

THE INDIAN ADAPTATION OF THE ‘NEW PUBLIC MANAGEMENT THEORY’; ARTICULATION OF A PRISTINE PARADIGM

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ABSTRACT

New Public Management which is a concept that is primarily promoted in most developed countries, has indirectly been a part of the Indian system and is influencing the system from various aspects. Why is it that there has been a shift in the overall methodology of administration in India but the acknowledgement of the same has not yet been vocalized? How has there been a paradigm shift within the system? These questions answer the growth as well as the development of the economy and thereby the associated spectrums. The following article highlights the Indian adaptation of the concept and the effect it has made over the functioning of the Institutions.

INTRODUCTION

India, one of the countries in the world with the highest population and quality human resource has been kept under an observant eye by the world economies for its exceptional strategic approaches and burgeoning economy. The honor and appreciation that the world pays as a tribute for the performance of India in the International platforms stem from the domestic management of the country which is seeing an enormous change in the adopted approach. At present, the 17th Lok Sabha presides over the country's democratic system which is facing a new challenging phase in terms of the social, economic, legal, political, and technological arena. The occurrence of the unconventional pandemic along with associated obstacles; the economy and its market struggles, the newfangled legal application by the diligent Judicial system, the excruciating public response through social media platforms; all of these are certain elements cumulating to initiate the latest versions of the New Public Management Theory. This advanced model caters to the dynamics of a country that is undergoing tremendous changes as a result of pooling in prolific endeavors to accomplish higher standards.

The country and its population are advancing to better life standards especially due to the geographical division based developments taking place, where the government has been encouraging an amalgamation and co-existence of all the major sectors operating within the country through which the communication gap can be bridged. It is this gap that contributes to the inconsistency of the sectors and the personnel engaged in every sector. The creation of opportunities for the population to uplift their expectations and living standards will have to be carefully curated by the authorities for the incorporation of the nation's comprehensive development. The claimed fourth pillar of the country, Media, has been indulged in a strong footing and public influence in various forms which in turn compels the government to maintain the level of transparency. Digitalization, Privatization, Globalization, and Liberalization are all the prominent factors that can be counted as accomplices to the NPM revisions which the Government will have to keep up with, in order to achieve a Herculean global standing.

New Public Management is a methodology that exclusively takes into account the specific requirements of the nation with tailor-made policies for the regulation of issues. The challenges posed before every country's administration varies based on their resources and existing framework. Therefore the policies of the United States of America cannot be blindly enacted in Sri Lanka on the basis of the US policy's successful implementation in their state. One such measure that India has implemented is the GST Act 2017 which has burdened the local businessmen with cumbersome tax filing procedures which the government has been substantially trying to resolve. Countries like France, Italy, the UK which are relatively less populous when compared to India may gel well with the GST guidelines but in a country like India where poverty still persists as an impediment to sustaining livelihood, every policy will have to be an efficient mechanism which is crafted with circumspection. The phase through which India is currently passing through is an era of drastic longitudinal shifts in all its major environments and thus a new adaptation and approach is a need of the hour.

What is the New Public Management Theory?

Public administration has been the conventional methodology that functions alongside the principle of socialism in most democratic states. With the advent of Industrialization, there has been a drastic fluctuation in the administration as a contrivance was initiated to institute a

strategic maneuver. This was later recognized as a Theoretical approach which we are discussing in this paper from the Indian perspective.

The NPM movement began in the late 1970s and early 1980s though its origin can be traced back to the Minnowbrook Conference 1968 which saw the proposal of this theory under the patronage of Dwight Waldo. Its first practitioners emerged in the United Kingdom under Prime Minister Margaret Thatcher and the municipal governments in the U.S. (e.g., Sunnyvale, California) that had suffered most heavily from economic recession and tax revolts. Next, the governments of New Zealand and Australia joined the movement. Their successes put NPM administrative reforms on the agendas of most OECD countries and other nations as well (OECD, 1995). Only later did academics identify the common characteristics of these reforms and organize them under the label of New Public Management (Dunsire, 1995, p. 21).¹⁵⁰³ This is an approach where Politics and Administration are considered discrete with the application of 'Dichotomy' as a facade. This widens the scope for the Government avenues to initiate and implement its policies with dexterity. Nationalism and Internationalism further serve as instigating factors for the same.

In this model, we adopt an amalgamation of New Institutional Economics and Corporate Governance along with the Professional level of praxis in Public Management where policymaking is susceptible to a country's prevailing level of activity rubrics. The establishment of a new pattern in the process of policymaking, contrary to the conventional public administration approaches can only be attempted on an experimental basis, though the option caters to long-run objectives. This is because the response of each country shall vary based on the element of acceptance from the residing population as well as the empirical applicability of the same within the state. This approach demands decentralization of the resources which may adversely affect the public sector and its performance unless competence is maintained.

Also, certain other factors which act as pillars in structuring this concept.

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¹⁵⁰³Gruening, G. (2001). Origin and theoretical basis of new public management. *International Public Management Journal*, [online] 4(1), pp 2. Available at: <https://www.pravo.unizg.hr/_download/repository/4_1_Origin_and_Theoretical_Basis%5B1%5D.pdf> [Accessed 3 Sept. 2020].

- a. Financial Control where the nation's set goals are achieved and the Monetary system and functions are not compromised.
- b. Continuous Monitoring and Assessments will have to be carried out in order to keep a check over the performance.
- c. Professional Level Management to Ensure Transparency and Efficiency. This also keeps corruption at bay.
- d. Encouraging entrepreneurship and management for growth and economic independence.
- e. Focus on corporate governance as it is a tier that embraces comprehensive upliftment.
- f. Adoption of the Quasi Market system as well as Quasi-private business models.
- g. Promoting Fragmented Hierarchy of Management which shall recruit even the Local government bodies for execution.
- h. Media Influence for gaining profuse Public impact.

This organizational culture being imbibed on a systematic basis is the product of the ability to envision and devise based on the analysis of a country's available resources and statistical data.

THE OBSERVED LONGITUDINAL SHIFT OF PUBLIC MANAGEMENT IN INDIA

The commencement of the Administration in India was with the introduction of the Government of India Act 1858 by the British in the first phase of colonization. Under this system, the participation of native Indians was a null character, and in order to patch this drawback, a new system was brought about where the Indian Administrative system was made inclusive along with which the Government General's Executive Council was initiated which in turn cemented the British Raj and its colonialism in India. Though an entirely new system was incorporated in 1917, taking the dissatisfaction among the Indians; a democratic frontier was unveiled through the committee set up by the Government of India in 1947 which was headed by Girija Shankar Bajpayee whose focus was to ameliorate the imbalance in the institutional functions within the Nation. Further, in 1950 Planning commission and its projects pitched in. On 5th Jan 1965, the Administrative Reform Commission was set about to exclusively deal with the needed changes.

All of these were proceedings at the Governmental level. The Administration lacked the insight to keep track of the fast-paced dynamic environment of the world economy. It was only in 1991 when the New Economic policy was launched after an enlightened ‘backward mapping’, did the scene change. This context pulled India into the concepts of Liberalization, Privatization, and Globalization. This unacknowledged yet relatively fresh conceptualization in the Indian economics further stimulated the growth rate of the high potential economy. In 1994, The Inaugural Conference of the Commonwealth Association for Public Administration and Management chose ‘Government in Transition’ as their theme because the organization of CAPAM observed that such transitions promise greater freedom of self-expression in the political sphere and improved material well being and better life chances in the economic realm.¹⁵⁰⁴

The Economic Environmental forces are strong enough in buffeting the public sector and its functionalism. Privatization is the instiller of this effect as the Government will have to cope with the level of competition in the market. The trend has changed such that knowledge-based production, IT Revolution, Communication Revolution, International Commerce, WTO Guidelines along with globalization has taken over the worldwide network which will have to be closely watched by the governments in order to formulate policies adhering to the need of the hour. Only an approach of such nature would facilitate the growth parallel to the current economic demand. The demand of the people for quality goods and services cannot be subsided out of managerial autonomy. This calls for the decentralization of the central agency control which is taking place in the sector of Indian Corporate Governance in a fair manner. Advisory Boards of the Government being inclusive of Business tycoons and Company CEO’s point out to the gap covered by the traditional system and its transitional phase. Privatizing the Government monopoly over the ammunition sector where the Ministry of Defence under Make in India initiative encourages the private sector to manufacture ammunition. Previously, only the state-owned Ordnance Factory Board (OFB) was permitted

¹⁵⁰⁴Doi.org. 2020. *The Commonwealth Ilibrary | Government In Transition*. [online] Available at: <<https://doi.org/10.14217/9781848595286-en>> [Accessed 5 September 2020].

to produce ammunition, and India's private sector was only allowed to manufacture parts of ammunition.¹⁵⁰⁵

Another major step taken by the Ministry of Railways which was to Outsource commercial and onboard services to private companies so that better facilities can be provided to the commuters.¹⁵⁰⁶ This was an upliftment more on an economic line, comprehensively aiming at maximizing the turnover from Railways by acting out on improving the efficacy of the system through the incorporation of privatization.

Replacing the Planning Commission with NITI Ayog was another renewal undertaken by the government. In 2016 NITI Ayog introduced Atal Incubation Centre (AIC) which was a funding scheme to promote entrepreneurship by covering the Capital Operational Costs. The encouragement on behalf of the Government in the implementation of schemes for the promotion of Entrepreneurship and Corporate depicts the shift adopted in Public Administration. NewGen IEDC, MSME Market Development Assistance, Women Entrepreneurship Platform, Venture Capital Scheme for Agri-Business Development, Pradhan Mantri Mudra Yojana(PMMY) are all examples of schemes brought about for the corporate sector development. Further, the latest tax reforms are also amicable in nature for the Business sector. The launch of the platform 'Transparent Taxation, Honoring the Honest' on 13th Aug 2020 focuses on the efforts for reforming and simplifying the tax system through faceless assessments, faceless appeal, and taxpayer charter.¹⁵⁰⁷

The Government of India has proposed the citizens' reformation in the Education System of the nation through the recently passed New Education Policy (NEP) which acts as an instrument of assurance for the citizens in the Administration Management. The shift is also

¹⁵⁰⁵Raghuvanshi, V., 2020. *India Allows Private Sector To Manufacture Ammo*. [online] Defense News. Available at: <<https://www.defensenews.com/pentagon/2016/12/01/india-allows-private-sector-to-manufacture-ammo/>> [Accessed 5 September 2020].

¹⁵⁰⁶WRAP, B., 2020. *Not Privatising Railways; Only Outsourcing Some Services, Says Piyush Goyal*. [online] BusinessToday.in. Available at: <<https://www.businesstoday.in/current/corporate/not-privatising-railways-only-outsourcing-some-services-says-piyush-goyal/story/390856.html>> [Accessed 5 September 2020].

¹⁵⁰⁷www.pmindia.gov.in. 2020. *Transparent Taxation - Honoring The Honest*. [online] Available at: <https://www.pmindia.gov.in/en/news_updates/pm-to-launch-the-platform-for-transparent-taxation-honoring-the-honest-on-the-13th-august-2020/#:~:text=Prime%20Minister%20will%20launch%20the,on%20the%2013th%20August%202020.&text=T he%20focus%20of%20the%20tax,simplification%20of%20direct%20tax%20laws.>> [Accessed 5 September 2020].

evident through the nature of the bills and Acts like The Personal Data Protection Bill 2019, Banking Regulation Bill 2020, IBBI Act 2016; which are proposed, catering to the present requirements. Traditional Public Administration is disinterested in contemporary problems and issues but the fact is that social realities are a major contributing factor in Public administration which has to be mandatorily considered. Skepticism towards the deeply rooted powers associated with permanent institutions and the status quo assists in generating the requisite strategies.

Robert T Golembiewski criticizes and calls the concept of Public Administration as radicalism in words and status quo in skills and technology. He also considers it temporary and as a transitional phenomenon.¹⁵⁰⁸

Further, associating public administration to the New Public Management Theory, we can observe that it expects outcome and efficiency through better management of public budget, corporate affairs, economic, and leadership principles. This approach merges multifaceted factors and makes them complementary to each other which nurtures to transform the outcome beneficial for the public.

What are the major factors aiding the paradigmatic evolution of public administration in India?

From the above, it can clearly be observed that there are certain factors which control the spread and application of New Management Theory in India. These factors can be categorized into 6:

A. The flourishing commerce sector

This is a key factor that runs and contributes to the theory of New Management at a broader level. The flexibility offered by the concept can be attributed to the enormous output from this sector. Extensive progress has taken over the Indian market and the reason for the same is trade and business that is being promoted within the country at various fora. The generation of employment opportunities for the vast majority of the population is an attractive feature that has to be considered. Infrastructure development, Foreign Institutional Investment (FII), Foreign Direct Investment (FDI) are other aspects that get covered with the promotion of commerce. Investment flow

¹⁵⁰⁸ Golembiewski, Robert (1 August 1977). *Public Administration as a Developing Discipline*. New York, New York: CRC Press. pp. 118–246[Accessed 6 September 2020]

to the country will reap financial benefits and consistency. Even agriculture is being commercialized within the state in order to boost the sector and its productivity. Such Agro-business companies and initiatives are being encouraged by the government. The tax incentives, as well as subsidies allotted for the entrepreneurs engaged in these sectors, highlight the importance associated with the platform. Private consumption and investment will benefit from credit growth amid more accommodative monetary policy, with inflation going down.

E-Commerce is the latest forum that has come into the limelight. The latest Consumer Protection Act 2019 addresses this section as a result of which the government has notified new rules for e-commerce companies through consumer protection (E-Commerce) rules 2020 it's official website due to the elevated demand for this medium.

The cooperation between the private sector and the public sector engaged in commerce mutually as well as with the government is a determining factor for the policy construction and thus will have to be kept under surveillance.

B. The presumed economic stability and consistency

Gross domestic product is the final report that measures the economic standing of a country. The credit system, Monetary policy, Balance of Payments, Fiscal Deficit, International aiding; all of these are major factors that hold the Economic and financial stability of a country. Just any fancy enormous number as the GDP rate will not do. It will have to be consistent year after year in order to maintain the level of balance between the economic systems. RBI controls and formulates the monetary policy of the country. Institutions at various levels comprehensively pool in efforts to run the economy at par with the Government. Budget is another component that comes under the purview of the Ministry of finance where funds are allocated to different public sectors. In New management theory, though the focus predominantly is around private sectors, from the Indian context, public sectors too will have to be considered as the initiative on behalf of the Government.

For the FY2019-20, India's GDP was expected to expand by 7.5% which was later retained by the World bank whereas the Outlook for south Asia expected 6.9%.¹⁵⁰⁹ At present, with the advent of the pandemic, the Gross Domestic Product continued its downward spiral for the seventh consecutive quarter, falling to 4.5 percent in the second quarter (July-September) of the year 2019-20. This is a fall of 0.5 percent points compared to the last quarter. Compared to the second quarter of the year 2018-19, it is a fall of 2.6 percent points. In the second quarter of the previous year, the GDP growth stood at 7.1 percent.¹⁵¹⁰

C. Technological Growth

The technological factor is one that cannot be kept aside as the future of the countries are molded and facilitated by the nuances of technology. Innovation is the instigator that upgrades the productivity and functionality to the next level in a country. Digitalization was one huge step that the Indian government had brought about. In a vast populous country like India, where the challenge of a fostered 'red tape' environment and corruption was prevalent, such a move has pulled in a drastic change.

Technology also includes the growth of Scientific Research and Development within the country. Inventions and patented findings can bring in economic as well as commercial incentives to the country. Development and studies in Artificial Intelligence, machine learning, rocket science, Outerspace, blockchain, mobile apps, VR-AR Gaming, food tech, Agro-Tech, Biotechnology cannot be turned away. If India has to compete with other economies in a standard manner, then, such spheres will have to be developed. This not only builds up the element of pride that the country longs for but also eases the lives of the citizens through development.

D. Impact of Media and its contribution

¹⁵⁰⁹The Economic Times. 2020. *India's GDP Expected To Expand 7.5% In 2019-20: World Bank*. [online] Available at: <<https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-expected-to-expand-7-5-in-2019-20-world-bank/articleshow/68778127.cms>> [Accessed 8 September 2020].

¹⁵¹⁰India Today. 2020. *Gross Domestic Product Growth Falls To 4.5% In Q2 Of 2019-20*. [online] Available at: <<https://www.indiatoday.in/business/story/gross-domestic-product-growth-falls-4-5-per-cent-q2-2019-20-1623733-2019-11-29>> [Accessed 8 September 2020].

Media is the sword arm of Democracy, Media acts as a watchdog to protect public interest against malpractice and create public awareness in this era of liberalization, privatization, and globalization (LPG) the world has reached our drawing room thanks to media, without media, the news of government schemes and benefits would have never reached the target audience.¹⁵¹¹ Media is a constructive platform these days ranging from e-commerce and online marketing to social media. Media is the strongest influence factor that controls the mind of the majority of the population. People are more expressive and opinionated in media platforms. It is not just the traditional mediums of communication that reign over this spectrum, added to newspapers, news channels and radio, social media, and its advent has become a revolution altogether. The frequency at which contemporary issues are being discussed on public fora is relatively higher than ever before. The pace at which information can be passed around has become a miraculous day to day affair. Hence, communication has become a cakewalk in the present era with the establishment of a strong media base. The Internet has been a relied aiding medium that has become accessible for the entire population of the world.

In the New Management model, the administration has also been digitalized over online websites and notification centers. Instead of spending heavily on printed media for publicizing government events, online media platforms are serving the reach that is required. Since the youth of the country is engaged in at least one or even more platforms, out of their patriotism, it has become a common trend to promote socially valid concerns as well as information through private networks which in turn is maximizing the awareness amongst the educated as well as the uneducated crowd.

E. Political Advancements and Agendas

The moderating role of Political interests that guide the institutional and non-institutional sectors are a leading factor towards massive contribution in the overall management of the country. In a country like India where political sentiments are strong, which constructs ideology based inclination and opinions within the population, Politics play a crucial role in shaping the transition of the country through political leverage.

¹⁵¹¹ Soeagra.com. 2013. *Effects Of Media In Our Indian Society*. [online] Available at: <<http://www.soeagra.com/ijert/ijertsept2013/monika%202013.pdf>> [Accessed 9 September 2020].

The promoted political ideals shall have a hand in the political economy thus generated. Therefore, the elected political personnel acting as office bearers and their visions for the country has an important role which will have to be considered with utmost heed.

One such example can be observed from P V Rajeev's India Today- Political and Economic Dimensions where he states 'Take the case of the food security bill. It is both fiscally damaging and likely to bring considerable damage to the food economy. One cannot believe that the Government's economic thinkers were not aware of this fact. But once the UPA chairperson had voiced her support for the food security bill no one had the courage but to fall in line whatever be the private views they hold.'¹⁵¹²

This is just one example that can be taken as a reference with regard to this context. Politics is thus pivotal and decisive in the molding of the country's future endeavors.

Will this new approach reinvigorate the global standing of India?

India's global standing is a review that can be concluded from the overall performance of the nation and this evaluation is the end product of the assessment carried over by various international institutions that have been engaged in this process. There are certain parameters that will have to be met in order to stay at par with the countries that keep up the high standards as well as to ease life for the population that is there within the country. This is also a long way for the country to travel as the current position at which the country has been placed in various reports are not that flattering and it is this very reason that serves as an instiller for the country to thrive and better the performance. Though the poverty and employment levels are being uplifted, in a populous country like India, fast paced results are complicated to achieve compared to most European countries where the population is very low.

Currently, India stands 129th out of 189 countries in Human Development Index(HDI) released by UNDP as on 24th October 2019 which takes into consideration the life expectancy Index, Education Index and standard of living. This is an indicator which India could refer for its further development and related visions. This is not for competing with the

¹⁵¹²Rajeev, P., 2016. *Chapter 17*. [online] Research Gate. Available at: <https://www.researchgate.net/publication/323583137_India_Today_-_Political_and_Economic_Dimensions> [Accessed 9 September 2020].

forerunners but rather to reach better standards through set goals which ultimately would benefit the population. HDI is an Index which is pivotal in measuring the development of a country in a retrospective manner. In Ease of doing Business which is a report published by the World Bank every year, India stands 63rd for the year of 2019 with an improvement of 14 places when compared to the previous year. In the Global Competitive Report 2019 India fell 10 places and dropped to the 68th position and in the Global Gender Gap Report 2020 released by World Economic Forum every year, India stands 112th out of 153 countries where India falls behind most of the neighboring countries.

These are all indicators that have to be kept under constant observation and restoration. Though India has opened the doors of Globalization, just one step alone shall not suffice the needed competitiveness and economic performance for the country and this is indirectly pushing India forward towards adopting the New Management approach where the country will have to be receptive towards the contemporary issues and act accordingly. India can prosper only if a comprehensive economic advancement can be collectively encouraged where every professional, farmer, laborer and citizen collectively collaborate their efforts towards fuelling the intangible engine that runs the country. Policies which are formulated on the basis of the needs of the era can resolve the imbalance in the whole system.

Though the country is capable of an exponential growth, this potential is neglected many a times. The paradigm is not religiously focused and worked upon as the result of which the country's growth staggers frequently. This 'follow up' is interrupted every time a new government gets elected as office bearers because their political ideologies and visions may not be in continuance with the previous office bearers in power.

The Indian adaptation of the New Public Management is a recent occurrence and its development is relatively influenced by certain strong Indian factors which is absent in many developed countries. Therefore, this paradigm is a prototype and cannot be compared with any other developed country because India and its democracy is unique in its own nature. The observation that we can make in this regard is with the pace at which India is moving towards a shift in the methodologies adopted. The planning and coordination involved is influenced at political levels along with institutional levels. Though an element of capitalism is being indirectly embraced, it still is not being openly admitted by the government. The citizens are getting used to with the current 'shifting government mechanisms' though the acknowledgement of New Public Management, which is capitalist in nature, has not unfurled



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its visible tentacles. In spite of that the roots of the same have deeply been planted out of executive and legislative power. It is this nature of the whole concept and its application in India that makes it a topic that will have to be debatable and contemplating yet pristine.

