



NEW PUBLIC MANAGEMENT IN INDIAN CONTEXT

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New Public Management (NPM) is a management skills used by governments to modernize the public sector with the new management techniques. It is a broad and very complex term used to describe the wave of public sector reforms throughout the World since the 1980s. The main hypothesis in the NPM-reforms wave is that more market orientation in the public sector will lead to greater cost-efficiency for governments, without having negative side effects on other objectives and considerations.

India as developing country has still much scope to implement NPM in all spheres of government activities. Since 1991 onwards, it has given some fruitful outputs. Subsequently, our economy is running with better pace as compare to a developed economy (which is facing worse slow down of the century). Yet our economy has not been affected very much from this crisis. NPM had survived our economy during our bed times when we had not much money as Bangladesh had. No doubt, NPM involves economy, efficiency and effectiveness in the working of the government activities with the fundamental principals like catalytic and the mission-driven government, anticipating and decentralized government, etc. however, there is enough scope for further improvement in the application of NPM in India. There is need to have a re-look on the implementation of NPM in India. Therefore, some measures can be implemented to make NPM feasible as per Indian politico-administrative system.

Concept of NPM

The techniques and practices of management used in new public management have been drawn mainly from the private sector. The reforms of NPM are shifting of traditional public administration to public management. Its Key elements include various forms of decentralizing management within public services, increasing use of markets and competition in the provision of the public services, increasing performance, outputs and customer orientation.¹

¹ Larbi, A. George, The New Public Management Approach and Crises States, United National Research Institute for Social Development Palais Des Nations 1211Geneva 10, Switzerland .p. 4.

In 1995 the Organization from Economic Cooperation and Development (OECD) observed, that a new paradigm from public management has emerged which aims at fostering a performance oriented culture in a less controlled public sector. The Commonwealth Association for Public Administration and Management (CAPAM) held a conference on New Public Management and gave some major characteristics of the same. These are: providing high quality services that citizen's value; demanding, measuring, and rewarding improved organizational and individual performance; advocating managerial autonomy, particularly by reducing central agency controls; recognizing the importance of providing the human and technological resources managers need to meet their performance targets; and maintaining receptiveness the competition and open- mindedness about which public purposes should be performed by public servants as opposed to the private sector or non- governmental organizations.²

Principles

Here an attempt has been made to highlight the principles of NPM.

Catalytic Government

Government should facilitate some function or work without itself being affected by it. It means reduction of direct involvement of the Government in the provision of goods and services by privatization or corporatization or transfers to Non- Government Organizations.

Community owned Government

The Government will empower and help the Community to manage their own affairs by themselves. This is similar to the first principle except that the service on institution is managed by the people for whom it is meant, mostly with their own resources, Government only helps the community to organize the service.³

Competitive Government

Government has monopoly to provide or managed some services to the people. NPM reduces this kind of spirit of Governments and emphasizes some competition with the private sector or between two government departments. It follows the public choice theory by ensuring the economy and efficiency of Government services by market mechanism; by competitive tendering with the private sector or NGOs. If there are no agencies in the private sector performing similar functions, then by internal competition between two Government agencies performing similar functions.

Mission Driven Government

Government department should be motivated by a missionary drive rather than been guided and driven by rules. Some of the methods can be used to motivate the Government employees like Awards and Prizes. Introduction of commercial type flexibility in the remuneration of civil servants by replacement of standard pay scales by pay-bands or pay ranges as in the private sector.

² Ibid, p.18.

³ Gadkari, S.S., New Public Management, Himalya Publishing House, Delhi, p.47.

Result Oriented Government

Government should provide the budget or finance to its different departments for their target rather than to run the development activities. For this, Zero Based Budgeting must be initiated in all the departments of Governments. This method emphasizes on outputs instead of inputs of the organization.⁴

Customer Driven Government

It means Government should provide the services as per the needs of the people. Citizen must be the primary target of the Government. Government should have the spirits “run by the people, for the people”. Ultimately common people themselves are the origin of the powers of the Government.

Enterprising Government

According to this principal of New Public Management, Government should not only spend but also try to earn some income for its services from people who can afford to pay. In this context presently the ruling party in Punjab Government is providing water and electricity to the farmers, whether they are poor or rich, it is illogical and wastage of Government resources.

Decentralized Government

It is the process of dispensing decision-making governance closer to the people. It includes the dispersal of administration or Governance in sectors or area like economics and management science, political economy and engineering moreover, decentralization is the transfer of authority and responsibility for public functions from the central Government to subordinate of quasi-independent Government organizations and the private sector.⁵

Anticipatory Government

It may be called pro-active Government which takes preventive steps or measures in anticipation of problems begin. For example, every year the river Kosi in Bihar sabotage everything in its adjoining areas and millions of people gets affected, many of them losses their lives and Government bear this loss. Centre Government and State Government have the capacity to prevent this loss through by taking some concrete steps in anticipation.

Market Oriented Government

It means Government has to use some economics incentive policies to increase income as reduce expenditure. In the context, contracting out of the public services can be added. It refers to the outsourcing or buying of goods and services from external services instead of providing such services in house. The rationale for contracting out is to stimulate competition between service providing agencies in the belief that competition will promote cost saving, efficiency, flexibility and responsiveness in the delivery of the services.

⁴ Ibid, p.48.

⁵ Ibid, p.49.

Scope of Application of NPM of India

- Political parties are not willing to have NPM in India. For example, the Akali Dal during the 2007 elections has promised to provide subsidized electricity to farmers and scheduled caste families. It cost Rs.2,600 crore in the year of 2008 to the already bankrupt Punjab state electricity board. Its debts burden has touched Rs.7,000 crore as not many banks are ready with case to bail it out. The *atta daal* scheme is adding Rs.1,000 crore each year despite the centre allotting subsidized wheat. In such a situation, it is very difficult to find meaning full space for NPM.⁶
- The Indian administrative service has rusted and is presently out of sync with the progressive 21st century era. The bureaucracy has not been able to remodel itself in tune with the people friendly environment of post-independent democratic India. It continues to be uppish, over bearing, intimidating and inhibits common man's access to it. Despite 60 long years, the bureaucracy has not been able shed its pre-independence persona as the master of the society.⁷
- Terrorism seems to have the entire country in its grip. There is hardly any state which is not affected by the terrorist menace, though the shades may be different. There is 'ethnic terror' in the north-east 'naxalite terror' over vast swathes of central India and there is the 'Islamist terror' which 'starting from J&K has spread to other parts of the country. Of these, the last one is undoubtedly the most devastating by virtue of its linkages with the forces global Jihad. Their objectives are to create disharmony, disrupting the economy and destabilizing the political structure.
- Corruption in all major government deals takes place outside the government or service decision-making. Invariably, such deals are between politicians and supplying firms. India has now the unique reputation of having highest bank deposit of unaccounted for money in the world in the Swiss banks. This is not arguing that all bureaucrats are above corruption. There is often a nexus between the corrupt politicians and the corrupt bureaucrats. The politicians select the bureaucrats and appoint them to their post and not the other way around. We have had cases in which bureaucrats with well- publicized reputation for corruption were appointed to topmost posts superseding other honest officers.⁸
- The planning Commissions had in its 10th Plan Report noted that "corruption is a most endemic and entrenched manifestation of poor Governance in Indian society so much so it has almost become an accepted reality and a way of life". In the 11th Plan too it somewhat reiterated that "good governance" is not possible without addressing corruption in its various manifestations, especially in the context of basic services.
- People often complain that in Indian laws are different for the rich and the poor. The media rightly keeps crying foul on numerous incidents of rich people getting away with wrong deeds. In, theory, of course, all are equal before the law. In practice, however, money can create a lot of inequalities. It can influence the victim, the witnesses, the police, the advocates, the public prosecutors and at times the courts as well. And in the chain of the

⁶ The Tribune, October 21,2008, p. 11

⁷ The Tribune, September 28,2008, p. 11

⁸ The Tribune, February, 07,2009, p.11

criminal justice system, if any one of these links is weakened, it is sure to result in the miscarriage of justice.

- The intellectuals and academicians are concerned about the instability of politics of alliances that has come to stay for the past two decades. They lament the mushrooming of small and regional parties and condemn them as caste- based outfits that have polluted Indian politics and weakened the party system to their dismay. The nation has come to such a pass that they do not visualize the return of a single- party majority rule or even any reduction in the number of parties in the near future.
- It has been found that NPM does not contribute towards creation of a suitable democratic system. No doubt, it lays stress on the strategic role of public managers but it lacks clarity in the role of politicians and bureaucrats. Besides, it envisages enhanced accountability as one of its goals but the focus is more on results of outputs and collective demands of society are neglected because NPM is an individualistic philosophy. Moreover, it gives prominence to those who can pay for the services hence thereby claiming efficient services. It has also emerged as a management tool for achieving developmental goals.

What should be done?

- The finance minister of Punjab & Nephew of the four times Punjab Chief Minister Sardar. Prakash Singh Badal, often through up for thought and appeals to the ‘good sence’ of his colleagues to get rid of subsidies as these are eating away precious resources and hampering real economic progress. To have space for NPM in Indian context. It primarily needed that political commitment and sincerity should be there.
- In this age of Globalization and liberalization, it has failed to rise to the occasion. It is no more a question of revenue administration or law and order maintenance; the bureaucrats are now required to come to grips with the socio-economic and socio-political, people friendly environment. Political interference must stop, if we want upright and honest bureaucrats in the service of the nation. Today bureaucrats are unable to stand up against an unscrupulous politician for fear retribution at his hands. Loyalty links caste clout and carrot dangling for post-retirement lucrative assignment are unethical through purpose serving weapon in the hands of the politicians that bend the civil servants to abide by the wishes of his political boss. Since the politician has to also depend upon the bureaucrats both have leant to live in harmony with each other. Unless this nexus is broken and politician debarred from manipulating the bureaucrats the state of affairs in general and corruption in particular with remain unaffected.
- We should, to start with define over anti-terror policy in unambiguous terms, and make it clear that the country shall not compromise in its battle with terrorism under any circumstances that it shall be dealt with sternly and at all costs. At the same time the state must give an assurance that legitimate political demands will be met and that genuine socio-economic grievances shall be addressed. This policy will have to be backed by appropriate structural changes in the law enforcement machinery. Recently, centre government has decided to establish a Federal Investigation Agency in this connection is admirable.
- Political corruption is a big threat to our nation as *Jehadi* terrorism. Greater transparency on procedures alone will not expedite procurement. But greater transparency of political party

funding, assets of politicians and bureaucrats and making law-enforcement autonomous and transparent will.

- Autonomic and independent prosecution machinery is required to obviate political discretion. The independence of the Vigilance Commission and the CBI too must be safeguarded, a Lok Pal appointed and the position of the Lok Ayuktas in the states strengthened. Political will and a commitment to the national interest are what is required, not more lame excuses.

Apart from these remedies, some other suggestions made, include review of the policy of LPG, stable government at central level, framing some new laws for the betterment of the NPM, balanced ratio of government and private shares in public undertakings, a panel of NPM experts available with Planning Commission to look after its implementation, procedure, efficient audit machinery, check on nexus of politico-administrative and Multinational Companies, developing the special alert mechanism to avoid scams, etc. We can apply NPM keeping in view the political and socio-economic settings by combining economic management with social values. Last but not the least, governance challenges must be considered with strong political and administrative support.