

“New Public Management” Impact on the Romanian Public Administration

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I. Broad presentation of the NPM content

The term “New Public Management” (NPM) was first used by Christopher Hood in 1990 when he compared changes in the style of public administration in the OECD-countries during the 1980s. Hood observed a number of relevant changes that had been carried out in different public administration systems from different countries and found similarities. This motivated him to place these reforms under the same heading, but he also noticed that countries had reformed differently. Thus, while there were enough similarities to warrant a common heading, as has been emphasised time and time again, NPM is not a coherent and consistent reform model. Because of that, NPM has been described as “a group of ideas, variations on a theme or a cluster of ideas”.¹

The idea of “reinventing the governance” appeared in the United States of America, Canada, New Zealand, Australia and Europe. As Osborne and Gaebler noticed, the appearance of an entrepreneurial governance “is an inevitable evolution” and “reinventing governance becomes the last possible option”. The newest approaches in public management are described as a “modernisation of the public organisations”: the governments of the most developed countries are prepared to reconsider or review the fundamental assumptions regarding the public/private sectors. Therefore, from this angle, we can discuss about the discovery of a “new model” in what concerns the public sector, a model of “managerialism” that is different from the traditional bureaucratic administration. The *main components of the new trends* are as follows:

- freedom of managers to coordinate, take action and guarantee the problems’ solving;
- effective implementation of explicit performance measures and criteria;
- proving significant importance for results control;
- increasing competition as a result of time limited contracts and public offer procedures;
- adapting to the style of management from the private sector;
- introducing discipline and control in using resources.

The globalisation of public management principles and practices is a part of a larger changing process determined by the evolutions of the world economy where the production is internationalised and the capitals move freely between states. This evolution was essentially supported by the technology revolution that contributed to removing national barriers. The structural and institutional reforms have become inevitable in an international context that facilitated the exchange of political governance know-how. Therefore, the governments can use the experience gained by the other countries in order to define their own political options.

¹ Kerstin Sahlin-Anderson, *National, International and Transnational Constructions of New Public Management* in „New Public Management – The Transformation of Ideas and Practice – Edited by Tom Christensen and Per Lægveid”, Ashgate Publishing, Cornwall, England, 2003, p. 51.

This convergence can be found in two forms:

- 1) the national governments try to adapt to the international practices in order to stay “in the race”;
- 2) the national governments try to borrow the best practices met at their international homologues;

In this respect, a global trend of imitating has been noticed, where some systems copy the most performing and popular systems. Therefore, the developments and reforms taking place in the Anglo-Saxon countries (Great Britain and USA, in particularly) were paid a lot of attention from all around the world.

Models are not “imported whole cloth” (Di Maggio and Powell, 1991, 1992). Only needed or compatible parts of it are carried. As an example for the NPM trend, the transfer in the developing countries focused on management principles or on new instruments for assessing performance, whilst fundamental economic or public sector restructuring could not be embraced to the same extent². In what concerns the developed democracies, frequent action is taken in the following fields: financial and management reforms (Sweden, Finland and The Netherlands), decentralisation, tasks devolution and de-concentration.³

The advantages of implementing the NPM concepts in the Romanian administrative system are visible at the following levels:

- At *state* level, NPM refreshes the system with new concepts of public management and public marketing. The marketing teaches us that every action has to go through four different stages: 1) **analysis and forecast** – within the NPM, the information is obtained by information technology systems and addresses the demand (market surveys), competition, resources (internal feed-back), innovations (research); 2) *planning* – will be intensively decentralised and focused; therefore, the state will merely design the institutional framework than play a leading part⁴; 3) *implementation* – in order to improve performance, focus on the organisational behaviour and the human resources management are needed; 4) *control* – as an advantage in the NPM terms, represents a good score in accountability, feed-back and adaptation. Adaptation will be determined by market mechanisms.
- At *human resources* and *employee* level, the clear advantage stands in the internal motivation due to the human resources influence – in comparison with the Romanian system which is based on the external motivation – a complicated network of rules and laws.
- At *organizational* level, the decision making under the NPM is economically motivated (market forces and needs) although, theoretically this should not occur. Nevertheless, this can be a positive aspect in the context offered by the present Romanian system where, in practice, decisions are politically determined instead of being substantiated and formulated by professional public managers.

Then, in the field of organisational schemes, the NPM distinguishes itself from the bureaucratic, pyramidal hierarchy – that is strongly represented in Romania – through an existential component that is represented by the decentralised systems and networks.

The present Romanian administrative system is still based on the historical budget whose particular compulsions designate the quantity and quality of the completed and provided services. Hence, NPM offers the advantage of focusing on the **results** – the quality and the quantity of the guaranteed services. The strategic public management targets to obtain **positive effects**, meaning the effectiveness of the services offered to the population.

II. Main changes in public administration from Romania determined by the NPM

² Kerstin Sahlin-Anderson, „*National, International...*”, pages 48, 49.

³ http://www.oecd.org/document/15/0,2340,en_2649_37405_35405455_1_1_1_37405,00.html

⁴ Osborne and Gaebler.

From the particular Romanian perspective, two directions can be foreseen.

On one hand, the “uniqueness” of the Romanian state and society status (the statement that we are different and no other model can be implemented in Romania, no matter how successful it proved to be in other systems from Western and Eastern Europe or United States) is supported by an exaggerate conservatism that exhibits through the lack of courage in initiating changes founded on modern principles that could address the needs of the present Romanian society. This approach is frequently met within the cores of power that influence the evolution of the Romanian administrative system and represents one of the major dangers that threat the positive evolution of the public administration from Romania.

On the other hand, there is the alternative of understanding a phenomenon that is not only visible but inevitable within a democracy that intends to make its administrative system more efficient in order to respond to the new type of expectances manifested by its citizens and the new realities provided by a global and informational society.

This last approach cannot be conceived without supporting a modern public management that is different from the bureaucratic, traditional model and that is integrated into a new cultural type based on outputs and within a less centralised public sector. The focus on the managerial reforms in the public administration determines fundamental changes in at least the following directions:

- Limiting the dimensions of the public sector;
- De-concentration within the interior of the governmental services;
- Enforcing managerial accountability;
- Considering and applying market mechanisms;
- New roles and abilities for the governmental entities;
- Decision making responsibility at the operational management level;
- Decentralisation and financial autonomy at local level;
- Reducing the political influences over the public management;
- Strengthening the role of performance management, human resources management and informational technology and communications management;
- Improving the relationships with the citizens and the services in their interest;

Beyond these specific techniques, it is highly important to realise what type of mechanism initiates the changes in the public sector (the need to “modernise”, “integrate”, etc.) and orientates the reform (limiting the dimensions of the public sector/ improving performance). Moreover, it is of high importance to prove visible political will that is directed coherently and firmly towards the administrative reform. The mechanisms provided by this reform type can be different but have no significance unless there are real initiatives to reform the public service in Romania.

To approach the changes in the public administration implies respect for the following fundamental coordinates:

- Separation between the political and the administrative functions;
- Creating and enforcing a corps of professional and politically neutral civil servants;
- Clearly defining roles, responsibilities and relations between institutions;
- Subsidiarity;
- Decisional, administrative and financial autonomy;
- Transparency of the governing and administrative acts ;
- Simplifying procedures and legislation;
- Respect for the citizen and getting the administration closer to him.

For the purpose of simplifying and improving the decision making process, a series of changes took place in the Romanian administrative system during the last years. The targets concerned: making the governing act more efficient; reorienting the activity of some ministries and reducing the number of several governmental agencies; transferring the governmental agencies under the direct

subordination or coordination of ministries in order to ensure their coherent and efficient activity and normal functional relations; establishing new ministries in order to respond the priorities concerning economical re-launching and EU accession preparation; transforming some inefficient governmental agencies; establishing specialised units in the organisational structure of the ministries. At local level, the new legislative packet contains a series of changes that reflect the NPM influences: appointing the heads of public institutions and organisations (that provide public services of global interest and that are subordinated to or coordinated by the local councils) after successfully passing a contest and on the basis of a performance management contract; establishing the position of city/ county manager at the commune, city and county levels at president of county council/ mayor's proposition; establishing the associations for community development – cooperation structures with legal existence and public law character without having the constitutive elements of a administrative-territorial unit; councillors validation by courts in the council room instead of councillors' self validation on the occasion of their first council meeting.

III. Coordinates of the impact of New Public Management on the changes in the Romanian public administration

Following the management model from the private system, NPM integrates a series of principles and values that are essential and necessary for reaching performance: applying the principle of managerial accountability, focusing on the determined culture of the public administration, managerial and financial autonomy, paying attention to the “rule of the 4Cs”: Coherence, Courage, Clarity, Consideration⁵.

In what concerns the *managerial accountability*, this is determined by the needs and expectances expressed by the “customers” of today's public administration. These needs and expectances are profoundly different from those promoted and exhibited in the old Romanian system because they are based on a switch of roles: expectances do not anymore come from the administration that, in the past, focused on respecting the rules by the “ruled”, but come from the “consumers – clients, citizens” that have different expectances from the public services and regarding the way they are treated by the administration. The basic elements concerning this aspect are: consulting the persons that will implement a decision before it is made, accountability for reaching a target (instead of accountability for fulfilling a task), devolution of operational decisions at the first level of competency (the principle of subsidiarity), reducing the rigidity and separating the functioning of the public administration vertically (regarding the information) and horizontally (in what concerns concerting and coordinating actions).

“*The rule of the 4Cs*” represents the foundation of *different styles of management* and must be respected. The **coherence** has to characterise statements, facts, decisions, goals and means. The **courage** of a manager symbolises making decisions, having initiative, tenacity and perseverance in implementing decisions and psychological and moral courage in order to resist several pressures. **Clarity** is shown when the public manager identifies organisation's mission, vision and “rules of the game”, when he defines the goals of the current stage, the strategic options and the risks that ought to be outrun. Then, **consideration** refers to the attention, listening and respect the public manager shows to the individuals, team members' efforts and the ideas and proposals he receives.

Hence, the public managers from Romania has to pay a considerable attention to another dimension: the *strategically thinking* which enlarges public manager's horizon and enables his “view of perspective”.

Last but not the least, *motivating the human resources* represents an essential function of the public managers because they have the duty to clarify the public institution's mission and to establish the human resources' objectives, tasks, competencies and responsibilities, their determined levels of performance that ought to be reached during the management and operational processes.

⁵ Ifțimoaie, Cristina, and others, *Administrația publică locală în România în perspectiva integrării europene*, Bucharest, Editura Economică, 2003, p. 112.

IV. The Public Manager in Romania – a new model of civil servant having a management position and an important role in the process of administrative changes

The Emergency Ordinance no. 56/2004 regarding the special statute of the civil servant called public manager⁶, establishes a new model of civil servant, that must become a “change agent” and bring a new mentality in the Romanian public administration.

The public managers from the Romanian administrative system represent a particular category of civil servants that contribute, on one hand, to ensuring efficiency and continuity to the reform in the public administration – from the strategic levels to the operational ones – and, on the other hand, to EU integration – by following the community *acquis* implementation and its application in practice, within the public authority or institution where they are appointed.

The profile of the new public manager includes a series of characteristics that are essentially important from the NPM perspective. Therefore, he has to be a “change agent” that is results oriented through planning and prioritization, solutions finding and implementation oriented, with an important capacity of evaluating risks, adaptable, creative, a pro-active character, with leadership abilities and high ethical and moral standards.

Henceforth, its role is to support the reforming policies that are meant to accelerate the modernisation of the administration and public services. He manages and coordinates or assists the coordination of certain activities that imply a *general perspective* – that is a specific ability, if compared to the ordinary civil servants.

The public managers are recruited from the young people having remarkable results in their academic activities and a special intellectual potential that enable them to accomplish the established objectives. They are trained within the values and principles of the New Public Management in one of the two components of the training scheme: one lasting for a year and one lasting for two years. At the end of their training, they are appointed in public institutions on positions assimilated to management ones.

For the purpose of accomplishing their objectives, the public managers are acknowledged a large mobility and motivating salaries as they are the first civil servants in Romania that benefit of a rapid promotion system within their career.

In the meantime, the *civil servants on management positions* that do not belong to the public managers category, benefit from a series of specialised trainings at the National Institute of Administration – such an example is “The Specialised Training Programme for Management Civil Servants”. These programmes intend to customise the civil servants on management positions with the modern systems of public administration like NPM, their effectiveness within the administrative reform from Romania and their efficient implementation means.

V. The main changes in the public management from Romania from the NPM perspective

Next, we will state some strategic objectives that target Key Performance Areas (KPA’s) characteristic to NPM.

1. Strategic planning and multi-annual budgeting implying the elaboration of a results oriented budget instead of a budget established on historical expenses. This strategic objective calls for a budget planning for 5-7 years that ought to be harmonized with the finance and budget policy of the EU determining the budget substantiation with programmes and projects, which definitely characterises NPM. The elaboration of specific projects transfers the accent from the inputs to the outputs and therefore, it canalises the finances and energies toward well determined fields of action.

2. The establishment of separate *departments specialised in strategic analysis* within the institutions from the local and central administration. These departments will have the responsibility in the analysis and elaboration of “feasibility studies” for the legislation projects before their adoption

⁶ Published in the 1st part of the Official Journal no. 590 of 1st July, 2004.

and implementation. In their task, they will mainly apply the recommendations of some European or international working groups, the so-called **Better Legislation Task Force** in order to reduce the ineffective laws and, as a consequence, diminish and clean the unnecessary legislation basis of the management and operational processes.

3. Orienting the management of the civil servant towards job structure instead of career system.

Necessary actions: revising civil servants legislation concerning the public function in the fields regarding at least two of the following directions:

- Reserving the positions of senior civil servants to persons that have a minimum two year experience in the private sector – this is for refreshing mentalities of those managing on important positions and that should have a vision of corporative culture from the private sector that could be transferred in a public institution. This is in line with the NPM trends regarding exchanging good practices from the private to the public sector.
- Each ministry and institution from the local and central levels shall make its own analysis in order to identify its training and qualification needs and establish its own network specialised in qualifying human resources;
- Making it possible that civil servants negotiate their salary when entering the civil service or while serving – the introduction of financial motivation and rewarding according to personal accomplishments. The obvious consequence rests in preventing the migration of qualified human resources outside the public sector.
- Regular transfer of public managers/ senior civil servants between different leadership positions and functions aiming to achieve the following objectives: avoid limiting, motivating through promotion, establishing a general background that provides the manager with a broad vision, understanding interdependencies between different fields and developing a coherent and systemic thinking.

4. Integrating Informational and Communication Technology (ICT) at a broad scale – as support of the communication between different levels in the public administration and between public administration and its stakeholders.

Necessary actions:

- the website provides all the necessary information for the citizen and offers the possibility to access public services on line, without direct service request at the institution;
- making use of the official electronic stamp and signature which provide increasing security;
- providing info-kiosks, electronic libraries and archives;
- creation of an info basis at municipal level that has connexion to the whole bunch of public services;
- effective implementation of the internet payment mechanisms and supporting citizens to use the service regularly;
- increasing institutional and managerial transparency.

5. Externalization of some public services (the tax collection and debt recovery, for example)

Necessary actions: legislative amendments, definition of clear procedures for public services concession to private agencies, establishing effective control mechanisms, granting confidentiality, (data that can affect competition between tax payer private corporations). **Advantages:** developing competition between the contracting agencies, limiting the state dimension, making its activity more efficient.

Calling the present situation from Romania with its institutional and legislative changes, we may address a well known approach of the international relations stating that clear step segmentation in the fiscal and financial administrative reforms provides positive results. We refer to the “**multi-speed development**”⁷ which demonstrates that in certain states the history “runs faster” or “starts earlier”. The implications of this approach are supported by another argument: the disparities between the developing countries (e.g. Romania) and the developed ones (in majority, NPM initiators) could hinder the effective introduction of New Public Management or its proper mechanism functioning. In spite of all these, NPM can become a “leaping spring-board” for skipping some chronological stages or “an engine for accelerate development”.

Adopting the NPM principles and values in a country like Romania has to be preceded by a systematic process of preparation and adjustment of the public administration. Only a few reforms could be adjusted to the developing countries if preceded by “preparative actions” – **that would adapt them to the social, economical, political and cultural environment**⁸.

From the NPM perspective, the *changing process* in the Romanian public administration is quite complex, of long standing and requires a public management exercised by true *professionals* that are *results oriented* and *motivated* to analyze, plan and implement the fundamental *NPM values and principles* in a coordinated effort towards meeting the expectancies of the public administration stakeholders.

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⁸ „Noul Management Public în cadrul economiilor de tranziție și a țărilor în dezvoltare” – training brochure, Young Professionals Scheme, Cycle 2, National Institute of Administration, February, 2006.