

## REFORMA ADMINISTRAȚIEI PUBLICE: O PERSPECTIVĂ MANAGERIALĂ

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*Reforma administrației publice este adesea concepută și pusă în aplicare de potențiali reformatori cu abordări de perspectivă, care variază de la dreptul public la științe politice și la discipline sectoriale (asistență socială, sănătate, educație, arte și cultură etc.). Valoarea viziunilor oferite de aceste perspective trebuie, fără îndoială, să fie recunoscută, Totuși, pentru ca reformele să își atingă obiectivele vizate, acestea ar trebui să se bazeze pe managementul public, adică singura disciplină care pune în centrul preocupărilor sale îmbunătățirea performanței organizațiilor din sectorul public. Prezentul articol subliniază principiile-cheie ale managementului public, explică rolul acestuia în lansarea schimbărilor eficiente și discută despre importanța promovării abilităților de management public în rândul funcționarilor publici.*

**Cuvinte-cheie:** administrație publică, gestiune, management public, funcționar public, performanță, reformă.

### PUBLIC ADMINISTRATION REFORM: A MANAGERIAL PERSPECTIVE

*The reform of public administration is often designed and implemented by would-be reformers rooted in perspectives ranging from public law to political science to sectoral disciplines (social work, health, education, arts and culture, etc.). The value of the insights provided by these perspectives must undoubtedly be acknowledged; for reforms to deliver on their intended goals, though, they should rely on public management, i.e. the only discipline that puts improving the performance of public sector organizations at the centre of its concerns. This article outlines the key tenets of public management, explains its role in rolling out effective change and discusses the importance of fostering public management skills among civil servants.*

**Keywords:** public administration, public management, public servant, performance, reform.

### RÉFORME DE L'ADMINISTRATION PUBLIQUE: UNE PERSPECTIVE MANAGÉRIALE

*La réforme de l'administration publique est souvent conçue et mise en œuvre par des réformateurs potentiels avec des approches prospectives allant du droit public aux sciences politiques et aux disciplines sectorielles (aide sociale, santé, éducation, arts et culture, etc.). La valeur des visions offertes par ces perspectives doit sans aucun doute être reconnue, cependant, pour que les réformes atteignent leurs objectifs, elles doivent reposer sur la gestion publique, c'est-à-dire la seule discipline qui place au cœur de ses préoccupations l'amélioration de la performance des organisations du secteur*

*public. Cet article décrit les principes clés de la gestion publique, explique son rôle dans le lancement d'un changement efficace et discute de l'importance de promouvoir les compétences en gestion publique chez les fonctionnaires publics.*

**Mots-clés:** *administration publique, gestion publique, fonctionnaire public, performance, réforme.*

## РЕФОРМА ГОСУДАРСТВЕННОГО УПРАВЛЕНИЯ: УПРАВЛЕНЧЕСКАЯ ПЕРСПЕКТИВА

*Реформа государственного управления часто разрабатывается и осуществляется потенциальными реформаторами, чьи взгляды варьируются от публичного права до политологии и отраслевых дисциплин (социальная работа, здравоохранение, образование, искусство и культура и т. д.). Ценность видения, предлагаемого этими перспективами, несомненно, должна быть признана. Однако, для того чтобы реформы достигли намеченных целей, они должны быть основаны на государственном управлении, то есть единственной дисциплине, которая ставит во главу угла своих интересов улучшение деятельности организаций общественного сектора. В данной статье излагаются ключевые принципы государственного управления, объясняется его роль в обеспечении эффективных изменений и обсуждается важность развития навыков государственного управления среди государственных служащих.*

**Ключевые слова:** *публичная администрация, государственное управление, государственный служащий, результативность, реформа.*

### Introduction

Public administration reform is not a simple exercise, as empirical evidence has clearly shown: it requires careful planning and sustained efforts, but rarely seems to lead to the results hoped for. Most countries are currently engaged in this venture, though, because of growing dissatisfaction among the public towards the perceived imbalance between the resources required from taxpayers and the standard of goods and services (in both quantity and quality) that public sector institutions manage to deliver.

The key point I am willing to make in this paper is that good laws and good policies are certainly important (if we agree on what a «good» law and a «good» policy are), but they are not enough. There is a need to consider what policy analysts usually call “implementation”, and I would rather call “management”. In this article I will first clarify what I mean by “public management”; then I will address the features of the transition that governmental bodies are going through; and eventually I will discuss «what it takes» to get through this difficult transition,

highlighting the role educational institutions can play in this process.

### What is this thing called “public management”?

First, what do I mean by “public management”? The term can be ambiguous, so let me start by ruling out what I am *not* talking about. I am not talking about the steering of macro-economic performances in a given country, from the perspective an economist would take. I am not talking about the processes of consensus-building and decision-making at the political level, from the perspective a political scientist would take. Nor I am talking about the design and enforcement of rules, from the perspective a law scholar would take. The “State” (I will explain these quotes in a while) can be a relevant subject of inquiry for many different disciplines: each of them provides different insights, because of different emphasis on different facets of the subject under analysis, and because of the use of different analytical tools by researchers with different backgrounds.

The perspective I stick to is micro-organizational, or “managerial” as I prefer to label it. For this

reason, I would rather use the term “public sector organizations” instead of “the State”, since the latter implies an all-encompassing, homogeneous monolith which is not there [4, pp. 15-19]. When I say “public management” I am talking about the management of resources to achieve given results in the public interest. This is a relatively new field; or, maybe, a new perspective on an old area of inquiry. A few more explanations about this concept, therefore, are most probably needed.

I will not try to come to terms with the tough challenge of trying to define the management process. For the sake of simplicity, I will take for granted that we all share a common view of what management is. It is a strong assumption, though; so let me at least suggest that we keep in the back of our minds the perspective suggested by Fayol (1916) [7, p. 144], which subsumes under the concept of “management” the activities of planning, organizing, commanding, coordinating and controlling; and that we do not disregard the warning by authors such as Lindblom (1959) [11, pp. 81-85] and Minzberg (1975; 1996) [14, p. 324; 15, pp. 255-258], who remind us that management, in practice, and all the more so in public sector organizations, is far from being the rational and transparent activity described by many textbooks.

I will not either spend too long explaining what I mean by “resources”, but simply highlight that I am not referring only to tangible ones, but to intangibles as well [9, pp. 477-481]. They are important in all service organizations, but even more in the public sector. Let us think about key variables such as knowledge, power, credibility, motivation, and capacity to attract voluntary work. They often allow governmental entities to achieve results without any use of tangible resources: suffice it to mention the impact of the so-called “announcement effect” on business firms’ decisions.

A more important question is *who* is involved in the process. Who is in charge of managing public

sector organizations? Is it a matter of concern for politicians, or rather for bureaucrats? Should we address the elected representatives of the population, or the appointed administrative staff? Starting at least from Wilson’s well-known article on “The Study of Administration” (1887) [22, p. 178], it is all too often assumed that a sharp distinction can, or at least should be drawn between their functions and their responsibilities: politicians should set the goals, and civil servants should pursue them. In practice, though, such rationalistic assumption must be done away with, together with the pointless attempts to better define who should be in charge of what, which overlook entirely all the evidence produced by what goes under the broad label of “agency theory”. On the one hand, the goal-setting process, which is clearly a prerogative of politicians (the principal), cannot but be based on the information provided by the administrative staff (the agent), and must always consider all implementation problems which could make it impossible to translate plans into practice. On the other hand, the effort to reach the objectives set by politicians entails decisions which do impact the community in one way or another, and therefore do have political relevance. Public management, therefore, is a complex activity cutting across the hazy boundary between politicians and bureaucrats, and involves both.

One more question is *where* public management takes place. Some authors, especially those with a managerial background, emphasize the intra-organizational dimension of the process; others, especially those with a political science background, tend to give more importance to inter-organizational dynamics. In the approach I am describing, both are equally relevant. The importance of internal management processes cannot be underestimated: looking at public sector organizations as *black boxes* makes it often impossible to understand the reason for their successes and their failures. On the other hand,

inter-organizational relationships have always been a crucial determinant for effectiveness in the public sector, long before management scholars started debating the importance of networks, constellations, and territorial districts, foreseeing the declining role of organizational borders and finding out that the relative size of firms is not a good measure by which to predict their performance. Inter-organizational relationships are even more important at a time when governmental agencies are kept accountable by the community for the satisfaction of needs but are pressured to entrust the production of products and services to other institutions outside the public sector [10, pp. 111-115].

The most important point, though, is also the one which is least well-defined. What do we mean by “public interest”? Many management scholars, belonging to different schools of thought, highlighted that the objectives of *the firm* cannot be expressed only in terms of profits [3, p. 97; 1, pp. 502-505; 6, p. 399]; on the other hand, it cannot be denied that such a quantitative yardstick makes it much easier to assess performance. The fact that the goal of public sector organizations is to serve the public interest does not provide managers with the same *rules of thumb* which can be found in the private sector. According to the wide selection of political science literature devoted to this issue, two definitions of public interest are available. The first is “institutional”, i.e., based on the nature of the organization(s) involved: public interest is defined as what public organizations pursue. The second is “functional”, i.e., based on the nature of the goals pursued: public interest is that which is pursued to satisfy the needs of the community, going beyond the immediate stakeholders of a given institution. Ultimately, both definitions are tautological, thus providing no real insights into the issue. Another approach tries to throw some light on the relationship between private and public interests. Here, again, two definitions are

available. According to the first one, public interest coincides with that part of individual interest shared by all the members of a given community; according to the second one, public interest is defined as that which is supported by most members, provided that adequate guarantees are in place to protect the interests of minorities. Both approaches make sense, both have significant drawbacks, both are difficult to define in more operational terms: for politicians, and even more for bureaucrats [17, pp. 366-369].

### **Coping with transition(s)**

Let me now pass on to the second key word of my presentation. Public management today is in a process of transition. The transition I am referring to is not the transition from a centrally planned economy to a market economy: although many countries are still dealing with its consequences, this transition, by and large, has already been completed (World Bank, 1996). An Italian writer, Ennio Flaiano, once commented: «We are living in a time of transition. As it is always the case» (“*Viviamo in un periodo di transizione. Come sempre, del resto*”). This seems to be always the case today; far from getting to what Fukuyama (1992) [8, pp. 287-292] labelled “the end of history”, the world seems to face even more turbulence and uncertainty since the collapse of the Berlin Wall.

Inside public sector organizations, though, a crucial transition has still to be accomplished; and the Republic of Moldova is far from being alone in this venture. It is a transition in emphasis from outputs to outcomes, from a result expressed in terms of the quantity of products and services delivered to a rationale for governmental action identified in the capacity to steer a community to achieve higher levels of overall performance.

Reliable ways to achieve this transition without backfiring still must be spelled out, but the growing importance of this issue can easily be detected. Think

about the new roles attributed around the world to local governments, and the powers they are endowed with to satisfy the preferences of their constituencies. Think about the trend towards the break-up and the privatization of monopolies, the setting up of regulatory agencies, and the importance attached to competition laws. More broadly, think about the emphasis on economic development to be secured by the state: no longer on the bases of *pyatiletki* (we should not forget that also many Western European countries, including Italy, had them), but via market-based incentives.

In many areas the responsibility to satisfy the needs of the community is still clearly in the hands of the public sector, which is thus held accountable in case of poor performance. The “production function”, the way in which resources are combined to guarantee the products and services meant to satisfy those needs, though, is not the same: direct provision by public sector organizations proved to be too costly, or no longer politically palatable. In a growing number of cases, production is now entrusted to business enterprises, or to not-for-profit organizations; guidance towards the pursuit of public interest is provided by the state either via the financing of production (“contracting out”) or via its regulation, both direct, i.e., through obligations and prohibitions, and indirect, i.e., through incentives and disincentives [21, p.144; 24, pp. 337-341].

One of the features of the globalization of economies is the fact that many countries (and both the Republic of Moldova and Italy are likely to be included in the list) seem to be shifting somehow towards the American model, where the state tries to guarantee the satisfaction of the public interest by relying heavily on the virtues of the market [19, pp. 243-246]. It remains to be ascertained whether, and to what extent, this shift is coherent with the societal structure of Europe, and with the pre-eminence historically acknowledged to communal

values over individualism, to the *Gemeinschaft* over the *Gesellschaft*. But there are few doubts about the fact that the shift *is* under way [18, p. 98; 12, pp. 233-236], notwithstanding the fact that the countries which pioneered this approach already acknowledged its drawbacks and are now dismantling market-based mechanisms.

Within governmental agencies, though, there is often a different kind of transition going on. To put it simply, we can focus first on organizational structures. Public sector organizations are still modelled according to the bureaucratic principles which allowed them to achieve their historical responsibilities, namely defending basic rights and providing public goods. For our own convenience, let me call these “first generation” needs. At a later stage, further needs emerged, especially for products and services which could not be considered public goods in the technical sense of the word, but had some features which made it impossible for the private sector to produce them effectively, such as information asymmetries, positive or negative externalities, or incomplete markets [20, pp. 447-452]. When the satisfaction of these “second generation” needs was added to the list of governmental responsibilities, resources were thought to be available in abundance: not only in the Socialist bloc, where public consumption had obvious preference over private consumption, but also in the West, where the faith in Keynesian policies implied a large reliance on deficit spending.

If tight budgetary constraints are not there, there is no real need to go through the pain of radical changes in organizational structures. The same is true for management patterns, such as hiring practices, compensation schemes or modes of accountability, which have an even stronger potential to influence the effectiveness of the activities performed by public sector organizations. The stability over time which followed makes the current transition even

harder: the administrative machinery is by and large still geared to provide “first generation” goods, but the public opinion is now putting pressure on both politicians and top-level administrators for governmental agencies to satisfy “third generation” needs, i.e., to steer the community to the achievement of higher levels of overall performance [5, pp. 502-508].

Let me explain this point with a practical example. Urban traffic is clearly an emerging issue in the Republic of Moldova, as it is already in many other countries, and it is also an area where the responsibility lies firmly with public sector organizations. How can municipalities protect the community from the negative consequences of the freedom for everybody to own and use a car? There is more at stake than introducing some traffic restrictions, building bicycle lanes, and deciding the level of fines, the staffing of the Police Department, the frequencies of bus connections, the number of traffic lights, or the level of investment in road maintenance. To deal effectively with this issue, municipalities must influence the behaviour of actual and potential car users, through processes such as:

- ✓ advertising the healthy consequences of regular walking and cycling;
- ✓ raising road tolls, oil taxes or VAT on cars;
- ✓ establishing standards for private taxi services;
- ✓ introducing incentives for car pooling;
- ✓ designing zoning regulations, in order to drive decisions by developers;
- ✓ ensuring coordination among different modes of transportation, so as not to discourage commuters to use public transit;
- ✓ influencing the timing of different services, such as schools or garbage collection, or the time slot in which trucks are allowed to resupply retailers;
- ✓ setting transit fares suitable to stimulate both usage and an even distribution of passengers

throughout the day, for instance through peak-load pricing.

Major trade-offs must often be faced in this respect, not only between conflicting objectives, but also between the short and the long term: for instance, should we increase or restrict the availability of parking lots? The overall target appears even more complex to reach, if only we consider that at the same time a Municipality must also ensure high safety standards on the road, safeguard the natural environment, provide stimuli to economic development, minimize the overall burden on taxpayers, and keep the consensus of its constituency.

### **The challenges ahead**

What it takes for the Moldovan public sector to accomplish these new transitions with the same degree of depth as the political and economic transition the whole country went through during the Nineties? Also in the case at hand the problems to be addressed are multifaceted and interrelated, and thus there cannot be a quick fix. The enactment (and the actual enforcement) of new laws is certainly a prerequisite; but it is not the only one. The point I want to make here is that the Republic of Moldova should not «simply» aim to get the *acquis communautaire*.

I am aware of the significant efforts being made in this direction; but meeting the formal requirements for accession to the European Union is not enough; or, to put it in a less provocative way, should not be the only, overarching objective. Niccolò Machiavelli, who did provide a few thoughtful insights on how to run a state, in Chapter Six of his most famous book suggests that the Prince should always set to himself very ambitious targets: “like wise archers, who aim much higher than their target, not to get with their arrows to that extent, but to reach the result they set to themselves” (“*come li arcieri prudenti, a’ quali (...) pongono la mira assai più alta che il loco*

*destinato, non per aggiugnere con la loro freccia a tanta altezza, ma per potere (...) pervenire al disegno loro”*) [13, pp. 122-127].

The ambitious target I am referring to is the development of a new management culture, suitable to meet the challenge of the transitions I highlighted above. There is no doubt that new “rules of the game” will be required for the functioning of the Civil Service: but, at the end of the day, they are a consequence, not a prerequisite of a new management culture.

The development of a new culture does not take place in a vacuum, though. It is a complex process entailing the establishment and the diffusion of new knowledge, new skills, new attitudes, suitable to deal effectively with the new environment emerging from the transition I described in § 2. The emphasis, in this perspective, should not be on rules, but rather on people. I am not alone in making this point: as *Reichkanzler* Otto von Bismarck once said, “*Bei schlechten Gesetzen, mit guten Beamten läßt sich immer noch regieren; bei schlechten Beamten, helfen die besten Gesetzen nicht*”.

The key question, thus, is how to develop this new generation of *guten Beamten*, endowed with the knowledge, skills and attitudes required for them to succeed in the public sector institutions of the new millennium. The most important actor, in this respect, is the Civil Service itself. From the points I made so far, it should be clear that the challenges ahead for public sector organizations are different from the ones business firms will have to face; therefore, the new management culture we are talking about cannot be simply borrowed from the private sector [16, pp. 364-370]. There is a need for the Civil Service to engage in the trial-and-error process which will eventually lead to the development of new, evidence-based management tools and management culture, specific to the public sector [2, pp. 149-152].

## Conclusions

The Civil Service, though, cannot and should not be alone in the venture of developing these new tools and this new culture. Educational institutions have a crucial role to play, at least in three respects:

✓ by engaging in both basic and applied research about public management issues, in order to collect and compare empirical evidence, come up with new interpretive paradigms and check their reliability in practice;

✓ by providing educational programmes to the future generations of both public and private managers, in order to make them aware of the importance of an effective interaction between the two spheres of the economy;

✓ by offering training programmes to those who are now holding managerial posts in the public sector, to facilitate the exchange and the diffusion of the knowledge, the skills and the attitudes needed to run effectively the organizations entrusted to their responsibility.

These areas of activity are mutually reinforcing, so that it makes good sense to develop a commitment towards all three of them together. First and foremost, though, assisting the Civil Service in the development of a new public management culture is a matter of social responsibility; or better again, of good «institutional citizenship» of the educational institutions we belong to.

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## A DECALOGUE FOR THE DEVELOPMENT OF PUBLIC MANAGEMENT STUDIES

Public management as a field of study has been developed in Italy since 1970 on the basis of the following guiding principles:

1. Economic rationality is only one of the factors influencing individual and organizational behaviour; its importance, though, is growing because the gap between available resources and needs to be satisfied seems to be widening.

2. Economic rationality should be applied both to the processes of «wealth production» (typically taking place in business enterprises) and to the processes of «wealth consumption», i.e., the use of resources to satisfy needs (typically taking place in families and public sector organizations).

3. The principles of economic rationality are universal but translate into different techniques depending on whether they are applied in a market or in an institutional environment. Since some goods cannot be provided by the market, a new management culture must be developed for public sector organizations. This new culture should be based on common grounds, but develop its own toolbox, suitable for the setting where activities take place.

4. Public management should not be mistaken with the political organization of the State. Two separate processes give legitimacy to power: the former is connected to professional skills, and especially to the ability to use resources effectively; the latter is connected to the type of State (political processes and social consensus). It is necessary that the two processes be autonomous, so that they can interact, but remain separately identifiable.

5. Efficiency is not an alternate criterion to equity and social responsibility; rather it is instrumental to the achievement of the goals of public policies.

Higher levels of efficiency allow to pursue higher levels of social welfare, as they are specified by each country through its own political processes.

6. Change in public institutions cannot be achieved by transferring any management «model», but rather by triggering complex processes which lead to the establishment of management «systems» guided by new principles and translated into new behavioural patterns<sup>1</sup>.

7. To foster change, it is necessary to encourage the development of new knowledge (both technical and organizational) and new skills (both operational and decisional), and then act on people by creating a proactive attitude toward improvement.

8. The effectiveness of public actions does not depend only on the quality of the processes through which policies are designed; the way in which they are implemented also plays a key role in determining whether actual needs are satisfied or not, and at what cost.

9. The best policies are not those which are rational in abstract terms, but those coherent with existing technical, social, financial conditions and, above all, with the quality of the personnel available in the institutions in charge for their implementation.

10. The public sector is not a unitary system that can be governed with bureaucratic rules, but rather a system of institutions relatively autonomous in their organizational choices, although accountable for the relationship between the results they obtain (in terms of impact on the needs they are expected to satisfy) and the resources they use for this purpose.

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<sup>1</sup> “Models” are intended here as sets of rules which are abstract and simplified in respect to reality; “systems” as sets of rules which are put into practice considering culture, history, values, and behaviours.