DIFFERENT POSITIONS CONCERNING THE MANAGEMENT FUNCTION IN THE PUBLIC AND PRIVATE SECTORS AND THE DISTINCTIVE PLACE OF PUBLIC MANAGEMENT IN THE SPECTRUM OF THESE POSITIONS

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Abstract:

There has been a profusion of approaches and then confusion in describing the study and practice of management in the public sector. The similarities and differences between organisations and management functions in the public and private sectors are a constant source of controversy. What does management mean in the public sector? What makes public management new and different?

In this study we have developed eight different positions concerning the similarities and differences between management functions in both sectors: (ii) public administration is unique; (ii) public administration and private (business) management are alike in unimportant respects; (iii) there is a unique management for the public domain; (iv) public management is an integrative paradigm; (v) the new public management (NPM) is a new paradigm; (vii) there is a convergence between public management and private management; (vii) management is generic; (viii)

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**Hakem görüşleri doğrultusunda, Yayın Kurulu Kararı ile 44 sayfa olarak yayınlanması uygun bulunmuştur.

Keywords: Traditional public administration, public management, the new public management, convergence between the public and private sectors, paradigm shift in the public sector.

Anahtar Sözcüklər: Gelenəkçəl kamü idaresi, kamü yönetimi, yeni kamü yönetimi, kamu sektörü və özəl sektör arasındakı yakınlaşma, kamu sektöründə paradigma değişimi.
public management is only a less efficient form of private (business) management.

A "general public management approach", which can be developed from positions (iii), (iv) and (v) by integrating the contributions of politics, public law, economics and management, will be a new and enriched approach to the study and practice of the public sector. However, it should be kept in mind that this approach is only a promising direction rather than a full panacea or a miraculous elixir for all problems of the public sector.

Özet:

Kamu ve Özel Sektördeki Yönetim Fonksiyonuna Farklı Bakış Açılıarı ve Kamu Sektöründeki Yönetiminin Bu Bakış Açıları Çerçevesindeki Özel Yeri

Kamu sektöründe yönetim ile ilgili akademik çalışma ve uygulamanın tamamlanması konusunda yaklaşım bolluğu ve bunun sonucu olarak bir karmaşa mevcuttur. Kamu ve özel sektör örgütleri ve bu sektörlerdeki yönetim fonksiyonları arasındaki benzerlikler ve farklılıklar sürekli bir anlaşılmazlık kaynağı oluşturmaktadır. Kamu sektöründe yönetim neyi ifade etmektedir? Kamu yönetimini ("kamu işletmeçiliğini") yeni ve farklı kılan nedir?

Bu çalışmada, her iki sektördeki yönetim fonksiyonları arasındaki benzerlik ve farklılıklar ile ilgili olarak sekiz farklı pozisyon geliştirilmişdir: (i) kamu idaresi benzeri olmayan-bir fonksiyondur; (ii) kamu idaresi ve özel yönetim (işletme yönetim) ancak önemli olmayan hususlarda birbirlerine benzerler; (iii) kamusal alan için benzersiz bir yönetim fonksiyonu mevcuttur; (iv) kamu yönetimini bütünleştirici bir paradigmadır; (v) yeni kamu yönetimini (YKY) yeni bir paradigma; (vi) kamu yönetimi ve özel yönetim arasında bir yaklaşıma mevcuttur; (vii) yönetim her iki sektörde de geçerli genel nitelikli bir fonksiyondur, (viii) kamu yönetimi, özel (işletme) yönetimimin sadece daha az etkili bir türdür.

Siyaset, kamu hukuku, ekonomi ve yönetim disiplinlerinin yaptıkları katkıların bütünleştirilmesi suretiyle ve yukarıdaki (iii), (iv) ve (v) numaralı pozisyonlardan hareketle geliştirilebilecek olan "genel kamu yönetimi yaklaşımı" kamu sektörune yönelik akademik çalışma ve uygulamalar için yeni ve zenginleştirilmiş bir yaklaşım olacaktır. Bununla birlikte, unutulmamalıdır ki, söz konusu yaklaşım, kamu sektörünün bütün sorunlarına cevap verecek bir devayi kıl veya mucizevi bir ikisir olmaktan ziyade umut vadeden bir istikameti ifade etmektedir.
Introduction

There has been a profusion of approaches and then confusion in describing the study and practice of the public sector in the second half of the twentieth century. In the 1950s and early 1960s the "traditional public administration approach" was a dominant approach to the machinery of government. This approach was defined but also delimited by its parent disciplines of political science, organisation theory and-in particular in continental European context-administrative law. In the 1960s and early 1970s many academics were influenced by the policy analysis literature developed mainly in the United States. This was coincided with the planning mood in some Western European governments and the development of think-tanks and rationalist exercises in strategic policy-making. Public organisation was considered as an integral to the political process since bureaucrats play an important role in formulating public policies and its implementation. This was the denial of the traditional dichotomy of politics and administration. Thus, the traditional approach was, to some extent, overtaken by the more interdisciplinary "public policy" approach.

Until two decades ago government was accepted as a principal means to solve problems. The traditional public administration and public policy approaches flourished in this ideological atmosphere. Since the mid-1970s, government has become identified by some political and academic circles as the problem in the face of serious financial crisis, and then the practical concern of governments, almost all over the world, has been with rolling-back the frontiers of government including the pursuit of efficiency in government through more "business-like" values, techniques and practices. Thus, management function has become more critical to the current problems rather than administration and policy-making (1). Within this context, a management approach to the public sector has been developed over the last two decades (see Garson and Overman, 1983; Perry and Kraemer, 1983; Bozeman and Strausman, 1984; Rainey, 1991; Bozeman, 1993a; Lynn, 1996). The term public management has been offered as a rival to, a substitute for, or sometimes a synonym of public administration (Bozeman, 1993a: xiii). Public management is actually different from the previous approaches to the public sector. During the 1980s and 1990s it has been derived from different positive influences of public administration (normative procedures), public policy (policy-making) and private sector management (strategy). It has also been taken into consideration the weaknesses of each approach. Traditional public administration is highly discursive and skill poor (Allison, 1983; Perry and Kraemer, 1983). Public policy gives too little attention to management function (Beyer, Stevens and Trice, 1983). Generic management and private sector management are inattentive to essential features of the public sector (Rainey, 1990). The public management approach seems to replace traditional public administration and
public policy approaches which have hitherto dominated academic thinking and the practice of public affairs (see Perry and Kraemer, 1983; Gunn, 1987; Bozeman, 1993a; Hughes, 1994).

As Metcalfe and Richards argue, public management is not a self-explanatory, fully-developed concept (1990: viii). What does management mean in the public sector? What is new and different about public management? In practice, there are divergent views and some misconceptions about public management. Debate about public management runs along contradictory lines. The similarities and differences between organisations and management functions in the public and private sectors are a constant source of controversy and confusion. For some, public management is just public administration carried on under another but more fashionable name. For others, there are sharp contrasts in context and process between the two sectors which largely preclude the adoption of private sector practices. Some consider that public management can be subsumed under a generic concept of management which is characterised by universally applicable principles. Another view is that private sector practices offer a set of ready-made solutions to management problems in the public sector. In order to understand the true nature of public management we should be aware of such positions.

Gunn (1987) assumes that there is a spectrum of positions between the extremes of "public administration is unique" and "public management is only a less efficient form of private (business) management". He has developed Perry and Kraemer's integrative "public management" approach and then located it in between these extremes. We have also added two new positions - "a unique management for the public domain" and the "new public management" - to this spectrum considering the recent developments in the literature. Therefore, we have now eight different positions concerning the similarities and differences between management functions in both sectors as follows:

(1) "Public administration is unique";

(2) "Public administration and private (business) management are alike in unimportant respects";

(3) "A unique management for the public domain";

(4) "Public management is an integrative paradigm";

(5) "The new public management (NPM) as a new paradigm";

(6) "A convergence between private management and public management";
(7) "Management is generic";

(8) "Public management is only a less efficient form of private (business) management".

We believe that a "general public management approach" which can be developed from positions (3), (4), (5), will be a new approach to the study and practice of the public sector. Its position between the traditional public administration approach and the private management approach makes public management different and significant for academics who deal with the future of the field and practitioners who deal with recent public sector reforms. In order to make distinctive and integrative features of the public management approach clear, in this paper review each of these positions will be reviewed critically.

1) "Public administration is unique": The view that public sector is unique or at least significantly different from the private sector is long-standing the "traditional public administration approach". Therefore, this position is advocated by mainly public administration scholars and practitioners.

The theoretical foundations of the traditional public administration approach can be derived from several sources. Wilson put forward the "politics-administration dichotomy" in order to make public administration an independent discipline and to achieve political neutrality in public services; the Northcote-Trevelyan Report (UK) in 1854 and the Pendleton Act (the US Civil Service Act) in 1883 brought the "merit system" against the patronage system; and Weber developed the "theory of bureaucracy". Also, Taylor's "Scientific Management" (the one best way) and classical writers' (e.g. Fayol, Gulick, and Urwick) "universal principles of administration" indirectly affected this approach. Thus, the traditional approach was initially established, in particular in the Anglo-American world, on a "technical" base in order to separate public administration from political science.

While the politics-administration dichotomy was used to establish an independent discipline of public administration from political science, the demarcation line between public administration and private management has become blurred. Political neutrality guaranteed efficiency in administration, and efficiency concern legitimised political neutrality (Bouckaert, 1990: 55). As administration was seen politically neutral and technical, there would be nothing unique about the operational procedures and techniques used in the public sector. As a matter of fact, most of the major classical figures in this field claim that their theories and insights apply to most or all types of organisations (Rainey, 1991: 4-5; 16-18). As a result, a series of techniques were imported from the private sector. The main concern of the traditional approach was, therefore, efficiency though the means to achieve this aim (e.g.
monolithic structures, centralisation, uniformity, bureaucratic processes) were different from the means of today. In the continental Europe, the traditional approach had more normative aspects, despite the discipline of public administration struggled to have its independence from general public law.

Theorisation in this field began in the second-half of the nineteenth century and became formalised in the first quarter of the twentieth century. The traditional approach was, of course, modified in time by the effects of theoretical and ideological developments. For example, although the mechanisms set up against spoils system were totally adopted and supported, the politics-administration dichotomy was denied by political science-oriented perspectives. Although bureaucratic structures were constructed in accordance with the principle of separation between politics and administration, this principle was widely regarded as a "myth" (Caiden, 1982: 82; Peters, 1989: 4). The attempt to be a "non-political" was also considered as a reluctance to recognise the distinctive (mainly political) nature of public services. Countless studies and common sense observation by practitioners testify the fact that ethical judgements by administrations intrude into the policy formation process at all levels. As a matter of fact, this myth has been called into question since the late 1940s (see Marx, 1946; Appleby, 1949) and then discredited to a great extent (see Shick, 1975).

As Kingdom points out, if one accepts the unreality of the distinction between politics and administration, it becomes logically necessary to assert the distinction between public and private administration, because policy-making in the public sector profoundly differs from that in the private sector in terms of process, content and ethical purpose (1986a: 3). Although its main bureaucratic characteristics were largely remained, the "public" aspects of the approach were asserted more often and loudly (i.e. more realist interpretation of the politics-administration dichotomy on the base of political neutrality rather than a fictitious separation between policy-making and administration functions; direct public service provision; public service professionalism; public service unionism; more humanistic employee relations) by the political science-oriented perspectives such as "new public administration" and "public policy", with the effect of social-democratic post-war consensus. Thus, the distinctive political nature of the traditional approach was emphasised in addition to its technical expertise.

There is no shortage of literature on the differences between public and private organisations and between management functions in these organisations. Numerous scholars and practitioners, mainly educated in political science or public administration schools, have addressed the issue of differences (2). A useful summary as well as a good argument is offered by Rainey, Backoff and Levine (1976; see also Rainey, 1989 and 1991). Neither
legal status/ownership criteria nor economic (nature of goods and services produced) criteria can succeed in drawing a clear line between the two sectors on its own. Therefore, they have provided main points of consensus in the literature on the differences between public and private organisations. They have grouped these points into three major categories: (i) environmental factors (e.g. less market exposure and high reliance on budget appropriations; legal and formal constraints; and more political influences); (ii) organisation-environment transactions (e.g. coercive, monopolistic, and unavoidable nature of many government activities; broader impact of public actions; greater public scrutiny; and greater public expectations about fairness, honesty, responsiveness, and accountability); (iii) internal structure and processes (e.g. diversity, multiplicity, complexity of objectives, decision, and measurement criteria and conflicts among them; less decision-making autonomy and flexibility of public managers due to more fragmented authority, legal and political constraints; lower organisational performance due to greater cautiousness, rigidity, turnover of top managers, and less innovativeness; variations in devising and valuation of incentives by public officials; and variations in personal characteristics of public officials related to job satisfaction, job achievement, and organisational commitment). Although private organisations are now more open to political influences and public scrutiny and their objective function (i.e profit-maximisation) is now including some social aims, the distinctiveness between the two sectors are not eliminated. Public enterprises are always much more like their private counterparts, but these distinctions are most marked for public service organisations which are largely financed by general government budget through taxation. All these points which are put forward as important differences between public and private organisations, must not be ignored in the considerations of research, training and practice in the public sector.

At the end of this sort of analysis, Rainey, Backoff, and Levine concluded that:

«[O]ur inquiry into this comparative question points to the conclusion that it is premature to discount the significance of public-private differences (1976: 233). ... It is difficult to see how a core curriculum in "generic management" could extend beyond a handful of joint courses ... Beyond these few subjects, optimal preparation for management in the two types of organizations would call for different emphases ... [which] would result in such divergence ... that there seems no particular utility in establishing "generic" curricula» (1976: 242).

Greenwood and Wilson also argue that:

«... public administration is more than private management writ public. The public sector has a political environment, theoretical foundations, an ethos, a culture, and a sheer diversity which makes it distinctive from the private sector» (1989: 141).
Decision criteria of public and private sectors are different. Decision criteria used in the private sector based on the objectives of efficiency and profit-making whereas decision criteria used in the public sector based on the objectives of compromise, consensus and a democratic participation which are highly political. Comparing unlike objects ("apples and oranges syndrome") is the major mistake in this field. Therefore, it is usually argued that it is unfair and illogical to use the "efficiency criteria" alone and apply it to both the private and public sectors. It is clear that what may be acceptable in the private sector in the technical sense may be completely unsatisfactory in the public sector where social and political questions cannot be subordinated to technical approaches.

Therefore, public administration needs its own wider focus (see Kingdom, 1986a and 1986b; 1990; Elcock, 1991, Chandler, 1991a and 1991b). In other words, public administration is considered as different, if not wholly unique. "Publicness" dimension, in particular, is and will be significant element of distinction of the public sector (3). Even as a further step, Moe (1988) claims that public administration is unique and that the deliberate blurring of the public and private characteristics constitutes a challenge not only to the practice of public administration but also to the theoretical basis of the discipline.

However, it should be pointed out that some authors warn about oversimplified distinctions between organisations and management functions in the two sectors (see Weinberg, 1983; Baldwin, 1987; Bozeman, 1987; Rainey, 1991). Clear demarcations between the public and private sectors are impossible and oversimplified distinctions between public and private organisations are misleading. For example, Rainey's (1991: Chp. 1) perspective is moderate. As Bozeman (1993d) aptly argues, he is not convinced that public organisations are unique, nor is he convinced by the generic theorists' claim that publicness is largely inconsequential. His view is that there are many important ways in which public and private organisations are similar and, thus, there is an important role for generic organisation theory. At the same time, there are many ways in which public organisations seem distinctive and he builds an argument for public organisation theory based on these distinctions.

2) "Public administration and private (business) management are alike in unimportant respects": The previous position claims that the differences between the two sectors are fundamental and, therefore, these differences require a unique administrative model for the public sector. However, the proponents of a more qualified position argue that the public sector is sufficiently different and needs its own form of management and not just that of the private sector.
This more qualified position was adopted by Allison (1983). He queried the assumption that private sector values, practices and techniques are transplantable in their entirety to the public sector. The fit of concepts, such as strategy, control, financial management and personnel management which are mostly derived from the business world in which executives manage hierarchies, to the problems that confront public managers is not clear. Although there are few empirical studies on managerial work in the public sector, Allison argues that managers in both sectors have to perform broadly similar functions such as strategy (establishing objectives and priorities, devising operational plans), managing internal components (organising and staffing, directing personnel, controlling performance), and managing external constituencies (dealing with field units, other organisations and press and public).

Allison carries on his argument, however, that these functions bear identical labels but take on different meanings in public and private settings. Beneath these surface similarities, Allison see many differences and then take up Sayre's often quoted "law" (public and private management are fundamentally alike in all unimportant respects) to speculate about the critical differences. He concludes that:

«Public and private management are at least as different as they are similar, and ... the differences are more important than the similarities» (1983: 87).

In other words, for Allison, these different meanings are critical differences that outweigh the similarities. Allison cited the testimony of managers in both the public and private sectors: «All judge public management different from private management - and harder!» (1983: 77). He also reviewed three recollections (Rainey, Backoff and Levine, 1976; Dunlop, 1979; Neustadt, 1979) to illustrate these "critical" differences. According to him, the sharpest distinction between public management and private management is a fundamental "constitutional" difference (1983: 80). To Allison and others who seek to identify critical differences, these features are perceived as having a considerable impact on the overall character of management in the public sector.

Allison accepts that government is often less efficient than business but he also admits that:

«the notion that there is any sufficient body of private management practices and skills that can be transferred directly to public management tasks in a way that produces significant improvement is wrong» (1983: 87-88).
Lynn also suggests that the difference between government and business is:

«a difference in degree so great as to be a difference in kind ... If governemnt and business are in crucial aspects dissimilar ... applying business management concepts may be futile or even counter productive» (1981: 115, 104).

In brief, there may be advantages in adapting and using some practices and techniques pioneered in the private sector but what the proponents of this position claim is that the basic task is different in each sector.

3) "A Unique Management for the Public Domain": This position, we added to the spectrum, is another qualified version of the view that the public sector needs its own style of management. The major proponents of this position, Ranson and Stewart, argue that management in the public domain is unique. They produced a "public domain model". They claim that this model captures the distinctive rationale of the public sector rather than simply sticking to the traditional model of public administration (Stewart and Ranson, 1988; Ranson and Stewart, 1994).

According to Stewart and Ranson (1988), the public domain has its own distinctive values, conditions, purposes and tasks. Economists may see the public domain as required to correct market imperfections, to provide services which cannot be provided by the market or to redistribute resources. Such statements are, however, inadequate because they define the public domain negatively. In contrast, it is possible to see the public domain as a public arena, not merely where the defects of the market can be corrected but where distinctive values (e.g. equity, justice, and citizenship) can be realised. These values set the purposes for management, determine its conditions and specify its distinctive tasks. They constitute the basis for a model of management in the public domain that has its own rationale distinguished from management in the private domain. The public domain model, therefore, contains collective choice in the polity (rather than individual choice in the market), need for resources as a criteria for rationing (rather than demand at a given price), openness for public action (rather than closure for private action), the equity of need (rather than the equity of the market), the search for justice (rather than search for market satisfaction), citizenship as a basic value (rather than customer sovereignty), collective action as the instrument of the polity (rather than competition as the instrument of the market), and voice as the expression of public opinion (rather than exit as the stimulus).

The dominance of the private management approach, however, led to the neglect of distinctive features of the public domain. Under the influence of New Right ideology a new spectrum of values (i.e. freedom rather than equality;
individualism rather than community; efficiency rather than justice; competition rather than cooperation) has sought to erode the distinctive nature of the public domain. The public domain has looked beleaguered by the private sector values for almost two decades. The concept of "publicness" has been questioned. The private management approach ignores the political process which governs activities in the public domain or considers it as an obstacle to effective management. In contrast, Ranson and Stewart (1994) argue that management in the public domain should rather be designed to support and express the political process that governs that domain, informing public discourse, realising public consent and enabling collective choice in order to search for the public interest. The mistake is to assume that management in the public domain can have any meaning apart from the political process. Although the mutual and intertwined relationship between politics and management is often pointed out in the literature concerning public services (see Heyman, 1987: 189; Willcocks and Harrow, 1992: xxiv), Ranson and Stewart (1989, 1994) put a special emphasis on this issue that involvement in the political process in central, not marginal, to the manager's role.

The inappropriate application of the private management approach resulted in treating the public solely as customer, ignoring the public as citizen and distorting the reality that many services in the public domain are rationed according to criteria of need rather than supplied according to demand at a given price. The emphasis on the customer of public service has the merit of forcing public organisations to look outward to those who use and receive their services. However, the language of customerism cannot encompass the scope of public action. For a public service the proper scope of policy is the community as a whole, not specific customer. Therefore, a more appropriate language has to be developed to express the complexity of public purpose. The "public" cannot be perceived as "client" as was in the post-war welfare state or as "customer" is in the language of private sector management defined by the neoliberal polity. Customerism neglects the inescapable duality of the public domain. The defining task of public management is to mediate that the "duality of democratic citizenship" that citizens are many, yet also members of one community. The public is a citizen both as a participant in public discourse leading to collective choice and as an individual entitled to public service. In other words, the citizen is both an individual and a member of the collectivity (Ranson and Stewart, 1994). The "public service orientation" (PSO) approach (i.e. local public services for the public) can also be considered within this context (see Clarke and Stewart, 1986 and Stewart and Clarke, 1987). With the effect of public domain and PSO approaches, the impoverished concept of management, with its narrow concern for efficiency, is rejected in favour of politically aware, decentralised, responsive, networking form of management.

According to Stewart and Ranson:
« If there are dangers if, consciously or unconsciously, management in the public domain adopts models drawn from outside organisations. That is not to say that management in the public domain cannot learn from management in the private sector, or vice versa. Specific management ideas can be transferable. What is not transferable is the model of management - its purposes, conditions and tasks» (1988: 13).

There is no universal package of management and management has to be understood in its context. Therefore, Ranson and Stewart's (1994) argument is for the development of public management which understands the distinctive nature of the public domain. Management for the public domain will challenge both the traditional approach of welfare state era and the private management approach recently applied in the public domain. It will support the development of a reformed public domain in order to enable political judgement based on public discourse. The task of management for the public domain is to involve the "public" more than ever before in the life of polity. Ranson and Stewart claim that the "public" entered the space of the public domain in the post-war polity only on the terms of the professional or welfare bureaucracies. According to them, the real "vacuum" in the post-war polity was the absence of the public. As a matter of fact, when the public service cuts occurred, the public did not resist enough since they were alienated from "public space". However, they argue that a new culture of serving and "empowering" the public is now emerging in the public domain.

4) "Public management is an integrative paradigm": The position which was expressed by Allison indicated that the public sector needed its own type of management. However, Allison did not elaborate this argument. The argument for a specialised form of management in the public sector rests on the view that there are sufficient differences between management functions in the two sectors. At a time in which values, techniques and practices in the public sector are derived from the private sector, the question of difference becomes particularly important. If there are reasons why the two sectors are not the same, and cannot be the same, the case for a special form of management for the public sector becomes stronger. This does not mean that the traditional model of public administration is the only valid way of managing the public sector. There is no reason why a managerial model cannot be developed that applies itself even better to the unusual features of the public sector (Hughes, 1994: 273-77). Some writers argue that public management is, indeed, and should be, a new and integrative perspective on the management of public affairs (e.g. Perry and Kraemer, 1983; Gunn, 1987, 1988; Metcalfe and Richards, 1990; Kettl, 1990, 1993).

Is public management simply public administration or public policy, rediscovered and relabeled? Is public administration, in particular public management, simply private management writ public? What innovations does
public management introduce to the study of the public sector? These questions were increasingly posed in recent years (Chandler, 1988; Grenwood, 1988a; 1989; Kettl, 1993).

The concept public management is of American origin and it entered the vocabulary of both Anglo-American and Western European commentators. In spite of growing interest in the management problems in the public sector in the last two decades, few attempts have been made to elaborate the meaning of the concept of public management. On the contrary, both in the public debate and scholarly writing the vague concept of management in the private sector has been borrowed more or less uncritically. Although there are some common threads (normative-political rules and efficient-effective solutions) running through the definition of public management, the exact meaning of public management is found difficult to define (Kooiman and Eliassen, 1987:7-8).

In parallel to the vagueness in its definition, vitality and diversity in theoretical standpoints, empirical research and practices that mainly stem from the effects of its different strands (i.e. economic, managerial, and newly developing normative publicness strands) can easily be traced within general management approach (4). Especially, a new and distinctive model or approach of management for the public sector within this general public management framework has been on the agenda since the early 1980s. This new approach has actually several incarnations. "Public management" (Perry and Kraemer, 1983), "supply-side management" (Carroll, Fritschler and Smith, 1985), "managerialism" (Pollitt, 1993-first edition in 1990), "new public management" (Hood, 1990, 1991; Pollitt, 1993; Mascarenhas, 1990), "entrepreneurial government" (Osborne and Gaebler, 1992) are the most well-known versions of this general public management approach.

Perry and Kraemer's "public management" (1983) approach can be considered as a significant step in searching a special form of management for the public sector. In fact, this is the "middle of the road" position which considers public management as a "new and integrative paradigm" drawn upon both "public and private perspectives".

Perry and Kraemer states that the educational philosophy of a generic school differs markedly from that of either a school of business or a school of public administration. The central organising principle of generic schools is that the knowledge, techniques and skills necessary for effective administration or management are similar for organisations in a variety of sectors of society. This philosophy, they suggest, contrasts with the "uniqueness of public administration" that many public administration scholars claim. They make it clear that they can no longer subscribe to the "public administration is different" tradition in which they have been educated. However, they also see some
dangers in the "management is generic" approach which is familiar to them thanks to their academic careers in a generic school of management. In their experience of the generic viewpoint, good management typically means good business management since generic management is dominated by business values, practices and techniques. It neglects to develop skills to interact with and manage diverse external, and mainly political interests which are highly regarded in the public sector. Since their education has familiarised them with the former orientation and their experience has familiarised them with the latter, they have had the opportunity to evaluate both views and they have become increasingly aware of the inadequacies of each orientation (1983: ix).

With the effect of this background of unease with both approaches they argue that:

« Our view is that there are similarities between public and private management. But there are also differences, and these differences are sufficiently clear and important to warrant the consideration of public management as a special professional field and object of study» (1983: 56).

And they introduced the term "public management" and the meaning they attach to it:

« We believe the term "public management" represents a new approach that has grown naturally from weakness in the other prevailing educational philosophies. Public management is a merger of the normative orientation of traditional public administration and the instrumental orientation of generic management» (1983: x).

By "normative orientation"of public administration, they mean a concern with the relation between democracy and administration and with values such as equity, consistency and equality which are more salient in the public sector than in the private sector. Traditional public administration emphasises "process" perspective to answering these issues. Their view of the "instrumental orientation" of generic management is, in essence, that the public sector shares the need to achieve its purposes efficiently and effectively with business, via coherent strategies and well-judged tactics, appropriate structures, motivated personnel and mastery of relevant managerial techniques for deploying and controlling the use of organisational resources (1983: x).

In other words, public management is an attempt to combine much that is relevant in the traditional approach that public administration is different, with the insights of the generic management approach which holds that managers in the public and private sectors face many common problems and are engaged in processes and activities which are as much similar as they are different. When they say that public management is a "merger" of these normative and
instrumental orientations, they mean that it recognises the normative context of management as important, but it also presupposes that, whatever the context, management strategy and tactics will usually depend on pragmatic and organisational considerations as much as on political philosophies. Therefore, public managers need tangible administrative competence to manage organisations successfully in a political environment. The public management approach emphasises that the individual manager must be able not only to understand and analyse the unique institutional and organisational systems in which he or she is embedded, but must also be able to bring an array of techniques and skills to bear in directing these systems (1983: x).

Perry and Kraemer interestingly argue that public management as a special focus of modern public administration is new, but its roots extend back to the founding essay of Wilson, "The Study of Administration" dated 1887 (1983: 1). In his essay, Wilson called for establishing a new science of administration that would make the business of government more "businesslike", improve the quality of personnel in government, and improve the organisation and methods of government. The focus of this new science of administration was to be on the executive function in government because this function was outside the proper sphere of politics. Within this context, he suggested that politics and administration could and should be separated in both the practice and the academic study of government. While these points emphasised what Perry and Kraemer call the instrumental orientation in Wilson's thought, Wilson did also show a concern with the need for public administration to be accountable and responsive to the public and their elected representatives which forms what Perry and Kraemer call the normative orientation (see Gunn, 1987: 37, 35-36). This shows the similarities between Wilson's position and Perry and Kraemer's public management.

It is generally accepted that Perry and Kraemer (1983) have brought thought-provoking thesis about public management. Gunn (1987), argued that he was unconvinced, however, that their version of public management is a new and integrative paradigm. According to Gunn,

"The analysis is a little too simple, the compromise too bland, and it was difficult to see what radically new questions are being posed or novel patterns of thought are emerging from the so-called "paradigm"" (1987: 43).

In the US, a union of sorts does seem to have been taking place between public administration and generic management "congregations", but the result is considered by Gunn as a very "broad church" (1987: 37, 43), just like the readings selected by Perry and Kraemer (1983). Although it is not the same extent, this sort of synthesis is on the way in Western Europe, notably in the UK, by means of the pressures for more "business-like" management for the public sector. Recent official reports released by government authorities and
international organisations, the activities of government-funded research agencies, the change in the names and curricula of graduate and post-graduate schools and courses and the change in the names and contents of major journals indicate this development (see Chandler, 1991a; Midwinter, 1990; Gray and Jenkins, 1995: 82; Pollitt, 1996: 84-85). Actually, Gunn was aware of this development in his article dated 1987. Therefore, he argued that the public management approach had to be further investigated. According to him, the academic members of the public administration fraternity should not be on the defensive grounds that:

«[they] face a choice between adapting their traditional approach to reflect current pressures and allowing themselves to be pushed aside by their colleagues in the business schools. My own view is that there are more positive arguments for moving away from traditional public administration to a wider concern with public management and even generic management. My recent teaching ... has convinced me that "generic management" approaches need not be dominated by business problems, values, methods and techniques. Thus I am more sympathetic to the overlapping "public management" and "generic management" approaches than my earlier discussion might have suggested, since they offer a way ahead which seems more attractive than blind adherence to the outdated view that public administration is "unique"» (1987: 44).

Gunn also points out another significant difference between his position and that of Perry and Kraemer. This is specifically concerns Perry and Kraemer's "rediscovery" of Wilsonian politics-administration dichotomy. According to Gunn, if we are not concerned with the formulation and accomplishment of missions, public management will offer a very "impoveryed" analysis and then it will thereby also impoverish its own future. Therefore, he is much more sympathy with Allison (1983) who deplores such dichotomy as unrealistic simplification and claims that the management process will affect the political process and outcome. Gunn argues that the opposite also applies, so that management outcomes will be deeply influenced by the political process and the policies it generates. For Gunn, this is a good lesson for some governments which often seem to pursue expenditure reduction and alleged efficiency in a "political vacuum" (1987: 44-45).

Within this framework, Gunn aptly argues that as European academics,

«we must develop our own perspective upon "public management", one which should be less truncated than that offered by Perry and Kraemer. There should certainly be major inputs from "public policy" to public management teaching and research, as well as from "business management" and "generic management". Finally, we should not forget what is relevant from the older "public administration" tradition, since there remain several
important respects in which management of the public sector is necessarily and properly different from management of the business concern» (1987: 45).

Not only Gunn, but also Pollitt criticises Perry and Kraemer’s position concerning the politics-administration dichotomy. He argues that the public management approach’s realism seems flawed by its resuscitation of the old and discredited Wilsonian dichotomy (1993: 162).

Although Gunn criticises Perry and Kraemer’s views, in particular, from the point of politics-administration dichotomy, it is obvious in his articles dated 1987 and 1988 that he is very much influenced by the public management approach developed by these authors. As a matter of fact, Gunn (1988) is critical of the over-simplistic view held by the traditional public administration approach that little, if anything, can be learned across the sectional divide. He is equally critical of the private management approach that claims that the public sector has everything to learn from efficient business practices and should, literally, become more business-like. He suggests that a third approach is necessary. That is the public management approach, which avoids both the public administration and business management extremes, while combining appropriate elements of both. Thus, his position, in essence, is not so much different from that of Perry and Kraemer.

Gunn argues that public management offers:

« a third (or middle) way, with its acceptance that there are certain respects in which management in the public sector is necessarily and properly “different”, but other respects in which management is “generic”, with scope for mutual learning across the sectoral divide. While some practices and methods can be directly carried over to the other sector, there are likely to be many more cases where intelligent adaptation will have to precede adoption. This is, of course, to leave the argument in broad and unresolved terms [as in the case of Perry and Kraemer] but, perhaps, on a more realistic and positive basis that provided by either of the extreme alternatives» (1988: 25).

In sum, both the perspectives of Perry and Kraemer and Gunn are trying to gather the best parts of both worlds. The ambiguity about the meaning of public management, however, still exists in spite of their strong arguments (5). The public management approach was developed in the hope that it would provide some defence against the anti-public service arguments of the New Right and neo-Taylorism (Pollitt, 1993: 160, 164) as well as a reaction of outdated aspects of the traditional public administration. Therefore, it is quite vague in meaning and does not score particular highly in terms of coherence. Tensions between normative and instrumentalist orientations have only been papered over rather than resolved. According to Pollitt, « to assert that public management needs to take account of both is obviously sensible, but it hardly constitutes a new "paradigm"» (1993: 161). Although public management
proved a reasonably attractive label, different writers feel themselves to take markedly different stands on the priority to be accorded to the different elements in the package (Pollitt, 1993: 157, 161).

Actually, Gunn is well aware of the problem of vagueness. He argues:

« Much seems to depend on where any particular preacher places the emphasis, whether on: (1) public management, implying that we can learn something from generic management but that the public sector is still much more dissimilar than similar to the business sector; or (2) public management, with the implication that management is management and the claims to uniqueness of the public sector are overstated» (1987: 43).

Actually, this indicates that the "publicness puzzle" (Bozeman, 1987) - how the public aspects of organisations affect their management - is the core conundrum in this field. Without theoretical framework of public management which clarifies the crucial differences between the public and private management, the "public" in management is easily viewed as a minor problem (Bozeman, 1993b: 28). Thus, taking a further step from the Perry and Kraemer's standpoint, we can argue that a delicate emphasis should be placed on the "public" aspect of public management. We are, of course, aware that, as Kooiman and Eliassen emphasised, « any effort at ... putting an accent may open not only Pandora's box of beliefs, disbeliefs, preconceptions, judgements but even of prejudices and bias» (1987: 8). However, we believe that we would not be able to cope with the identity problem without taking such a position even if it is quite delicate.

This integrative approach is expressed and amplified by other authors under either same or different labels. For example, recent collections of papers review European experience with the public management approach (Kooiman and Eliassen, 1987; Eliassen and Kooiman, 1993). These collections reflect a marginally greater willingness to address the political elements as integral to the manager's role but lack coherence in other respects (Pollitt, 1993: 239).

In brief, the historic "separate but equal" thesis has been challenged by this integrative approach. Although the last decade was devoted to legitimising the public management approach, the key issue is still how the inherent conflict between the private management model with its criterion of economic rationality and the public administration model with its criterion of political rationality can be resolved. The public management approach has raised this issue correctly but there is a long way to sort out this issue successfully.

5) "The new public management (NPM) as a 'new' paradigm": Another distinctive approach of management for the public sector within general public management framework has been on the agenda since the early
1990s: the "new public management" (NPM) (see Hood, 1990, 1991; Mascarenhas, 1990; Pollitt, 1993). In our opinion, the best heading which identifies the recent changes in the study and practice of the public sector is NPM. We believe that NPM is a new approach to the study and practice of the public sector and its position between the traditional public administration approach and the private management approach is very special. It contains a set of values, norms, techniques and practices concerning management in the public sector. With NPM « ... higher priority is given to the "management" of people, resource, and programmes compared to the "administration" of activities, procedures and regulations» (Aucoin, 1988: 152). Implicit in the shift towards NPM has been the assumption that traditional administrative function should be superceded by a more economicistic and managerialistic function.

The emergence of NPM has started lively debate around its origin, perceived purpose and content. As Hood points out, there was no single academic classical text which set out NPM ideas explicitly at the beginning since NPM is mainly "consultant-driven" and "practitioner-driven" approach (1989: 349). The innovations have almost all come from either private sector studies (e.g. Peters and Waterman, 1982) and practices or the official reports of government departments and parliamentary commissions in many Anglo-American countries (e.g. the ESRC's "Management in Government" initiative in the UK in 1985) rather than from academics within the mainstream public administration (see Hood, 1989; Rhodes, 1991; Dunseire, 1995). International economic organisations such as OECD have also influenced the emergence and development of NPM.

NPM has aroused strong and varied emotions among academic scholars and bureaucrats. At one extreme, they consider NPM as the only way to correct the shortcomings of the traditional model of public administration (see Keating, 1988; Hughes, 1994); at the other extreme, they see NPM as the conscious destruction of distinctive public service culture and ethic (see Martin, 1988; Nethercote, 1998b; Pollitt, 1993; Ranson and Stewart, 1994; Haque, 1998). This is an understandable reaction when the scale of the changes, guided by NPM, occurred in the public sector are taken into account.

NPM refers to the structural, operational, cultural changes which have taken place in the public sector since the late 1970s. The traditional public sector culture, values, structures and practices have been challenged and then replaced, to some extent, by a more managerial culture, business-like values, disaggregated and decentralised structures and market-type practices in order to make the public sector more efficient and effective in accordance with the general aim of limited government. Although authors' views differ greatly in respect to the desirability of these changes or to emphasising on certain aspects
of these changes, there is substantial agreement among them as to the kind of changes involved (6).

It is widely accepted that NPM principles have gained ground in both academic and government circles in many countries. There are various explanations why NPM "caught on" so easily and quickly. Hood argues that there is no single agreed explanation of why NPM found favour in those circles and then mentions some abstract possibilities (Hood, 1990; Hood, 1991; Hood and Jackson, 1991). According to Hughes, Hood somehow neglects a far simpler explanation while he is dealing with more abstract ones. Hughes argues that the main reason for the eclipse of the traditional public administration approach is simply that it did not work any more, and was widely perceived as not working (1994: 21, 66-67). It is our opinion, NPM has emerged as a new response to the outstanding ideological and socio-economic changes occurred in the public sector since the late 1970s. The problems and the general dissatisfaction associated with the traditional public administration approach also facilitated the rise of NPM.

There is a growing consensus on the theoretical bases of NPM in the literature: "economics" and "management" (see Hood, 1991; Aucoin, 1990; OECD, 1991a: 11; Hughes, 1994: 74-77). Therefore, NPM's origin can be interpreted as a "marriage of two different streams of ideas" (Hood, 1991: 5). Managerialism is only one dimension of NPM in addition to economic one. With several exceptions (e.g. Jackson, 1990; Aucoin, 1990; Hood, 1991; Rhodes, 1991; Dunleavy and Hood, 1994; Dunleavy, 1994), authors have mainly dealt with the "managerial" side of NPM whereas its "economic" side is as important as its managerial one. Actually all managerial developments have centred around efficiency concept which is the crux of the matter since the early 1980s. NPM is, therefore, different from the "entrepreneurial government" approach with its emphasis on economics. It also marks a shift from the earlier American usage of public management (or "old" public management) which is considered as a technical sub-field of public administration.

The economic basis to NPM, backed by a more rational/realist motivational theory of how people act instead of rather vague notions and theories of public administration, offers precision, prediction and empiricism (Hughes, 1994: 74). Actually, the rise of NPM gave us a good opportunity to emphasise the links between public sector economics and public management which was unfortunately ignored in the past by mainstream scholars from each field. The recognition of stronger symbiotic relationship between them will give us fresh insights into the financial and managerial problems in the public sector and then offer improvements in public sector efficiency (Jackson, 1990). NPM has also been influenced by the theories and practices of management, especially of private sector management. Although the public sector has a
political character, its managerial aspect cannot be denied. Management factors are sufficiently important to be considered in their own right, even if they also have economic roots. As a matter of fact, we have witnessed some radical managerial changes in the public sector with antecedents in the private sector (Hughes, 1994: 74-77).

Hood specified the effects of economics and management on the emergence of NPM by naming more particular strands of them: the "new institutional economics" and the "managerialism" (1991: 5; for a similar approach, see Aucoin, 1990). The "new institutional economics" has been built on public choice, principal-agent, transaction-costs and property rights theories. It has helped to generate an administrative reform programme built on ideas of "contestability", "competition", "customer choice and satisfaction", "transparency", "accountability" and stress on appropriate "incentive structures" to control the behaviour of bureaucrats. All these ideas have certainly been part of a broad climate of attitudes to the public sector within which NPM emerged and developed (Hood and Jackson, 1991: 179).

The other theoretical base of NPM is the "managerialism" (7) in the public sector. The assumption which underlies managerialism is that the capacities of complex organisations to realise their objectives can be enhanced by management structures, techniques and practices which debureaucratise the organisational system. The appeal of managerialism in the public sector has, therefore, two dimensions. First, it represents "a critique of bureaucracy" as a mode of organisational design and management. Giant and bloated bureaucracies can be trimmed of fat and become more efficient and effective by paying closer attention to the organisation's mission and its resources, outcomes and customers. Second, it reflects a strong belief in the "superiority" of private sector management over public administration. Thus, the effect of private sector management on managerialism is quite obvious (see Aucoin, 1990: 117-18). Managerialism has contributed to generate the public sector reform programme in its concern with standard corporate management assumptions (e.g. the right to manage; management as a portable skill; increased focus on organisational output and performance measurement in order to eliminate waste and make control effective) and with quality and responsiveness aspects. However, NPM can be considered as a modest progress in some neglected aspects (e.g. culture; quality; responsiveness to customers) of managerialism in addition to its highly developed economic arguments. In other words, NPM contains some new aspects such as quality and customer-responsiveness as well as many elements (e.g. control techniques) of what Pollitt (1993) called managerialism in neo-Taylorian character.

Whether the sources of NPM are fully compatible remains to be discussed. This is, to some extent, because they do not have a single theoretical
origin. Each strand of NPM has its own distinctive characteristics and therefore they might contradict. There is a potential incompatibility of the new institutional economics (public choice) which provides "governance level" and managerialism which provides "managerial level" of administrative reform (see Scott and Gorringe, 1989: 81-82; Aucoin, 1990; Campbell, 1995: 484-85). Furthermore, there are some internal tensions within each strand (see Pollitt, 1993: Chp. 5). However, these tensions cannot falsify the argument that NPM can be considered as a paradigm shift. In our opinion, Aucoin's (1988 and 1990) efforts on this subject and some other recent academic work (e.g. Hoggett, 1991, 1996; Holmes and Shand, 1995) combined with practical developments in reform programmes suggest that these tensions can be resolved. After the necessary ("tight") political control is established, a "selective" centralisation/decentralisation, coordination/deregulation and control/delegation in accordance with the "tight-loose" principle (see Peters and Waterman, 1982) is likely to be more practical solution to the current problems of the public sector (8).

There has been extensive discussion of the shifting values that underlie the transition from traditional approach to NPM (see Hood, 1990, 1991; Mascarenhas, 1990; Rhodes, 1991; Pollitt, 1993; Dunleavy and Hood, 1994; Hughes, 1994). Does the emergence of NPM represent the development of a "new paradigm"? (9). Undoubtedly its rhetoric suggests so. It is known that NPM represents a hostility to the values of traditional public administration. The consequence is the redefinition, isolation or relocation of the areas of study of public administration and the launching a comprehensive reform agenda in the public sector. Therefore, some authors mentioned above consider this shift as an "emerging paradigm". For more critical eyes, how far NPM justifies a "new paradigm" remains an open question. This shift naturally gives rise to the question, "what is new here?" Some aspects of NPM might be new in comparison with the traditional public administration approach. Thus, Eliassen and Kooiman say: «we feel a change is in the air» (1987: 16) in this respect. But, what is new in terms of general public management? Lynn (1996) explains in his review of the literature on public management that there is absolutely nothing new about the use of marketlike mechanisms, privatisation, decentralisation, an emphasis on quality, or even customer orientation. At this point Thompson asks: «Does this mean that the "new" in the New Public Management is to be found, therefore, entirely in modifiers like "bold" or "intensified"?». And he answers himself thus «[p]erhaps it is, but probably not» (1997: 166).

The best point to begin to answer these questions is with public management because a New Public Management logically implies an old public management which was developed in the 1970s and 1980s. Although it is sometimes argued that public management is only a renewed interest in long-
standing issues of the public sector exposed by the traditional approach, with an emphasis on contemporary applications (see Allison, 1983; Rourke, 1984; Ingraham and Ban, 1986; Lynn, 1987; Rainey, 1990), there are some significant differences between the public management and traditional approaches. According to Garson and Overman (1983), public management has a strong philosophical link with management studies in lieu of close ties to political science. Therefore, there is a focus on the organisation itself rather than a focus on laws, institutions, and political-bureaucratic processes, a focus on management values and functions rather than social and political values and conflicts between bureaucracy and democracy, and a focus on middle-level managers rather than political (or policy) elites. Thus, a more generic tendency to minimise the differences between the public and private sectors in lieu of accentuating them has been adopted.

As a matter of fact, the proponents of the NPM approach have not focused on social and political values and institutions either, although all have given more or less attention to the political feasibility of reform. Instead, they have tended to focus on managerial values and mechanisms by establishing close ties to generic and business management studies. For example, business gurus are all cited positively and far more frequently than are the giants of public administration. As Thompson (1997) argues, NPM has a lot in common with the old public management, but there are also some important differences which make NPM a different version of the general management approach. It is less interested in organisations per se than in institutional design and choice. It seeks to privatise public services that can be privatised; to contract in or out support services; to establish bottom-line bureaus governed by contracts as appropriate; to take advantage of competition where possible; and to restrict direct bureaucratic provision to core public services. In addition to strong links with management studies, NPM has close ties to economics, especially the economics of organisations and public choice. This distinctive feature of NPM is also a result of its relation with New Right ideology (see Pollitt, 1993, 1996; Mascarenhas, 1993; Gray and Jenkins, 1995; Rhodes et al., 1995; Farnham and Horton, 1996a: 42).

Although some of its values and practices are not new, they are reinterpreted or reformulated under the new circumstances. For example, control and efficiency concerns of Taylorism have become popular again under the label of "neo-Taylorism" (see Pollitt, 1993). Also the politics-administration dichotomy has come to the agenda again with a new interpretation. While political and technical rationalities are effectively blended by increased politicisation at the governance level (with the effect of public choice arguments on tight control of higher-level bureaucrats due to their vested interests), policy making-management dichotomy is strictly pursued at management level (with the effect of managerial arguments on loose control -
devolution and autonomy - on managers at middle and lower-levels). This has facilitated the application of NPM principles to the public sector (10). With value for money (VFM: economy, efficiency and effectiveness) analysis, economic concerns are renewed. However, NPM is not one in which old truths can be reasserted. It is one in which "new principles" have to be developed. Government must face the challenge of innovation rather than rely on imitation. Improving public management is not just a matter of catching-up with what is already being done in business; it also involves breaking new ground (Metcalf and Richards, 1990: 36).

Some authors consider NPM as a "revolution" or a "paradigm shift", but others see it as "explorations" towards a new paradigm or a "competing vision" (see Kooiman and Eliassen, 1987; Gray and Jenkins, 1995; Mathiasen, 1996). If NPM is a real paradigm shift, how could we explain the new interest in or need for "governance"? (11). It seems that such arguments will lead to another long lasting theoretical debate in the field. Although the weights of these terms are obviously different and these various terms reflect different views of what is occurring, they do have common points to indicate the same phenomenon: improving management in the public sector by replacing traditional public administration with a new approach. Whether these developments are so great as to call them a "revolution" or "paradigm shift" is subject to an endless debate, and especially is a matter for empirical investigation, but one thing is certain: the structure, practices and culture of the public sector are changing significantly. Despite its highly rhetorical and ritualistic aspect, nobody can deny or ignore the scope and effect of the recent changes in the public sector. These changes have already had substantial impacts on the relationships between government, bureaucracy and citizens/customers. Moreover, all these changes are legitimised by using the "government failure" argument and the severe critique of the traditional approach.

In our opinion, the instrumental aspect of NPM is more developed than its normative aspect (see also Butler, 1994). If "public management" is seen as an integrative approach to the study and practice of the public sector, it can be argued that "a unique management for the public domain" position refers to the normative aspect of public management while "NPM" position is representing the instrumental aspect of public management. It is undeniable that management practices are universal since public management and private management have common problems, a common unit of analysis (i.e. organisation) and some similar management procedures and techniques. However, public management is and should be a significant part of the socio-political dynamics of the society. An opposite understanding would facilitate the identification of public management with generic or private management. Eventually public management would die out in the field of generic management. Departing from this point, NPM should be reconsidered as an
approach beyond the narrow concept of the technology of public administration; and not only its instrumental aspect but also its normative aspect should be developed.

6) "A convergence between private management and public management": This position refers to the view that the boundaries of the public and private sectors are now so blurred and the distinctions between management functions in the two sectors have largely disappeared.

Analysis of similarities and differences between public and private organisations raises semantic, legal and analytic difficulties in searching for a clear definition of "public" and "private" organisations (see Rainey, Backoff and Levine, 1976). Organisations, in fact, can rarely be separated into two homogenous camps: "pure public" and "pure private". Rather a spectrum between the two extremes can be posited, and different mixed types can be located on this spectrum (see Tomkins, 1987; and Perry and Rainey, 1988). Differences between public and private organisations and management functions are not so simple and clear as often suggested. Comparisons made against the standard of political environment of a public organisation and the standard of an idealised private firm leads us to a cul-de-sac (Yates, 1985: Chp. 1). Therefore, the public-private distinction should not be overstated (12). There are always intermediate types and overlaps on various dimensions. "Gray areas" where the two sectors are mixed has long been recognised (see Waldo, 1977). Observers now refer to "indirect government", "third-party government" and "government by proxy" to describe how the public sector is increasingly relying on a number of organisational arrangements to carry out public services (Salamon, 1981; Seidman and Gilmour, 1986; Kettl, 1988). The more or less same dynamics are occurring in both developed Western countries (Kettl, 1988) and developing countries (White, 1987: Chp. 7). In the future the public sector may become even more congested and complex, with the co-existence of services which have been contracted-out to private firms and others which are provided by public agencies enjoying a very high degree of operating and even policy autonomy. Therefore, a phenomenon of "blurring" or "convergence" of the sectors has frequently noted since the mid-1970s (for example, see Murray, 1975; Musolf and Seidman, 1980; Bozeman, 1984, 1987; Rainey, 1991; Jordan, 1994: Chp. 6).

The "blurring" phenomena seems to involve two interrelated developments. First, there is an intermingling of governmental and nongovernmental activities (e.g. government regulation, mixed undertakings, contracting-out). In practice, much of what takes place in the public sector is accomplished with the collaboration of numerous private organisations (e.g. political parties, pressure groups, private contractors). Equally, private business depends heavily upon public authorities to supply a host of services (e.g. health,
education, roads). The interdependence of the two sectors quickly becomes apparent. Second, there is an increasing similarity of function of the organisations in the two sectors. There are discussions of the need for greater efficiency in public organisations, and for greater social responsibility on the part of private organisations. In other words, there are pressures on the public sector to be more businesslike and the private sector is heavily influenced by the government (see Rockefeller, 1971; Nader, 1973; Nadel, 1975; Peters and Waterman, 1982; Yates, 1985: Chp.1; Chandler, 1988; Greenwood and Wilson, 1989: 8; Jordan, 1994: Chp. 6). Furthermore, the "publicness" of business organisations (i.e. responsiveness to the public interest and citizens rights and demands) and the "privateness" of government organisations are argued with a dimensional approach (i.e. "external governmental constraints" imposed on the basic activities of organisations) to the "publicness" issue (Bozeman, 1984).

This blurring certainly complicates the delineation of the sectors, but even a blurred distinction can still be meaningful. Therefore, there are differences among analysts who involve the weighing of similarities and differences between organisations and management functions. The central question is whether the similarities are more important than the differences. Perspectives of analysts are very influential on their conclusions on this matter (Perry and Kraemer, 1983: 55; Yates, 1985: 38). For example, both Murray (1975), Allison (1983), Perry and Kraemer (1983), and Yates (1985) identify certain generic management functions (i.e. POSDCORB) that are similar in both sectors. However, on the one hand, Allison argues that these functions bear identical labels but take on different meanings in public and private settings. And then he seeks to identify critical differences which have a considerable impact on the character of management in the public sector. In a middle-ground position Perry and Kraemer try to form an integrative approach out of the strengths of the two sectors. Yates argue that without specifying the character of management context we could be caught in a somewhat fruitless debate about whether the glass is half-full or half-empty. He also concludes that this does not mean that public management does not have distinctive characteristics. On the other hand, Murray points out to a "blurring" of the distinctions between the two sectors rather than to a "bifurcation".

Murray (1975), as the principal exponent of the "convergence" thesis, argues that the boundaries of the two sectors are now so blurred and the distinctions between management function in them have largely disappeared. Public and private organisations are converging and facing similar constraints and challenges. Management in all type organisations is increasingly viewed as a "generic" function. Traditional barriers and distinctive patterns in decision-making and goal definition are breaking down. Therefore, the typical contrast between public administration and private management which stresses the
uniqueness of public organisation is no longer operational in the post-industrial society.

According to Murray (1975), public and private management are not "inherently" different. The similarities are many and clear-cut and the distinctions are blurred. The differences are more a matter of appearance than reality, perception than fact, degree than real substance and kind (Murray, 1975; Vinten, 1992). For example, private firms can no longer think in terms of profits as their single, simple objective and measure of ultimate performance. Managers of multinational corporations, in particular, see their environment as being as multi-dimensional and pervasive as that of any government agency. Conversely, public organisations have increasingly to justify the resources they consume by reference to benefits obtained. Therefore, arguing that profit is the sole reason for the existence of private business and that efficiency is never the objective of public organisations are both misleading. Bureaucratic tendencies are rampant in most large undertakings, whether public or private. Differences in public visibility and accountability exist but are less sharp in a society where every large organisation is politicised and open to media investigation and legislative scrutiny. Private managers are increasingly held accountable to investors, customers, employees, media and entire communities. Businessmen appear to be reasonably effective when recruited to governmental posts and former public officials are prime candidates for top corporate positions. In sum, all these are differences of "degree" and not of "kind".

Rather than conceptualising management in the public sector as a direct extension of private sector values and practices, Murray argues that «[p]ublic and private management procedures, operations, and goals cannot be viewed as separate processes» (1975: 371). According to him, « ... once general priorities are established, private and public bureaucracies operate about the same» (1975: 365).

As a matter of fact, Dunsire reminds us, it is a mistake to draw too firm line between public and private management. Often the internal distinctions between public sector bodies are much more significant than contrasts with the private sector (1973: 179). Since the public sector is not a monolithic structure, the variations within the "public" category (by agency, functional type, policy area, and level of government) should be taken into consideration (see Rainey, 1993: 9-10). Therefore, Dunsire points out that any preoccupation with the boundary between the "state" and "non-state" has become increasingly "a distraction and an irrelevance". He also suggests that "institutionalised traffic across the state/non-state boundary is heavy" (1982: 15, 16). On the one hand, the public sector can and have learned a great deal from private management practices. Public organisations have begun to resemble business firms as user charges and other quasi-market techniques become more common. On the other
hand, in certain contexts it is even appropriate to recognise the "colonisation of the private sector by government" (Pitt and Smith, 1981: 39).

From the managerial perspective Drucker (1973) discounted most of the alleged differences between profit and non-profit organisations. With the advent of "managerialism" (see Pollitt, 1993) or the "new public management" (see Hood, 1990 and 1991; Mascarenhas, 1990a), distinct sets of beliefs and practices have developed across all kinds of organisations in the Western world in order to change the culture of public organisations and improve their performances. Government policies about restructuring public organisations in the direction of the prescriptions of these movements have served to reinforce Dunsire's conclusion. Moreover, between the pure types of public and private organisations hybrid forms have become more common.

Murray's type of argument is, in fact, a fairly familiar one. However, the point of convergence in the 1980s and 1990s requires the public sector to move much further towards the criteria and practices associated with the business world (Gunn, 1987: 42). Moe (1988) warns us about this convergence (blurring) tendency which is meshing or meshing the two sectors and, therefore, may result in an erosion of democratic polity since political accountability becomes divorced from managerial responsibility. Each sector can learn a great deal from each other. The growing convergence does not mean that the public sector must sit at the feet of the private sector and learn from it. Both must be in a "reciprocated learning" attitude, and can mutually benefit (Chandler, 1988: 9; and Vinten, 1992: 3).

7) "Management is generic": This position is not fixed and in principle it could be developed from the view that the processes of managing the private sector could be adapted to the public sector, as vice versa (see Weinberg, 1983; and Baldwin, 1987). It is usually expressed by management scholars and management gurus and consultants.

The view of management as largely a generic set of structures and activities common to all organisations had actually its origins in the early classical school of theorists. Leading figures such as Weber, Taylor, Gulick and Simon worked to build a general body of knowledge about organisations and management, arguing that their insights applied across the commonly differentiated types of organisations (see Rainey, 1991). A range of management writers, from Drucker to Mintzberg, in the post-war period created a body of "modern management principles" which they applied to both public and private organisations. Some studies of organisational variables such as size, task and technology in public organisations supported their view that those variables may influence public organisations more than anything related to their public auspices (e.g. Haas, Hall, and Johnson, 1966; Pugh, Hickson, and
Hinings, 1969). Such studies also bolstered the idea that public-private distinction is inadequate for a general typology or taxonomy of organisations (McKelvey, 1982).

Although there is no one best way of organising and conducting business, management is considered as a "universal" activity, across organisations. According to Henry, this understanding, with the creation of the journal of "Administrative Science Quarterly", has started to proselytise the theory that "public, business, and institutional administration were false distinctions" (1975: 382). A "new wave" generic management emerged in North America in the 1980s and found its way into some leading edge Western companies during the decade. This focuses on the managing of "culture, quality and excellence". It drives from the ideas articulated largely by American management gurus who are seeking to provide sets of prescriptions to managers for corporate success. Their ideas have had a major influence on business literature, education and practice (Farnham and Horton, 1996a: 30-32). It has also spread to the public sector. The drive towards managerialism in the public sector has found its most established academic justification in generic management position (Chandler, 1988: 1-2).

This generic approach has dominated management literature and practice since the 1950s. In practice, as Gunn points out, it is much more usual to identify the processes and practices associated with private management and to suggest that these also apply, with minimal adaptation, to the public sector (1987: 42). The perceived superiority of private management has led to the inescapable conclusion that the distinction between public and private management is an "illusion". According to this argument, "management is management" (see Peters, 1996: 21, 28). Thus many business schools began as such but later added on a public sector dimension. The obvious danger is that such an approach will be dominated by business problems, values, techniques and practices (Gunn, 1987: 42). The main proponents of this position are usually from private firms, business schools or private consulting firms. Perry and Kraemer indicate that: «In our experience of generic viewpoint, good management typically meant good business management» (1983: ix). However, many prescriptions of generic management will require considerable adaptation before they will fit in the distinctive character of the public sector (Pollitt and Harrison, 1992: 2). As a matter of fact, transferring private sector management practices to the public sector unquestioningly results in limited success, mediocre outcomes or even failures time to time (Thomas, 1993: 38). It also causes the disillusionment of managers who migrated from the private sector to the public sector and find themselves unable to operate effectively in the new circumstances (Rainey, 1990: 159).
8) "Public management is only a less efficient form of private (business) management": This position refers to the view that management in the public sector is simply a less efficient form of private (business) management. Less market exposure and more political-bureaucratic influence may result in less incentive to X-efficiency and allocative efficiency. Therefore, it is usually argued that traditional political-bureaucratic and legal concepts used in the public sector provide no clear criteria that compete successfully with economists' more widely agreed upon market concepts used in the private sector. Therefore, business values, techniques and practices should be applied as quickly and as comprehensively as possible to the public sector.

This position is not one that is to be found written down, but it is more usually expressed orally, colloquially, and over expense-account business lunches. Adherents of this position are, therefore, often found among practitioners came from the private sector or scholars and management gurus involved in private consulting firms. In the 1980s it also appeared to have permeated government circles in the US and Western Europe.

However, this view is based upon a lack of understanding of the complexities and constraints which necessarily apply to the public sector (Gunn, 1987: 43). This results in the application of "impoverished concept of management" to the public sector (Metcalf and Richards, 1987, 1990: 17, 216). The irony is that the challenge, mainly the New Rightist, to the uniform model of traditional public administration has substituted a new simplistic uniformity of the market (Ranson and Stewart, 1994: 23). Ambiguity, complexity, multiple and incompatible objectives and the conflict of competing values of different stakeholders are the meat of internal organisational politics and political discourse in the external policy-making arena of public organisations. However, too often, this obvious political dimension of the public sector is forgotten when simplistic private sector managerial prescriptions are recommended for public organisations whose missions are often impossible (Jackson and Palmer, 1992: 35). The problem of getting things done in government is, however, often approached as if politics were a minor inconvenience and politicians are a footnote to the process of management. In reality, the nature of political process profoundly affects the context for management in the public sector. It would be imprudent, to say the least, to try to change all the factors which complicate managerial life in the public sector simply in the interest of promoting managerial efficiency. Although there is certainly room for the adoption of some private sector techniques and practices, government is not, as some people seem to think, simply a "sort of mismanaged business corporation" (Plumptre, 1988: 343, 344).
Conclusion

Improving the performance of the public sector is the critical point of the recent reform efforts all over the world. The very nature of the purpose of improving efficiency in the public sector makes "the adoption of a managerial approach necessary, but the kind of management must be specific to the conditions of the public sector" (OECD, 1991b: 10). Managing the public sector well will require an understanding of the "distinctive nature" of management in this sector, and in public service in particular. Any initiative must show an understanding of the particular legal and socio-political environment within which the public sector operates in addition to economic and financial constraints. Therefore, the public sector must develop its own management ethos and style, based around the concept of public service which has always been its guiding principle (Boyle, 1992: 245-46). In fact, as Hughes aptly points out: "what we are witnessing may be a new theory of management, but, thus far, it is a theory of public management and not a generic management" (1994: 86). Public management will not be derived merely by transferring private management techniques to the public sector, but rather by consideration of what the general management function entails, what the peculiar features of management in the public sector are and the derivation of a new system of management which suits that sector (Hughes, 1994: 86).

Public management is neither a function of mere application of public law and administrative procedures nor a function focusing only on achieving objectives by using some economic criteria and managerial techniques without considering any social and political criteria. On the one hand, the denial of the importance of cost-consciousness and sticking to the bureaucratic rules are among the main causes of bureaucratic inertia. Therefore, there is no doubt that economics and management are necessary pillars of public management. Significant improvements in the performance of public organisations can be expected from improved approaches to management. On the other hand, economics and management cannot solely form an adequate foundation for public management. An exclusive focus on value for money and management may never be entirely appropriate in the public sector. The denial of the different demands on management in government and therefore the application of generic management principles is a dangerous fallacy. Public management does not exist apart from socio-political issues (e.g. equity, participation) and public law (i.e. the constitutional order). A study and practice of public management without legal and socio-political contents should be seen as pointless and artificial (see Chandler, 1991a). It may also pose a threat to democratic governance (see Terry, 1998). As we mentioned above, an opposite understanding would facilitate the identification of public management with
generic or private management and then, public management would die out in the field of generic management. Departing from this point, public management should be reconsidered as an approach beyond the narrow concept of the technology of public administration; and not only its instrumental aspect but also its normative aspect should be enriched (see Butler, 1994). The problem, which we are now facing, is that of how the best of both approaches can be synthesised. Unfortunately, both the advocates of traditional public administration and public management have showed relatively little concern in this crucial matter (see Wilson, 1996).

In our opinion, public management should be a coherent combination of applications of legal, economic and managerial rules in order to provide public services expeditiously, efficiently and effectively. In the long-run more efficient and effective public management based on a greater concern for economically rational results may be vital to sustaining support for government policies to improve social aims (see also Keating, 1991: 238, 262-63). A new approach to the public sector therefore, should be developed with an integrative understanding of the contribution of politics, public law, economics and management (for a similar argument, see Ranson and Stewart, 1994: 30-31; Johnston and Callender, 1997: 54).

The last decade was devoted to legitimising public management with considerable success to a great extent. As Perry argues, now we are entering a more serious stage, in which valued knowledge must be developed (1993: 16). The value of public management will be limited unless we establish a conceptual bridge between political rationality and economic rationality (see Levine, 1979: 471, 484, 485) and between managerial rationality and the rationality of public law (see OECD, 1991b: 13; and also Peters, 1989: 296). This sort of synthesis may be an idealistic view since the management of public affairs is not an easy task, but it should be done (see Hughes, 1994: 257-58). Thus, the key substantive issue - the inherent conflict between the private management model with its criteria of economic efficiency and public administration model with its criteria of public interest - could be resolved. The public management approach has raised this issue correctly, but a long and painstaking road is waiting for it to resolve the issue meaningfully.

We hope that an enriched public management approach will provide a broader perspective from which to analyse the phenomenon of limited but efficient government. We are aware of the difficulties and contradictions of this task but we believe that in the late 1990s enough knowledge and experience has accumulated to permit such an approach to be developed. Perry and Kraemer's "integrative public management" approach provides us with a general framework. While Ranson and Stewart's "a unique management for the public domain" approach is opening the way to develop the "normative" aspect of
public management, NPM supports its "instrumental" aspect. However, it should be kept in mind that public management is not a certain remedy for all public illnesses (see Kooiman and Eliassen, 1987: 15-16). Indeed, public management is only a promising direction rather than a full panacea. It does not represent some miraculous elixir for all problems of the public sector (see Rainey, 1990: 172, 173). Therefore, public sector is not likely to be the comfortable place for both academics and practitioners in the following decade.

Notes

(1) For the difference between "administration" and "management" functions, in particular in the public sector context; and for the phenomenon of transition from administration to management, see Hughes (1994: Chp.1).

(2) Although not all of them are convinced by the dictum of "public administration is unique", a number of authors have cited significant differences, in addition to some similarities, between public and private organisations and between management functions in the public and private sectors... The literature on this topic has sprung up with the rise of debate on public management, including NPM. For example, see Fottler (1981); Meyer (1982); Perry and Kraemer (1983); Gunn (1987 and 1988); Ring and Perry (1985); Kingdom (1986a, 1986b); Baldwin (1987); Kooiman and Eliassen (1987); Metcalfe and Richards (1987, 1990); Perry and Rainey (1988); Moe (1988); Coursey and Rainey (1990); Dpison and Stewart (1990); Chandler (1991b); Elcock (1991); Osborne and Gaebler (1992); Vinten (1992); Goodsell (1994); Ranson and Stewart (1994).

(3) For "publicness dimension", see Bozeman (1984, 1987); Ventris (1987, 1989, 1991); Stewart and Ranson (1988); Dilulio (1989); Coursey and Bozeman (1990); Frederickson (1991); Ranson and Stewart (1994); Haque (1996a); and Antonsen and Beck Jørgensen (1997). As Pollitt warns, sometimes the nature of the public dimension is indicated in general terms and some commentators are not referring to quite the same thing when they talk about publicness (1993: 148). This is a serious inherent weakness in the field. The public constitutes the field's basic foundation and distinguishes it from private management. Therefore, it is argued by some authors that proper understanding of the concept of "public" and a more comprehensive "public perspective" are crucial for overcoming intellectual vulnerability and alienation in public administration (see Ventris, 1987, 1989, 1991; Coursey and Bozeman, 1990; Frederickson, 1991, Haque, 1996a). Dominant modes of conceptualising the public in public administration (i.e. identifying the public with the state, interest groups or customers) are inadequate to capture the essence of the notion of the public. Thus an alternative conceptual reconstruction of the public should be proposed. It should not only encompass the structural realm of the public related to the state, market and society, but it should also emphasises meaningful interaction and critical discourse as the essential dimensions of the public (Haque, 1996a: 528). The duality proposed by Ranson and Stewart (i.e. public as "collectivity" - the whole but also the public as "plurality" - the many) (1994: 60-61) might be a helpful starting point. The notion of "citizen" also perfectly expresses this duality since citizen is both an individual and a member of the collectivity.

(4) For wide variations in approach, see Rainey (1990). For a stronger argument, see Bozeman (1993c: 361-2).

(5) Perry and Kraemer's collection (1983), in particular, does not generate any clear summary of the specific characteristics of the approach which results from merger. Indeed the contributors to this collection seem to adopt a variety of positions on the basic issues of how and to what
extent public management is different. Perry and Kraemer themselves dwell rather more on the instrumental than the normative issues (Pollitt, 1993: 157, 164).

(6) The features of NPM and their impact on recent administrative reform programmes in many OECD countries have been identified by a number of writers. For example, see Hood (1980, 1991); OECD (1995); Rhodes (1991); Thomson (1992); Massey (1993); Pollitt (1993); Hughes (1994); Dunleavy (1994); Dunleavy and Hood (1994); Ranson and Stewart (1994); Holmes and Shand (1995); Boston (1996); Farnham and Horton (1996b); Foster and Powell (1996).

(7) We can distinguish two different strands of managerialism: "neo-Taylorian managerialism" (see Pollitt, 1993) and "new wave of management" (variously called new managerialism, post-bureaucratic management, the 'excellence' approach, the new human resource management and even entrepreneurial government) (see Peters and Waterman, 1982; Peters and Austin, 1985; Peters, 1989; Wood, 1989; Osborne and Gaepler, 1992).

(8) Due to the short of space we cannot elaborate this point. For a detailed information, see Aucoin (1988, 1990); Hoggett (1991, 1996); and Holmes and Shand (1995).

(9) For detailed information about the debate on "paradigm shift" or "paradigmatic crisis" in this field, see Lovrich (1985), Üstüner (1992, 1995); and Haque (1996a, 1996b).

(10) For detailed information about NPM's different position in terms of this dichotomy, see Omurgonulsen (1998, footnote 6).

(11) For recent debate on governance, see Kooiman (1993).

(12) According to Bozeman (1993b), much of what is believed about the differences between public and private organisations and management come from the "wisdom literature": practitioners' reports of personal experience, suggestive anecdotes, ordinary knowledge, prescriptive studies of various types, rhetorical exchanges, and polemics. Bozeman also argues that the propositions of the wisdom literature are not always supported by empirical research. The relative configuration of public and private organisations in society reflects economic reasons and also political choices and priorities. In the face of this reality, Tomkins (1987) warns us that the focus should be on the appropriate form of management for each type of activity rather than ideological support for its location in either the private or public sector. For the problems and difficulties in public-private comparisons, see Rainey (1991: 30-32).

References


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