

New Public Management (Npm) and Public Sector Administration in Nigeria

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ABSTRACT

The emergence of the New public Management (NPM) in Europe and America in the 1980's also swing to Africa and Nigeria in particular around 1990's. The new public management staunchly advocates a basic change in the role of state in the society and economy. Thus, the new public management suggests a series of shifts of emphasis in the way in which the public sector should be organized and managed to meet the new challenges of liberalization, globalization and privatization. The study used secondary method for data collection within which documentation and analysis were made. The study revealed that while public administration must take to heart the message of market discipline; there are serious problems in asserting that no differences exist between public and private sector management. One critical recommendation that appear prominent is that, the government should concentrates on catalyzing the public sector, private sector, and voluntary/non-governmental sector in to action to solve the societal problems and not just on providing services. Thus, the government should engage itself in steering rather than rowing. Keyword: Administration, Management, Public-Sector, Economy, Efficiency, Effectiveness

1.INTRODUCTION

The new public management has emerged out of the Thatcherism (Britain) -the first century which initiated the privatization of public enterprises and Reaganism (USA) of the 1980s. It represents a synthesis of public administration and private administration (business management). It takes 'what' and 'why' from public administration and 'how' from private administration.

The new public management aims at 3Es – economy, efficiency and effectiveness i.e.:

- i. Economy – the eradication of waste
- ii. Efficiency – the streamlining of services
- iii. Effectiveness – the specification of objectives to ensure that resources are targeted on problems. The emphasis of new public management is on performance – appraisal, managerial autonomy, cost-cutting, financial incentives, output targets, innovation, responsiveness, competence, accountability, market orientation, quality improvement, contracting out, flexibility, competition, choice, information technology, de-bureaucratization, decentralization, down-sizing and entrepreneurialism.

The new public management staunchly advocates a basic change in the role of state in society and economy. It emphasizes on the vital role of the 'market' as against the 'state' as the key regulator of society and economy. Thus, it involves a shift from direct provision of services by government to indirect methods like policy making, facilitating, contracting, providing information and coordinating other actors. In other words, the government should change from a 'doer' of public activities to a 'distributor' of public benefits and 'facilitator' and 'promoter' of change in society and economy. Thus, the new public management suggests a series of shifts of emphasis in the way in which the public sector should be organized and managed to meet the new challenges of liberalization, globalization and privatization (Laxmikanth, 2006).

In Nigeria, the new public management is the perspective in the latest paradigm in the evolution of public administration which came into existence in the 1990s with commercialization and privatization of state owned public enterprises. The trend started with the military regime and the return of democratic governance in May, 1999 also facilitated in the implementation of the concept of new public management.

1.2 OBJECTIVES OF THE PAPER

The paper intends to achieve the following objectives:

- a) Look at the evolution and the concept of new public management
- b) Examine the suitability and operational characteristics of the concept in the Nigeria's public sector organization

- c) Make a comparison between the old public administration and the new public management
- d) Recommend appropriate measures in the implementation of new public management concept in public sector administration in Nigeria.

1.3 METHODOLOGY

Looking at the nature of the paper, it clearly shows concern for secondary source of data. The paper therefore used secondary source of data which mainly consists of textbooks, national dailies, magazines, periodical, journals, and seminar and workshop papers among others.

2. LITERATURE REVIEW

2.1 New Public Management in Perspective.

Since the mid-1980s, a new model of public sector management has emerged in most advanced countries that pose a direct challenge to several principles of the traditional models of public administration. "The rigid, hierarchical, bureaucratic form of public administration, which has predominated most of the twentieth century, is changing to a flexible, market-based form of public management" (Hughes, 1998). The new model goes by several names, including "managerialism" (Pollit, 1993); new public management (Hood, 1991); "market-based public administration" (Lan, and Rosenbloom, 1992), the post-bureaucratic paradigm (Barzelay, 1992) or "entrepreneurial government" (Osborne and Gaebler, 1993). The model is an attempt to implement the "3Es" of economy, efficiency and effectiveness in the public sector of most advanced countries.

The New Public Management (NPM) has several models. For instance Ferlie et al (1996) argue that based mainly on the application of these principles in the United Kingdom, there are four models: the 'efficiency drive' model, whose objective is to make the public sector more business like; the 'downsizing and decentralization' model, whose focus is on disaggregation, organizational flexibility and downsizing, the 'management of change models; which aims at integrating bottom-up and top-down approaches to change; and the 'public service orientation to change' model, with greater focus on service quality. Many scholars have viewed this new concept as paradigm shift, mainly associated with this ideology is Owen (1998) where he argues that "NPM represents a paradigm change in thinking and practice of public administration". He also identified factors that have led to this paradigm change to include among other things; the emergence of right-wing politicians in western countries who saw the state as a part of the problem (because of its huge scope, size and methods). Economic and fiscal crises of the welfare state, economic theories of public choice, agency and new institutional economics that both provide explanations for poorly performing services and offered alternatives and other factors such as changes in the private sector corporations. The new dimension of transferring government interest to private sector driven economy, re-organization of state institutions to bring about efficiency and cost saving approach to governance. In pursuing the above goals, the governments in different parts of the world have used a number of mechanisms as stated by Laxmikanth (2006) are:

1. Creation of autonomous public organizations
2. Reducing the size of government
3. Corporatization of government organizations
4. Reducing budgets and welfare expenditure
5. Reforming civil service structures
6. Performance measurement and evaluation
7. Privatization of public undertakings
8. Decentralization of authority to lower levels
9. Contracting out services to private agencies
10. Promoting openness and transparency in administration
11. Encouraging people's participation in administration
12. Declaration of citizen's charters, and so fourth

Also literature available show that the new public management model gives priority to management and emphasizes empowerment, entrepreneurship, effectiveness and a dynamic organizational culture modeled on private sector management. To reform the service using the new public management in Nigeria would require a thorough change in the culture of doing things which cannot occur simply by changing regulations, structures, processes and technology, but by changing the orientation of public servants through a robust competency-driven, competitive people-centered reprofessionalization scheme (Tunji, 2007)

As to its emergence, the new public management therefore emerged as a result of the weakness or criticism against traditional public administration. The traditional public administration received criticisms based on the following:

- a) In many systems, there is no clear separation between policy and administration, either in terms of decision making processes or the respective roles of administrators and politicians, which are often fused together
- b) Decision making processes do not, in any case, conform to the rule of technical and economic rationality, but are affected and shaped by processes of conflict, negotiation and exchange between interests, both internal and external, to the state bureaucracy
- c) Hierarchy and centralization combine with a formal, some times slavish, adherence to rules and procedures to produces defects (or bureaucratic pathologies) such as delay, inflexibility, unresponsiveness, and an arrogant disregard for the interests and concerns of citizens
- d) Bureaucracies are characterized by a process of ‘top-down’ implementation which frequently produces in appropriate policies and inadequate results
- e) The range of transactions within the modern system of state administration, both internally and with external organizations and interests, is so extensive that this produces a degree of complexity much greater than the model would suggest (Minogue, 1997).

2.3 THEORETICAL BASE

The new public management has several theoretical foundations, but for the purpose of this paper, we have used the public choice approach.

2.4 THE THESIS OF PUBLIC CHOICE APPROACH

The public choice approach to public administration came in to existence in the 1960s, almost coinciding with the new public administration. Vincent Ostrom, the chief protagonist of this approach advocated for the replacement of the traditional doctrine of ‘bureaucratic administration’ by the concept of ‘democratic administration’. In his book *The Intellectual Crisis in American Public Administration*, Ostrom writes: “bureaucratic structures are necessary, but not sufficient structures for a productive and responsive public service economy”. He further says “perfection in the hierarchical ordering of a professionally trained public service, accountable to a single centre of power will reduce the capability of a larger administrative system to respond to diverse preferences among citizens for many different public goods and services and cope with diverse environmental conditions. A variety of different organizational arrangements can be used to provide different public goods and services, such organizations can be coordinated through various multi-organizational arrangements. Thus, public choice approach emphasizes the following:

- i. Anti-bureaucratic approach
- ii. Institutional pluralism, that is, plurality of agencies to promote consumers preferences
- iii. Diverse democratic decision making centers
- iv. Application of economic logic to the problems of public distribution
- v. Decentralization (dispersed administrative authority)
- vi. Popular participation in administration

The public choice approach, on the other hand, opposes:

- i. Single centered administrative power (homocentric)
- ii. Separation of politics from administration
- iii. Hierarchical administration
- iv. Rational and neutral bureaucracy

3. GOALS/FEATURES OF NEW PUBLIC MANAGEMENT (NPM)

According to Hood cited in Abba, (2008), the new public management has the following seven features (goals, elements or doctrines) as follows:

3.1 Hands on Professional Management

The catch phrase for this element according to Hood is “it managers manage; its emphasis is that there should be professional management at the very top and that those who hold these positions should be given substantive responsibility for management – the achievement of clearly specified goals – rather than being administrators whose function is primarily the administration of rules. He goes on to suggest that if possible; such positions should be contractualized with the manager answering to the political manager for specific results. The contention here is that accountability requires a clear assignment of responsibility for action, not diffusion of power. The management role here is preeminent regardless of the specialized nature of the departments and ministries (hence, bringing an end to the specialist vs. generalist controversy in favour of professional managers). Their jobs are not career positions but contractualized though they also have wide powers to hire and fire those who are responsible to them. This also implies fundamental changes in the organization of human resource management to the public services – as government – minister, minister – staff relationships are governed by direct contracts rather than indirect accountability via representatives.

3.2 Explicit Standards and Measures of Performance

Explicit standards and measures of performance is an important tool to implement this management regime. There is the need to have clearly defined goals, objectives, targets and indicators of success expressed in measurable and quantitative terms, justified on the basis of greater accountability in the use of resources. This premium on outputs and outcomes` for individuals, units and whole ministries – is in sharp contrast to the tendency to focus on inputs in traditional public administration arrangements

3.3 Emphasis on Output Controls and Entrepreneurial Management

New public management focuses on controls exercised by mechanisms such as performance and programme budgeting in contrast to line item budgeting and long term planning and strategic management of organization

3.4 Disaggregation of Units

This is an integral part of NPM demands that previously monolithic ministries be broken up into corporatized units around products with separate performance contracts with the aim of separating policy from operation units.

3.5 Competition in the Public Service

New public management encourages competition in the public service through such instruments as privatization, commercialization and deregulation. Through this means, there is healthy rivalry among producers and this in effect leads to improvement on standards and lowering of prices. The public sector competes with the private sector leading to constant innovations on the best ways of carrying out organizational operations.

3.6 Emphasis on Private Sector Styles of Management Practice

There is a shift from traditional public service management as represented in the bureaucracy. The new public management moves away from the military – style public service ethics to flexibility in hiring and rewards. Rewards are not tied to rules but to performance evaluation. There is an encouragement to creativity and ingenuity

3.7 Creator stress on discipline and parsimony

This involves cutting union demands, limiting compliance costs to business and, most important, and the application of information and communication technology. There are all in the drive to do more with less.

4. A COMPARISM BETWEEN OLD PUBLIC ADMINISTRATION AND NEW PUBLIC MANAGEMENT

There exist a great difference between the old public administration and the new public management. This differential is anchored on what Peters (1996) referred to them as ‘chestnut’. This is represented in a tabular form as shown below:

Table 1: Old public administration chestnuts compared with NPM tenets

Old public administration	New public management
A political civil service	Political and accountable management
Hierarchy and rules	Emphasis on contracts not rules
Permanence and stability	Contractual management
Institutionalized civil service	Only small policy and a strategic centre required
Internal regulation	Internal regulation only for the rump of the service not privatized or decentralized
Equality of outcomes	Differential outcomes

Source: Adapted from Peter (cited in Abba, 2008 with little modification by the author)

According to Peters each of these ‘chestnuts’ represents an element of an administrative culture that took more than one century to institutionalize in each of the industrialized countries.

4.1 A CRITIQUE OF NEW PUBLIC MANAGEMENT (NPM)

The new public management has received some criticisms. Some critics regard it as simply an uncritical adoption of the worst features of the private management and ignoring the fundamental differences of public sector environment (Hughes, 1998)

Other school of thought viewed the new public management as some how against the traditions of the public service, inimical to service delivery and somehow undemocratic, even with dubious theoretical backing.

Again, some critics, particularly from public administration tradition; argue that the new public management lacks some of the good aspects of the old model high ethical standards, service to the state, etc. Furthermore, the absence of the basis of an old public administration discipline made the introduction of the new elements of informal structures and practices difficult to sell.

Finally, is the absence of democratic norms or democracy in African states. New public management has thrived in environments in which the model of the citizen is one who is very demanding of his/her official. This is

unfortunately opposed to what obtains in developing/transition countries the model of the citizen hardly existed. Treated as subjects rather than citizens, they have learnt not to expect great levels of service from their public service – if anything the society serviced state officials rather than the other way round. Despite these criticisms many countries across the globe have driven their economies on the highest pedestal of socio-economic development using the New Public Management views.

4.2 ANTI-GOALS OF NEW PUBLIC MANAGEMENT

The new public management rejects the various concepts and principles of traditional public administration which are summarized below:

- i. Politics – administration dichotomy
- ii. Hierarchy – ridden organization
- iii. Over – centralization of power
- iv. Supremacy of rules in administration
- v. Rationality in decision making
- vi. Impersonal nature of administration
- vii. Rigidity in administrative process
- viii. Inward – looking orientation (Laxmikanth, 2006).

The above anti-goals of new public management clearly show that the concept needs flexibility and transparent mode of governance or administration. It is also pertinent to mention here that new public management is not comfortable with authoritarian or military regimes which tends to be more draconian, authoritative and concentration of functions and responsibilities at the centre

4.3 NEW PUBLIC MANAGEMENT AND THE NIGERIAN CASE/PRACTICE

One critical case for the origin of new public management in the western, metropolitan world, in Britain for example, it emerged out of the Thatcherism and Reaganism in the USA of the 1980s which initiated privatization of public enterprises. In the Nigerian case this critical reform to match up with the modern concept of new public management garnered momentous ground in 1988 with the government setting up the Technical Committee on Privatization and Commercialization (TCPC) via Decree No. 25 of 1988. The committee was inaugurated in July 1988. One of the cardinal objectives was to adjusting on the capital restructuring needs of enterprises to be privatized or commercialized under the Act, in order to ensure good reception in the stock exchange market for those to be privatized as well as to facilitate good management and independent access to the capital markets. The above objective of privatization and commercialization policy clearly depicts the beginning of the implementation of some tenets of new public management which talked about contracting government enterprise to private hands for efficient and prudent management.

The return of democratic governance in Nigeria in 1999 facilitated the radical breakthrough in the implementation of the new public management principles in public sector organization. For instance restructuring the civil service for effective and efficient service delivery. Reducing the over-bloated public service by down-sizing and right-sizing regime, creation of autonomy public organization to create efficiency and effective service delivery. Linking up to and accepting globalization, transfer of new administrative thinking, new or modern technology in managing the new order in public sector administration. These include the introduction of ITC and E-governance. Today, the Nigerian state has embraced the new public management and is trying to capture a stronghold in discouraging wasteful management, cost reduction in governance, budget implementation tie to specific goals, and objectives, or programme of the organization before money is released. However, in Nigeria it seems we have not yet embrace in totality this new concept. This is because; our administrative system still looks more of a traditional administration than the modern one that accepts the new public management principles.

In Nigeria, the public sector organizations are actually in the state of paradox i.e. accepting the new public management or continuing with our traditional – cultural based administration. On a pragmatic basis, the new public management is a good concept but in the Nigerian context one cannot guarantee its corporate existence and implementation of its basic principles because of the following reasons.

- a) Emphasis on professional management in public sector is yet to be achieved
- b) Laying of explicit standards and measures of performance is not properly and regularly enhanced.
- c) A shift to greater emphasis on output controls (results) rather than procedure has decimally declined over the years as a result of cultural affirmative practices in our administrative system
- d) A shift to disaggregation of units in the public sector organization has not been properly done as a result of laxity in our administrative pooling system and lack of political will of the political class and leadership
- e) A stress on greater discipline and parsimony in resource use has not been achieved

- f) A focus on management, not policy, and on performance appraisal and efficiency is not yet stable in Nigeria and;
- g) The disaggregation of public bureaucracies into agencies which deal with each other on a user pay basis even though created but the workability is still wobbling from side to side like an over-fed elephant that would soon collapse.

5. THE SUMMARY AND CONCLUSION

It has become imperative that the third world countries and particularly the Sub-Saharan African countries are always eager in accepting and implementing western concepts. It could be in form of globalization, privatization or even the new public management principles in our public sector organizations. However in the course of implementing the basic principles and tenets of NPM, we must be very carefully because there are those who printout that while public administration must take to heart the message of market discipline, there are serious problems in asserting that no differences exist between public and private sector managements. For example, most private sector organizations rarely operate in the manner presented in new public management. More importantly customers and citizens are not the same and the contention that contractual production is always more efficient than direct bureaucratic production is not borne out in evidence (Kelly, 1998).

We therefore conclude that Nigeria has embraced the concept of new public management but its core principles and tenets are not strictly applied in the management of public sector administration.

The paper presented the following recommendations:

1. That for us to achieve the tenets of new public management in Nigeria, the government need to be honest, transparent, probity and accountability in the political leadership management including the managers in the public sector organizations
There must be good governance at each unit of the level of government with citizens involvement and participation in government
2. Proper decentralization of government bureaucracies without political incentive is highly needed in order to smoothly run public sector organization in Nigeria.
3. It is also recommended that, the government should concentrate on catalyzing the public sector, private sector, and voluntary/non-governmental sector into action to solve the societal problems and not just on providing services. Thus, the government should engage itself in steering rather than rowing.
4. Finally, the recommendation from Abba (2008) has been accepted and adopted here that for these reforms to make meaning on the African soil, they must be adapted to the economic and political context of the African environment. Public administrative systems developed along European prototypes may not lead to the Promised Land. Africa must as a matter of necessity overhaul its administrative system to make them competitive and democratic. This bold step has to be taken by Africans themselves through of course in active collaboration with external partners. In this framework, public management reform will be rooted in shared values necessary to tackle the challenges of democratization and economic emancipation.

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