



Module 3

Globalisation, Free Markets and Public Administration

Introduction

The purpose of module three is to introduce you to bureaucracy as a central focus in the study of administrative systems.

Bureaucracies do not exist in a vacuum; they are influenced by their environment. In recent years, the most profound influence on the functioning of bureaucracies is the phenomenon of globalisation. Although globalisation's impact is most felt by nations economically, politically and socially government administrators have also been touched by globalisation, as it has facilitated the penetration of new administrative ideas to every part of the globe.

The pace of social, economic and political change in the last twenty-five years is nothing short of stunning. The neat divisions between the East and West political blocks came crashing down with the dismantling of the Berlin wall and global integration and the rise of the BRIC (Brazil, Russia, India and China) is reconfiguring global economic relations. These dramatic changes have been facilitated by the rise of information communication technologies (ICTs). ICTs have allowed the flow of ideas and money with a click of a mouse. International production processes and financial transactions see companies seeking out the cheapest labour and other costs around the globe. Taken together, these changes have contributed to the globalisation of the world, where the distance between people is reducing, and the boundaries between countries and organisations are blurring.

The dual forces of ideas and commerce flowing across national borders has not only reconfigured economic relations, but has also reconfigured public administration. As we have seen in previous modules, the lines between the public, private and not for profit sectors are blurring, and thus the number of non-governmental actors in any policy areas is increasing. The state is hollowing out, with power and capacity flowing upwards to the international level and downward toward the local level. With this, we are seeing emergence of transnational policy networks as well as supra-national agencies that are dependent on other agencies to deliver services.

These forces are having a major impact on public services around the world. As market forces are being released from regulatory frameworks, private sector management principles increasingly are being applied to governance under the moniker of NPM. Marketisation of governance has seen the introduction of incentive structures, results based management, performance measures, provision of consumer choice, contracting-out, and competition. Yet governments are not, and should not, replicate the mandates and functions of their private sector organisational counterparts. This module provides a framework for understanding globalisation and from there examines the strengths and weakness of the NPM.

Upon completion of this module you will be able to:



Outcomes

- *define* globalisation.
- *explain* the relevance of the five major dimensions of globalisation and assess their impact.
- *describe* the six key dimensions of bureaucracies and explain their importance.
- *explain* how New Public Management (NPM) differs from traditional public administration.
- *explain* the possibilities and difficulties implicit in applying private sector principles to the public sector.
- *analyse* the strengths and weaknesses of using alternative service delivery and benchmarking as administrative techniques.
- *analyse* the public service in your jurisdiction and assess its performance according to the criteria implicit in the NPM and traditional public administration.

Terminology



Terminology

Transnational corporations (TNCs)	Companies with branches located around the globe. The head office and the branches are not geographically fixed, but can move to other locations, as can the company's capital.
New Public Management	A package of technical innovations to public sector management that are tied to neoliberal ideas of the lean state that facilitates free market activity.
E-government	Government employment of digital technology to communicate and interact with citizens.



What is Globalisation?

The world-systems perspective has shown that inter-societal geopolitics and geo-economics have been the relevant arena of competition for national-states, firms, and classes for hundreds of years. However, the term globalisation can refer to many different things. In fact, there is no single definition of the term. Central to the idea of globalisation is the notion that contemporary problems cannot be adequately assessed at the nation-state level. Instead, they need to be thought of in the context of global processes, or a world system. The usage of the term also generally implies the recent changes in information technology that have occurred over the last decade or so, which have enabled the global market as opposed to nation-state or local level markets to become the relevant arena for economic competition.

The study of globalisation revolves around two main classes of phenomena that have become increasingly significant, again largely facilitated by changes in information technology. The first phenomenon is the emergence of a globalised economy based on new systems of production, finance, and consumption. This aspect of globalisation refers to the ways in which transnational corporations (TNCs) have brought about a globalisation in capital and production.

The second phenomenon refers to the global transformation that TNCs have been able to exert, namely those TNCs that own and control the mass media, particularly television channels and the transnational advertising agencies. Such TNCs are connected to the spread of one particular brand of culture and consumption patterns, as well as the ideology of consumerism at the global level (Sklair, 2002). TNCs, as opposed to nation-states, are seen to be the primary source for increasing globalisation. In fact, the largest TNCs have assets and annual sales far in excess of the Gross National Products of most countries in the world.

The impact of globalisation on public administration directly impacts the government's policy-making process, in that it can expand the arena of issue search and discussion as well as adding many more constraints, variables, and people to the process and analysis. For example, international trade agreements provide constraints on individual states from taking certain actions, thus reducing the alternatives available to policy makers in that particular area. Similarly, transnational firms can threaten to relocate to another jurisdiction, further constraining the choices of individual states. While globalisation is arguably not a new phenomenon, what is new is the speed with which it is happening and the impact that it is having on governing.

Dimensions of globalisation

Chase-Dunn (1999) identifies five major dimensions of globalisation:

1. ecological
2. culture
3. communication
4. economic
5. political

Each of these dimensions by themselves represents major change; taken together they represent change to every aspect of modern life.

The first dimension of globalisation relates to global threats due to the interconnected nature of ecosystems and the global reach of ecological risks. Ecology does not respect national boundaries. While ecological degradation has long resulted in consequences affecting human social evolution in various areas, the degradation has only recently become severe enough to be felt on a global scale. Thus, contemporary societies face a set of systemic constraints that require global collective action.

According to Chase-Dunn (1999), the second dimension of globalisation, culture, relates to the diffusion of two sets of cultural phenomena:

1. the spread of western values, which focuses on the individual, to wide ranging parts of the world population. Values are expressed in social constitutions that recognise individual rights and identities as well as in transnational and international efforts to protect “human rights.”
2. the adoption of western institutional practices such as bureaucratic organisation, rationality, natural law and rule-of-law, and the values of economic efficiency and political democracy.

Chase-Dunn (1999) argues that while the modern world-system has always been multicultural, the ever-growing influence and acceptance of western-originated values of rationality, individualism, equality, and efficiency is an important trend of the twentieth century.

The globalisation of communication integrates the new era of information technology, namely the shrinking of time and space (i.e., social, geographical, etc.) acquired through electronic communications, even if it occurs only in the networked parts of the world. Accessibility, rapidly decreasing costs of technology, and the rate at which information can be processed, have greatly expanded the local political and geographic parameters that have traditionally structured social relationships.

Such global communication enables the movement of information from one part of the globe to another whether any nation-state likes it or not.



This applies to economic exchange, as well as ideas. These networks of communication can create new political groups and alignments, which can affect the power and make-up of existing social structures. This is particularly relevant to bureaucracies as the control of knowledge becomes more difficult; states (and in particular those at the top of organisational pyramids) no longer have a monopoly with respect to information management.

Economic globalisation refers to globe-spanning economic relationships—more specifically, the interrelationships of markets, finance, and the production and sale of goods and services. The economic networks created by transnational corporations are the most important examples of this dimension. The International Monetary Fund, the World Bank, and other unilateral and bilateral assistance agencies have not only preached the gospel of free trade, they have actively pursued it through structural and sector adjustment packages that have allowed private international capital to flow into the global south. These policies imposed macroeconomic measures on debtor countries to make them more market oriented. Government services were cut due to austerity, and as a result social security and welfare systems were weakened as resources were transferred to foreign countries and/or national elites. The measures also resulted in devaluation of currency, inflation, increasing income inequality, and poverty.

So while the global emphasis on creating optimal conditions for markets has created great wealth, this wealth has not been equitably distributed. Ironically, however, this does not mean the distance between the wealth of the global north and south is growing, rather the economic distance between various groups within countries is growing, irrespective of their location in the global north or south. Shrivastava's (2014) analysis of the situation in the US is indicative of this trend:

From 1992 to 2007 the top 400 earners in the U.S. saw their income increase 392% and their average tax rate reduced by 37%. The share of total income in America going to the top 1% of American households (also after federal taxes and income transfers) increased from 11.3% in 1979 to 20.9% in 2007. During the recession of 2007-2009, inequality declined, with total income of the bottom 99 percent of Americans declining by 11.6%, but falling faster (36.3%) for the top 1%. However disparity in income increased again during the 2009-2010 recovery, with the top 1% of income earners capturing 11.6% of income and capital gains, while the income of the other 99% remained flat, growing by only 0.2% (Shrivastava, 2014).

The large and growing gap between the rich and poor in Canada is demonstrated by the discovery of body lice in the homeless population in the capital city of one of its richest provinces. The doctor who drew

media attention to the issue commented that the discovery of body lice in Alberta is “a very powerful health indicator of the kind of poverty we are seeing (and creating) in this, one of the wealthiest political jurisdictions in the world... Not only is body lice a marker of extreme, refugee camp-like conditions, it can transmit at least three potentially life threatening diseases” (Shrivastava, 2014). Thus countries in the global north take on some of the characteristics that are normally thought of when thinking of the global south. At the same time, the economic rise of the BRICs and the Asian tigers has created great wealth for particular people within those countries, at the same time that profound poverty continues to afflict large segments of the population.

Brinkerhoff and Brinkerhoff (2006) summarise the new global economic order as having the following characteristics:

- the dominance and independence of transnational corporate investment
- interconnected markets
- an emphasis on export trade and competitive advantage,
- unfettered international financial flows
- rapid communication.

New contours have superseded the old boundaries. At the supranational level, taxing arrangements, such as the GATT (General Agreement on Tariffs and Trade), WTO (World Trade Organisation), and NAFTA (North American Free Trade Agreement) reconfigure economic relationships among nations. At the regional and local levels, free trade areas, economic empowerment zones, regional development authorities, direct overseas links, and so on shape new forms of public-private interaction (Brinkerhoff & Brinkerhoff, 2006).

Although, the capitalist world-system has been in essence international for centuries, globalisation has greatly increased the extent and degree of trade and investment in recent decades, accelerated by what information technology has done to the movement of money. It is commonly argued that the ability to shift money throughout global markets changes the rules of policy-making by making economic decisions subject to international market forces, which are beyond the control of any one group.

According to Sklair (2002), a useful model of the global capital system is based on the concept of transnational practices, which are practices that originate with non-state actors and across state borders. She distinguishes three spheres of transnational practices: 1) economic, 2) political and 3) cultural-ideological. She suggests that primarily, but not exclusively, one major institution characterises each of these practices: the transnational



corporation (TNC) is the most important institution for economic transnational practices; the transnational capitalist class (TCC) for political transnational practices; and the culture-ideology of consumerism for transnational cultural-ideological practices (Sklair, 2002). TNCs, TCCs and the culture-ideology of consumerism operate to transform the world in terms of the global capitalist project. If and when it is empirically proven, a theory such as this would have important implications for policy analysis and policy development theory.

Political globalisation addresses the institutionalisation of international political structures. Currently, the world is based on an inter-state system, following a Europe-centred world-system. It is a system of conflicting and allying states and empires. In earlier world-systems, accumulation was mainly accomplished by means of institutionalised coercive power and occurred in a cyclical fashion, by way of both inter-state systems and core-wide world empires, where a single state conquered all or most of the core states in a region. The modern world-system is multi-centric in its core. This is due to the shift from the previous type accumulation towards capitalism, which is based on the production and profitable sale of commodities. The leaders have been capitalist states that follow a strategy of controlling trade and access to raw material imports from periphery states rather than conquering other core states for taxes or resources.

Since the early nineteenth century the European inter-state system increasingly has been developing a set of international political structures that regulate many different interactions. Craig Murphy (1994) refers to this development as “global governance.” The term refers to the growth of both specialised and general international organisations. Some examples of general organisations that have emerged include the League of Nations and the United Nations. These organisations are involved in a process of institution building with the leadership and implicit involvement of core states.

The proceeding outlines the many dimensions of globalisation. More importantly, however, are the implications of these dimensions that are fundamentally changing governance. On the economic front, the production economy has moved from national to global, with transnational firms treated like domestic firms. The regulation that firms are subjected to is increasingly international as opposed to national. The loyalty of these firms is to their shareholders as opposed to the nation. On the political front, the authority of the nation-state is either moving upward due to the signing of international agreements, or is leaking downward to the region. The rise of global governance is exemplified by the growing importance of such institutions as the World Bank, International Monetary Fund, the World Trade Organisation, the

European Union, as well as international non-governmental organisations, and formal and quasigovernmental groups.

The information revolution means that government no longer has a monopoly on information; communication is easy and instant. With this comes the homogenisation of culture. But more importantly, the IT revolution is contributing to the decline of deference of the citizen to the state, as the relevance of the state to the lives of the citizen declines. Just as the power of the state is becoming fragmented and diffuse, so too is the opposition to unpopular policies.

Opposition to globalisation

To many people, globalisation is often seen to wreak havoc on the lives of vulnerable peoples and communities. As such, globalisation has also been accompanied by the emergence of new social movements (NSM). NSM researchers argue that the traditional response of the labour movement to global capitalism based on class politics has generally failed. Instead, analysis based on identity politics—such as gender, sexuality, ethnicity, age, community, belief systems—is now seen as necessary to resist sexism, racism, environmental damage, warmongering, capitalist exploitation and other forms of injustice. These groups often produce their own research and documentation of occurrences of injustice, sometimes in direct response to government activities. They comprise a global network of activist groups who are loosely connected through new media.

NSM activists can be confrontational; most do not engage in the traditional tactics of lobbying politicians as they do not consider participation in the normal channels to be useful in furthering their interests. Protest is often spontaneous, with the main challenges to global capitalism in the economic sphere normally involving the disruption of the capacity of TNCs and global financial institutions to accumulate private profits at the expense of their workforces, their consumers and the communities affected by their activities. However, as globalisation has led to the dispersal of manufacturing processes into many discrete phases carried out in many different places, disruptive actions by one group in one location will not necessarily have a major impact on the TNC.

Political protests are often directed at major meetings of international policy actors; these tend to garner significant media interest. The quick dissemination of video evidence (such as the live video streaming from Tahrir Square during Egypt's 2011 Revolution or the 2009 video of the killing of a young woman in Iran who was a bystander to the Green Movement protests) allows dissidents to bypass official media outlets in order to publicise their version of the story to a global audience. As both information and ideas are shared instantaneously across the globe, government officials are increasingly finding it difficult to ignore the



negative impacts of their policies on particular groups of people; they will be challenged not only domestically but also globally with respect to the alignment of their policies with universal and democratic codes of conduct and professionalism.

Another effective strategy for NSM activists to affect political change involves targeting economic as opposed to political actors; specifically, the mobilisation of global boycotts using social media. So, for example, after a building in Bangladesh collapsed in 2013 killing over 1,100 garment workers, the transnational advocacy group AVAAZ.org launched an online petition. The pressure (and the threat of a boycott) was aimed at retailers and major fashion brands such as Abercrombie and Fitch, GAP, Wal-Mart, H&M, Calvin Klein and Tommy Hilfiger, to sign an enforceable fire and building safety agreement. The goal was to garner a million signatures in order to leverage brand reputation with safety. Targeting global consumers who will not feel the economic effects of boycotts can be far more effective than lobbying governments. Unfortunately, however, in a globalised world, transnational corporations can decide to pick up and move to another jurisdiction. When this happens, the victims of poor safety practices are doubly victimised when they lose their jobs.

What is clear from this brief overview of globalisation is that its impacts are far reaching in economic, cultural, and political spheres. These spheres are becoming less and less distinct, much the same as boundaries that delineate nation-states. In an increasingly integrated world, the flow of ideas around the globe has also precipitated the adoption of neo-liberal ideas of governance, but also new perspectives on public administration. These new perspectives are the subject of the next section, which begins with a discussion of the basic concepts that underpin the bureaucratic form.

Globalisation and public administration

The origins of the term bureaucracy comes from *bureaucratie*, which was first used by a French minister of commerce in the eighteenth century to refer to the government in operation (Marx 1957, p.16-21). The term then spread to Germany as *Burokratie*, where it was developed as a scholarly subject by German social scientist Max Weber (1864-1920). Since then, the term has also spread to English and other languages.

The conventional focus in the study of public administration has been on civil bureaucracies rather than on military bureaucracies. However, an examination of the military bureaucracy should not be neglected in making global comparisons of nation-states. In many countries and regions throughout the world, such as Latin America, the military does not conform to a role of subordination to the civil political leadership. Often, military leadership collaborates and even dominates civil

bureaucracy and public policy decision-making in such nation-states. While military bureaucracy is interesting, this course focuses primarily on the study of the civil bureaucracy.

Commonly a bureaucracy is discussed in the context of “big government” or the “welfare state” usually with a positive or a negative association. Most social scientists, however, consider bureaucracy without connotations of good or bad. They view bureaucracy in a way intended to understand the workings of large-scale, complex organisations. In this course bureaucracy is considered a form of social organisation that exhibits some particular characteristics.

In the post-war period, scholars such as Richard H. Hall (1962) identified six key dimensions of bureaucracy. These characteristics are:

1. A well-defined hierarchy of authority;
2. a division of labour based on specialisation by function;
3. selection for employment and promotion based upon technical skills and competence;
4. a system of rules addressing the rights and obligations of position holders in the organisation;
5. a system of procedures for dealing with work;
6. interpersonal relationships that are impersonal.

The most important characteristic of hierarchy is that it is closely associated with trying to apply rationality to administrative tasks. Max Weber believed this was the originating purpose for the bureaucratic form of the organisation. A hierarchy involved levels of graded authority and levels of super- and sub-ordination, to create a firmly ordered environment. Such a formal environment is intended to provide stability, cohesion, direction, and continuity within the organisation to achieve its goals.

The division of labour results in specialisation and differentiation in tasks or roles. This requires qualifications and competence for the human resources in each of these roles. Employees also must be able to effectively work together to achieve the organisation’s goals. Most importantly, the hiring and promotion of personnel in a bureaucracy is to be made on the basis of merit, displacing the use of other criteria such as nepotism.

The rationale for the last three criteria (rules, procedures, and impersonal relations) is equity; all citizens/customers are treated the same. While the utility of this may be less apparent in the private sector, in the public sector of a democratic state the principle is fundamental; citizens have the same rights no matter where they are placed in the social, economic or



political hierarchy. Unfortunately, these same criteria are also immediately identified with the critique of bureaucratic structures; that they support structures that are inflexible, focused on control and not responsive. New public management (NPM) arose as an alternative to the traditional conception of public administration; a comparison of the two different approaches is the focus of the next section.

New Public Management versus traditional public administration

NPM borrows heavily from the private sector concepts of customer service. It is based on the economic concept of transaction analysis that argues that stakeholders in the public policy process, including public servants, attempt to maximise their own usefulness. NPM suggests that public servants in traditional administration have been too involved in policy making, and not concerned enough about service delivery; policy making is the domain of politicians. As such, public servants view themselves as policy advisors rather than policy administrators. NPM, however, focuses on management as a role of the public servant.

Three principle drivers of change at the political level have been identified which have resulted in changes in how public administration is practiced, including the development of NPM theory at the global level. These are:

1. Global pressures for nations to enhance their competitive positions through efficient and effective public management;
2. Increasing expectations by citizens of improvement in customer service provided by public institutions;
3. Budget constraints due to deficits and debts and demands from citizens for lower tax burdens.

Don Kettl (2009) notes the importance of the citizen-centred imperative in NPM. He describes a customer-centred public government as coming down toward the citizen rather than looking up toward the politician or elected official. This focus on the “customer” forces the public service to shape its behaviour by looking outside of government for outcomes, rather than inside it for processes. Traditional public bureaucracy has always been seen as being process-driven; the focus is on the process itself rather than outcomes. Thus, customer-centred or citizen-centred governments organise themselves for outcomes, focusing on who their customers are and delivering services accordingly.

The citizen-consumer, however, is more than just a simple consumer. Osborne and Gaebler (1992) argue that government should be owned by the community, and as such, citizens and their communities must be empowered to exercise self-government. Thus the broadest range of

citizens should participate in decision-making process so that services are delivered in a manner that is relevant to the community. These notions are anti-hierarchical in that they encourage local context.

A related NPM principle is that of competition. Advocates of NPM argue that competition will not only result in lower costs, it supports team work, builds morale and encourages creativity. Traditional public administration tends to monopolise the delivery of public services; thus there is no incentive to innovate or make improvements. Monopolies protect poor performers. When the monopoly is broken either by privatisation or through outsourcing of services, competition ensures that only the most economically efficient survive.

Closely related to the competition imperative is the notion that economic globalisation based on free trade and market principles have positioned the business sector to take the lead of economic development. The role of the government is to facilitate the growth of the economy. Public servants are no longer masters who regulate the business sector, but rather partners in development. Central to this thinking is the shrinking of national government in favour of governance at the local level, where the role of the community in decision-making is enhanced. The role of the national government is to focus on clearly national activities like defence.

While NPM adherents use the terms “citizen” and “customer” interchangeably in public administration there are objections to this because the terms imply different meanings. Citizenship confers certain rights with regard to receipt of services. Moreover, citizens must continue to pay for the service through taxes, even if they choose not to use the service. As such, the service provider must remain accountable to the citizen. In contrast, customers can choose not to use a service and thus will not be charged for it. But, the customer who does not purchase has no right to tell the service provider how the service should be delivered since the service provider only has the obligation to be accountable to those it provides services to. While this makes sense in the private sector, representatives of the people as opposed to managers determine the mission of government agencies. As such, in the public sector, accountability is far more complex. This topic will be discussed in more detail in the following module.

Another critique of NPM is that it is premised on the notion of efficiency based on effectiveness measured in dollar terms. However, the value of many of the services that the public sector provides is not easily measurable in monetary terms. Nonetheless, high debts and deficits demand that governments put a premium on cutting costs. As such, efficiency measured in dollar terms becomes paramount; this requires a major shift in how government operates and therefore the structure of government. Common organisational changes in line with the notions of



efficiency and effectiveness at the lowest cost, while keeping customer-oriented include a government:

- that is smaller;
- with less red tape;
- which is a learning organisation; and
- which is based on flexibility and teamwork.

Table 1 provides a summary of the major points of difference between the two systems of public administration.

Table 1: Comparison of New Public Management and traditional public administration

<i>Components</i>	<i>New Public Management</i>	<i>Traditional Public Administration</i>
Focus	clients	citizens and communities
Principal Means	management	policy making
Characteristics of Public Servants	entrepreneur (acting)	analyst (thinking)
Values	entrepreneurship, freedom for managers, flexibility, creativity, enthusiasm, risk taking	ministerial responsibility, prudence, stability, ethics, probity, fairness, transparency
Vocabulary	service to clients, quality, skills, managerialism, empowerment, privatization	public interest, democracy, social equity, due process
Culture	private sector, innovation, business management, accountability by results, politics administration dichotomy	bureaucratic (hierarchical) functionalism, stability, process accountability, politics-administration continuum
Structures	civil service as organizational units, simple and frugal government, introduction to quasi-market mechanism, decentralization	civil service as an institution, large departments, government-wide systems, central authority resource allocation

Source: Mohamed Charih and Lucie Rouillard. (1997). The New Public Management. In Mohamed Charih and Arthur Daniels, eds., *New Public Management and Public Administration in Canada* (p. 31). Canada: The Institute of Public Administration of Canada,

Tools of NPM: Alternative service delivery

One of the most important techniques to improve monetarily-based efficiencies is the introduction of competition with respect to the delivery of services. David Osborne and Ted Gaebler (1992) make a distinction between “steering” and “rowing” when considering the role of government. They argue that the role of government should be one of steering society, and that in order to steer society, the government does not need to row for it, i.e., work directly itself to deliver services.

Osborne and Gaebler suggest that a government’s excessive allocation of resources to rowing inhibits its ability to steer. Ultimately, they suggest that government would be able to steer better if it also allowed others to row. Thus, Alternative Source Delivery (ASD) could be viewed as the decision of who should row and how they should row. ASD is defined as a process in which public policy makers evaluate and implement service delivery methods from a spectrum of alternatives. The actual delivery of the service, however, is done by those who can do it for the least cost. This could be a private or a not for profit organisation providing the service on contract, in addition to, or instead of a public servant. It could also be a combination of sectors, such as in a public-private partnership. Because of the range of possibilities it allows, the ASD approach falls in line with the NPM philosophy of management innovation and entrepreneurship.

Traditionally governments had focused on delivery of services through three main entities:

1. government departments and central agencies
2. public enterprises (such as crown/state-owned corporations, mixed enterprises, joint enterprises, public enterprises, etc.)
3. regulatory agencies.

There was a focus on finding the “one best way” (from among the three mentioned) to deliver a service when a policy was created that would remain as the main mechanism for delivery for the indefinite future.

In recent years, however, governments have adopted more flexible mechanisms in the delivery of services through ASD. Reasons for encouraging ASD include:

- financial constraints;
- that it is a methodology that allows for and encourages periodical re-evaluation of government and programs;
- that it works within a benchmarking framework to encourage increased competitiveness by allowing



comparisons in efficiency and effectiveness between different methods of delivering public goods and services.

Benchmarking underscores the NPM focus on outcomes as opposed to process. A benchmark is an agreed upon standard or target which reflects the goals of an organisation. The goals may have already been met, or the organisation aspires for them to be met. In this context, benchmarks can be thought of as targets.

A benchmarking framework is used by organisations in all sectors to affect continuous improvement. It seeks to improve performance by learning from the best practices in use around the world. It generally involves a four-step process:

1. understanding the process
2. analysing the process of others
3. comparing your performance with that of others analysed
4. implementing the steps necessary to close any performance gaps.

Since benchmarking is an outward looking process, and requires looking for best-practices outside of one's own organisation, region, or country, it is useful to have an organisational benchmarking framework to work within that is supported at every level of the organisation.

The arguments made in favour of ASD are that it can:

- improve service quality by making government more citizen-centred;
- reduce the size and scope of government (since government won't be as directly involved in service delivery);
- increase flexibility in service delivery (since contracts are usually limited in length and require review);
- motivate employees through a focus on results as opposed to process; and
- involve the input of users in service delivery.

Problems or shortcomings of ASD include the following:

- the real savings may be difficult to estimate since decisions are made on forecasts which in reality may not materialise;
- labour relations issues, since ASD typically involves moving government employees into different agencies within government, or even to private agencies outside government. furthermore, long-term, full-time employees

are being replaced by limited contract workers in both the government and service delivery organisations;

- loss of accountability when work is provided by non-government agencies;
- public interest and responsiveness may be threatened since private agencies are primarily profit-driven as opposed to public interest driven.

This last point is perhaps the most fundamental one. While the NPM focus on results as opposed to process encourages entrepreneurial activity and risk taking, the difficulty of determining success relates to measurement. Specifically, once the goal has been identified, how does one measure it? For example, how does one measure a goal that relates to promoting social cohesion and civic pride? Should the public service avoid goals that are not easily measurable? Furthermore, how does the public service put a price tag on a particular risk that is difficult to measure, in order to assess whether taking the risk is worth the potential cost? The next section of this module is a case in point. E-governance is a tool that seeks to improve service delivery and promote citizen engagement and democratic participation. While it may be possible to quantify improvements to service delivery functions, how does one quantify citizen engagement and democratic participation?

Tools of good governance: e-government

Amid global pressures for more responsive, participative and citizen-centred government, the communication and information technologies present a unique opportunity to further the development of democracy through means such as the Internet. The Internet can be leveraged to foster a new culture of participation in the political process under the umbrella of electronic democracy. E-government is a method of fostering citizen engagement.

E-government refers to the application of information and communications technologies by governments to link networks and create the infrastructure through which to channel the delivery of a variety of government services. The fundamental concepts behind e-government are increased efficiency, openness, transparency, and citizen-centred government. E-government is much less constrained by time and geographical location in providing citizens the information or services they require.

The concept of balanced e-government is a combination of electronic information-based services for citizens (e-administration) which is reinforced by participatory elements (e-democracy).



Citizens are granted increased opportunities to influence public life by making their views known electronically to state or local authority institutions. At the same time, the Internet allows the public sector to expand its role as a client-oriented service provider. The argument is that modernisation and democratisation are two sides of the same coin, which must be carefully balanced. Currently however, no standard formula for the development and introduction of e-government exists. However, governments that are considered leaders in the e-government revolution share the following five characteristics:

1. **Vision and implementation** – The leaders articulated a vision early;
2. **Customer-centric or intentions-based approach** – An online presence that is based around what the citizen wants to do rather than how agencies (or service providers) are organised;
3. Focus on **customer relationship management**;
4. **Volume and complexity** – Measuring volume of services online, including both interactive and transaction capabilities;
5. **Use of portals** (i.e., use of single transaction points) – Portals offer single points of entry to multiple agencies with the opportunity to interact easily and move seamlessly across government and services. (Daniels, 2002).

In addition, governments seeking to develop e-government strategies require:

- establishment of a competent, central authority responsible for the task; and
- long-range planning for the project.

While e-government may serve to increase the efficiency of the delivery of basic services and information to its citizens, it has not yet fulfilled its promise to make citizens more engaged. Most e-services facilitate the dissemination of information to citizens, but the dream of creating collaborative governance has not yet been realised. Indeed, it could be that the introduction of e-services, especially in poorer jurisdictions serves to create more divisions among citizenry. The so-called digital divide sees those with access and skills benefiting from e-services, whilst those without access and computer skills are increasingly marginalised. It is to this constituency that we finish this module on globalisation.

Managerialism, development and poverty reduction

Poverty alleviation is a vexing problem for which there are no easy solutions. Extreme poverty in the global south is an especially a challenging problem for global decision makers, given that governments

in the north have not done a particularly good job of serving the needs of their own citizens who live in poverty. The managerial revolution the produced NPM has complicated efforts to reduce economic disparity between the global north and south because of its focus on controlling costs and increasing accountability. This has led some scholars to claim that “the whole process is being directed in the interests of governability rather than of poverty reduction,” and in doing so, the voices of the poor are not being heard (Townsend, Porter & Mawdsley, 2002).

Duffield (2001) argues “the networks of international aid are part of an emerging system of global governance.” These networks comprise Non Government Development organisations (NGDOs) that are characterised by synchronised behaviour, perspectives, and language. Townsend et al (2002) argue that NGDOs “are a transmission channel for two meta-languages: donor fashions (Tvedt, 1998) and new managerialisms (Clarke, Gewirtz & McLaughlin, 2000). These two meta-languages then tend to impose similar policies on different poverties.” They go on to explain that because so much of NGDO funding comes from governments, foundations, or multilateral doors as opposed to from the public, the solutions and accountability regimes tend to be imposed from the top down, as opposed to being devised in response to local conditions. Thus while donor agencies and NGDOs understand on a theoretical level the importance of local knowledge, they tend to use techniques that prevent the transmission of information from the bottom up that would allow the best use of resources.

Moreover, the interventions of NGDOs and the United Nation agencies in national emergencies (such as famines) have undermined the connections between citizens and their governments, which weaken political accountability for policies that might have prevented crises in the first place. In addition, the concern of accountability trumps all; “partnerships” between donors and southern states are inherently unequal, so the dominant partner can dismiss alternative ideas easily. The new managerialisms emphasis on decentralisation has allowed international non-governmental organisations to repackage themselves as NGDOs. The new NGDOs are a direct response to the community-based work done at the local level on a contract basis – these are seen as an integral component of building civil society. Unfortunately, associates of local politicians or bureaucrats are sometimes the ones who create these NGDOs – the end result is less about capacity building and more about making money.

The emphasis of managerialism on auditing and performance indicators creates even more issues. Like their northern counterparts in the voluntary sector, non-governmental organisations in the south complain that they spend an inordinate amount of resources with “compliance”: i.e., on writing reports and gathering data on items that are difficult to



measure. Some observers posit that the current popularity of microfinance relates more to its measurability than its actual effectiveness in reducing poverty. As Townsend et al. (2002) note: “Education, empowerment and watershed management are long-term, but microcredit yields very rapid measurable returns in terms of X loans repaid per year” (p. 836).

NPM places a premium on good measures of outputs, however, as scholars such as Pollitt (1995) question whether these have been achieved in the public sector, their utility in the far less resourced NGDO sector is even more open to question.

Ironically then, while decentralisation is a central goal of NPM, the reality of using the techniques of NPM (results focus, audits etc) tends to promote centralisation of power, first at the donor level, then descending through the umbrella organisations in national capital, state capital, the local and finally the grass roots level. Those at the grassroots level often feel powerless in the face of gatekeepers of information and resources. As Townsend et al (2002) observe: “Listening to the poor, or even to local NGDOs, is perhaps even less privileged in a meta-language of new managerialism than before its arrival.” (p. 837)

Module summary



Summary

This module examined government's civil service or bureaucracy through the lens of globalisation. The study of bureaucracies is important in the field of public administration because bureaucracies employ a significant number of workers, and carry out the goals of government. In addition, there is an enormous amount of data available about diverse administrative systems. We discussed how globalisation has created political, social, and economic change that has in turn ushered in a fundamental shift in how governments govern. These new governing methodologies are in part ideological, in part a response to globalisation, and are at the same time the cause of profound changes in the way programs are structured. This module's analysis of the case of poverty reduction is a case in point. For every action, there is a reaction; this module also examined the resistance to both globalisation and to the NPM.

The module concluded with a discussion of e-government. This tool of governance seeks to leverage new technologies to foster a new culture of participation. Module four will look at one of the central tenants of NPM: accountability and professional standards. These laudable goals are complicated immeasurably by the new ICTs, which make accountability easier and harder at the same time.

Assessment



Assessment

Answer the following questions with reference to both the larger global context, as well as your local context. Ensure that you provide examples to illustrate your points.

1. Explain the how the six dimensions of globalisation are changing the world in which we live.
2. Outline the six dimensions of bureaucracies and explain their utility.
3. How does the New Public Management differ from traditional public administration? Is it an improvement? Explain why or why not.
4. Is it desirable to apply private sector management principles to the public sector? Explain.
5. Outline some of the administrative techniques used to improve cost effectiveness and analyse their utility.

Assignment 1



Assignment

(20% weighting)

Instruction for the Students:

Step 1: Read the following article from the journal *International Review of Public Administration*:

Kim, S. (2011). Globalization and national responses: The case of Korea. *International Review of Public Administration*, 16(2), 165-179.

Step 2: Analyse the article and write an essay that answers **at least one** of the following questions:

1. Define globalisation using the “global consensus” presented by Kim, and compare it to the conceptualisation provided in your study manual.
2. Describe the “global consensus” with respect to the nature and effects of globalisation, and assess its accuracy with reference both to Korea and to your own jurisdiction.
3. Assess Kim’s globalisation strategy for the future with respect to its strengths and weaknesses. How well would this strategy work in your jurisdiction?

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Further Reading



Reading

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