

## **New Public Management: The Level of Preparedness and Implementation - A Study based on the Sri Lankan Context**

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### **Abstract**

NPM initiatives are recognized essential components of an effective public sector. Accordingly, in Sri Lanka different elected governments have taken varied steps to formulate the background for and implementing NPM reforms in public sector agencies. The objective of the study is therefore, to analyze the level of preparedness for NPM initiatives in Sri Lanka in terms of legal provisions, organizational capacity, human resource development, information and communication technology and political backup. The methodology adopted is primarily qualitative.

The study found that the quality of public services in Sri Lanka is gradually deteriorating, particularly due to the free-rider problem despite its preparedness towards NPM. Hence, market mechanism is recommended to be the most potential solution for the problem of free riders. Similarly, decentralization - a widely recognized element of the agenda on NPM - is advocated to be an effective means of empowering the poor.

**Keywords:** citizen participation; decentralization; market orientation; new public management; outsourcing

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## Introduction

Having been characterized by a relatively large public sector instigated by the colonial rule, today Sri Lanka is well-known for her role as a welfare state. Conversely, the country experiences much vulnerability in terms of economic indicators which remain relatively stable through post-independent history. Not surprisingly, the role of state became an issue of debate in the late 20<sup>th</sup> century advocating its retrenchment bolstered by right-wing liberal ideas. Resultantly, Sri Lanka embarked on an extensive economic liberalization process in 1977 becoming the pioneer in the whole of South Asia. According to Fukuyama (2004), it is merely the change of role of state by cutting back in certain areas and strengthening in others. The missing dimension was that proper attention was not given for state-building agenda which resulted in failure of liberalizing economic reforms basically due to lack of proper institutional framework.

Since the early 1950s, the country's ratio of public expenditure to GDP (Gross Domestic Product) is steadily on the increase, being largely attributed to debt servicing, welfare spending and capital expenditure of the state. For instance, the ratio of public expenditure to GDP rose from 22.5 per cent in the period 1951-1955 to 37.5 per cent thirty years later (Hulme and Sanderatne, 1996:5). However, on the other hand, among 179 countries, Sri Lanka was ranked 94 in Corruption Perception Index [CPI] with an index of 3.2 (Transparency International, 2007). Since the late 1970s, in an attempt to address [these] critical problems..., Sri Lanka has experienced much public sector reform (Samaratunge and Bennington, 2002:91), which indeed has become an international phenomenon. As part of these reforms, a paradigm of public sector management known as new public management (NPM) has emerged in OECD [Organization for Economic Co-operation and Development] countries and elsewhere (Hughes, 1998; Osborne & Gaebler, 1993; Pollitt, 1995; cited in Samaratunge and Bennington, 2002:87). Similarly, Sri Lanka too has taken necessary initiatives to introduce NPM to the government sector with the hope of enhancing and streamlining the sector for better outcomes.

It is argued that there is strong connection between building a proper institutional framework and NPM based reforms in which the institutional framework of the government represents minimal size and strength ensuring an efficient, effective and corruption free public sector. However, issues exist with regard to the applicability of Western-born NPM reforms in the developing world arising from cultural disparities between the latter and that of the Western world. But, there are stories of success as well. For instance, Total Quality Management (TQM) and managerialism approach adopted by Malaysia and Hong Kong, respectively, just to name two stories of success (see Hughes, 1998). Thus, there is some sense that the new managerial approach has some potential to replace traditional administration even in developing countries (Hughes, 1998:219) including Sri Lanka, regardless the issues of implementation which are largely context-specific. For decades bearing the burden of a relatively large yet unproductive public sector it is advisable for Sri Lanka to *make an effort* towards NPM, which, on one hand has the leverage over traditional public administration, while on the other hand devoid of any potential replacement, thus-far.

## Research Objective and Methodology

The objective of this paper is to analyze the level of preparedness for NPM initiatives in Sri Lanka in terms of legal provisions, organizational capacity, human resources development, information and communication technology and political backup, which are significantly evident in the current system of public administration. The methodology adopted to realize the objective is primarily qualitative. However, in data analysis, simple descriptive statistics were utilized. As the source of primary data, a representative sample of 25 high ranked bureaucrats at ministerial level was interviewed, who shared the experience of both paradigms; traditional public administration and the NPM. The interviews were conducted based on a structured questionnaire containing both open-ended and closed-ended questions with a focus on more precise and specific answers. As a supplementary source, secondary data and information have also been utilized in the study.

## Theoretical Background

Different paradigms are found to have impacted on Asian institutional reforms. Two notable ones are the “new public management” (NPM) and “good governance” models. NPM represents a critique of the traditional model of public administration based on state bureaucracy and of the general failure of government – expressed as an unresponsive but invasive state, overextended state, or private interest state captured by privileged groups (Cheung, 2005:258-259). Equally, the wave of public sector reform that began in the 1980s is commonly referred to as new public management (NPM). The term refers to a focus on management, not policy, and on performance appraisal and efficiency; disaggregating public bureaucrats into agencies which deal with each other on a user pay basis; the use of quasi-markets and of contracting out to foster competition; cost cutting; and a style of management that emphasizes among other things, output targets, limited term contracts, monetary incentives and freedom to manage. It is said to be a global phenomenon. It is a policy ambition for international organizations like the OECD (1995) and the World Bank (1992) (Bevir, et al., 2003:1-2). Since the 1980s, administrative reforms have emerged to considerable fanfare under the banner of “New Public Management” in New Zealand, the United Kingdom, and elsewhere and “reinventing government” in the United States (Kettle, 2000). It is also based on an underlying assumption that if public managers are left to their own devices, they will be inefficient and ineffective and will pursue their own self-interest at the expense of public interest (Boyne, 1998) (cited in Samararatunge and Bennington, 2002:87-88). Consequently, the NPM is referred to as transforming public sector agencies to decision making bodies with the aim of enhancing transparency, accountability, equity and quality of service processes realized by the means of market-oriented public services, citizen participation, decentralization, outsourcing, cost-minimization and performance-based remuneration.

The champions of the New Public Management see ... [the] emphasis on performance as a sharp break with past approaches to administration. Earlier years, they argue, were conducive to Max Weber’s (1947) ideal of centralized, bureaucratic monopolies, in which laws and regulations dictated standardized services and accountability entailed compliance with procedures (Barzelay, 1992; Osborne and Plastrik, 1997). In recent decades, major changes in politics, economics, society, and government itself have challenged those administrative traditions: Voters and elected officials now demand

effective programs that do not consume excessive tax revenues; globalization requires adaptive economies supported by nimble public agencies; and diverse citizenries seek responsive services – all from governments facing regulatory burdens and cross-cutting political pressures (Cullen and Cushman, 2000; Kettle, 2000; Peters, 1996) (cited in Page, 2005:714). It was simple but simplistic to say that government just needed to be cut. What was more important was that government be efficient, facilitative and appropriate to its circumstances rather than merely small (Hughes, 1998:217).

However, NPM, to say the least, is a highly contested concept (Maesschalck, 2004:465). According to Page (2005:713), the field of public administration has been rife with debate about the New Public Management over the past decade. Interpretations of its origins and evolution, in particular, have become polarized. Champions of the New Public Management argue that pressing demands for change have overridden the historical traditions of public administration, resulting in a global revolution favoring post-bureaucratic forms of government (e.g., Barzelay, 1992; Caiden, 1991; Kettle, 2000; Osborne and Plastrik, 1997). Skeptics, however, link the principles of the New Public Management directly to long-standing administrative traditions and contend that recent changes in government are more incremental and historically contingent than discontinuous and universal (Dobel, 2001; Lynn, 1998, 2001; Wolf, 1997). The core of these criticisms has focused on the undue emphasis on economic rationalism and diminishing “publicness” of public service, with services like health care and education having been the hardest hit (Haque, 2001). According to some critics, new public management is nothing new; rather it is another version of “Taylorism which emerged in the early 1890s” (Bremner, 1995; Stilwell, 1995). For these reasons, on one hand, while NPM is regarded and as an effective answer to the inbuilt impasses of traditional public administration, and thus, extensively lip-serviced in both developed and developing countries; on the other hand, the concept is criticized as a “mimetic process” of the same orthodox doctrines of public administration, however, with a “new look”.

For many reform-minded citizens in developing countries, as well as for academics and practitioners in the international development community, good governance has become as imperative to poverty reduction as it has become to development more generally (Grindle, 2004:525). Despite some differing views on the exact constituents of NPM, many developing countries in the 1990s have experimented with some elements of its commonly accepted components (Common, 1998; Larbi, 1998; Polidano, 1999; cited in Samaratunge and Bennington, 2002:90) including Sri Lanka. Regardless of the criticisms, it is explicable that among the various doctrines encompassed in the concept, high quality public and market based services; accountability for output and outcome; efficient and effective utilization of public resources; human and technology enhancement, and empowering citizens are emphasized with the ultimate aim of offering “a better product” to the citizens.

### **Preparedness for New Public Management: Sri Lankan Experience**

Many Asian countries have embarked on administrative reforms of one kind or another, engaging in rhetoric that resonates with the global paradigms of “new public management” (Cheung, 2005:257). Similarly, Sri Lanka too has developed an environment conducive to undertake the NPM reforms, and this section of the paper discusses the Sri Lankan preparedness towards the reforms in terms of human resource

development and capacity building; and institutional, administrative and legal preparedness.

### **Human Resource Development and Capacity Building**

Getting good governance calls for improvements that touch virtually all aspects of the public sector - from institutions that set the rules of the game for economic and political interaction to ... human resources that staff government bureaucracies (Grindle, 2004:525). Nature of the impact of the NPM agenda is therefore, largely based on the enhanced quality and competencies of the bureaucrats, in which capacity building is reasoned central.

Public sector middle level managers in Sri Lanka are selected from an examination called Sri Lanka Administrative Service (SLAS) Examination. Initially, the selected are trained in a compulsory one-year Diploma Programme and later, in courses on public administration and related fields by Sri Lanka Institute of Development Administration (SLIDA) with the aim of enhancing their competencies. In 2005, SLAS officers had been given short-term training courses themed new public management, public sector productivity, good governance and accountability, managing IT and E-Governance, and procurement management. In addition, senior officials had been assigned to both local and foreign capacity building programmes under the NPM practices.

**Table 1: A Sample of Foreign Training Programmes Exposed to Sri Lankan Public Sector Officers (2002-2006)**

<b>Theme</b>	<b>Country</b>	<b>Year</b>
Productivity and Managing Public Sector Investment	Italy	2002
E-Governance	Hawaii, Korea	2003, 2004
Managing IT	Japan	2004
Setting Performance Standards for Public Sector	Malaysia	2004
Public Management	India	2005
Human Resources Development	Singapore	2006

Source: Survey Data, 2006

According to the survey, the new trend in the Sri Lankan public sector is 'collaborative programmes' implemented with the espousal of national universities in the country. Middle and operational level managers are trained in these programmes with the aim of up-grading their competencies. In 2005, Ministry of Public Administration and Home Affairs had taken initiatives to train its managers through a similar programme called Diploma in Public Management (DPM) with the collaboration of a state university, University of Sri Jayewardenepura.

It is understood that public sector agencies in Sri Lanka have placed serious attention on moulding a HR force capable of meeting the challenges of the era of NPM. For instance, under the recommendation of Sri Lanka Administrative Service Minute numbered 1419/3 – 2005, November 14, to be graded to Class I, SLAS officers are

required to complete a master's degree in either public management, development administration, economics or local government. Hence, lately at the ministerial level scholarly collaborations have been instigated with postgraduate institutions and national universities availing generous opportunities to SLAS officers.

### **Institutional and Administrative Preparedness**

The New Public Management is overwhelming. Scholars have found link between particular kinds of policies and institutional arrangements associated with growth or poverty reduction. Most of the good governance agenda is about what governments need to do to put their political administrative and financial houses in better order (Grindle, 2004:527). Hence, there is a question of how institutional and administrative set up is to be adjusted to ease the NPM initiatives (Barberis, 1998: 453).

The institutional and administrative preparedness towards NPM in Sri Lanka is understood with the appointment of the Administrative Reforms Committee (ARC) by the Cabinet with a mandate to:

- Formulate a programme of administrative reforms with the objective of making the government administrative machinery a citizen centric, efficient and effective instrument of governance for the rapid development of the country, and for the fostering of national harmony operating in an environment of accountability, transparency, equity, meritocracy and non-partisanship, and respect for democratic imitations and the law
- Have such reforms implemented through out the governmental system

(Weeratunge, 2005:69).

The committee is chaired by the Secretary to the Prime-Minister and consists of some other secretaries to ministries and knowledgeable persons in the field including a senior representative of the private sector. The ARC has adopted a work plan that can be altered according to requirements. The work items performed by the ARC with respect to NPM initiatives can be categorized into four broad groups, namely re-examination and rationalization of the content of work of government agencies, human resources development, re-engineering of the business of government agencies and creating of working environment conducive to continue productivity enhancement (see Weeratunge, 2005:70). Nonetheless, the Information and Communication Technology Agency (ICTA) of Sri Lanka has been established under the Companies Act No.17 of 1982 as the executive agency to assist the national committee on information and communication technology established under the Information and Communication Technology Act No.27 of 2003 (Parliament of the Democratic Republic of Sri Lanka, 2003:2). Apart from, a pilot project on E-Governance is being implemented through the ICTA with the assistance of private sector agencies.

Decentralization of management to the local level has been increasingly recognized as an unavoidable process in Sri Lankan context (Perera, 2006:2). When it comes to privatization in Sri Lankan arena, the required institutional framework is still under construction since 1980s. In August 1987, a Presidential Commission on Privatization (PCP) was appointed (Mahadeva, et al., 1988; cited in Kelegama, 1997: 460). This was established to recommend on privatization of State Owned Enterprises (SOEs) and formulate legal framework for performance. Since this was moving slowly, the

government decided to hasten the process using line ministries, thus, the PCP was replaced by the Public Investment Management Board (PIMB) in September 1989. Later, in March 1990, PIMB was converted to Public Management Investment Company (PMIC). Its role was to provide institutional leadership to the privatization process. The institutional framework for privatization was next transferred to the Commercialization of Public Enterprises Division (COPED) of the Ministry of Finance in 1990. According to Jayewardene (1994; cited in Kelegama, 1997:462), it was the slow progress under a rigid bureaucracy in various line ministries that led the Ministry of Finance to take overall command. As a result, in 1996, Public Enterprises Reforms Commission (PERC) was established to handle privatization issues.

The latest initiative is the Strategic Enterprises Management Agency (SEMA) established in June 2004 in order to revive several key public sector enterprises. This is aimed at improving their efficiency, service delivery, financial independence and accountability. Initially 12 strategic enterprises have been identified. They are the Bank of Ceylon (BOC), People's Bank (PB), National Savings Bank (NSB), State Mortgage and Investment Bank (SMIB), Ceylon Electricity Board (CEB), Ceylon Petroleum Corporation (CPC), Sri Lanka Ports Authority (SLPA), Airports and Aviation Authority (AAA), Ceylon Government Railway (CGR), Ceylon Transport Board (CTB) and Regional Cluster Bus Companies, National Water Supply and Drainage Board (NWSDB) and State Pharmaceutical Corporation (SPC). The introduction of professional management, improved commercial viability and consequential benefits to the national budget will enable the government to better address social agenda in an effective manner.

### **Legal Preparedness**

Legal framework of any country contributes immensely towards the implementation of NPM initiatives. Thus, the existing legal framework may require to be altered by introducing new acts, enactments and circulars facilitating the NPM efforts. For instance, in Sri Lanka the circulars issued by the Department of Pensions are appropriately amended to speed up and provide non-fraudulent services to the clients. Public sector employees are advised to up date their personal files six months prior to retirement so that their gratuity will be paid on the date of retirement. Further, certain legal provisions have been made with the aim of assuring the competencies of public officials, particularly SLAS officers. According to Sri Lanka Administrative Service Minute numbered 1419/3 – 2005, all the SLAS officers are required to complete a master's degree in public administration or a related field to be lifted to Class I.

Since the country plans to introduce legal enactments to provide legal recognition to electronic media, electronic transaction laws are speedily required since the lack of such laws creates uncertainty with regard to legal recognition of E-commerce based activities in Sri Lanka. In furtherance, the ICTA has embarked on a programme to facilitate legal reforms, and two important areas being addressed are e-signature legal reforms and data protection. The lack of a framework on data protection prevents the free flow of personal data and information. Therefore, the government recognizes the need to have legislative measures for other measures such as the adoption of a "Codes of Practice" embodying principles that would ensure protection of personal information (ICTA, 2005:2).

Accordingly, in Sri Lanka, attentiveness towards the NPM practices in public sector is adequate and thus, satisfactory in terms of human resources development and capacity building; and institutional, administrative and legal preparedness. The country has passably initiated necessary background elements challenging the prolonged Weberian notion of bureaucracy and bolstering the NPM agenda. According to Transparency International (2006), Sri Lanka scores 47% out of a possible 100% of the OBI [Open Budget Index, i.e., the index, which measures the availability of key budget documents, the quantity of information they provide and the timeliness of their dissemination to citizens in order to provide reliable information] in the year 2006. Further, quoting Transparency International, *Sri Lanka's performance indicates that the government provides the citizens with some information on the central government's budget and financial activities, but that there is much room for improvement.*

## NPM in Action: Sri Lankan Entrance

### Recognizing NPM Initiatives

As a country in the onset of the NPM reforms, it is important to have an understanding of the views and perceptions of its senior bureaucrats on the importance of the elements of the agenda as illustrated in Table 2.

**Table 2: The Views of Sri Lankan Bureaucrats on the Importance of the Essentials of the NPM**

Element	Most Important ← → Least Important					
	1	2	3	4	5	6
Citizen Participation	80%	20%				
Decentralization	10%	50%	40%			
Cost-cutting		20%	30%	40%	10%	
Outsourcing		10%	30%	20%	40%	
Performance-based Remuneration		10%			40%	50%
Market-based Services						100%

Source: Survey Data, 2006

According to significance - from the most to the least important - the senior bureaucrats held the opinion that citizen participation was the most significant, while market-based public services were the least important among the essentials of the NPM agenda. This implies that senior bureaucrats in Sri Lanka are embedded with the idea that public services should be provided free of charge to the general public, which, on the other hand is associated with the issue of "free-riders". Hence, it is understood that there is a "fundamental error of understanding of the concept of NPM" in Sri Lanka. Similarly, the free availability of public services makes it both unable and reluctant to "exclude" consumption leading to "non-excludability". It simply means that every citizen - rich or poor - is able to enjoy public services unlimitedly, which has however given rise to an impasse between its continuation and the overwhelming burden on the government budget. Similarly, free-riders have affected the quality of public services together with

high opportunity cost (e.g., opportunity cost of time due to line-ups), and bribery and corruption involved as critical issues of needing speedy attention.

During the survey, some additional elements were recommended by the bureaucrats as imperative in the NPM agenda as listed down in Table 3:

**Table 3: Additional Elements Proposed by Senior Bureaucrats in the Survey**

Proposed Element	Percentage of Respondents
Decision-making and Risk-bearing	80%
Simplicity and Understandability in Service Processes	40%
Decision-making by being in the Field	30%
Impartiality	10%
Recognizing Human and Physical Resource Profile prior to Restructuring Organizations	10%

Source: Survey Data, 2006

### **Citizen Participation**

Citizen participation is taking a part in the processes of formulation, passage and implementation of public policies (Parry, 1992; cited in Lowndes and Pratchett, 2002:2). The concept citizen participation includes not simply voting and other forms of electoral activities, but also contracting public officials, attending protests and involving, either formally or informally, in local issues. Civic engagement with the development and implementation of policy can help to generate a heightened sense of public value about what government does. Accordingly, citizen participation in the governance process is widely encouraged by academic and professional organizations and is a popular conference topic (Berner, 2001:23).

Survey data revealed that 80% of the respondents were in the belief that citizen participation the most important element in the reforms making it clear that Sri Lankan senior bureaucrats are more “participatory-oriented”. Senior Assistant Secretary – HR and IT, Ministry of Public Administration, Management and Home Affairs commented in this regard as,

*All the time public decisions are affected by the views of citizens. Therefore, there should be proper systems and mechanisms through which the views of citizens can be incorporated into decision-making processes of the government. I think it is better if we can take decisions being in the field [decision ground in his terms] (Source: Survey, 2006).*

“Suggestion box” and “complaint box” are two widely used methods in encouraging civic engagement, where a committee appointed by the Minister of Public Administration, Management and Home Affairs called “Management Committee” analyses the comments, views and ideas proposed by citizens through the above methods. Thereafter, a summary report prepared by the committee is discussed in detail in weekly meetings chaired by the Secretary to the Ministry. The new developments are the ministry’s “general electronic mail” and “suggestion and complaint hotline service”, where in 2006 three hotlines were opened up for general public to forward their suggestions and complaints about the provision of services. Conversely, according to

Nanayakkara (1989:276), the local citizens have no access to an elected representative at the sub-office instead he could only meet a bureaucrat, a career official, who may be unresponsive to the citizen grievances.

## Decentralization

.... decentralization can be defined as the transfer of responsibility for planning, management and resource mobilization and allocation (Rondinelli, 1981: cited in Perera, 2006:3). Decentralization of management has been the most commonly applied element of the NPM reform agenda in the country (Samaratunge and Bennington, 2002:98). Survey questions been confined to only deconcentration and delegation of the four branches of decentralization, 100% of the interviewees were in the opinion that decentralization of management should be the first, second or third important component in the NPM reforms in the country (see Table 02).

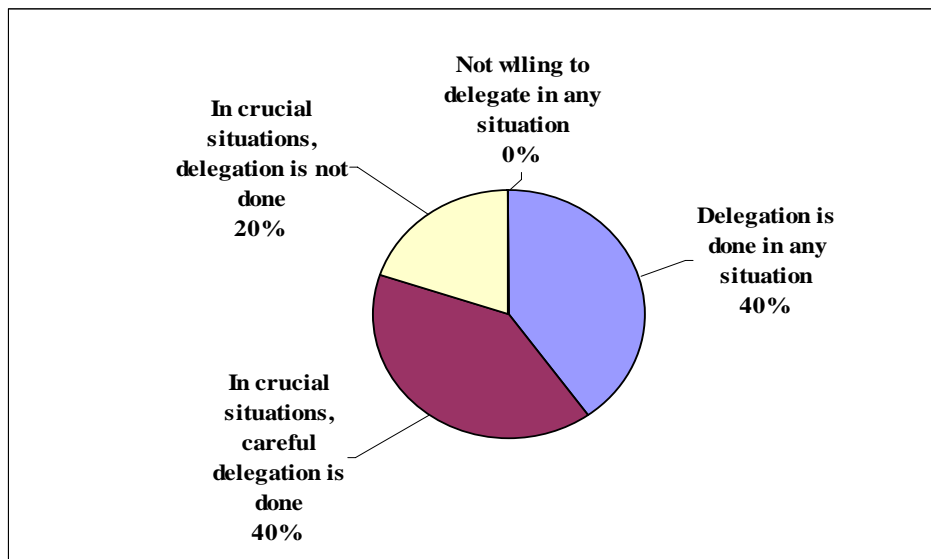
**Table 4: Sri Lankan Decentralization Efforts since 1948 to Date**

Period	Decentralization Effort(s)
1948-1970	Over 150 departments operated in the districts; Para-statal co-operations operating regional offices in districts; District Agricultural Committee to promote agricultural development; District Development Councils (DDCs) to coordinate development activities of sub-national level; Rural Development Societies (RDSs) established under the Department of Rural Development within the Ministry of Home Affairs; Established agricultural extension service as a field unit at the divisional level
1970-1977	District Political Authority (DPA) was introduced with the financial support of the decentralized budget to introduce political leadership to local level; Agricultural Productivity Committees (APCs) established at the divisional level under the Agricultural Productivity Law of 1972; Cultivation Committees at village level under the Paddy Lands Act of 1958 to promote agricultural development and safeguard of the rights of tenant farmers
1977-1987	Replaced DPA system with District Ministry (DM) system to formulate, monitor and evaluate district development plans, identify bottlenecks and supervise interdepartmental activities; DDCs were established under the Development Council Act No.35 of 1980 to enhance coordination at the district level; establishment of Gramodaya Mandalayas (a new village level institution) with the membership of the leaders of NGOs (Non-Governmental Organizations) in its area of authority; establishment of Pradeshiya Mandalayas (a new divisional level institution) with the chairs of all the Gramodaya Mandalayas in respective government agent divisions
1987 on wards	Provincial Council (PC) system established with the financial decentralization under the provisions of the 13 <sup>th</sup> Amendment to the Constitution and Provincial Council Act No.42 of 1987 to supervise divisions and local authorities; Pradeshiya Sabhas (a new divisional level institution) are operating at divisional level under Pradeshiya Sabha Act no.1 of 1987; Administration at divisional level is by a Divisional Secretary in charge of the Divisional Secretariat

Source: Perera, 2006:1-17

When it comes to delegation of authority, the willingness of senior bureaucrats for delegation can be demonstrated as follows:

**Figure 1: Willingness of Senior Bureaucrats towards Delegation in Sri Lanka**



Source: Survey Data, 2006

In crucial situations, trustworthiness, capacity, experience and previous work related issues have been carefully considered by senior bureaucrats prior to delegation. 40% of them were willing to delegate their authority to lower levels without any hesitation, while none (0%) expressed complete unwillingness towards the same. A respondent commented,

*I am fairly satisfied with the capacity and experience of my employees. In any situation, whether crucial or not, I am ready to delegate my authority to them. I gave them the password and user name of the general e-mail of the ministry though it is totally under my authority. Because I see them as hindrances of my time available for important decision making exercises (Source: Survey, 2006).*

Despite efforts since independence, decentralization has not been able to reach the expectations of the country largely due to the uneven distribution of resources with a clear rural-urban disparity, tendency towards centralization of power, rural-urban migration primarily in search of employment, and over two-decadal old ethnic strife.

### **Outsourcing**

Public-private partnerships provide an important illustration of the way the traditional role of government as employer and service provider is being transformed. "... both public and private sector organizations can benefit from working together in partnership relations" (Grimshaw, et al., 2002:475). Thus, service outsourcing can be recognized as a key element of the NPM agenda as well as an effective means of reducing high costs involved in public service processes. The survey found that 50% of the respondents were in favour of outsourcing, but ranked second or third in the list of prioritization (see Table 2). Cleaning and environmental services, IT related services (programming, website designing, software installation and computer repairing), and security service had already been totally outsourced to private sector organizations, and the possible

services for future outsourcing included: building maintenance, keeping stores, supplying and repairing vehicles, driving, and internal postal service. One respondent expressed himself as,

*Outsourcing has greatly reduced the burden on the government. Now, high quality services can be given at an agreeable cost. Benefits of outsourcing can be optimized through fair and transparent tender processes (Source: Survey, 2006)*

Conversely, another commented,

*The benefits of outsourcing cannot be gained in the Sri Lankan context due to unclear tender processes. Largely, tenders are given to contractors without considering quality and price but for mere political patronage (Source: Survey, 2006)*

A long-term plan of service quality including quality standards, specification of services, and performance measures assist to have a specific framework of whom to outsource. This plan should necessarily be prepared having consulted the service recipients. In this regard, simply providing specialist education and training for senior civil servants is not sufficient. Instead, recognition of the distinctive qualities of service provision in the public sector is needed (Grimshaw, et al., 2002: 499).

According to the survey, several NPM elements were recognized as relatively more significant by Sri Lankan senior civil servants despite certain misconceptions towards some; market-based public services and merit-based remuneration, in particular. Not surprisingly, the whole agenda had not been accurately perceived and understood by the officials leading to a lop-sided practice of this universal phenomenon.

## **Conclusion**

The NPM reforms should be initiated by any country with a clear-cut vision and understanding. Sri Lankan system of public administration, largely shaped by the colonial rule under the British, is on the move towards the NPM reforms, however, without much focus. Performance related pay and market-based public services have been hardly recommended and practiced witnessing its fractional awareness at the top. In principle, the administrative reforms have been based on political agendas of different regimes, and resultantly, the NPM based restructuring programmes have not been able to be implemented as a continuous exercise. Despite country's preparedness - largely in terms of capacity building, and institutional and legal framework - and initial efforts towards implementation, the quality of the services are often claimed to be on the decrease.

In Sri Lanka, system of public administration is the major mechanism of human development, which however needs rejuvenation through transparent, efficient, equal, accountable and outcome-oriented public service processes fueled by the NPM initiatives. Not surprisingly, the progress achieved in this regard is marginal due to the lack of these qualities, and the poor support rendered by the private sector and NGOs, uneven distribution of resources, the ethnic strife and the tendency towards centralization of power. NPM reforms should necessarily be implemented as a continuous long-term exercise regardless of the political party in power. The entire

portfolio of the reforms, especially market-oriented public services, needs be exercised with the presence and support of all the stakeholders for optimum results and well-being of the country.

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