

## **THE IMPACT OF THE NEW PUBLIC MANAGEMENT ON A SYSTEM OF PUBLIC ADMINISTRATION REFORM: THE CASE OF GHANA**

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### **ABSTRACT**

This paper Examines the impact of the New Public Management on a system of Public Administration Reform. It looks at the rational for the New Public Administration including encouraging economic growth, poverty eradication, fights against corruption etc

The paper advocated for a change from the old Public Administration to the new Public Management which generally refers to the modern ways of managing the Public sector. It is not only flexible and a market- based form of Public Management but also represent a change in the role of Government in society and the relationship between government.

**KEYWORDS:** Corruption, Administration & Public Sector

### **INTRODUCTION**

This paper is intended to provide an overview of the way in which public Administration Reform has functioned in Ghana including the general outline of the various reforms that have occurred since the 80's. it is also intended to focus, examine and evaluate the impact of reforms at both the Regional and the local level. Among the basic reasons why Ghana engages herself with reforms is to encourage economic growth, poverty eradication, fight against corruption, improvement in the style of urban governance, and most if not all that times since the 80's reform are conditioned by external international bodies.

The only internal factor that triggers reforms is orchestrated by the forceful change of government by the military junta. They give every reason under the sun to justify the change of government including economic reform initiatives.

Before going into the rational for the public reform in Ghana, it might be pertinent to define or explain the term New Public Management (NPM) which is fast becoming a global phenomenon around the world. The new public management which generally refers to modern ways of managing the public sector is not only a flexible, market-based form of public management, according to (Hughes, 2003) but also represent a change in the role of government in society and the relationship between government and citizenry.

Mainly emanating from the developed countries around the world, there had been a change of shift from the old public administration to the new public management model. The new public management had been known globally as representing more or less a doctrine (McLaughlin. Et al., 2002). It has seven major characteristics as follows:

- Hands-on and entrepreneurial government as oppose to bureaucracy
- Explicit standard and measures of performance especially at the local government level.

- An emphasis on output controls dealing with results rather than procedures
- Disaggregation and decentralization
- Completion
- Private sector styles of management
- Discipline and parsimony in resource allocation

Table 1 is a doctrinal component of new public management illustrating the doctrines, meaning and their justification

**Table 1: Doctrine Components of the New Public Management**

DOCTRINES	MEANING	JUSTIFICATION
Hands-on professional management In the public sector	Active, visible, discretionary control of the organization from named Persons at the top, free to change	Accountability requires the clear assignment of responsibility for action not diffusion of power
Explicit standard and measure of Performance	Definition of goals, targets, indicators of success, preferably expressed in Quantitative terms, especially for Professional services	Accountability requires clear statement of goals; efficiency requires a hard look at objectives objectives must be met
Greater emphasis on output controls	Resource allocation and rewards linked Linked to measured performance Breakup of centralized bureaucracy Wide personnel management	Need to stress results rather than procedures
Shift to disaggregation of unit in the public sector	Breakup of formerly 'monolithic' unit unbundling of u-form management System into corporatized units around Products, operating on decentralized 'one-line' budgets and dealing with one Another on an 'arms-length' basis	Need to create manageable public units, separate provision and production interests, gain efficiency of advantage of use of contract or franchise arrangement as well as outside the public sector
Shift to greater completion in public Sector	Move to learn contracts and public tendering procedures	Rivalry as the key to lower costs and better standards
Stress in private sector styles of Management practice	Move away from Military style' public service ethic', greater flexibility in hiring rewards; greater use of public Relation techniques	Need to use proven private sector management tools in public sector
Stress on greater discipline and Parsimony in resource use	Cutting direct cost, raising labour discipline, resisting union demands, Limiting 'compliance cost' to business	Need to check resource demand of public sector and 'do more with less. This is key to public Management

**Source:** Hood C. (1991)

## AIMS AND OBJECTIVES

The main aim of this paper is to examine the impact of the new public management in a system of public administration reform was at office Ghana.

## Objective

The specific objectives are as follows

- To examine the characteristics of the old public administration
- To examine the now public management reform system with specific reference to Ghana
- To advocate for a change to the new management reform system

## MATERIALS AND METHODS

The major sources of data and information were through primary and secondary sources including internet source, professional observations and public administration situations on the ground. Consultations were made with professional public administration interviews, in-depth texts demand workshop papers, relevant publication. Etc. On the whole, and from definitional point of view, the term 'Administration' tends to belong to the old realm, archaic, old fashion where autocracy, bureaucracy, central command, rigidity and the phenomenon of non- participatory syndrome reins supreme, while management belong to the new -era which is result oriented, flexible and participatory inclusiveness prevails.

## DISCUSSIONS, RESULTS, AND SUGGESTIONS

### Rational for Introducing the New Public Management

Among the reasons for the new public management, syndrome are economic, socials, political and global technological factors. The general critic and problems encountered with the traditional model of public administration created bases or rational for the new public management reform that have swept across the globe.

These problems include

- Political Control
- One best way
- Bureaucracy
- Public Choice critique

According to (Hood, 1991) the critic of the new public management itself includes the fact that it lacks anything new or innovative, public and private sector are very important and has resulted in more emphasis on process than on product, that new public management claims to universality is high contentious, that new public management does not serve the interest of the public, No evidence of reductions in public spending achieved, little substance to new public management.

### Global Convergence Towards New Public Management

There has been a general debate about the new public management been a global phenomenon especially in the developing countries around the world. The issue of the global economy, globalization and technological advancement play key roles in this development. According to (Pollit, 2001). *"There now exists a considerable academic literature debunking the idea that there is an international convergence towards the new public management"* The main focus here, is on the similarities in strategies for reform adopted by countries worldwide. According to Clark, (2000.) *"This globalist*

*perspective lends itself to an approach to comparison in terms of a checklist of new public management elements which have or have not been implemented in various countries over a given period of time, leading to a ranking of countries in terms of their degree of new public management uptake"* Lynn, (2006) added his voice to the international debate with regard to the importance of context as lacking general theoretical framework, that political origins of reforms vary from country to country and there has been little transformation in the USA the supposed origin of the boldest proposals yet. In the same vein, Pollit, (2001) offers alternative explanations of why new public management appears to have spread globally identifying four types of convergence in the process including confinement to the word of talk and that "Similar labels or titles are used for reforms although the substantive content of these reforms varies considerably. In the developing countries, the new public management has been embraced but they have not adopted anything remotely near the entire package (Polidano, 1991). What might have appeared to be a spread might have actually been coursed by conditionalities of the world donor bodies and not initiated by the developing countries themselves. From the foregoing accounts, the international aid providers made public administration reforms a pre-requisite for aid. It is therefore not uncommon in most developing countries carrying out reforms 'such as privatization, downsizing, decentralization, and other forms of economic reforms including corruption and poverty eradication e.g Ghana, Kenya, South Africa, Malawi, Senegal, Ivory Coast to mention a few. A critical look into these countries indicated that the real power control is still within the central government not willing to let go. The donor countries have more powers to dictate both economic and reform direction mostly in weak states lacking in finance and infrastructural development or provision of water supply.

### **The New Public Management and the International Organizations**

The most important thing to consider here is the forceful sometimes coercive tendency exhibited by these organizations with regard to the propagation of the new public management around the world. The international organizations behind most public administration reform in both developed and developing countries include the followings:

- The World Bank
- IMF - International Monetary Fund
- The UN- United Nations and Habitat Group
- OECD group (Organization For Economic Cooperation And Development)
- DFID
- IDF- Industrial Development Fund

These organizations have been the reasons and in most cases constituting the main external factors behind major reforms in the developing countries where they sometimes dictate and even give areas of priorities for reform in specific countries- An example of Ghana as the case study will illustrate these conditionalities.

### **Examining and Evaluating the Impact of the New Public Administration in Ghana**

Public administration reform came about in Ghana because of the need to acquire aid for development coupled with serious setbacks in civil service, economic and financial impropriety and the agitation for power to the people which eventually lead to decentralization via devolution so that the locals and the regional populace can feel the impact of poverty

eradication programmes initiatives of the government from the center.

Public administration reform was seen to be crucial to combating corruption and financial prudence. Ghana worked in particular with the World Bank to fight poverty ravaging the country from the 80's.

Poverty reduction strategy is part of the economic reform agenda. According to (Evans, 2008) a working framework for public administration reform in Ghana to include:

- Civil Service Reform
- Administrative Reform
- Policy Management Reform
- Public Finance Reform

**Ghana's Public Administration Reform Initiatives**

Public sector reform programme in Ghana according to the Ministry of public sector reform indicated that, in the last 21 years, Ghana started several reform initiatives as enumerated below:

**Table 2**

Decentralization Reform Initiatives
Public Sector Management Reform Programme ( PSURP)
The Civil Service Performance Improvement Programme (CSIP)
Public Finance Management Reform Programme (PUFMARP)
Budgetary Reform
Structural Adjustment Programme Reform ( SAPR)
Sub-Vented Agency Reform Programme (SARIA)
Economic Reform Agenda
Corruption and Poverty Eradication Reform Agenda.

On a general evaluatory note however, this programmes fell short of their stated objectives due mainly to reform policy disjunctions, the phenomenon of non- implementation, the command control structure of government in the center and decentralization policy without devolution of powers to the locals and the regional center, leading to managerial inefficiency and operational dilemma (Operational Mechanisms). In other words, the public administration reform initiatives have failed even though they have some salient characteristics of the new public management doctrines because of ineffective administrative or managerial machinery and general lack of discourse ( Critically looking beyond the policy statement including institutional and legislative machinery for actionable implementations, ground realities etc)

**Principle Element of the Reform Agenda in Ghana**

The principle element in the public administration reform agenda in Ghana in the last 20 years includes:

- The Civil Service and Sub- Vented Agencies
- Public Financial Management
- Decentralization
- Governance

### **Decentralisation Reform in Ghana**

The critic on the centrality and top-down paradigm led to an outcry for decentralization and need for bureaucratic/autocratic reform. Decentralization has been described as "... *the distribution of power to lower levels in a territorial hierarchy whether the hierarchy is one of the governments within a state or offices within a large scale organization*".

There are different types of decentralization including Deconcentration, Delegation, Devolution, and Agencification. Deconcentration involves 'the distribution of administrative responsibilities. Delegation involves' the delegation of decision-making and management authority for specific functions to organizations that are not under direct control of central government ministries' Devolution is 'the exercise of political authority, by law, mainly elected institutions within areas defined by community characteristics' while Agencification is explained as 'an unbundling of vertically integrated bureaucracies into separate organizational or ownership forms with the aim of improving the efficiency and effectiveness of public goods and services' (Caulfield, 2006:17)

Decentralization has been a key feature for public administration reform in most developing countries including Ghana. According to the public administration reform sector, the priorities of the decentralization programme in Ghana include:

- Design of the district development fund and design of the National Capacity
- Building Programme.
- Harmonization of the Legal Framework for Decentralization
- Strengthening of the Regional Planning Coordinating Units
- Review of Sub- District Level of Government
- Mainstreaming of the decentralization in the overall public sector reform process
- Implementation of the local Government Service Act 656 Online resource available at [http://www.ghana.gov.gh/ministry\\_of\\_public\\_sector\\_reform](http://www.ghana.gov.gh/ministry_of_public_sector_reform)

### **Driving Force of Decentralization**

These include:

- Regional Political Freedom, participation and conflict resolutions Decentralization occurred as a political reaction to the failures of over- centralized political systems. This type of decentralisation was at least in the first place not driven by economic efficiency goals but by demand for regional independence and freedom from central government influence. Similarly, a large number of decentralization moves are driven by latent or open ethnic conflicts or its instrumentalization by local or central powers. Also, decentralization is seen as a way to reconnect central regimes to social groups from which they have become increasingly divorced (Manor, 1999.)
- Pressure of global competition
- Demand for stabilization
- Demand for equity and efficiency in local public service

## CONCLUSIONS

Decentralization is not only advantageous to the ideals of democracy (Grassroots and local level participation in decision making process and power to the people at the local and regional level but also enhances the creation of functional delimitation across levels or tiers of government with a constituted legal framework.

That decentralization leads to separatism and fragmentation as a, disadvantage against decentralization does not seem to hold water due to global acceptance in its various forms and types. This is because according to (Ribot, 2001) "*Most of the literature on decentralization focuses more on expectations and discourse than on practice and outcome*" Decentralization has not been structured in a way to realize set objectives as earlier argued above and thus, the poverty eradication reform initiatives for instance, has been negatively affected.

Political and devolutionary forms of decentralization have been exhibited in Ghana. The concurrent and exclusive legislative transfer of functional power has not been very successful as the central and state government still exercises both political and administrative control over the local and regional areas. However, decentralization has had a positive impact on the democratic process in Ghana as it increases local level participation in the decision making the process of government (Local and Regional) According to (Crawford, 2004)... Local government has the potentials to enhance the realization of democratic principles, given that the selection of representatives and decision making structures are on a smaller scale, more open to influence and effective participation.

Ghana's decentralization was in stages, it exhibited deconcentration but not devolution of power to the locals

"... *attempt at decentralization reforms was introduced... characterize by deconcentration and aimed at*, on the whole, three forms of decentralization have occurred in Ghana in line with the new public management (NPM) outlook including political, administrative and fiscal decentralization. However, there are constraints to democratic decentralization in Ghana.

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