actually has gone the

farthest in that direction is Singapore's neighbour, Malaysia. Ahmad Sarji's paper describes an activist Government that is both formulating a national economic strategy and implementing the latest developments in information technology and management techniques. Malaysian privatisation policy, launched in 1983, to date has privatised 144 Government agencies.

Where Singapore and Malaysia appear to differ from the OECD countries is that, even though they have privatised a substantial number of activities, they do not seem to be putting as much emphasis on internal competition within the Public Service or on market-testing. Perhaps this is reflective of cultural values influenced by Confucian thought and, in the case of Malaysia, Eastern and Islamic values, in which public servants are accorded great deference. In addition, in Singapore and Malaysia, public servants and politicians appear to be less committed to ideological neo-classical economics than some of the reformers in the OECD countries.

Among the three Asian tigers, Hong Kong is the exception. As Scott pointed out in his paper, Hong Kong has always had a much more minimalist State than Singapore. The private sector has been relatively unregulated and the public sector has not tried to impose any grand economic design. Taxes have remained low, and the public sector has been relatively frugal in its programmes and its running costs. Scott argued that one of the results of this frugality is that the Hong Kong bureaucracy has little expertise in policy analysis or project management, as evidenced by the difficulties it has had with the expansion of the university system. Given the uncertainties of the run-up to Chinese rule, it is likely that the loss of senior personnel will worsen the problem in the next few years. Despite having a much less activist bureaucracy than Singapore, Hong Kong has still prospered greatly during the last 30 years. Thus, one can argue that, among the Asian tigers, an activist industrial strategy is not the sole road to a strong economic performance.

While papers about Hong Kong and Singapore were given in a conference session on small and island states, these two nations are very different from the other small and island states represented at the conference (Jamaica, Malta, Mauritius, Trinidad and Tobago). If one were to draw a world map where a nation's size was proportional to its gross domestic product, Hong Kong and Singapore would loom large. The other states have much smaller populations and tourism is a much more significant component of their economies, as discussed in the paper by de Comarmond. Their natural ecology is often fragile and their social ecology is that of small societies where "everyone knows everyone else" and therefore social relationships are multiplex. As de Comarmond points out, this has the benefit of less anomie than in larger societies, but it makes it hard to have "impersonal" public management in accordance with a Weberian model. Economically, some of the small island states have done very well, while others are experiencing some of the developing countries' problems that will be described below.

(iii) The developing countries: desperately seeking solutions

A question often asked during the Conference was whether the new paradigm being implemented in the OECD countries and Asian tigers would be applicable to the developing countries, particularly those of Africa. Many speakers from the OECD countries were quite explicit about the context within which administrative reform was introduced: to quote Mottram, "free and fair elections; the rule of law and its application to all including the servants of the State, and the equitable administration of the law by honest public servants". In addition, initiatives to improve customer-service presuppose demanding customers whose experience with private sector services influences their expectations of the public sector. Similarly, initiatives to contract out or privatise public services assume that there is a private sector large and sophisticated enough to bid competitively for functions or organisations that are being put on the auction block.

A number of speakers from developing countries showed how the conditions in their countries were inconsistent with these assumptions. Botchwey described how Ghana can afford to pay its public servants only very meagre salaries. During the period of detailed economic regulation, public servants often used their power as regulators of controlled commodities, such as foreign exchange, to extract bribes from willing purchasers. In the current deregulated environment, they have a new temptation to allocate development contracts to bidders who are willing to give bribes. Adedeji discussed how little success Africa has had in establishing true democratic institutions, and how frequently progress has been disrupted by military coups. Rupia argued that Tanzania has run into difficulty in its privatisation programmes because of the lack of potential buyers. Finally, Adamson demonstrated that tribal politics has made downsizing, at either the Cabinet or public service level, difficult, if not political suicide, in Zambia.

Speakers also expressed cynicism about the structural adjustment plans (SAPs) advocated by the World Bank. They tend to see the components of these plans – privatisation, deregulation, and downsizing the public sector – as the price that has to be paid to continue receiving assistance. They are aware that, if the governments of developing countries make appropriate promises, they will ultimately receive the loans. In this regard, Cabinet Secretary Adamson of Zambia argued that what his country needed most was a team of specialists knowledgeable about the World Bank, who would help Zambia negotiate more skilfully, thus avoiding commitments it could not honour. As a consequence of the agreements that are made without such skilful negotiation, the commitments made as part of many SAPs are often implemented half-heartedly or even subverted. The fact that the components of the SAPs bear a strong similarity to the components of the new paradigm being implemented in the OECD countries also makes speakers from developing countries sceptical about the value of the new paradigm in its original context as well.

Many speakers from developing countries were looking for alternatives to the World Bank approach, both at the conceptual level and in terms of specific programmes. Adedeji took the position that the African countries' greatest need is to establish what Dahrendorf calls civil society, namely "institutions which are autonomous in that they are not State-run, are not subject to the whims of kings and tyrants, but are sustained by citizens endowed with rights and the wherewithal to make use of them".[9] Adedeji thus argued that public service reform must not be imposed in isolation, but linked to a comprehensive programme of constitutional, political, and social reform.

Huguette Labelle, President of the Canadian International Development Agency, in the final plenary session of the Conference, extended Adedeji's remarks to outline the development assistance approaches that she feels have been most successful. In her view, development is about strengthening social infrastructure, improving access to resources, and empowering citizens to create their own occupations. More specifically, she advocated long-term institutional co-operation on the basis of common interests (e.g. between departments of agriculture), third-party projects (for example an OECD and a developing country working together to advise another developing country), and supporting coalitions of people with similar needs.

Kevin Sparkhall, of the UK's Overseas Development Administration, reiterated Labelle's approach. For example, he cited ODA's efforts in using third party projects to transfer expertise in public management, and looked forward to extending this approach by creating an international network of public management professionals who can share information about successful approaches. Finally, Ranganathan's paper about the role of NGOs in implementing education, family planning, and rural development programmes in India and Sham's paper about the Grameen Bank describe projects directly aimed at strengthening civil society and empowering individuals.

To summarise, while the paradigm of using development assistance to create civil society is not as completely worked out as the stern market-oriented reform paradigm of the World Bank, not only did the discussion question the latter paradigm, but it began to outline the former, and to do so concretely with reference to programmes such as the Grameen Bank's pioneering efforts at micro-credit. However, the discussion did not address the relationship between programmes designed to strengthen or create civil society and structural adjustment programmes. Are they incompatible alternatives or can they work together and reinforce one another ?

Conclusion

The first CAPAM Conference was a success, in that it brought together a large number of sophisticated thinkers to address major questions of public management. Nevertheless, as is always the case when new paradigms have been introduced, the adherents of prior paradigms are sceptical, if not critical, of the new paradigm. Thus, there were many questions at the Conference about whether the new paradigm was really working, either in the context of the OECD countries where it was first expounded or in the context of the developing countries, to which it has been exported within the programmes directed by the World Bank and other agencies.

With the entry and growing popularity of this new paradigm, the field of public management is now relatively rich in theory and poor in data. That is, public sector managers have a new set of norms. What they lack is a body of reports about the results of following the paradigm, and evaluations as to whether these results can be considered to be successes. Therefore, the first order of business for students of public management should be to study experience implementing this new paradigm so as to see what works, what doesn't work, and why. The question of what works should also be asked with reference to the different developmental contexts of the OECD, NIC, and developing nations. The next CAPAM conference could be devoted to an exploration of this theme, with papers commissioned to deal comprehensively and rigorously with this question of what works. This would also complement the Commonwealth Secretariat's publication of the Public Service Country Profile Series.

Probably the most interesting time to be a practitioner in or a student of a field is when there is the possibility of a new paradigm replacing an existing one. Public management is clearly at that stage today. By virtue of its diverse international membership, the Commonwealth provides a perfect laboratory to study the new paradigm and the first CAPAM Conference has provided a unique opportunity to initiate a dialogue among public servants and academics about its impact. If it can keep the dialogue going, and if it can continue to encourage the enthusiasm, commitment, and professionalism of those charged with the twin responsibilities of running and improving the machinery of government, CAPAM will have a bright, and exceedingly valuable future.

Notes

1. See Rolf Dahrendorf, "Transitions: Politics, Economics, and Liberty," Washington Quarterly, Summer 1990, pp. 133 - 42. Dahrendorf writes that transitions "embody the hopes of revolution without paying its price" (p. 134) and that "transitions are attempts to create or recreate civil societies by gradual, if often dramatic, change".

2. Paradigm is used in the sense defined in Thomas Kuhn's, The Structure of Scientific Revolutions (Chicago: University of Chicago Press, 1962), namely bodies of theory that "attract an enduring group of adherents away from competing modes of scientific inquiry... [and are] sufficiently open-ended to leave all sorts of problems for the redefined group of practitioners to resolve" (p. 10).

3. Probably the most methodologically sophisticated statement of the new paradigm is Michael Barzelay, Breaking Through Bureaucracy: A New Vision for Managing in Government (Berkeley, CA: University of California, 1992), especially pp. 115-33. Barzelay refers to this new paradigm as the "post-bureaucratic paradigm".

4. Barzelay describes the paradigm in terms of the metaphor of an extended family of ideas. They are somehow related, but it requires concentration to identify just how (Barzelay, Breaking through Bureaucracy, p. 116).

5. Readers should consult the OECD Public Management Group's report entitled Public Management Developments: 1993 Survey (Paris, OECD, 1993) and/or the Commonwealth Secretariat's Public Service Country Profile Series (London, Commonwealth Secretariat, forthcoming).

6. Osborne D. and Gaebler T., Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector (Reading, MA: Addison-Wesley, 1992), pp. 25-48.

7. For an excellent comparative analysis of the political origins and consequences of these policy ideas see Herman Schwartz, "Small states in big trouble: state reorganisation in Australia, Denmark, New Zealand, and Sweden in the 1980s," World Politics, 46 (July 1994), 527-55. A more detailed discussion of New Zealand's experience is J. Boston et al, eds., Reshaping the State: New Zealand's Bureaucratic Revolution (Oxford: Oxford University Press, 1991). For a discussion of the nature of the economic ideas that influenced the Treasury, see Chapter 1, pp. 1-27 (J. Boston, "The theoretical underpinnings of public sector restructuring in New Zealand").

8. The Prime Minister, the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, The Civil Service: Continuity and Change (London: HMSO, July 1994).

9. Dahrendorf, "Transitions: Politics, Economics, and Liberty," p. 135.