

Public Reform, Policy Change, and New Public Management: From the Asia and Pacific Perspective

Editorial Note

In the past, *Comparative Public Administration* has addressed various managerial issues of significance relevant essentially to the Asia and Pacific region. Prior volumes have dealt with such important problems as decentralization, development, and democratization. They have been well received, particularly by the EROPA readers. They have also helped to crystallize public management agendas in the area. The current issue, which will be the eighth volume, veers away somewhat from past concerns, to focus on public reform and policy change in the countries within the EROPA region. As the following chapters show, these issues are discussed under the rubric of "Public Reform, Policy Change, and New Public Management."

This concept of the current volume stems from the fact that various countries in the Asia and Pacific region have undertaken several forms of government reform. These reform agendas have frequently been included by the general catchall expression; "New Public Management" (NPM). In several countries, reform efforts in NPM fashion have generated important policy changes. In others, NPM reform has failed to achieve its intended objectives. In light of these experiences, it seems appropriate to reconsider a NPM type of government reform under the Asian environment. To do so, we will first define NPM reform, because Asian NPM may differ from that of Europe, Australia and North America. At the same time, we will explore the effects of NPM reform on policies and programs in Asian countries. These comparative studies will probably disclose both similarities and differences among the states in this region. While the outcomes of this comparative study will be important in their own right, they will also certainly benefit those participants who want to examine the general reform trend in Asia.

The concept of New Public Management grew primarily out of Anglo-American experiences. Christopher Hood of Oxford University originally coined the expression to capture the fundamental nature of reform attempts in England, Australia, and New Zealand, among other countries. The expression therefore retains a strong Anglo-American overtone, although it is now used in many regions to signify public sector restructuring. As the term has spread internationally, however, its precise definition has grown fuzzy: New Public Management is now often a catchall or mixed bag phrase. Nonetheless, the concept basically comprises four inter-related components.

First, NPM espouses a strong market orientation, promoting the idea that varied social programs would be better served and less expensive if they were exposed to

and placed in the open market. It therefore connotes, as a corollary, that the traditional form of public administration has overly constrained public sector programs, and that competition, a hallmark of New Public Management, is lacking. NPM advocates argue that government services are often inefficient, ineffective, and expensive compared with their counterparts in the private sector. To address these flaws, NPM exponents contend that government should no longer provide protection for a variety of public programs, which must compete with others offered by the private sector.

Second, NPM supporters do not take bottomless government revenue for granted; on the contrary, they believe that public income has limits, and does not simply continue to grow, as the traditional faction has often appeared to believe. Further, they believe that government revenue must often be retrenched, according to a country's economic performance. Consequently, they assert that, under the NPM rubric, public administration would no longer be based on the assumption of plentiful government revenues, and that public officials would have to do their best to "manage" their programs with limited resources. It is for this reason that the concept is labeled not *New Public Administration*, but New Public Management.

Third, under NPM, policy formation is separate from policy operations, an idea often referred to as the "Poli-OP dichotomy." Under this concept, government agencies make various policies and programs, but their implementations are delegated either to different agencies or to the private sector. Such "outsourcings," NPM followers believe, would help to reduce substantially the size and cost of government operations.

Finally, NPM proponents hold the view that business administration and public administration have much in common. In their opinion, both types of organization target the same objective: the efficient, effective, and economical delivery of services. Although their intentions are identical, NPM advocates believe that in the delivery of services, business administration is superior to public administration. Business is concerned with cost-effectiveness and cost-benefit considerations, while traditional public administration, as noted previously, operates on the basis of unlimited revenue, and thus has no "bottom line." NPM demands a refashioning of the public sector, creating a business-like government. Consequently, such concepts as benchmarking and pay for performance have become an integral part of New Public Management.

The chapters in the following section developed out of the Second Asian Forum held on November 18 and 19, 2002 in Tokyo. A word of explanation is in order regarding the Asian Forum. Academics in the Asia and Pacific region frequently met at the annual meeting of EROPA. The venues differed: over the years, they met in Manila, Tokyo, Kuala Lumpur, Hong Kong, etc. As individual contacts grew, an idea was generated. One of the initiators, Professor Anthony Cheung of the City University of Hong Kong, suggested that the academic participants in EROPA should start holding professional conferences. According to his plan, these meetings would address various management issues relative to the Asia and Pacific region, and screen the problems from a scholarly perspective. Three other participants agreed with Professor Cheung's idea: Jon Quah (Singapore), Pan Suk Kim (Korea) and myself.

After conferring, we decided to establish a conference once a year to be held in each of these four different locations. The objective of these meetings was to contribute to the development of public administration in the region. The initial meeting was held in Hong Kong, and the conference papers will be published soon by Chinese University Press.

As an editor of *Comparative Public Administration*, I initially sought contributions from the state and individual members of EROPA. I also attempted to include several conference papers from the annual EROPA meeting held in Bangkok in 2002. For technical and other reasons, these ideas did not bear fruit. After conferring with the staff members of Local Autonomy College, they consented to my idea to compile the eighth volume based on the conference papers of the Asian Forum Tokyo conference. Thus, eight chapters of this volume represent the outcome of the above meeting. The paper on China is different: it is an individual contribution of Mr. Du Gangjian of the National School of Administration.

To conclude this note, I would like to express my sincere thanks to the staff members of Local Autonomy College. Their understanding has made this volume possible.

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