PUBLIC MANAGEMENT IN DEVELOPING COUNTRIES: TRENDS IN CONTEMPORARY REFORMS AND THEIR IMPLICATIONS

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Abstract

This paper aims to analyze contemporary public management reform (PMR) efforts in the developing world and the paradoxes involved in the reform process. Some important questions will be addressed in this paper. First, though there are compelling needs for comprehensive reforms, to what extent is the market-oriented approach appropriate for the developing world? Second, how do the socio-economic, administrative and political factors and the pressing needs of an efficient state structure pose constraints to the ongoing PMR process in developing countries? Third, can the emerging model of neo-Weberianism address many of the pressing dilemmas that the developing world is confronting?

Key words: Neo-Weberian model; New public management; Developing countries

Introduction

PMR has become a catchword in most countries in the world. Contemporary reforms conjure up an image enmeshed with a minimal government, debureaucratization, decentralization, market orientation of the public sector, contracting out, and privatization. These features signify a marked contrast with the state-led development process and the traditional model of administration. Historically, public bureaucracy has remained a powerful institution in most developing countries. The reason is obvious. During colonial period, public bureaucracy was the instrument of the colonial state to carry out accumulation activities. After decolonization, it had to shoulder monumental task of nation building and national development. The state was accepted as the prime mover in economic development, a conviction also shared by international and bilateral development assistance agencies. There is no doubt that some developing countries in East and Southeast Asia achieved considerable success with the aid of the statist approach (Turner and Hume, 1997). However, the large bureaucracy and associated pitfalls in different spheres demonstrated significant weaknesses in many developing countries that have necessitated the need for overhauling the public sector management system. Low level of efficiency, effectiveness, accountability, transparency and dynamism, high degree of centralization in decision making, weak instruments of control and accountability, low level of compensation, inefficient public employment system and lack of linkage between rewards and performance, mounting corrupt practices by public officials, weak enforcement of laws and regulations and politicization of service delivery systems are many of the problems that have engulfed the public management system in the developing world (Hughes, 2012; Sarker and Pathak, 2000; Turner and Hulme, 1997). Moreover, PMR in the developed world prompted by the rapid and ascendancy of neoconservative ideology in the wake of oil shock and the economic slowdown of 1970s compelled the developing world to rethink at their public sector management system. Over the last two decades, comprehensive reform measures in streamlining the public management system have been undertaken in the developing world. This paper illustrates the contemporary PMR efforts in the developing world and analyzes the paradoxes involved in the reform
process. It argues that though there are compelling needs for comprehensive reforms along the market-oriented approach, socio-economic, administrative and political factors and the pressing needs of an efficient state structure pose constraints to the ongoing PMR process in developing countries. In addition to this, this is also keen to investigate the efficacy of the emerging model of neo-Weberianism in addressing the pressing dilemmas confronting the developing world.

**Perspectives of Public Management Reform**

Over the last three decades public management has undergone rapid changes all over the world. The changes were first originated in the developed world. Very soon the changes engulfed the developing world as well. Therefore, the Western change parameters became the standard for the states in the non-Western world. It is also imperative to mention that the foundation of the modern administrative apparatus engineered by Max Weber, Henry Fayol and other classicists was also originated in the West.

Two significant developments have taken place over the last there decades: the emerging perspective of governance and new public management (NPM). Both these developments are intertwined. Fukuyama (2013:350) defines governance “as a government’s ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not”. This single definition is not sufficient to capture the multifaceted dimensions of governance. Bevir and Rhodes (cited in Hughes, 2012, p. 129) have listed seven definitions: (i) governance as corporate governance; (ii) governance as new public management; (iii) governance as ‘good governance’; (iv) governance as a cybernetic system; (v) governance as international interdependence; (vi) governance as the new political economy; and (vii) governance as self-organizing networks. From this list, four definitions are picked up because of their current popularity in the theoretical as well as practical domain. Governance as good governance has been promoted by international and bilateral donor agencies such as the World Bank and the International Monetary Fund. In the World Bank’s (World Bank, 2013) view, governance includes six indicators: voice and accountability, political stability and absence of Violence, government effectiveness, regulatory quality, rule of law, and control of corruption.

Governance as self-organizing networks emphasizes on the state actors’ engagement with the stakeholders to get things done which is much a very smart way of administering public affairs. Governance as a cybernetic system as well the new political economy almost connote the same thing in that the state is no longer considered as the sole provider of goods and services. The traditional boundary between the state, the private sector and non-profit organizations is blurred to give way to different types of organizational arrangements (Osborne and McLaughlin, 2002; Hughes, 2012).

Governance as NPM is not distinctive in that it lacks a coherent set of ideas. It is an umbrella term (Hood, 1991). NPM embodies a set of themes, styles, and patterns of public management reforms experimented throughout the world since the 1980s
(Fattore et al., 2012). Being bolstered by contemporary neo-classical (public choice, transaction cost and principal-agent theory), NPM focuses on intraorganizational processes and management. Its prime objective is to ensure 3Es – economy, efficiency and effectiveness. Different scholars have come up with different sets of ideas. According to Rhodes (2000), earlier NPM had two meanings: corporate management and marketization. He (Rhodes, 2000, p. 56) observes:

“Corporate management refers to introducing public sector management methods to the public sector through performance measures, managing by results, value for money, and closeness to the customer. Marketization refers to introducing incentive structures into public service provision through contracting out, quasi-markets, and customer choice. NPM is relevant to discussion of governance because steering is central to the analysis of public management and steering is synonym for governance”.

The following is the summary of the NPM model (Hood, 1991; Osborne, 2009):

- An overwhelming emphasis on outputs and outcomes.
- A focus upon entrepreneurial leadership within the public service organizations.
- The emergence of both hands-on management and arm’s length organizations.
- An overwhelming use of business principles.
- A widespread use of markets, contracts and competition for resource allocation and service delivery within public services.

Though NPM has gained popularity as a distinctive model, it is no more than the part of the plural state in which the services provided by the state have contested diverse aspects of the market principles. According to Bevir and Rhodes (2003, cited in Hughes, 2012, p. 129), “good governance tries to marry NPM to the advocacy of liberal democracy”.

In recent years a new model has been tossed up known as ‘public governance’. The impetus of this model has emanated from the state, markets and third sector alternatives and their interrelationships (Considine and Lewis, 2003). In a sense, the public governance model implies an interaction between public, private, and voluntary actors (Acevedo and Common, 2009). Particularly, the network approach has contributed immensely in that clients, producers and suppliers are all linked together as co-producer (Considine and Lewis, 2003).

**Diverse Experiences of Different Models**

Since the advent of modern nation states in the developing world after World War II, different models have engulfed the public administrative system – sometimes with an intention to adopt the best practices for improving the system or sometimes under the pressures of the international and/or bilateral donor agencies. Of all the models, the Weberian model has been the most pervasive one.
There is a large body of literature which reveals the dysfunctional consequences of the Weberian model in the developing world. Different sets of criticisms were made against the ideal model. Two of them are relevant for this paper. First, the state was too big; state intervention was too. Second, the bureaucracy as a form of organization was inefficient and inflexible to cope with the exigencies in modern society. That’s why, there has been a clamor for changing the public bureaucracy (Jreisat, 2012). Despite all these criticisms, as we will see in the next section, the Weberian model has still a lot to offer to modern societies, particularly poor countries.

While on papers, the good governance, NPM and of late the PG models seem to be very attractive; their real world implications are not that rosy. Nevertheless, numerous developing countries have experimented and continue to experiment with different aspects of these models with diverse outcomes. There are criticisms regarding the good governance model widely adopted by the developing world and supported by the bilateral and multilateral donor agencies. Khan (2008; 2009) argues that the current stream of the good governance model is basically market-enhancing governance. This approach purports to create institutions which are able to protect and maintain stable property right, implement a rule of law, reduce corrupt practices and ensure transparency and accountability in the public service delivery system. Though these goals sound very articulate, there are inherent structural constraints in the developing world that make it difficult to achieve these goals. Instead, poor countries should try to emphasize on growth-enhancing governance capabilities geared towards addressing critical market failures specific to initial conditions in those countries. For instance, the state may intervene in the land, asset and capital markets, generally inefficient in poor countries. Similarly, the state may address labor market failures by investing in development of human capital. Apart from this, the state has to maintain political stability and acceptable redistributive justice in a context of rapid social transformation.

The exponents of the NPM model like that of the technical assistance program of the 1950s and 1960s believe that if developing countries are to overcome their underdeveloped status and improve governance, they must adopt the new mode of governance (de Waal, 2007). All developing countries have embraced diverse components of the NPM model. Some developing countries have been selective considering their capabilities while others have adopted the model abruptly. There are a large number of cross-cultural studies that provide a depressing picture of the implementation of NPM (Huque, 2012; Zafarullah and Haque, 2012; McCourt, 2008). McCourt (2002) mentions a number of cases where state incapacity is quite evident. In case of contracting out, officials simply fail to perform even very basic functions. In Bolivia, improved performance has been achieved at the expense of unrealized abuses. In India, Pakistan and Senegal, performance specifications are unclear and the state has simply failed to enforce the terms of contract. There are other areas such as privatization where state weak capacity has been found a serious hurdle (Khan, 1989). The privatization program has also contributed to a deteriorating situation in social sector services such as education, health, transport and housing. Resources are being diverted from these sectors to other provisions such as tax reliefs and business subsidies that benefit the business sector (Haque, 2001b). Farazmand (2001) observes that privatization results in deterioration of public infrastructures, environmental destruction and poor quality services. Balasooriya et
al (2008) have researched on the Sri Lankan experience and observed that in absence of a proper institutional framework and favorable socio-political conditions, the privatization program has failed to fulfill the desired goals.

One of the key issues the developing world has faced is the implementation of market-oriented reforms in the context where the formal presence of market is doubtful. Developing countries “tend to have an informal economy with relatively weak specification of property rights and other formal processes to regulate economic activity” (Schick, 1998: 127). Hughes (2012) observes that adopting a market-oriented model does not guarantee its proper implementation on the ground.

The neo-Weberian model has raised two concerns of the NPM model. First, the NPM model has seriously undermined the role of the state in managing numerous tensions faced by the developing world in diverse socio-economic, political and cultural arenas in the developing world. Second, the NPM model has failed to achieve the goal of developing efficient and effective public organizations (Drechsler, 2005). We have already provided ample evidence in support of these criticisms. Hughes and Teicher (2004) have taken a cautious approach and observe that, “NPM principles need not be ruled out for use in a developing country – after all another import from the West, the traditional model of bureaucracy, has been a failure too in the developing country context.” What is evident here is that a favorable condition has to be there and a proper institutional framework has to be in place to effectively implement the precepts of the new mode of governance (Ohemeng, 2010).

Haque (2001b) observes that the privatization in developing countries has hardly seen any improvement in terms of eradicating poverty, reducing unemployment, accelerating economic growth, overcoming trade imbalances, and reducing external debt and dependence. In Latin America, the number of poverty-stricken people rose by 21 percent with 41% in 1980 to 62% in 1990. The African sub-continent faced increasing level of poverty with 270 million in 1986 to 335 million in 1990. Even the high performing Asian economies such as Malaysia, Thailand, South Korea and so on could not improve their poverty situation during their privatization programs. The reform program is also associated with social and economic costs. A short term focus on efficiency reduces the development of human resource potential in the long run. Cook and Kirkpatrick (1998) have provided ample evidence of how the restructuring programs have caused various problems, particularly unemployment in numerous developing countries.

Public accountability, transparency, integrity and public interests have come under the scanner. The NPM model has inadequate answers to these serious issues (Hood, 1991, Minogue, 1998) The market approach assumes that the pressures of the market or private business principles can keep public officials more accountable. While there are some successes in this respect, there is little evidence to show that the private business techniques work in the complex social and political environments of developing countries (Jayal, 2008). Effective competition may not exist in many developing countries. Users have inadequate access to information. Moreover, citizens as customers unable to pay for services are automatically excluded from the service delivery system (Haque, 2000a; Joshi and Houtzager, 2012).
Since public sector environment varies from country to country, universal application of Western reform models is bound to face severe constraints in the developing world (Ohemeng 2010). There is a large literature which corroborates the notion that many of the developing countries do not possess the preconditions of effective implementation of the NPM model. Such preconditions are the level of economic development, the maturity of the political system, the financial capacity, and the state capacity (Minogue, 1998; Sozen and Shaw, 2002; Larbi, 1999). There are also socio-cultural obstacles in reforming the administrative system along the NPM model. NPM initiatives are difficult to implement where there are social and cultural inertia (Pillay, 2008).

The local socio-economic and political conditions create a state of incapacity that stifles any meaningful attempt to reform the administrative system. There is a large body of literature that identifies numerous factors inhibiting the implementation of administrative reform (Pillay, 2008; Wallis and Dollery, 2001; Polidano, 2001; McCourt, 2008; Sozen and Shaw, 2002; Zafarullah and Rahman, 2008). This state incapacity is manifested in the institutional, technical, administrative and political arenas (Grindle, 1996; Wallis and Dollery, 2001). From the perspective of institutional economics, the nature of informal norms and enforcement characteristics in the Third World and Eastern European countries may pose hindrance to the implementation of the formal political and economic rules of Western market economies (North, 1995; Zafarullah and Rahman, 2008).

**Resurgence of Weberianism**

The proponents of NPM categorically rejected the Weberian model on the pretext of sheer inefficiency. However, subsequent developments have contributed to the resurgence of the model and its efficacy to address many contemporary problems that the modern states have been facing after the infamous financial crisis erupted in 2008 and engulfed the whole world. However, the concept of neo-Weberianism was first tossed up by Christopher Pollitt and Geert Bouckaert in 2004 in the second edition of their groundbreaking book, Public Management Reform: A Comparative Analysis. The term neo-Weberian usually refers to traditional (Weberian) administrative systems that are in the process of modernization but retain distinctive public service qualities (Randma-Liiv, 2011).

The concept of neo-Weberian state (NWS) is built upon the four principles of the centrality of the state, reform and enforcement of administrative law, preservation of public service and representative bureaucracy. These principles are very much central to the original construct of the Weberian model (Pollitt and Bouckaert, 2004). First, the centrality of the state was reaffirmed in view of several local and international forces such as globalization, technological change, shifting demographics and environmental threats. The state has the political, organizational and managerial capacity to confront the problems emanated from the above-mentioned forces. Second, administrative law ensures equality for all and reduces arbitrary actions of state agencies. As a whole, it provides basic principles pertaining to the citizen-state relationship. Third, Public service with a distinctive status, culture, and terms and conditions has to be preserved. Forth, representative democracy makes it sure that public bureaucracy remains neutral and performs its duties efficiently and effectively under an authoritative political system. It provides a basis
for legitimating, controlling, and maintaining the stability and competence of the public bureaucracy (Pollitt and Bouckaert, 2004). While the above principles point to the basics of the Weberian model, some additional principles have been added by its exponents. These are narrated as follows:

First, there is an external orientation of public bureaucracy towards citizens, a significant shift from an internal orientation which is a hallmark of Weberian bureaucracy. However, this external orientation not necessarily employs market mechanisms. Rather, it focuses on the creation of a professional culture of quality and service.

Second, a number of methods are being employed to ensure consultation with citizens, and on occasions to involve citizens in public programs. This is meant to supplement representative democracy.

Third, Since a greater orientation on the attainment of results is expected, there is a need to modernize the relevant laws that can facilitate proper management of resources within government.

Fourth, there is a trend towards a professionalization of the public service. In the process, a bureaucrat demonstrates competence in his/her own sphere of activity, but also in responding to the needs of citizens (Pollitt and Bouckaert, 2004; Drechsler, 2005; Dunn and Miller, 2007).

**Table 1: Comparative Picture of Different Public Management Reform Models**

<table>
<thead>
<tr>
<th>Weberian characteristics</th>
<th>NPM characteristics</th>
<th>Neo-Weberian Characteristics</th>
<th>Public Governance characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominance of rule of law, focus on rules and policy systems</td>
<td>Inward focus on (private sector) management techniques</td>
<td>External orientation towards citizens needs</td>
<td>Outwards focus and a systematic approach</td>
</tr>
<tr>
<td>Central role for the bureaucracy in the policy making and implementation</td>
<td>Input and output control</td>
<td>Central role of professional managers</td>
<td>Process and outcome control</td>
</tr>
<tr>
<td>Unitary state</td>
<td>Fragmented state</td>
<td>Unitary state and collaboration</td>
<td>Plural and pluralist state (networks)</td>
</tr>
<tr>
<td>Public service ethos</td>
<td>Competition and market place</td>
<td>Public service ethos</td>
<td>Neo-corporatist</td>
</tr>
<tr>
<td>Representative democracy as the legitimating element</td>
<td>Client empowerment through redress and market mechanisms</td>
<td>Supplementation of democracy with consultation and participation</td>
<td>Participative decision making</td>
</tr>
<tr>
<td>Political-</td>
<td>Political-</td>
<td>Political-</td>
<td>Collaborative</td>
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</table>
The overwhelming consensus has been that to a large extent, there was no enough regulation of the financial markets around the globe. Particularly, since the 1990s, there has been growing interest in the economic and social roles of the formal and legal government institutions in shaping economic development (North et al, 2009). A clear example is a tirade launched by the international multilateral donor agencies such the World Bank, the European Union and the United nations against corruption as part of their overall strategy of good governance. Their prescription to combat corruption is remarkably Weberian in that they emphasize on precise rules, meritocracy in public employment, sufficient remuneration, and transparent system of accountability (Fjedstad and Isaksen, 2008). Apart from this, there are numerous factors that have given rise to a growing interest in Weberian traits such as positive effects of Weberianism in a country’s civil service for economic development and the importance of trust in the fairness of regulatory institutions and the judicial system (Pierre and Rothstein, 2010; Evans and Rauch, 2000; Henderson et. al., 2007).

The neo-Weberian model further provides insights into its transformative role in the transitional democracies in central and eastern Europe. After Pollitt and Geert’s seminal work, further empirical studies point out the inadequacies of the NPM model and the relative success of NWS model. There was neither good tradition nor ethos of the efficient civil service system before the fundamental changes in the state structure in late 1980s. The states in the region emphasized on the classic virtues of security, respect, stability, civility, and fulfillment – the opposite of NPM measures. These virtues were expected to result in a higher civil service prestige, and the development of a well-qualified, motivated civil servants (Drechsler, 2009).

The overwhelming emphasis is that a strong state structure has to be instituted before it goes for market-oriented reforms. Empirical evidence suggests that a strong administrative system counterbalances the harmful effects of market processes and equalize the distortion of market. For a transitional country, the introduction of NPM principles may further weaken the state structure. Therefore, it is imperative to go back to the roots of the Weberian model. The exponents of the NWS model recommend that

- A law-based system and moral values in the public sector has to be restored which can strengthen the state craft, already demoralized by the NPM model.
- The rank of legitimacy and high professional standards shall be resettled in the state life and in public administration.
- Public servants have to be citizen- and client-friendly.
- The principle of efficiency has to be enforced (Torma, 2010).
Lessons for Other Developing Countries

In view of the empirical evidence and practical reasons, the NWS model provides glimpses of hope for poor developing countries. Like other public management reform models, the NWS model is also normative. Though some authors (Dunn and Miller, 2007) think that the NWS model resembles some aspects of NPM model (e.g. ‘neo’ aspects of the NWS model), nevertheless, it has provided a new impetus to rethink about the appropriateness of the NPM model for the developing world. It has already been widely discussed as to why the NPM has not provided desired results in the developing world. Though the concept of NWS is relatively new, its efficacy in handling the administrative problems has already been found in continental Europe and many transitional economies (Pollitt and Bouckaert, 2004; Drechsler, 2005; Cepiku and Mititelu, 2010). Also the model resembles some aspects of the development state model once that became the harbinger for economic transformation in East and South East Asia (Khan, 2009; Zafarullah and Huque, 2012; Quah, 2013; Cheung, 2013).

Two important requirements that most developing are expected to fulfill include the strong state and outward orientation. It’s true that the Weberian model has shown some deficiencies in the developing world. It is equally true that the same model being adopted in some other developing countries has done quite remarkable job particularly in East and South East Asia (Turner and Hulme, 1997). Even during the period of market-oriented reform these countries have never lost the glamour of a strong state. On the other hand, many developing countries embarked on market-oriented reforms even when their state structure lacked fundamentals. The following section focuses on the two core issues of the NWS: the centrality of the state and outward orientation.

Establishing the Centrality of the State

It has been discussed that the good governance agenda of the World Bank and other multilateral organizations has failed to capture the real needs of many developing world for economic transformation.

The development experiences over the last five decades provide some glaring examples of how some poor countries in Asia and Latin America have been transformed into economic powers with the statist approach in place. Particularly, the evidence is there how these countries focused on growth enhancing capabilities to stimulate economic growth. These countries installed state structures and designed economic policies meant for augmenting export-led industrialization, trade liberalization and foreign investments (Zafarullah and Huque, 2012; De Vries and Nemec, 2012). Social and political stability became a necessity for sustained economic growth. For that matter, the state had to adopt “command and control mechanisms that stability provided” (ibid). The state provided “directional thrust to the operation of the market mechanisms” (Onis, 1991, cited in Zafarullah and Huque, 2012). There are ample evidences that in later years when these countries achieved commendable economic success focused on the property mix containing market-enhancing good governance strategies. It doesn’t imply that market-enhancing good governance strategies do not have significance in initial conditions. In fact, there is a necessity. However, it has to be targeted and selective in order to transfer resources.
to productive entrepreneurs. In that case there could be some corruption. But that extent of corruption should outweigh the benefits accrued to growth enhancing sectors (Khan, 2009). In many ways, the developmental state model also breached several aspects of Weberianism such as ethical standards, impartiality and the absence of corruption. However, what public bureaucracy demonstrated in terms of meritocracy and a high degree of professionalism contributed significantly to the economic transformation. Moreover, there was some kind of breach of impartiality; favors were given to high performing business houses which ultimately became instrumental in making their industries globally competitive.

It should be mentioned here that the current good governance agenda came into being in early 1980s, initially through the structural adjustment programs. Part of the reason for adopting this model lies in disillusionment with state intervention to correct critical market failures (De Vries and Nemec, 2012; Hughes, 2012). In order to correct market failures, it is necessary to have strong government capabilities for managing interventions. It is true that some developing countries failed to management interventions effectively, resulting in significant government failures which ultimately led to the abandonment of interventions giving way to the neo-liberal ideology (Khan, 2009).

It is important to note that many developing countries are at these initial conditions that many East and South East Asian countries were at once. The success stories reveal that developmental success in those poor and emerging countries was always been based on very specific governance capabilities to address critical market failures. Case studies of the governance conditions of these countries demonstrate very strongly that none of them conformed to the expectations of good governance theory (Khan, 2009). Massive corruption, the lack of rule of law and non-transparency of governmental activities were the order of the day (Khan, 2006). The voices of citizenry were crushed. Despite these disorders, these countries focused on a few critical governance capabilities. Key institutions were instituted with efficient people and these institutions were insulated by the proliferation of numerous unproductive clientelist groups who would have otherwise failed to contribute to overall productivity of the country. However, once these countries achieved remarkable progress, the property mix saw the light and as of now it stands on a strong footing.

The experience is also an eye opener for most poor countries which are struggling hard to strengthen their governing system. They should also focus on key governance capabilities. This paper does not suggest that the market-enhancing governance strategies should be entirely overlooked. Rather key issues from the set of strategies have to be taken into consideration as they are fundamentally useful to strengthen the institutional capability as well as maintain political and social stability of the country. All the ingredients of the Weberian model not necessarily have to be instituted given the structural constraints of the poor developing countries. However, some basics could be tried to lay the foundation of institution building.

Non-Weberian orientation

The experience also shows that the emphasis on strengthening the state structure and its institutions has gone hand in hand with selective marketization strategies, an
approach contrary to the Western experience. The experiences of the central and east European countries have exemplified this trend. It has been stated that the NWS is not against marketization, but it has to be done given the basic fundamentals of the state and public services values are restored. The countries in East and Southeast Asia provide some glaring examples of how the basic Weberian features can be retained by incorporating some market principles (Cheung, 2002). Examples from Continental and East and Southeast Europe have already endorsed that trend. Singapore is a case in point. Singapore made significant achievements by following state-led economic transformation model. Its per capita GDP is at par many developed nations (Haque, 2004). In the post liberation periods, the state and bureaucracy played pioneering roles in augmenting economic growth, creating employment opportunities, financing private investment and delivering public services. Despite this efficiency, the Singaporean state embarked on some neo-liberal reforms that in no way destabilized the orbit of the Weberian structure of governance. Amidst the euphoria of modernizing the public sector along the neo-liberal path, the Singaporean government introduced selected reform measures such as opening up the economy for local and foreign private investment, corporatization of state-owned enterprises, the creation of the executive agencies, some degree of divestment, contracting out and so forth. It is interesting that the transformation process has been very selective, slow and piecemeal. More importantly, the state actors have come to realize that the monolithic Weberian structure has to be reformed to give way to the other actors in society to work together with the former. The whole episode symbolizes the juxtaposition of the Weberian and market principles in which the state still remains the senior partner. Painter, 2004) observes that in Singapore, corporatization and privatization have been pursued, but not to the extent of undermining control of these corporations by the political and bureaucratic elites (Painter, 2004).

The case of Malaysia is another example of how the successive governments of Malaysia embarked on state building over a lengthy period of time and brought about significant changes in the economy of the country. Like other post-colonial countries Malaysia modeled its administrative system along the Weberian principles. Like Singapore, when the euphoria of NPM erupted, the Malaysian government introduced certain market-related principles such as service process reengineering, personnel and financial management reforms, client charter, quality and performance improvement drives and privatization (Siddiqui, 2006). It should mentioned here that it’s not only equity method that was used for privatization. Other methods such as BOT (Build, Operate, Transfer), BO (Build, Operate), corporatization and management contracts were also extensively used. It is worth-mentioning here that both Singapore and Japan implemented only a few elements of NPM model. However, in no way these attempts tried to make Singaporean and Malaysian states as hollow states. Haque (2007, p. 1314-15) observes:

Even in the case of Malaysia, where the reform initiatives resembling the NPM model have been more intensive and comprehensive, there still prevails the traditional top-down bureaucratic structure and behavior, and these reform efforts were constrained by the country’s unique political system and culture dominated by ethnic identity. Similarly, in Singapore, although there are considerable NPM-style reforms undertaken recently by the government, the effectiveness of
such reforms remains limited due to the state’s continuing control over major economic sectors and corporations through various government-linked companies.

The above discussion points out the relevance of many poor developing countries that have been caught in the dilemmas regarding their governing system in general and public management in particular. There is no harm to emulate. However, before emulating others, basic parameters regarding the state structure have to be strengthened. Schick’s (1998, p. 130) observation is quite pertinent here:

Politicians and officials must concentrate on the basic process of public management. They must control inputs before they are called upon to control outputs; they must be able to account for cash before they are asked to account for cost; they must abide by uniform rules before they are authorized to make their own rules; they must operate in integrated, centralized departments before being authorized to go it alone in autonomous agencies.

Concluding Remarks

PMR has been a continuous phenomenon since the birth of modern nation states. Historically, the Weberian model has played a pioneering role in social and economic transformation in modern societies. Many of the developing world had colonial came under colonial rule for a lengthy period. Colonial rulers implanted the modern bureaucratic system which was carried over during post-colonial periods after the WW II. Since then until the 1970s, the bureaucratic model became the dominant mode of administration in the developing world. Significant changes took place in 1970s in the developed world. The meaning, rubric and modus operandi of public management took a new turn. The governance and NPM models blazed developing countries. Of late, numerous inconsistencies have been proved empirically and scholars have come up with PG and NWS models. Particularly, observing the changes in continental, east and Southeast Europe, some scholars observed that it was NPM that became the dominant mode of administrative changes. Rather, it was the NWS model that reflected the prevailing realities.

The changes in the developed world have engulfed developing countries. The experiences are mixed. Some developing countries adopted the NPM model without considering the capacity of the pre-existing structure to accommodate changes. Some countries particularly, the countries in East and Southeast Asia adopted some selected elements of the NPM model and demonstrated successes. But poorer countries miserably failed to implement the NPM elements. However, the experiences in East and South Asia some experiences with those of the transitional economies in Europe where the NWS model had a relative success that emphasized that the basic administrative principles have to established before embarking on market-oriented reforms. Most importantly, these countries have never compromised in terms of maintaining social and political stability and keeping the supremacy of the state over other actors in the social and economic arena. They
never created bottlenecks in flourishing the private sector and facilitating private businesses.

The success stories of neo-Weberianism in the continental and East Europe and East and South East Asia open a new horizon for other poor developing countries who are caught in a great dilemma of choosing the appropriate path of successful reform. The neo-Weberian model is not against modernization of the administrative system which the poor developing countries need desperately. Therefore, the immediate focus should be on building critical state capabilities. Later they can proceed towards selective market oriented reforms case by case.
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