

## **RE-DEFINING THE PROBLEM THE CHANGING ROLE OF GOVERNMENT**

*Traditionally, the shortcomings of the public service have been seen as organisational problems capable of solution by appropriate applications of political will, powerful ideas, and managerial determination. Recent years have seen a new problem identified – government itself. It has been argued with increasing force that it is the over-ambitious scale of government, seeking to intervene and provide services in areas where it has no proven track record of success, that is the problem. The overriding concern with economic growth has led to a re-focusing and narrowing of national goals, suggesting that there must also be a re-focusing and narrowing of government institutions and responsibilities.*

*The role assigned to government in the planning and management of national economic and social activities has undergone fundamental reassessment in both developed and developing economies within the Commonwealth. Despite consensus on the need for change, there continues to be controversy on the appropriate role of the state.*

### **SETTING DIRECTIONS – GUIDING AND FACILITATING**

Many countries are now seeking modes of administration that avoid the errors of both Soviet-style planning and the grandiose corporate planning approaches popular in the 1960s. Those countries are accepting the need to change the role of the state as a route towards improved economic efficiency. The restructuring that has followed has been shaped differently by the ideological, political, structural and cultural contexts but, consistently, the preferred role of government has changed from acting as the principal vehicle for socio-economic development to that of guiding and facilitating that development.

Economic liberalisation, transfer of state-owned enterprises to the private sector, reductions in the size of state bureaucracies, and contracting out work, have been placed higher on the strategic agenda. The strong movement towards liberalisation of economies is underpinned by a desire to achieve fresh appraisal of what government does best. National economic and social policy *formulation* remains inescapably as one of the main functions of government, but policy *implementation* is a separate question.

The situation, however, is far from straightforward. Underneath the general current towards 'leaner and meaner' administrative structures, there are many eddies in the opposite direction. Economic liberalisation brings with it an increased requirement for regulatory activity, as does the increasing concern for the environment. Equally,

the strong pressure towards consumer-oriented services can lead to requirements for more rather than less government, with an emphasis on 'transparency' rather than size.

## **ENTREPRENEURIAL GOVERNMENT – EMPHASISING PERFORMANCE**

As government moves from a concern to do towards a concern to ensure that things are done, the managerial focus has increasingly been directed away from formal processes and towards results. This very striking managerial shift has been strongest in developed and newly industrialised countries, but the reform themes relate closely to the changing mood within other settings and described, as "the emergence of entrepreneurial government".

In different settings, different paths are being followed towards a similar set of goals. In Britain and New Zealand, systemic and radical reform measures have been adopted utilising the new managerialism to the full to re-orient the public service and to decentralise its functions. In other settings, such as Singapore and Malaysia, new approaches have been added to the existing administrative tool-kit available to government. New managerial tools have facilitated incremental reform, enhancing managerialism without radically destabilising the more traditional features of the public service.

## **FROM CONVICTION TO COLLABORATION**

The debate concerning the new role of government has matured. In most developed Commonwealth countries in the 1980s market-oriented, private sector techniques emerged as the sole path to holding down public sector budgets while allowing some opportunity to meet increasing public expectations. As the ideological rigour underpinning this approach softened, a more dispassionate view of the advances made has been possible. Sound management supported by pragmatism, enterprise and a clear sense of mission, have emerged ahead of ideological conviction.

Reforms have attempted to improve the context for private sector development. In some settings, this has led to a change from viewing government as an obstacle to development which must be removed, to seeing it as a potential solution which must be appropriately targeted. Public/private partnership is increasingly viewed as a positive route to performance improvement.

## **NEW ROLES – CONCERNS FOR CHANGE**

In some countries, concern has been expressed that the extensive changes in the role of government currently being considered are not always based on a sufficient awareness of local conditions. The political leadership of some developing countries have argued that failures in development planning are not because of the level of state intervention but because of its nature and in particular its failures in not allowing for popular participation, in not addressing the unique social environments, and in not encouraging transparency and accountability. Government was not in error in setting itself its tasks, the argument runs, it failed in the manner in which it sought to undertake them. It is the style of management and not the role of government which is the problem.

The reasons for government involvement in economic and social management have not disappeared. The lack of domestic private capital, the risk of foreign domination of the economy, and the monopolistic tendencies of some sectors remain as obstacles to be overcome. Memories of the original motivation for nationalisation have been brought to the fore again by the privatisation plans of some of the developing countries.

The public sector remains important for the proper operation of market forces. A publicly-provided infrastructure has always been a foundation for the development of the private sector in both capitalist and mixed economies. In developing countries the infrastructure in place to allow market forces to function is so limited that the government has to assume a major role, particularly in the provision of the necessary social, educational and economic support for the market.

Against that background, pressure to review and reduce the role of government may appear to threaten a system in which there is already insufficient experience, inadequate resources and a volatile political environment and could be destabilising; incremental improvement of the basics may be more pertinent.