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# THE EFFECT OF PUBLIC ADMINISTRATION REFORMS UNDER THE POST-NEW PUBLIC MANAGEMENT PARADIGM

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## **ABSTRACT**

*It is becoming increasingly apparent that the reform of public administration is a sort of Achilles heel of modern state especially, because the bureaucracies could not give up to the features of old public administration. However, the public administration, under the pressure of some international driving forces (global economic crisis, interaction with the EU system, Europeanization etc.) and development of several paradigms (new public management, post-new public management, corporate governance) has to adjust its policies, procedures, structures and relations with citizens and business and to function more effectively within the EU framework.*

*Today, public administration is moving in new directions. Reforms are focusing on the quality of services for citizens and business on the efficiency of administration. The focus of the paper is on selected reform area in Romanian public administration, namely de-bureaucratisation and simplification of the procedures for citizens, business and administration to achieve the European standards and to be defined by transparency, predictability, responsibility, adaptability and effectiveness. As research methodology, the study adopts a case-oriented approach to advance its arguments, using both quantitative and qualitative data, published by European and national institutions.*

**Keywords:** *post-new public management, de-bureaucratisation, public administration,*

## **1. INTRODUCTION**

Public administration in the 21<sup>st</sup> century is undergoing dramatic change, especially due to globalization and Europeanization processes. Policy problems faced by governments are increasingly complex, wicked and global, rather than simple, linear, and national in focus. Several frameworks have been developed to classify and analyse different approaches to public administration and public sector reforms (Robinson, 2015, p. 4). Most of these focus on the transition from the Old Public Administration to the New Public Management that occurred in the 1980s and 1990s.

While this approach has been oriented for improving efficiency, both scholars and practitioners (Hood, Peters, 2004, pp. 269-270; Vabø, 2009, p. 18; Christensen, Laegreid, 2007, p. 8, p. 239) have observed a series of paradoxes and problems in implementation its principles. In this sense, the New Public Management critics believe the management reforms failed to achieve its original objectives of efficiency and effectiveness (Dunn, Miller, 2007, p. 350), therefore the public administration theorists have proclaimed for some years that we are in a post-NPM period. Therefore, since 2000 there was a discernible trend towards an emerging model variously termed the “post-New Public Management”, the “new public governance” or the “new public service” (Dunleavy, Hood, 1994; Osborne, 2006). The post-NPM generation of reforms advocates a more holistic strategy (Bogdanor 2005).

## **2. PUBLIC ADMINISTRATION REFORM: THEORETICAL FRAMEWORK**

A considerable literature has grown up concerning general trends regarding especially the transition from New Public Management (NPM) to post-New Public Management (post-NPM) school of thought. The concept of New Public Management was widely adopted and internationally since its emergence (Pollitt, Bouckaert, 2004). As a dominant doctrine for modernising the public sector, the New Public Management has been widely deployed by governments seeking to modernise and transform its public sector (Lapsley, 2009). Thus, many countries launched their reforms based on the principles of NPM (Bovaird, Löffler, 2003).

Scholars stated that, the reforms that were undertaken under the label NPM represented major changes compared with the “old public administration”, and they paved the way for further reforms and transformations in the post-NPM era. Therefore, after two decades of dominance by New Public Management it became that there was increasing dissatisfaction with its limited focus (Lapsley, 2009) and a part of literature (Dunleavy et al. 2006; Dunn, Miller, 2007; Osborne, 2006; Stoker, 2006) started searching for alternatives. In contrast to the New Public Management reforms, a new generation of reforms initially labelled “joined-up government”, later known as “whole-of-government”, and now labelled “post-New Public Management” was launched (Christensen, Lægreid, 2007 referenced by Christensen, Lægreid, 2009 p.11). The images associated with the “whole-of-government” or “joined-up government” initiatives that have characterized post-NPM reforms readily bring to mind the idea of repairing and putting back together something that is broken, has fallen apart or become fragmented (Gregory, 2006).

According to (Dunleavy et al., 2006), in a sharp view, the New Public Management is allegedly dead and we are facing a paradigmatic shift towards a new reform movement underlining networks, partnerships, increased integration, coordination and central capacity. However, it is fair to say that NPM is still very much alive in many countries, and NPM reforms are normally not replaced by new reforms but rather revised or supplemented by post-NPM reforms (Pollitt, 2003).

From some points of view (Jun, 2009, p. 165) the post-New Public Management is the latest framework for government administration and is much more difficult to define than New Public Management, although shares some similarities with NPM as it is based on economic theory and managerialism.

Post-NPM has been influenced by changes in government and external pressures from politics and the global economy (Christensen, Lægreid, 2007, pp. 1-4) and, tries to reinforce control and coordination by combining structural and cultural elements. Yet post-NPM is not all about returning to “old public administration”. Its notion of governance is more broadly defined than that, for it entails reaching out to society, enabling individual and organized private actors in civil society to be better informed about public policy and to participate in making that policy more representative and in implementing it - all elements taken from output models (Christensen, Lægreid, 2009 p.11). The post-NPM reforms are culturally oriented governance efforts. They focus on cultivating a strong and unified sense of values, teambuilding, the involvement of participating organizations, trust, value-based management, collaboration and improving the training and self-development of public servants (Ling, 2002). Post-NPM has a vertical and a horizontal dimension (Christensen, Lægreid, 2007). In post-NPM reform, efforts have focused particularly on the problems that arose as a result of

greater vertical and horizontal specialization in New Public Management (Christensen, Lægreid, 2007). On the vertical dimension, using more central resources to coordinate subordinate institutions and levels and using stronger instruments of central control have enabled political executives to regain a degree of political control and pursue consistent policies across levels. On the horizontal dimension, cross-sectoral bodies, programs or projects are increasingly being used to modify the “pillarization” or “silozation” of the central public administration brought about by the strong specialization by sector (Pollitt, 2003).

### **3. SELECTED APPLICATION: *de-bureaucratisation and simplification of the procedures (D-BSP) in Romanian public administration***

For adapting itself and implicitly for responding more efficiently to the challenges of the current socio-economic context in which it is Romania, public administration should focus its classical mission, implementing public policies and law and, providing public services on a modern and innovative approach. In Romania, public administration both at central and local levels has gone through major reforms since 1989, culminating in accession to the North Atlantic Treaty Organization in 2004 and to the European Union in 2007 and continuing with the efforts for convergence to the European mechanisms of governance and relatedness other administrations of EU Member States. This waves of reforms were based on the different philosophies of the above paradigms, at the time being attention goes to the Post-New Public Management.

The main period of reform is the period before accession to the European Union, when Government has adopted two successive strategies for public administration: (a) Strategy for the acceleration of public administration reform 2001-2003 and, (b) Updated Strategy for the acceleration of public administration reform 2004-2006. These two documents represented the basis for implementing a series of reforms in key field, such as: public policies, decentralisation and civil service. Unfortunately, since 2007 there has never been a full strategy for public administration, although the institutions of central public administration took several initiatives that addressed aspects of public administration reforms, but in a fragmented way.

#### **2.1. D-BSP for citizens and business: status-quo and future approaches**

One of the main priorities set out by Government for 2014-2020 period consist of de -bureaucratisation and simplification for citizens, businesses and administration. In this sense, the Government proposes electronic takeover documents and data from citizens and business environment (SSPA, 2014-2016). Therefore, in relation to public administration (central and local level), the citizens and business will be able to choose between two ways:

- direct delivery of documents and data, which will be processed through electronic means by civil servants. In this case, the citizens addressed directly to *unique physically bureau* established at the local or central level.
- on-line delivery of documents and data, (possibly completing electronic forms available). In this situation, the citizens addressed to *unique virtual bureau* established and functioning on public institutions' web-site.

According to the Strategy for Strengthening Public Administration 2014-2020, that strategic priority is focused on three directions, namely: (a) de-bureaucratisation or reducing red tape for citizens; (b) reducing red tape for business environment; (c) de-bureaucratisation inter and

intra-institutional. For all of these, the public authorities take into considerations the following dimensions: (a) organizational; (b) procedural; (c) law-making; (d) financial and infrastructural. Over 27 years, Romania based on different schools of thought conducted several waves of public administration reforms for improving the efficiency and the quality of public service providing. However, the last Country Report issued by the European Commission (2016), pointed to particular challenges for Romania's economy the following one (among others), „*the effectiveness and efficiency of the public administration are limited and the business environment has hardly improved*”.

In this context, the current analysis following a comprehensive process of assessment of certain indicators for regulation, including bureaucratisation shows several efforts and results got by Romania after the public administration processes. In relation with citizens and business the status-quo on aspects regarding the procedures the paper emphasis a couple of changes. For instance, *paying taxes procedure* recorded few improvements in 2016 and 2015, although the changes made in 2011 and 2010 did it more difficult. The evolution of the main elements of this procedure is reflected by the below chart.

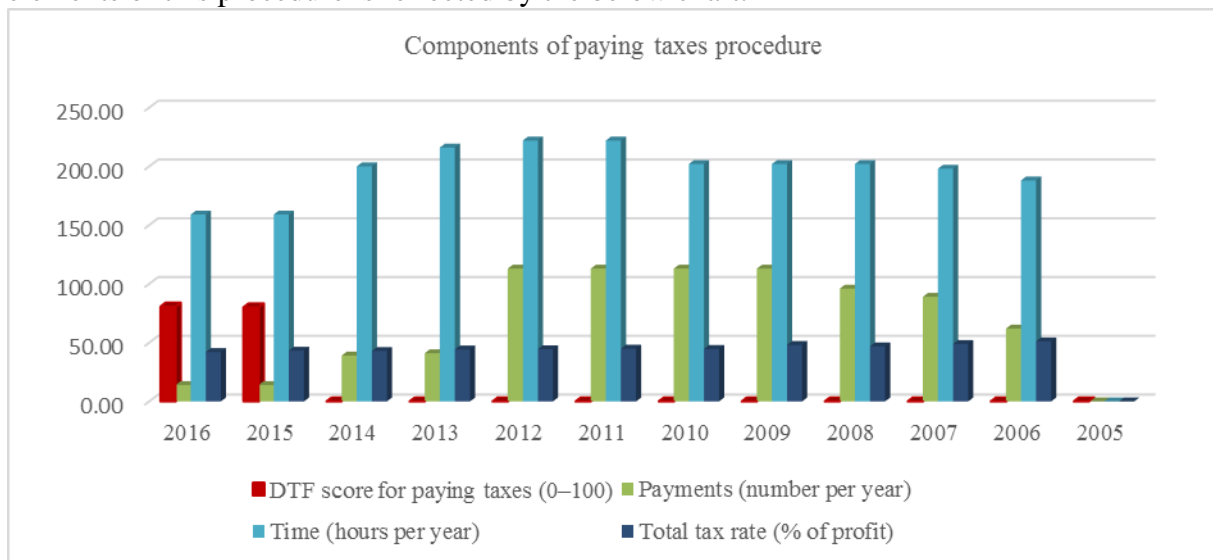


Chart 1: Components of paying taxes procedures (the author based on Doing Business Reports' data, 2005-2016)

Romania made paying taxes less costly for companies by reducing the rate for social security contributions and the rate for accident risk fund contributions paid by employers from 20.8% to 15.8% from October 1, 2014. The changes made since 2009 till 2012 (during the economic crisis) increased the payments to 113, while in 2006 were 62 payments. From 2013 the payments number decreased, at this time (2016) being only 14 payments. In Romania, it can use the internet for tax collection and payment - with the aim of reducing the scope for bureaucratic discretion and even corruption and increasing the tax system's transparency, efficiency and cost-effectiveness. In this field, the National Agency for Fiscal Administration has continued its reorganization process by rearranging large and medium taxpayers' portfolio, restructuring the large taxpayers' administration directorate, establishing medium taxpayers' administrations at regional level and establishing a directorate of enforcement for special cases. As a result of this extensive reorganisation process, the main tax administration indicators registered a real improvement in 2015.

Another procedure studied in this paper is *construction permits*. By law, construction works may be undertaken only after a building permit is issued by the relevant authority. Law no.50/1991 on authorizing the execution of construction and housing represents the legislative framework in this area. The building permit is issued for the implementation of construction works, reconstruction, consolidation, modification, extension, change of destination or rehabilitation of buildings of any kind, as well as the related facilities, except for certain works which do not alter the structure of resistance, baseline characteristics of the buildings or their architectural appearance, works that do not require a building permit.

The building permit is issued based on a documentation submitted to the competent authorities. Due to the many procedures the cutting red tape in construction permitting represents a milestone of the reform process. At the time being there are 15 procedures for getting a construction permit and it takes about 257 days. The below chart presents an evolution of the main components of construction procedure in Romania.

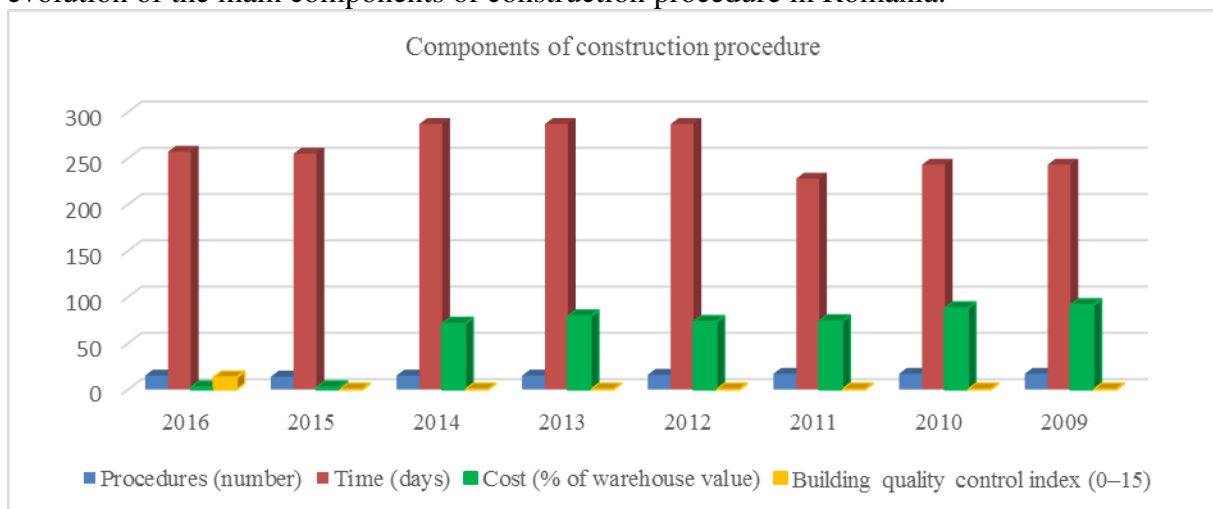


Chart 2: Components of construction procedures (the author based on *Doing Business Reports' data, 2005-2016*)

It can be remarked that the number of procedures decreased from 17 (2009 and 2010) to 15 in 2016. However, it is impressive that although in 2009 were 17 procedures and the time for getting construction permit was 243 days, respectively 228 days, while in 2011-2013 period when the number of procedures decreased to 15, the time increased to 287. Nowadays, an actor after filling a number of 15 procedures can get the construction permit in 257 days. Therefore, to sustain the public and private investments the Romanian government foresees the simplification of the procedures for obtaining the construction authorization as following:

- upgrading the systems already implemented through the projects Territorial Observatory and PICSUERD (Informatics Platform at national level for Communication for Implementing the European Union Strategy for Danube region) together with the subsequent collection and validation of spatial data aiming at developing gradually at national level the e-Government system for Planning and Construction Authorization;
- standardizing the data sets of the documentations for the Spatial and Urban Planning;
- drafting the Code for the Spatial and Urban Planning and Constructions and creating an application for accessing the legislation, technical regulations, and the approval and authorization flows as well (NRP, 2016).

Regarding the *electricity service*, the actors have to go through 8 procedures (2016), with one more than 2012-2015 period and to wait 182 days.

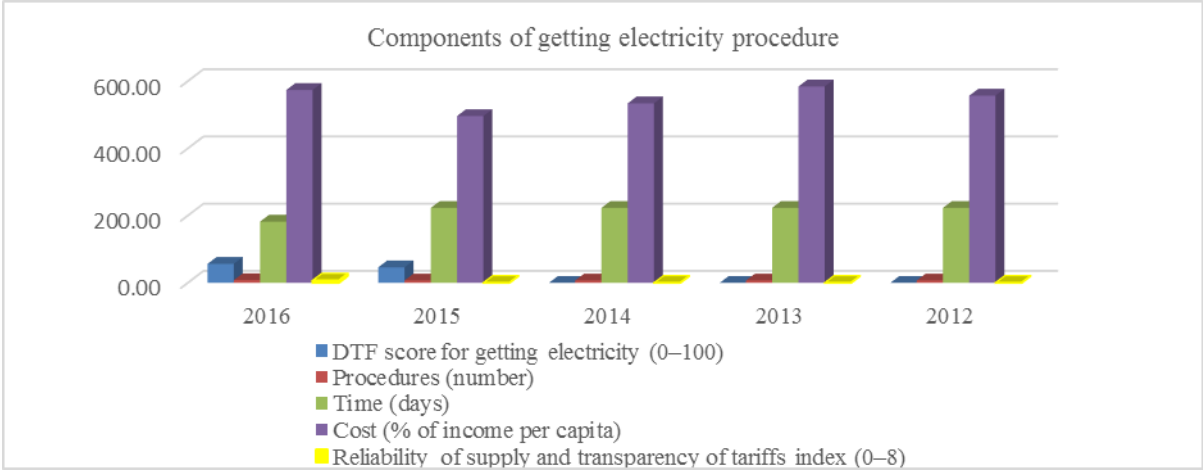


Chart 3: Components of getting electricity (the author based on Doing Business Reports' data, 2005-2016)

The progress made by Romania through the reform process carried out in this field consists on decreasing the number of days for getting electricity from 223 to 182.

In the field of *registering property*, Romania made significant progress in decreasing time (days) of processing application from 170 in 2005 to 19 in 2016. As part of the reform, from 2015 systematic registration of land in Romania is part of the National Program for Cadastre.

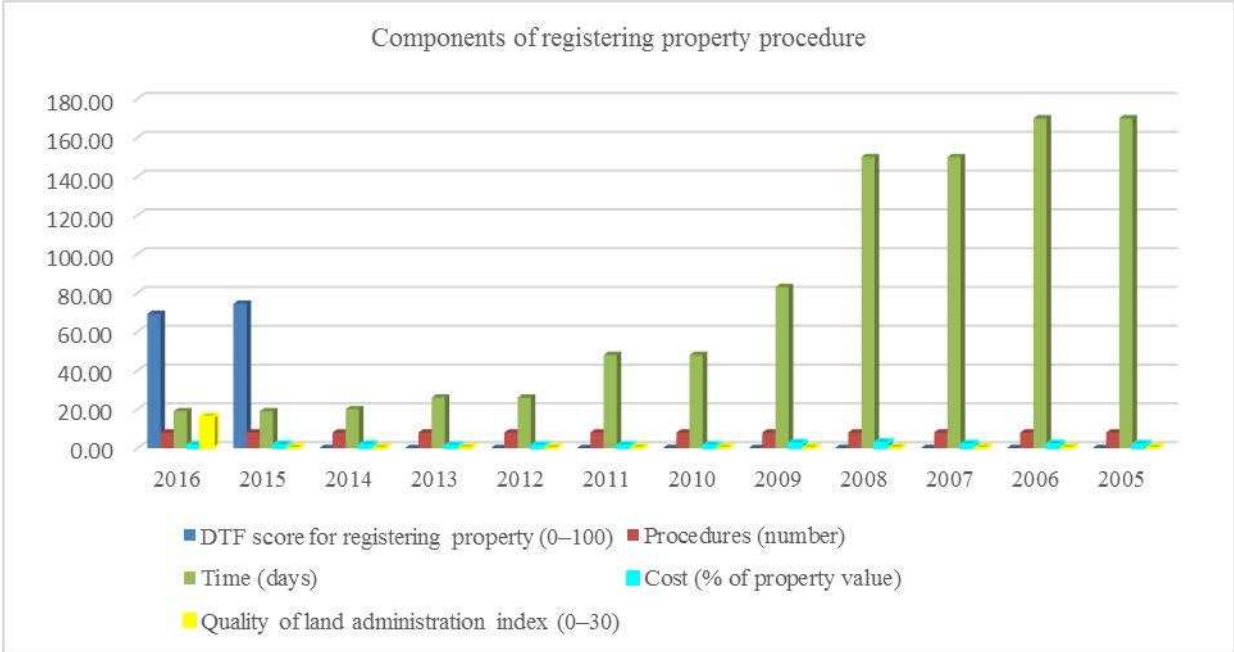


Chart 4: Components of registering property (the author based on Doing Business Reports' data, 2005-2016)

The Romanian Government is committed to create a favourable environment for public and private investment, within an extensive process of de-bureaucratization and simplification of the administrative procedures. By the end of 2020, to reduce the competitiveness gap against EU Member States, the Government assumed specific targets for the simplification/ optimization of the procedures that sustain the SMEs/enterprises along their lifecycle (NRP, 2016).

Since 2005, Romania give a special attention to business environment and several changes have been made for improving the procedures concerning doing a business.

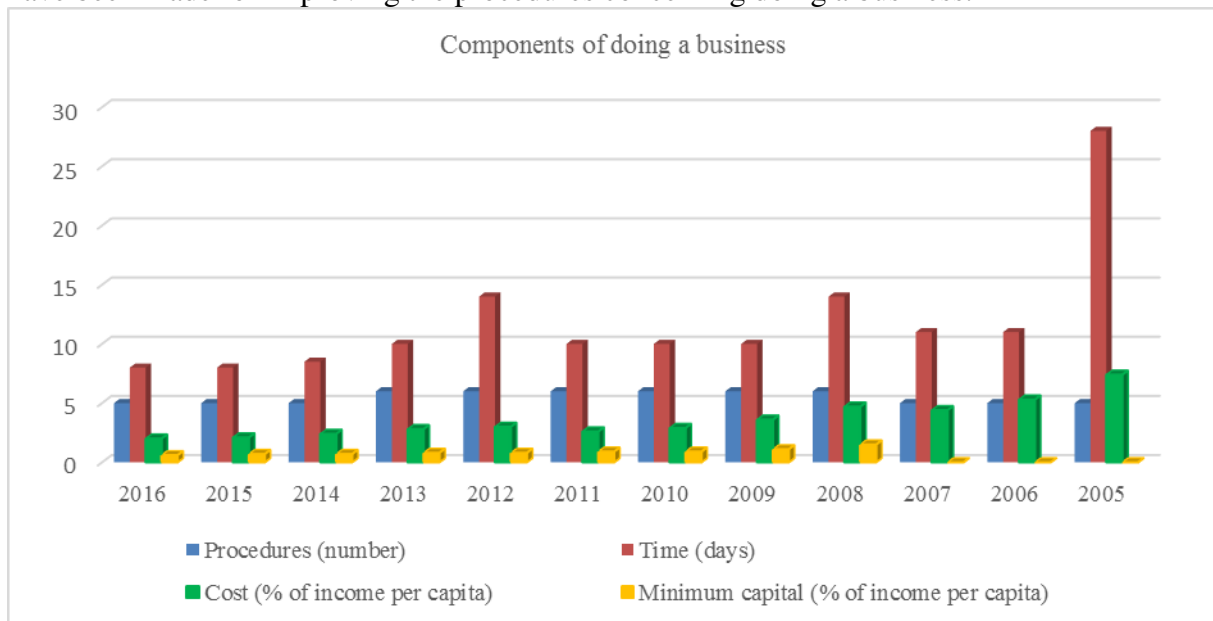


Chart 5: Components of doing a business (the author based on Doing Business Reports' data, 2005-2016)

Keeping almost the same number of procedures (5 procedures), Romania succeed to decreased the time from 28 days to 8 days. Romania made starting a business easier by transferring responsibility for issuing the headquarters clearance certificate from the Fiscal Administration Office to the Trade Registry. Reforms from Romania were inspired by competition, with entrepreneurs in an EU member country able to incorporate their company in any other one. Concerning the insolvency, starting 16 July 2015 the new provisions on improving and simplifying the procedures on the dissolution, liquidation and removal from the trade register are being applied. Romania improved its insolvency system by:

- introducing time limits for the observation period (during which a reorganization plan must be confirmed or a declaration of bankruptcy made) and for the implementation of the reorganization plan;
- introducing additional minimum voting requirements for the approval of the reorganization plan;
- clarifying rules on voidable transactions and on payment priority for claims of post-commencement creditors.

In 2015 the number of the insolvency proceeding openings registered into the register of the insolvency proceedings bulletin (IPB) significantly decreased, respectively by 50% over the previous year, and the interconnection with insolvency registers in seven EU Member States was achieved (NRP, 2016).

As regards reducing bureaucracy for citizens and business taking all of these into consideration, an integrated plan to simplify administrative procedures for citizens was approved by the National Committee for Coordinating and Implementing the Strategy for Strengthening Public Administration in March 2016.



## **2.2. D-BSP for inter and intra-institutions: status-quo and future approaches**

According to National Reform Programme 2016, the public administration reform focuses on three main pillars: (a) civil service reform, (b) central public administration reform and (c) local public administration reform. Concerning the second pillar, the aim is to increase the efficiency, performance and stability of the public policy framework and of fiscal-budgetary framework at central level, and to place the citizen at the centre of the public service delivery system, especially *by administrative simplification and reduction of bureaucracy*. In this context, two months ago, the Romanian Government adopted a series of measures for de-bureaucratisation through Emergency Ordinance no. 41/2016 on the establishment of certain measures for simplification at central public administration level and for amending and supplementing some normative acts.

Regarding the *de-bureaucratisation and simplification of the procedures inter and intra-institutions* the objectives are focused on (GD no. 909/2014): (a) simplifying inter and intra-institutional communication and collaborative procedures; (b) simplifying the procedure for public procurement; (c) simplifying the procedures relating to the implementation of projects financed from structural funds. Although it is a young project, de-bureaucratisation of public administration became representative for the current government. Among the initiatives proposed by this project are the following ones: (a) reducing the tracks (routes) and documents within the ministry and between the ministries; (b) developing the e-government services and strengthening a unique online office for the relationship between actors (individuals and business) and public institutions; (c) government cloud computing – creating a cloud infrastructure for public administration; (d) achieving the interoperability of informatics systems at national level for ensuring the interconnection of databases, so that civil servants can resolve as soon as possible the demands of actors (state intranet). Therefore, the personal data necessary for providing a public service that is collected, held or managed by another public authority or institution shall be taken directly to that authority if this has been explicitly requested by the beneficiary of public service, or if there is his express consent. For instance, the civil servants will not ask the citizen for criminal record, and they will obtain it from the Ministry of Interior. The certified copies for a number of items will be removed. The certification will be made by the civil servants who request these documents according to the original (GEO no. 41/2016).

The main strength of the de-bureaucratisation project is that a part of the measures comes from citizens and companies after a consultation process launched through the [www.maisimplu.gov.ro](http://www.maisimplu.gov.ro) web site in February 2016. Through this mechanism the government received 3300 proposals from 32000 persons. At the base of this project are the following principles: (a) simplification, (b) integration, (c) transparency and (d) digitization.

## **4 CONSLUSION**

Generally speaking, the post - NPM represents a new era of administrative reforms replacing the former reforms of NPM. New Public Management reforms are chiefly about structural devolution, horizontal specialization, market and management principles and efficiency, while post-NPM focuses more on central capacity and control, coordination within and between sectors, and value-based management (Christensen, Læg Reid 2007, Pollitt, Bouckaert 2004). At the time being the bureaucratic cost for citizens is 3 billion Euro, and the administrative burden for business environment also, approximately 3 billion Euro (Ministry of Economy, Trade and Business Environment Relationship, 2016). Between 2005 and 2016, according to

the global rankings for doing business, Romania recorded the following rank for different indicators (see the below chart).

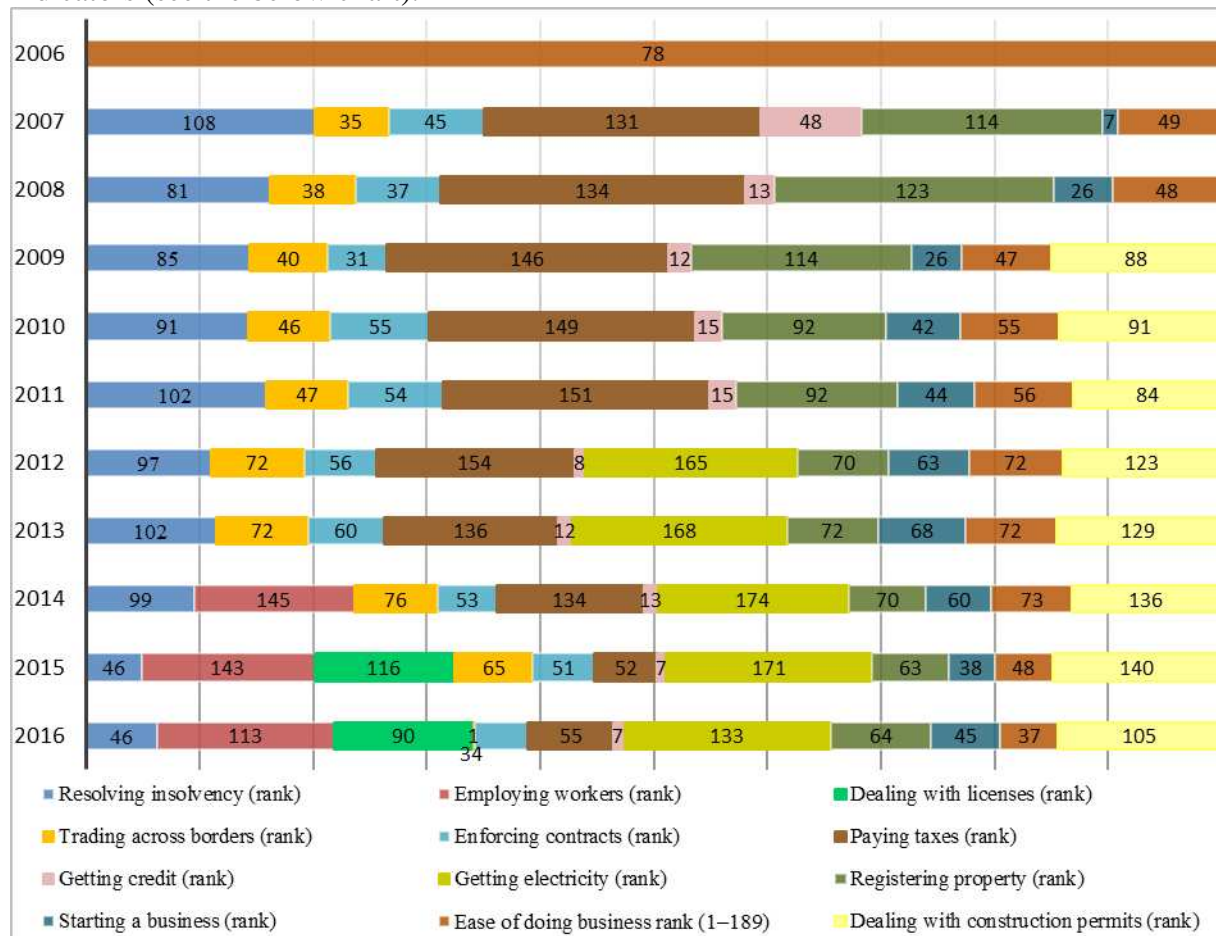


Chart 6: Ranks for different indicators for doing business in Romania (the author based on Doing Business Reports' data, 2005-2016)

The main goal of post-NPM reforms has been to gradually counteract the disintegration or fragmentation brought about under NPM and to restore public-sector organizations to a situation of greater integration and coordination (Christensen, Lægheid 2007). In this context, Romania started a new process for reforming public administration through be-bureaucratisation and citizens-oriented.

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