

## RODUCTION (VERY SHORT INTRODUCTIONS)

the country's distressed industrial sector.

Additionally, this reform initiative would feature a bold deregulation and privatization drive that would contribute to dramatic changes to the country's 'Government Business Enterprise' (GBE) sector.

In the mid-1980s a new framework was introduced by the Financial Management Improvement Programme (FMIP), which 'institutionalized' key components of the NPM in Australia's public sector. Designed to address 'gross' systemic inefficiencies embedded in the procedural operations across a number of APS agencies, the FMIP was a comprehensive strategic management programme that adopted 'results-based' principles to improve organizational performance. Under these provisions, public managers were now 'incentivized' to adopt new measures that would streamline

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governing fiscal management proved unable to provide Australian leaders with satisfactory solutions to their country's deepening economic crisis. As a former trade union leader, prime minister Hawke was under intense political pressure to provide relief and assurance to his workers. Under the leadership of Hawke's treasury minister, Paul Keating, a select cadre of technically skilled civil administrators, known as mandarins, were solicited to help craft a neoliberal macroeconomic policy package. Among its important features were the introduction of a business-friendly tax system and a series of public spending cuts in an effort to tackle inflation and government debt. The pragmatic prime minister also reached across ideological lines to both labour unions and private businesses, asking for help in implementing a host of key NPM reforms to address steadily declining rates of productivity in

play a significant role in Australia's economy. Public utilities, for example, such as rail, electricity, gas, and water, collectively represent nearly 5 per cent of the country's productive wealth. Equally impressive is that GBEs, as a whole, contribute almost 40 per cent to the country's private business sector stock. Providing essential services ranging from telecommunications to hydroelectric power, some of Australia's leading GBEs include such well-known service giants as Telstra Telecom and Snowy Mountains Hydroelectric Authority. Keating adopted private sector customer service methods, such as 'commercialization', in order to improve service delivery. The next level in the NPM reform process was known as 'corporatization', in which government authorities gradually relinquished operational control of certain GBEs to private managers. The final phase of the NPM evolution involved 'privatization', in which GBEs were sold

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operational process in areas ranging from organizational planning and budget forecasting all the way to programme implementation and evaluation.

A number of APS reforms were specifically aimed at improving the administrative coordination between national and state governments. As part of this effort, greater administrative discretion and accountability involved with implementation was devolved to subnational authorities. A number of high profile NPM initiatives were undertaken in areas ranging from financial and human resource management to privatization of the GBEs. Once in power, Keating adopted a comprehensive NPM programme aimed at restructuring his country's antiquated regulatory policies governing GBEs so that they could compete globally. Contributing more than 10 per cent to the nation's GDP, GBEs

## **The second NPM wave**

A 'second wave' of the NPM was most notably associated with the policy agendas of America's Bill Clinton and Britain's Tony Blair. Their neoliberal agendas adopted many of the same principles of the Reagan and Thatcher period but included several social justice based initiatives including comprehensive welfare-to-work reform strategies, new minimum wage policies, and the expansion of tax relief schemes for the working poor and their families.

Immediately upon assuming power in January 1993, American president Bill Clinton announced his administration's firm commitment to fiscal stability. Ever conscious of the pressures that

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**into private hands. Well-known examples include international corporate brands such as Qantas Airlines and Commonwealth Bank.**

The NPM reforms that were attempted by the various Australian governments did not sufficiently address deep structural problems that had long been engrained in Australia's public sector. Critics charged that the APS's FMIP reform framework did not go far enough and amounted to little more than a 'repository for a series of unconnected management ideas' and processes. The APS system needed to be completely overhauled in ways that would genuinely integrate the disparate managerial functions at both the federal and subnational levels in order to improve inter-agency coordination.

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The Clinton administration's National Partnership for Reinventing Government included the implementation of National Performance Reviews, which were employed to reduce government waste and promote administrative efficiency and ensure greater bureaucratic accountability. In much the same way, the Blair government adopted Comprehensive Spending Reviews as well as Public Service Agreements to promote greater coordination among the Treasury and various spending departments of the cabinet in an effort to find the most efficient use of resources. In addition, both governments adopted comprehensive budget strategies that outlined long-term spending targets.

Successful implementation of the second wave of NPM policies would require heavy levels of coordination and interaction among various agencies and actors operating within the discrete

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uncontrolled public spending could place on rising inflation, the new president outlined definitive budgetary limits on government department expenditures. To meet these targets, the Clinton administration sought new ways of creating a 'leaner' and more efficient public sector. As a result, the moderate-left president adopted an NPM agenda known as 'Reinventing Government'. The leading proponents of this approach, Ted Gaebler and David Osborne, sought to promote a new kind of 'catalytic government', in which public officials should 'steer' policy agendas, but a variety of public and private agencies would be involved in the actual 'rowing', or day-to-day implementation and delivery of public services and programmes. Gaebler and Osborne's ten principles of 'catalytic government' emphasized a competitive, results-oriented, public administration system.