

PUBLIC ADMINISTRATION REFORMS IN THE CONTEXT OF THE NEW PUBLIC MANAGEMENT: THE ROMANIAN AND TURKISH CASES

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ÖZET

Bu makale özellikle merkeziyetçi yönetim geleneği güçlü olan ülkelerden Romanya ve Türkiye'deki kamu yönetimi reformlarını karşılaştırmalı olarak anlamayı amaç edinmiştir. Bu iki ülkedeki kamu yönetimi reformlarının yeni kamu işletmeciliği yaklaşımından ne derece etkilendiği sorgulanmıştır. Makalede, bu iki ülkede uygulamaya konulan birçok kamu yönetimi reform pratiğinin yeni kamu işletmeciliği yaklaşımının unsurları olan işletmecilik, girişimci devlet ve piyasa temelli idare kavramlarından önemli ölçüde etkilendiği görülmüştür.

Anahtar Kelimeler: Yeni kamu işletmeciliği, kamu yönetimi reformları, Türkiye, Romanya.

ABSTRACT

This article aims to investigate public administration reforms with particular reference to centralized countries. A narrative approach is employed and these aspects are analysed through the Romanian and Turkey case study. The aim of the paper is to investigate whether the public administration reform path resembles the New Public Management (NPM) model of modernisation. The Turkish and Romanian cases showed that They have implemented New Public Management (NPM) principles under the name of new management comprehension which comprises managerialism, entrepreneurial government and market-oriented management.

Keywords: New Public Management, public administration reforms, Turkey, Romania.

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1. NEW PUBLIC MANAGEMENT: THEORETICAL BACKGROUND

It is widely believed that the 1980s represented a turning point for the transformation of governments in the context of “new forms of governance, new relationships between citizens and their governments, and between the public, private, and non-governmental sectors, new processes of policy-making” (Laurance E. Lynn, 1998:108). In literature, it means that the public sector reform is not simply an institutional reform or a minor change in administration style or merely a change of name, but a ‘mental’(Lee Parker and Graeme Gould, 1999:111) / ‘paradigmatic’ change in the role of government in society. Therefore, this ‘period of change’ is associated with the rise of new reform paradigm(s) in public administration under names such as the new public management(Christopher Hood, 1991:3-19), entrepreneurial government, and governance(World Bank,1991). Although these new reform paradigm(s) are called with different names, “they all essentially describe the same phenomenon”(Owen E. Hughes,2003:4): a flexible, market-based form of public management, instead of the “rigid, hierarchical, bureaucratic form of public administration”(O. E. Hughes ,1994:1).

The new public management approach has emerged in order to overcome reductionist and limited features of the former public management approach. The term new public management was first used by OECD Reports and Christopher Hood from London University. In this context, the article “A Public Management for All Seasons” written by Hood in 1991 has crucial role. According to Hood, “new public management offers an all-purpose key to better provision of public services” linking with ‘mega-trends’ of administration namely;

- i) Attempts to slow down or reverse government growth in terms of overt public spending and staffing,
- ii) The shift toward privatization and quasi-privatization and away from core government institutions, with renewed emphasis on subsidiarity in service provision,
- iii) The development of automation, particularly in information technology, in the production and distribution of public services,
- iv) The development of a more international agenda, increasingly focused on general issues of public management, policy design, decision styles and intergovernmental cooperation on top of the older tradition of individual country specialization in public administration(Hood, Christopher, 1991:3).

In one of Organization for Economic Cooperation and Development reports, the new reform paradigm is argued with its main characteristics:

This new management paradigm emphasises results in terms of “value for money”, to be achieved through management by objectives, the use of markets and market-type mechanisms, competition and choice, and devolution to staff through a better matching of authority, responsibility and accountability(OECD,1998:13).

During the 1980s and 1990s, government was often characterized as ‘large’, ‘bloated’, ‘highly politicized’, ‘excessively regulatory or controlling’, ‘corrupt’, and ‘parasitic’. All blamed the dead hand of bureaucracy, especially the poor performance of public bureaucracies and the daily annoyances of irksome restrictions, cumbersome red-tape, unpleasant officials, poor service and corrupt practices(Gerald Caiden,1991:74).

In summary, the new public management is a multi-dimensional approach composed of various theories and approaches such as public choice, managerialism, transaction-cost economics, and new institutional economics.

The Public Choice Theory:As Aucoin (1990:115-137) argued, the public choice constitutes basic components of the new public management consisting of various schools such as Austria School (Frederick Von Hayek), Chicago School (Milton Friedman), and Virginia School (James Buchanan and Gordon Tullock). Public choice theory is a comprehensive theory that interested in theory of state, political parties, democratic electoral process, voting behavior, state intervention to economy and bureaucracy. The main objective of this school might be summarized as to implement theories and methods of economics into politics. In this respect, the public choice is a political economy theory that aims at providing an alternative for market failure discourse of the Keynesian welfare state asserting governmental failure. In conclusion, the public choice theory has appeared as an alternative to welfare state based on market failure discourse. By asserting the governmental failure discourse, the public choice theory aimed at decreasing state intervention to the market. In this sense,

the public choice considered market as an only way of efficiency, effectiveness and the best guarantee for individuals' right.

Managerialism: Managerialism constitutes other theoretical dimension of new public management besides the public choice theory. In contrast to the public choice's comprehensive interest area, managerialism concentrates on public organizations and particularly executive branch of these organizations. Due to this, managerialism might be considered as a technical expertise that stress on the role of the managers of public organizations.

Reinventing Government: The argument about the paradigm shift was taken up by the book of David Osborne and Ted Gaebler *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, published in 1992 in USA and popularized in the phrase of "reinventing government". They address a new form of approach they observe across the USA. For Osborne and Gaebler, traditional form of bureaucracy and public administration institutions is not qualified enough to overcome problems of public administration. Therefore, government institutions should be "re-invented" according to changing necessities of management process. By doing this, state should not be abolished totally, but should be redesigned compatible with market values. This time, the debate on the role of the state has not simply been about how its activities can be limited and controlled but also about the institutional character of the state. Through the reinventing government approach, it is argued that the state must not only be smaller but also different; it must become market-oriented, fired by the spirit of entrepreneurship (Walsh, 1995:3). Osborne and Gaebler proposed ten principles in order to fulfill this objective which might be summarized as follows (Painter, 1997: 50):

- 1- Catalytic Government: Governments should delegate their powers to agencies ensuring that something is done but not doing it directly ("steering rather than rowing").
- 2- Community-Owned Government: Governments should not engage in provision of services but they should enable private sector or voluntary organizations in which community can act like entrepreneur. That is to say, "empowering rather than serving" ("enabling government").
- 3- Competitive Government: In order to provide an efficient and customer-oriented public service, the provision of services and the institutions of governments should be exposed to the competition by the means of competitive tendering and market testing. ("injection competition into service delivery").
- 4- Mission-Driven Government: According to this, governments should focus on their goals rather than rules and regulations. ("transforming rule-driven organizations focusing on organizational purpose and underpinning values, i.e. a strategic orientation").
- 5- Result-Oriented Government: Governments should be evaluated in terms of their performance in out-puts rather than their inputs through performance measurement system ("funding outcomes not inputs and rewarding success rather than failure and with appropriate performance indicators in place").
- 6- Customer-Driven Government: Government institutions should consider citizens as the customer of their services. (meeting the needs of customer not the bureaucracy").
- 7- Enterprising Government: Governments should not only spend money for services, but they should also earn revenues from the provision of services aiming at profit maximization. ("earning rather than just spending").
- 8- Anticipatory Government: Governments should foresee probable situations in order to prevent waste and inefficiency ("prevention rather than cure").
- 9- Decentralized Government: Governments should decentralize their responsibilities whenever possible so as to provide an environment for the public participation and democracy. ("from hierarchy to participative teamwork").
- 10- Market-Oriented Government: Government institutions should perform through the market values, which are conceived more efficient, effective and economical way of public service provision. ("leveraging change through the market").

Governance: Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2. PUBLIC ADMINISTRATION REFORM IN ROMANIA

The Romanian political system suffered profound changes from the initiation of the reform process, in 1990. The economy continues to be in a transition period through the market economy, transition that has as a result severe constraints on the activities from the whole public sector and on the central administrative system. Starting with 1990, the setting up of a modern and efficient system for the public administration was considered as a priority for the Romanian Government. But, with all these, it was not possible to mobilize the resources required for the creation of the needed legislative and institutional framework for the local and central public administration and, especially, for the efficient implementing of the reform measures. The reasons that had determined the impossibility of applying a real administration reform were:

- ✓ severe financial constraints
 - ✓ missing the political determination
 - ✓ reduced experience regarding the alternative administrative structures
 - ✓ lack of training for the politicians and civil servants in responding to the request and exigency which are derived from the environmental fast change
 - ✓ absence of clear regulations regarding the administrative personnel and structure, inadequate definition of the jobs and unsuitable payment system
- There are many reasons for the structural and functional modernization of the public administration in Romania, starting from the necessity of a more efficient functioning of the governmental institutions onto the aspiration to become a member of the European Union.

The necessity of reform is imposed by 4 main categories of reasons:

- ✓ **economic reasons:** the reduced economic growth and the diminishing of the budgetary resources allocated to the public administration; the private sector requesting a modern administration, flexible and opened to the public and private partnership;
- ✓ **technological reasons:** introduction of the information and communication technologies in public administration (e-administration);
- ✓ **sociological reasons:** citizens, as beneficiaries of public services are more exigent and do not accept that their needs to be determined exclusively by what the administrations are offering;
- ✓ **institutional reasons:** Romania's integration to the European Union structures requires a different way of services administration; the strong hierarchies of the structure leave place to new organizational types based on decentralized structures.

By reducing the authoritarian function of the state and by strengthening his functions regarding the services and their promotion, the administration activity must be a professional one. There are also frequently the requests concerning the diminution of regulations and the simplification of the administrative procedures, the abandon of the unnecessary procedures and adoption of new ones, adapted to a modern political system and to a functional economy.

The existing conditions in the Romanian society at present, requires that the administration to be involved in an changing process on 4 plans:

- ✓ **strategic**, through which to be redefined the role of state, in the sense of delimitating this role from the one belonging to the private organizations;
- ✓ **legal**, directed to a diminution of the legislative density, a greater use of the frame laws
- ✓ **organisational**, oriented towards reducing hierarchies, simplifying procedures and achieving more supple means of action in the sense of augmenting the power to delegate public duties towards organisations that are outside the administration;

- ✓ **cultural**, i.e. a change of the values and the behaviour of the elected people, of the civil servants, interest groups and the citizens.(GOVERNMENT OF ROMANIA,2001:15)

Law on Local Public Administration no. 215/2001

The Law on Local Public Administration no. 215/2001 represents the general framework of regulation for local public services. In section 2, chapter IV of this law, entitled "Public services of commune, town and own specialized body of local public administration authorities", emphasizes two categories of local public services:

- ✓ public services organized by local public administration authorities;
- ✓ public services subordinated to local public administration authorities.

The first category comprises public services organized as autonomous regies, trading companies or other public or private forms that deliver a public service for commune or town.

The second category comprises only those public services from the organizational chart of local council. Only for this situation, the local council approves the regulations of organization and operation for public services, it establishes the competence and salaries for staff, under the conditions stipulated by law. According to Law on Local Public Administration, the local and county councils may contract, under the terms of law, Works and services with public utility, under the limit of the amounts approved by local and county budget. At the same time, the local public administration authorities may decide on concession or renting services of local interest, as well as participation, with registered capital or goods in trading companies in order to achieve works and services of local public interest, under the terms of law.

Law on Local Public Finance 189/1998

Law 189/1998 ensures a large autonomy in local public finance, aiming to solve the following shortcomings:

- ✓ Insufficient financial resources, related to necessary expenses.
- ✓ Lack of a system that should stimulate local public administration authorities to discover new resources aiming to increase the own revenues and to rationalize the expenses.
- ✓ Deficiencies in administrating the local budgets, determined especially by late approval of state budget and implicitly, the transfers to local budgets.
- ✓ Inadequate criteria and means for a quality, efficient, effective management in public services sector.
- ✓ Lack of specialized staff (tax, technical etc.).

The law aims to develop the role of local public administration authorities according to principles of local autonomy and mechanisms of market economy, to establish financial resources of local public administration in order to comply to obligations of administration.(Matei ,2009:120)

The decentralization process in Romania can be briefed as follows:

- ✓ there is a considerable gap existing policy framework and the field. Theoretically, Romania is already a decentralized state.
- ✓ The decentralized effects at local level did not manifest in a consistent manner until the present time.
- ✓ There is genuine lack of bookkeeping and financial accountability at local levels.
- ✓ The State services lack the visibility concerning the local needs. (Profiroiu. A, Profiroiu. M, Pradeilles. A, 2006: 6)

3. PUBLIC ADMINISTRATION REFORM IN TURKEY

In order to ensure effective management of the economic and social development process, it has become a requirement to provide public administration in Turkey, which has a centralized structure, with a contemporary understanding, structure and operation, where citizen oriented and high quality services can be provided in an effective and rapid manner and concepts such as flexibility, transparency, participation, accountability, responsibility and predictability are emphasized.

The Law on the Right of Access to Information was enacted for the purpose of providing the citizens with access to information produced by the public sector in compliance with the principles of equality, neutrality and openness as is required by a democratic and transparent management.

With the Law No. 5176 on Establishing Ethics Board for Public Servants and Amendments to Certain Laws, code of conduct such as transparency, neutrality, honesty, accountability and protecting public interest, which need to be complied by public officials, were identified and The Ethics Board for Civil Servants was set up for monitoring the implementation.

Significant arrangements have been made to improve the institutional structure of the Government in recent years. In this framework, the number of institutions and organizations attached to and affiliated with the Prime Ministry has been decreased in order to reduce the executive functions of Prime Ministry and help it focus on its primary duties and downsize its organizational structure. Work continues on the strategic planning and performance-based budgeting which aim at the allocation of public resources to priority public services and the use of these resources in an efficient, effective and economical manner at public administrations, within the framework of Public Financial Management and Control Law No. 5018. This practice is executed within the framework of the transitory program which is laid down in the Regulation on Principles and Procedures regarding Strategic Planning in Public Administrations and which is envisaged to be completed in 2010. In this framework, 139 out of 145 public administrations required to prepare strategic plan and performance program have completed strategic plan work as of September 2010 under the central government. The work on preparation of performance program for the year 2011 continues at these administrations.

Strategic planning and performance-based budgeting practice continues at local administrations as well. Pursuant to the referred Law, the strategic plan updating work started after the local elections held in March 2009 has been completed in special provincial administrations, metropolitan municipalities and municipalities with a population of more than 50,000.

Recently, parallel with the developments in the world, local development initiatives have gained pace in Turkey as well. The Law on the Establishment, Coordination and Duties of Development Agencies, which was prepared taking NUTS 2 Level regions as the basis, in order to improve collaboration among the public sector, the private sector and non-governmental organizations in local and regional development, ensure efficient use of resources and provide regional development with a new impetus by activating local dynamics and internal potential, came into force in 2006. On the other hand, authorities and responsibilities of local administrations in the field of development were increased with the Laws on Special Provincial Administrations, Municipalities, Metropolitan Municipalities, and Local Administration Unions, which were put into effect during the 8th Plan period. Therefore, developing the capacities and increasing the resources of all local administrations, primarily those in less developed regions, have gained even more importance.

In order to allow the Prime Ministry to return to its principal duty by reducing the tasks it executes and to downsize its organizational structure, the number of institutions and organizations attached and affiliated to the Prime Ministry was reduced. The Ministry of Culture was merged with the Ministry of Tourism and the Ministry of Environment was merged with the Ministry of Forestry. Thus, the number of ministries, which was previously 36, was reduced to 23.

The General Directorate of Rural Services and the Undersecretariat of Housing were closed down, the confusion about authority and duties among the relevant institutions in the fields of production, consumption and supervision of food items was removed and the Ministry of Agriculture and Rural Affairs was rendered as the sole authority.

4. CONCLUSION

The Turkish and Romanian cases showed that They have implemented New Public Management (NPM) principles under the name of new management comprehension which comprises managerialism, entrepreneurial government and market-oriented management. In Turkey and Romania, governance comprehension has been implemented and materialized with the NPM principles such as governance, decentralization, strategic planning, output control, disaggregation of public sector units, competition in the public sector, and performance etc. It is seen that the role of the state in Turkey and Romania is related to the pace of the EU relations and administrative reform process have been overlapped with the EU accession process.

EU accession is equal to administrative reform considering the Romanian and Turkish administrative reform process and the EU accession process together, there is a strong relation between them. National programmes adopted by Romania and Turkey included administrative reform elements comprising central, local, regional, financial and personnel dimensions for the sake of EU membership. Furthermore, both Romania and Turkey paid special attention to the compatibility of not only current laws, but also draft-laws and regulations with the EU *acquis communautaire*. Finally, the objective of the modernization of public administration was the realisation of EU membership prospective. Generic and specific administrative reform reinforced each other for EU membership. In sum, the administrative reform process was equalised to the EU accession process.

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