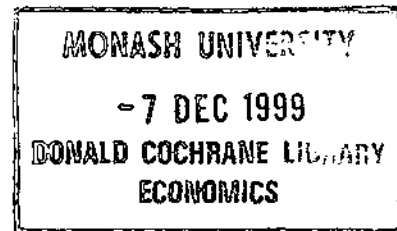


MONASH UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS



MANAGEMENT IN TRANSITION: RETHINKING
PUBLIC SERVICE QUALITY AND DELIVERY

Ramanie Samaratunge

Working Paper 75/98
November 1998

ABSTRACT

In the new model of public management, a decentralisation approach to policy formulation and implementation is emphasised. Decentralisation is a central focus in much of the recent literature on development, for instance, 'decentralisation is a common theme of policy debates in almost all Western countries at present' (Bennett 1990). In most developing countries, decentralisation has been one of the most widely adopted reforms in politics and administration experienced even before the new model of public management emerged. Many researchers and international aid agencies have seen decentralisation as a remedy for many problems existing in developing countries.

The expectations of decentralisation are very high, but in developing countries the results have so far been very disappointing. Despite a great deal of interest showed by international organisations, attempts have not yet met with adequate success. The paper argues that decentralisation approach to policy formulation and implementation so far has been used to strengthen political and administrative power base of elite groups at various government levels in developing countries rather than improving public service quality and delivering. It examines the new model of public management as a new managerial outlook for developing countries and analyses how far decentralisation approach emphasised by the new model is compatible with/different from what is experiencing in developing countries in terms of public service quality and its efficient delivery. Further research directions will also be identified.

MANAGEMENT IN TRANSITION: RETHINKING PUBLIC SERVICE QUALITY AND DELIVERY

INTRODUCTION

The paper argues that in developing countries, the decentralisation approach to policy formulation and implementation under the traditional model of public administration has so far been implemented in an ad hoc manner. It is also argued that it has been used to strengthen the political and administrative power base of elite groups at various government levels rather than improving public service quality and delivery. The importance of good managerial practices seems to have not been given serious consideration.

A major challenge in the new economic environment, which emerged in the 1980s, has been to set appropriate frameworks for both public and private sector activities (OECD 1995:6). During this period, the importance of the public sector has grown considerably, such that its efficiency has a significant impact on total economic efficiency. More than ever, public sector activities affect the operating environment of the private sector. Thus, while adapting to the new environment, a new set of values and norms in the public sector is required in order to do things better with less resources. 'Highly centralised, rule-bound, and inflexible organisations that emphasise process rather than results impede good performance' (OECD 1995:5), and therefore, 'simply do not function well in the rapidly changing, information-rich, knowledge-intensive society and economy of the 1990s' (Osborne and Gaebler 1992:12).

Good governance has been emphasised by many international organisations as an issue to be addressed in the coming century. For example, the World Bank (1997:4) in the 1997 World Development Report argues that governments should limit their activities to the preservation of law and order, environment protection, provision of public goods and development of human capital and infrastructure, leaving the rest to the market mechanism. Government is no longer a sole provider, but plays a crucial role as a facilitator and a supporter. An underlying assumption of these changes is that public organisations should render their services in a more cost-effective and customer-focused way. Hence, public sector reforms, known as New Public Management (NPM), have become universal phenomena and since the 1980s, have been experimented with in developed countries.

The new public management model encourages flexible, less hierarchical public institutions with devolved management. High levels of efficiency, customised service, and good quality public services are amongst its main objectives. Finding new ways of improving public service quality and delivery is the main concern of the NPM. The implementation of decentralisation policies in the context of the new model, through a new set of managerial practices, is a comparatively new field of research.

Since the 1970s, in the period before the new model of public management emerged, decentralisation was one of the most widely adopted reforms in politics and administration in almost all developing countries. For example, a recent study by the World Bank (Silverman 1992) indicates that two thirds of all the countries in Africa are either in the process of decentralisation or are already decentralised. Asian and Latin American countries have followed the same experience. Such experience of decentralisation in developing countries is well-documented (see for example: Herath 1991; Wunsch 1990; Mutahaba 1989; Slater 1989; Smith 1985; Rondinelli 1983; Rondinelli et al. 1983).

Decentralisation policies have been formulated and implemented within the colonial bureaucratic framework, which has 'an input-dominated structure, with output being only incidental' (Hughes 1994:49). Most developing countries still experience the colonial administrative model of public administration which they inherited from their colonial rulers. Hughes (1998:240) points out this may be because of the familiarity with the Western bureaucratic model among members of elite who had studied in Western countries and then occupied key political and administrative positions in their home countries after independence. With the bureaucratic approach to management in developing countries, rigid rules were the norm and seniority was the main avenue for promotions.

The expectations of decentralisation are very high, but in developing countries the outcomes have not matched the expectations. For many reasons, aspirations of the people were not reflected in the formulation of public policy. Despite a great deal of interest shown by international organisations, attempts have not yet met with adequate success.

This paper examines decentralisation in the context of the colonial administrative model and is divided into three major sections. In the first section, centralisation-decentralisation is considered as a continuum rather than a dichotomy. Different models of decentralisation are addressed in order to consider what is the appropriate model for the new changing economic environment. The second section focuses on the experience of developing countries in taking a decentralised approach to policy formulation and implementation, while the case of Sri Lanka and its government efforts towards decentralisation is briefly discussed. Empirical survey data is used to analyse how far the decentralisation approach improves/influences public service quality and delivery in the Sri Lankan context.

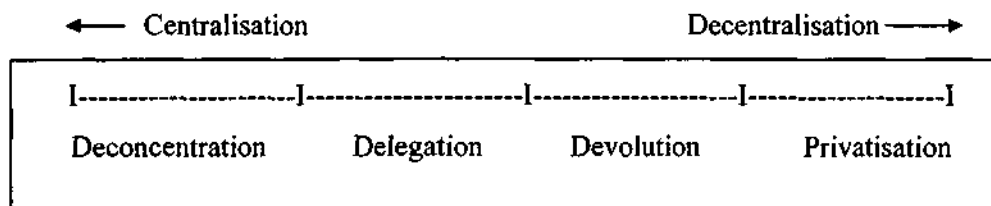
Finally, the new model of public management is examined as a new managerial outlook for developing countries. An assessment is made as to the degree to which the decentralisation approach, which is emphasised by the new model, is compatible with/different from that experienced in developing countries. It is argued that economic efficiency needs to be attained by maximising public service quality and delivery; indeed, this may encourage radical changes in relationships between politicians, bureaucrats, and people in developing countries.

CONCEPT OF DECENTRALISATION

As it is a very complex idea with many dimensions, decentralisation is difficult to define, resulting in different meanings for different people, regions and countries (see Blair 1995; Burns, Hambelton & Hoggett 1994; Bennett 1990; Slater 1990; Smith 1985; Rondinelli & Cheema 1985; Conyers 1983; Rondinelli 1981; Furniss 1974; Fesler 1965). However, agreement exists that decentralisation is a process rather than an end and that it mainly focuses on two main aspects: 'decentralisation of governance between levels of government federal/central and state/local; and decentralisation from government to market and non-governmental organisations' (Bennett 1990:1). Both aspects need to be addressed to present a clear view of decentralisation in the new global environment. For instance, in Eastern Europe, many countries have experienced a transition to market-based democracy, including a process of decentralisation (Hicks & Kaminski 1995; Rice 1996). Hicks & Kaminski (1995:1) point out that in Poland, 'the consolidation of democracy and economic prosperity critically hinge upon the design and implementation of decentralisation policy'.

The push for decentralisation revolves around the fact that decentralised institutions are more innovative and flexible and can easily adapt to the changing environment. By definition, the process of decentralisation leads to 'radical change in constitutional, financial, and other structures in many countries' (Bennett 1990:1) and authority is transferred in different forms and to different degrees. As a result, it is possible to argue that 'centralisation-decentralisation is a continuum rather than a dichotomy'(Wolman 1990:30). Thus, different forms of decentralisation can be defined as different points on the continuum.

Figure 1: Model of Decentralisation



According to the model, the continuum has four elements: deconcentration, delegation devolution, and privatisation (For details see Mutahaba, 1989; Rondinelli 1983). One of the main objectives of decentralisation is people's participation in policy formulation and implementation, which is provided, politically and administratively, through different kinds of institutions at various local levels. With transfer of political authority to elected local governments, close proximity of government to citizens enables better response to needs and priorities of local people. On the other hand, decentralisation of administration through service units (eg: waste collection in Britain, social security service in Australia) encourages a greater level of economic efficiency in the public sector.

However, an optimum combination of decentralisation and centralisation is situation dependent and is based upon the level of economic development, political situation, social environment, and administrative capacity of a particular country. A contingency approach best describes the way in which decisions are made about the degree of change, that is, which functions should be decentralised and which forms of decentralisation should be used in different countries.

Undoubtedly, the decentralisation process is highly political and the process itself does not produce positive outcomes without a supportive environment. Therefore, a vital factor for success of decentralisation is the environment in which it is introduced. Without a high degree of political and administrative commitment, any changes in public reforms will result in failure (Khan 1991: 71).

MEASURING PUBLIC SERVICE QUALITY AND DELIVERY

Research indicates that measurement of public service quality and its efficient delivery is a complicated process because of the multifaceted nature of impacts and effects of public reforms (Seidle 1995; Pollitt 1995; Kettl 1994). On the other hand, the citizenry is fully entitled to enjoy customised service which meets their expectations in terms of public service quality and delivery. Crawford points out that the primary role of government is to meet the aspirations of its citizens. He further argues that if government and its institutions are not capable of adapting and changing, the outcome will not what has been promised to the citizens (Crawford 1996:1-2). To achieve this target, government services should be delivered with maximum efficiency. Seidle (1995) has developed a model for quality delivery of public services (see Table 1).

Table 1: Criteria for Quality Delivery of Public Services

Responsiveness	Accessibility	Reliability
Timeliness	Convenient Hours	Availability
Courtesy	Proximity	Accuracy
Appropriateness	Physical Access	Meeting Service Standards
	Coordination	
	Suitable Means of Transactions	
	Information	

Source: Seidle, Leslie F., (1995), *Rethinking the Delivery of Public Services to Citizens*, Montreal, IRPP, p.11

As Table 1 shows, responsiveness, accessibility, and reliability are the main indicators of quality delivery of public service. Kettl (1997:447) also points out that in Australia public service can be assessed in terms of timeliness, accessibility, reliability responsiveness and cost. Bennington & Cummane (1998) point out that public service quality is antecedent to customer satisfaction. Similarly, there is a significant correlation

between quality of public service and its efficient delivery and customer satisfaction. Therefore, performance better than expectations means higher levels of customer satisfaction, while performance worse than expectations results in customer dissatisfaction (Wirtz and Bateson 1995). Recent public sector reforms, therefore, mainly focus on quality of service delivery in two aspects: the link between quality of service and economic performance; and adaption to the new environment which involves increasing public demand. As a result, 'improvements in the quality of public service depend on a shift from the traditional administration based on rules and procedures to a responsive, client/consumer-oriented culture' (Shand 1997:47). The decentralisation approach to management can often assist in this regard.

THE EXPERIENCE OF DEVELOPING COUNTRIES

Before the new model of public management emerged, governments in developing countries had experimented with decentralisation at different government levels. For instance, in developing countries since the mid 1960s when direct government intervention in economic activities was encouraged, decentralisation was a top priority in the public reform agenda. Many researchers have seen decentralisation as a remedy for many problems existing in these countries (Mutahaba 1989; Rondinelli, Nellis & Cheema 1983; Rondinelli & Cheema 1983; Mawhood 1983; Conyers 1983, & 1981; Tordoff 1980), while current literature on development increasingly identifies people's participation, (one of the main objectives of decentralisation), as an important factor in the development process. Many international aid agencies also highlight the importance of people's participation in their development projects (Blair 1995).

The colonial administrative model, inherited in many developing countries, has the basic features of the traditional bureaucratic model, which was used by colonial rulers in their home countries. Turner and Hulme argue that bureaucrats in former colonies in the South Asian region have failed to distinguish the difference between the British domestic model and the British colonial model and thereby proudly claimed that 'their system' simply follows 'the British system' (Turner & Hulme 1997:221-222). This may have occurred because 'the bureaucracy [in developing countries] often operated at a remove from its own society and constituted an elite with more in common with its counterparts in the West and with foreign corporations than its own people' (Hughes 1998:249). Therefore, it is hardly surprising that the existing public administration model in developing countries is highly suitable for political domination and economic exploitation. Until recently, the new generation of political leaders left the system untouched because its continuity enabled them to benefit. Within this system, bureaucrats from the elite group found themselves a comfortable place among the national political leaders.

The decentralised approach to policy formulation and implementation experienced in developing countries so far has been influenced by the colonial model of public administration. Inflexibility and hierarchy characterise this traditional model, which encourages a focus on process rather than output. A decentralised approach to policy formulation and implementation focuses on rules and procedures rather than performance and outcomes, undermining people's aspirations in these countries. People's participation has not been met at significant levels, and benefits of government projects have not trickled down to the poorest in these countries. Both public service quality and its delivery have not been improved to a significant degree.

CASE STUDY: SRI LANKA

The case study of Sri Lanka is used to analyse how far the decentralised approach to policy formulation and implementation has improved public service quality and delivery. Sri Lanka, a small island on the Southern tip of India, was influenced by foreign domination for more than three centuries. Its long colonial experience with a dual economy heavily influenced the country's political, economic and social situation (For details see Athukorala & Jayasuriya 1994). Since independence in 1948, the central government has favoured a centralised policy formulation and implementation with continuity of the colonial administrative model. This continued into the 1970s, but for many reasons, from time to time since the 1970s the government of Sri Lanka has made a few attempts to introduce decentralisation policies in an ad hoc manner

to address the country's critical issues. Many of these programs have been introduced with political and economic upheaval. These attempts will be briefly overviewed in turn (For details see Slater 1997 & 1989; Herath 1991; Wijeweera 1988).

Government efforts towards decentralisation

Since the 1970s, the government of Sri Lanka has been introducing decentralisation policies in order to accommodate the different interests of particular interest groups in the country. As such, the aspirations of ordinary people have always been dominated by the interests of politicians and bureaucrats at the national level.

Divisional Development Councils introduced in 1972 could be seen as the first attempt towards decentralisation. However, many complained that political interference, corruption and lack of good management practices were responsible for failure of Divisional Development Councils. In 1973, the government attempted to appoint their political backbenches as District Political Authority (DPA) to politicise the administration on the one hand, and to strengthen their political base at the local level on the other (Oberst 1986:169-70; Herath 1991:133). This attempt was supported with limited financial resources through the Decentralised Budget. However, there is little evidence that the government genuinely tried to include people's needs in those programs.

With a new government in 1978, the District Minister System was introduced dissolving the DPA system. Herath points out that 'the President appointed his closest and most loyal friends among the elected politicians, particularly those from the Western Province (home to the dominant elite) as District Ministers' (1991:169). In doing so, the President created a favourable political power base at the district level through decentralisation.

In 1981, District Development Councils were established under the District Development Act of No. 35. The District Minister acted as the Head of the District Development Council. However, the coordination between District Development Councils and line departments at the district level was minimal and many conflicts existed between politicians and bureaucrats. As a consequence, the administration tried to safeguard central interests by strengthening the power base at the district level.

The landmark of decentralisation occurred in 1987 when the Sri Lankan government introduced the Provincial Council System under the provision of the 13th amendment to the constitution and the Provincial Council Act of no. 42, which was a result of the Indo-Lanka Agreement in 1987. This was the first attempt in Sri Lankan history towards devolution and it was introduced in the most unfavourable circumstances possible; a massive public protest occurred because of the ethnic conflict involved between the majority Sinhalese and minority Tamil groups.

Complying with the Provincial Council Act, a significant amount of executive power was transferred to provincial councils from the centre. Interestingly, the ultimate power of all activities of the provincial council was vested in the Governor, who was appointed by the Executive President at the centre. The process is that the governor then appoints the chief minister from elected members. The chief minister is the head of the Provincial Council. Staffing arrangements for Provincial Councils are made through an all-island public service.

Since 1996, the new People's Alliance government has been considering the devolution 'package' in order to give more decision-making power to regions. Establishment of Regional Unions rather than Provincial Councils has been proposed in an effort to find a solution to conflict between the Sinhalese majority and Tamil minority groups.

Common features, if not weaknesses can be found in all the decentralisation programs. More emphasis was placed on political advantages than end-results. The changes made always centred on elitism. For instance, in all programs the government has been a little concerned with strategies to improve people's participation.

In addition, lack of a performance evaluation mechanism and bureaucratic/political dominance in the process have mainly paralysed the positive results of decentralisation programs.

METHODOLOGY

The research project as a whole comprises several modules and different data collection methods. Data has been gathered through a series of personal interviews, and structured questionnaires administered to politicians and administrators at each administrative level: national, provincial, district, divisional and village levels. The survey is focused on the Southern Province, the Matara district and Pasgoda and Thihagoda divisions for provincial, district and divisional levels respectively. In each selected division, four villages were selected: Bandaththara-1, Thihagoda-East, Watagedara, and Nayimbala in the Thihagoda division and Napatheila, Beralapanathra, Urubokka and Rotumba-East in the Pasgoda division.

The purpose of the survey is two-fold:

- a) to gather primary data on effects of decentralisation policies implemented since the 1970s; and
- b) to understand different views on the preferred role of government in new public reforms in the global economic outlook.

RESEARCH PROJECT SAMPLE

As stated, at each level key politicians and administrators were included to the sample (see Table 2). For instance, the final sample consisted of six politicians and five bureaucrats at the national level, including the President and the Prime Minister to cover the key people who introduced decentralisation policies in Sri Lanka. However, due to the prevailing security situation in the country, at the national level only three politicians were personally interviewed with a set of open-ended questionnaire.

Table 2: Research Project Sample

Admin. Level	No. of Politicians		No. of Bureaucrats		No. of Local People	
	selected	actual	selected	actual	selected	actual
National	6	3	5	5	NS	NS
Provincial	5	1	15	12	NS	NS
District	5	1	25	20	NS	NS
Divisional	25	13	15	14	NS	NS
Village	16	15	8	8	203	203

NS = Not Selected

Different sets of structured questionnaires were used for politicians and bureaucrats at the provincial, district and divisional levels, in conjunction with personal interviews. As indicated in Table 2, at the village level, the response to the survey was highly impressive.

At the village level, more than two hundred participants (n=203) were involved in the eight villages in the two divisions in the Southern province. The sample consisted of

people with different income groups and land ownership. Most of the participants are in the low income group (54.5% of the participants receive less than Rs. 3000 per month) who are the main recipients of government welfare services. They mainly depend on government services for their basic needs such as

food subsidies, transportation, and housing. However, bureaucrats and people with high income levels were also included in the sample in order to represent fully the village community. A significant correlation between income level and land ownership, which is still a good indicator of wealth in Sri Lanka, at the village level was found. Each participant at the village level was interviewed personally to fill out the structured questionnaire. The support given by local people and administrators was highly appreciated.

RESULTS AND DISCUSSION

It seems that, although many decentralisation programmes have been introduced since the 1970s, people have not been given any real involvement, either in policy formulation or its implementation. In addition, the trickle down effect of government programs to the lowest level has not been improved.

Table 3: Satisfaction with Public Goods and Services

	Male	Female	Total
Quantity	44 (34.9%)	20 (42.6%)	64 (37.0%)
Quality	44 (34.9%)	14 (29.8%)	58 (33.5%)
Timeliness	27 (21.4%)	12 (25.5%)	39 (22.6%)
Expectations	20 (15.9%)	11(23.9%)	31(18.0%)
n = 172 Male = 126 Female = 46			

Satisfaction with government services in terms of quantity, quality, and timeliness was found to be significantly low. For instance, data in Table 3 shows that only 18% of participants indicated that they had a high degree of expectations about public service. In particular, only about 16% of males and 24% females are satisfied with expectations of public service. The participants point out that political and bureaucratic influence block the smooth delivery of public service to ordinary people. With quantity and quality of public goods and services, more than sixty percent were not satisfied with public service, while its timeliness was also low.

Achievement of people's participation has not matched expectations. Less than 40% of participants were members of various village-level organisations. Their involvement in policy implementation was limited to supply of voluntary labour for approved government projects. For instance, 151 participants out of 176 indicated that they have only supplied their labour for government projects at the village level.

Table 4: Membership in Village Organisations

	Male	Female	Total
Village Development Organisations	51 (38.3%)	15 (31.9%)	66 (36.7%)
Youth Organisations	10 (7.5%)	4 (8.5%)	14 (7.8%)
Rural Development Organisations	63 (47.5%)	13 (27.7%)	76 (42.2%)
Women's Development Organisations	Nil	10 (21.3%)	10 (6.1%)
Community Development Organisations	7 (5.3%)	1 (2.1%)	8 (4.4%)
Co-operative Societies	20 (15%)	7 (14.9%)	27 (15%)
Other	43 (32.3%)	13 (27.7%)	56 (31.1%)
n=180 Male =133 Female =47			

According to the Table 4, female membership is significantly low. For instance, only 10% of female participants were members of Women's Development Organisations. Even in other Village Organisations, female participation is under expectations. Male membership is also relatively low, as the highest figure is 47.5% in Rural Development Organisations. Although government has emphasised that most of the programs focused on youth, participation of youth indicates only 7.8% in Youth Organisations.

Most of the positions in village organisations were occupied by elite groups, which maintain close relationships with politicians and bureaucrats at the upper levels of the hierarchy. According to Table 5, a few people have become involved in the various positions of these organisations.

Table 5: Involvement in Village Organisations

	Male	Female	Total
Executive Committee Member	9 (6.9%)	4 (8.7%)	13 (7.3%)
Treasurer	14 (10.7%)	2 (4.3%)	16 (9%)
Secretary	22 (16.8%)	4 (8.7%)	26 (14.7%)
President/Chairman	29 (22.1%)	7 (15.2%)	36 (20.3%)
Other	7 (5.4%)	2 (4.4%)	9 (5.1%)
n=175 Male =130 Female = 45			

It is interesting to note that in some villages, most of the above-mentioned positions have concentrated on one or two people who are relatively better off in terms of income level. High income owners were relatively better off because of benefits arising from government projects.

Non-Government Organisations (NGOs) have not been used to their best effect. Many participants had no knowledge of NGO activities at all. With a relatively less developed private sector, the Sri Lankan government could have used NGOs in a more fruitful manner to deliver public service to the poorest target groups at the village level.

At the Provincial level, coordination between politicians and administrators of the Provincial Council and the Central government was found to be minimal. There is strong evidence that ministers and administrators of the central government attempt to bypass Provincial Council members when they give orders to the lower levels, as they prefer to continue their work on a pre-devolution basis. As Gunawardena et al (1996:8) pointed out 'dialogue and consultation between the centre-province political and administrative actors are inadequate, or non-existent'. As a result, Provincial Council members, both politicians and bureaucrats, complained of a lack of coordination or ad hoc political and administrative relationships between the two levels. Dual responsibility without clear cut authority between Provincial Councils and the central government may create ambiguity.

At the district and divisional levels, politicians and bureaucrats also pointed out that a lack of coordination among different levels, undefined responsibilities and authority, and unnecessary rules and regulations were the main obstacles towards development. Individual and organisational performance have not been given enough consideration in the evaluation process of the public sector. It undermines the morality of bureaucrats on the one hand, and discourages organisational innovation on the other.

The inadequacy of financial devolution is another main setback of Provincial Councils, hindering their contribution to development. As the 1996 Committee Report on the Study of the Operation of Provincial Councils in Sri Lanka recommended, 'Inadequacy of fiscal transfers to PCs (Provincial Councils) delays in the release of funds allocated, proper management of devolved finances as well as accountability for

Provincial performance in the use of such finances are issues that require urgent attention' (Gunawardena et al.1996:45).

In sum, evidence from Sri Lanka on decentralisation suggests that all policies have been introduced without long term planning. Lack of coordination, dual authority without clear-cut responsibility, dearth of evaluation methods, and lack of awareness are the main causes responsible for disappointing results. Politicians and bureaucrats at the centre have tried to strengthen their power base at the various government levels through decentralisation. The importance of good managerial practice for decentralisation policies seems not to have been addressed. The Sri Lankan case shows that decentralisation policies in this country have not delivered positive outcomes, being hindered by inefficiency of the public service.

DECENTRALISATION AND NEW PUBLIC MANAGEMENT

The development of developing countries in the 21st century is heavily dependant upon effective cooperation between public and private sectors, with a role for the latter in supplying and delivering previously public goods and services. 'Governments in developing countries (therefore) must resolve the crucial issues of which services and functions should be under state control' (Rondinelli 1997:1). The role of Government must fit with its capability, while the main role of government is to facilitate and support the private sector to address important development issues and so promote the well-being of the people. With a relatively less-developed private sector, the role of government in these countries has been more crucial in the development process.

For various reasons, introduction of selected elements of the new model of public management has been used extensively in developing countries in the 1990s. The central themes of the new model are: the link between output and performance moving away from bureaucratic procedures; devolution of management controls and competency in the public service; and focus on customised service (Kettl 1997:447; Draper 1995:272; Hood 1991:4-5). The ultimate objective of the change is to improve economic efficiency. The restructuring procedures in different countries have been influenced by their different 'ideological, political, structural and cultural contexts but, consistently, the preferred role of government has changed from acting as the principal vehicle for socio-economic development to that of guiding and facilitating that development' (Kaul 1997:14).

The new model of public management encourages a 'let managers manage' mode of devolved management. For this to be effected, adequate decision-making powers at lower levels in the public sector must be followed by well-defined guidelines and fiscal autonomy where needed. Economic efficiency plays a vital role in the performance evaluation of any public service. In developing countries, economic efficiency is even more vital and might only be achieved at a political cost.

The new model clearly focuses on achievements. Decisions made by bureaucrats (public managers) need to be strategic and result-oriented (Hughes 1994:61-62). Overall strategy and objectives should be determined by relevant government agencies, not by government itself. Hughes points out that 'politicians now demand that agencies and public servants consider the longer term implications of programmes and policies, even if this involves them in 'political' matters' (Hughes 1994:169). Traditional separation between policy formulation and implementation has become blurred.

By contrast, under the colonial administrative model, governments tried to decentralise policy implementation without giving adequate decision-making powers to lower levels. Political and bureaucratic elites of developing countries have been in favour of a decentralisation approach, not for their people's well-being, but for their own political survival. These elite groups have used decentralisation to develop networks at various government levels through political favoritism. Without good managerial practice, confusion among bureaucrats and politicians at different levels of government has been common. Lack of concern for outcomes, lack of proper evaluation methods, rigid rules and procedures of a top-down nature have all been issues which need in-depth consideration.

The experience in developing countries has been somewhat different from the decentralisation approach to policy formulation and implementation under the new public management. The new model emphasises responsibility and decision-making powers functioning together; financial autonomy within tight guide lines; promotions and career development based on performance and outcomes of policy development, and if the performance is not up to the expected level, it needs to be corrected immediately; otherwise, the respective officials have to take responsibility for it. This is quite different from the traditional model of public administration, which is more centralised, and decision-making power was not given to the lower levels of government. As a result, public sector efficiency has lagged behind and the service provided has not been of a high enough standard to face the challenge of a changing environment and the high demands of citizenry.

The new model of public management might create a more suitable environment for a decentralisation approach to policy formulation and implementation. First, it provides a clear set of objectives to bureaucrats with devolved power. Second, it follows adequate evaluation mechanisms based on performance of bureaucrats. Personnel who cannot work according to set objectives or expectations need to be adjusted immediately.

CONCLUSION AND FUTURE DIRECTIONS

Before the new model of public management emerged, the decentralisation approach to policy formulation and implementation was experienced in developing countries. The case of Sri Lanka shows that since the 1970s, different decentralisation policy packages have been experimented with from time to time on an ad hoc basis to fulfil different interests of particular interest groups in society. However, rather than improving public service quality and delivery to citizens, interests of national politicians and bureaucrats seem to be dominant.

The new public management model underlines the importance of decentralisation, comprising adequate authority followed by a comprehensive evaluation system. Different roles, functions and responsibilities need to be defined precisely; they cannot be left to evolve through practice. Mistakes made need to be corrected without delay. The pressure created by the new economic environment has made governments shape their activities towards economic efficiency.

Many unproductive traditions and obstacles need to be changed to face the challenge of the new economic environment. Government and its institutions must be capable of adapting and changing (Crawford 1996:2). Management practices must not hinder the process of change and innovation. Governments in developing countries must look at the decentralisation approach to policy formulation and implementation as a new managerial strategy under the new model of public management. Economic efficiency needs to be attained through decentralisation, despite it being achieved at some political cost.

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