

## **PUBLIC SECTOR REFORM ACCORDING TO THE NEW PUBLIC MANAGEMENT MODEL**

**ABSTRACT:** During the last 30 years or even more many countries implemented certain programs in order to transform the public sector representing a consequence of generating economic- financial and fiscal pressures. In these countries various initiatives have successively been driven based on liberal principles of the market economy, mainly motivated by similar reasons with a cumulative effect to realize the development goals of the new global environment. A number of these initiatives are based on the same assumptions, so we can talk about the reforms of programs being more or less coherent in their content. One of such programs is the New Public Management (New Public Management, NPM), which was, in the conceptual sense, initiated in the UK and other countries of the Anglo-Saxon tradition in early 1980s. Although in practical terms a particular manifestation of this model was, as the nucleus, firstly widespread through New Zealand and Australia and later through the Scandinavian countries, those reflections were very extensive, and acquired the form of a paradigm for contemporary changes in the sphere of public sector governance in many continental countries where they experienced an empirical verification.

*Key words: public sector, liberalization, a model of reform, new public management, Anglo-Saxon tradition, continental systems.*

This work can begin by saying that one of the constants of today's global world is expressed through a large number of top-down initiatives aiming

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to adapt components of the public sector development goals of modern societies that seek a position in the new socio - economic environment.<sup>11</sup> Certainly it is not exaggeration to say that in such circumstances the public sector, empirically speaking, greatly changed the strategic focus, though not quite precisely defined what were, generally, the means under the public management as a key dimension in the functioning of the public sector. Similarly, there is a difficulty in constituting a pure term of public governance, especially evident when we take into account the differences in the system of scientific theories in Anglo -Saxon countries and continental regions. Characteristically understanding in this regard is found in the definition of Walter Kickert,<sup>2</sup> a famous Dutch professor of public administration from the Erasmus University in Rotterdam, speaking of the Anglo - tradition of the public management and the European continental approach to the public administration being governed by legal rules in a terms of legalistic state tradition (Rechtsstaat). One of the main reasons for the specific treatment of public administration in the Anglo - Saxon countries is watching it from a managerial point of view<sup>3</sup>, as the management of public programs, and in this context a public program, in fact, the basic unit of public administration. In contrast, in continental European countries essential characteristics of public administration are regulated by legal rules, ranging from the definition of competence to all stages in the treatment of public administration.

## 1. Secured creditors, concept and legislation.

There is no doubt that in the Anglo-Saxon tradition the term public administration in terms of time is associated with the second half of the nineteenth and beginning of the twentieth century. On the other hand, the style of public management that is based on the philosophy of public management begins to dominate in some Anglo - Saxon countries 50 years later, more precisely,

<sup>11</sup> Bundalo, P. (2012). Transition, transformation or revolution?, *Law, Theory and Practice*, (10-12), p. 66.

<sup>2</sup> Kickert, W. (2007). Distinctiveness in the study of public management in Europe, in *The Study of the Public Management in Europe and the US*, Routledge, p. 11.

<sup>3</sup> The eminent American scientist H. George Fredrickson considered the main focus of public administration almost always consisted of a better, much more efficient and economical management.

from the early 1980s.<sup>4</sup> Moreover, since that time it has often been spoken about organized "movement of the New Public Management"<sup>5</sup>, a concept which is the antipod to the Old Public administration. Furthermore, it should be noted that in the Anglo -Saxon countries, the public administration has a different role in relation to the countries of continental Europe. Specifically, unlike the German and French legal tradition that is older and more complex, the public administration in the United States begins to explore more comprehensive from the end of the nineteenth century, more precisely, from the seminar paper called "The Study of Administration" which was created in the form of scientific essays by the future U.S. President Woodrow Wilson in 1887. Wilson considered that public administration was nothing but a detailed and systematic execution of public law, and in that sense it was not a law, but it was not the policy either. Another line of thinking was moving towards the view that those were related phenomena where a strict distinction couldn't be made, so that, unlike Wilson, Paul Appleby advocated that the public administration was one segment in a process of political decision making<sup>6</sup>.

Another important point of view to the public administration in the Anglo -Saxon tradition is expressed through the attitude that the public administration enters the field of business and that is essentially outside the political matters. In the first American textbook in the field of public administration, which Leonard D. White released in 1926, the idea that the law was a foundation of public administration was rejected. White presented the argument that the study of public administration should move from management, rather than of law, emphasizing that the purpose of administration consisted in carrying out a previously declared public policy, while the goal of public administration equated with the efficient utilization of public resources. Finally, one from the perspective of this distinction is considered to be a public relations management mainly in managerial positions in public entities, and this function includes planning, directing, controlling and coordinating public affairs in order to achieve the defined goals. During 1930 Luther Gulick formulated the main functions of the public management through a distinctive acronym:

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<sup>4</sup> Thus, for example, a German professor at the University of Potsdam, Christoph Reichard, the author of the first textbook on German public management ("Betriebswirtschaftslehre der öffentlichen Verwaltung") in 1987.

<sup>5</sup> Hood, C. (1995). Contemporary Public Management: A New Global Paradigma, *Public Policy and Administration*, 10 (2), pp. 104-117.

<sup>6</sup> Appleby, P. (1949). *Policy and administration*, Tuscaloosa, AL: University of Alabama Press, p. 23.

POSDCORB and this contribution made a huge impact on the mechanisms of governance institutions of the public sector, especially in America and Britain.

Expressing the difference between these terms, however, does not necessarily imply their very clear distinction, because the individual elements are crossed due to permeation, and later a symbiosis of Anglo-Saxon and continental systems. It is this mixture of the two systems, and in particular the influence of the principles in the field of business administration, which constituted a basis for articulating the ideas concerning the reform program being entitled: The New Public Management (New Public Management, NPM). If the difference between these concepts is viewed from the doctrinal level, we can rely on the argument of the Canadian Professor Peter C. Aucoin<sup>7</sup>, by which the New Public Management is a mixture of ideas that stem from the corporate management and ideas that are an integral part of the institutional economics and public choice theory (public choice).

## 2. Models of public sector reform

In response to the Keynesian concept of the welfare state (welfare state) after the World War II and a strong expansion of labor-intensive segments of the public sector, where in some countries the public sector share in GDP reached 50%, opened up a vast array of activities to transform and modernize all aspects of the public sector, as a condition sine qua non for their further development. Although the above tendency can have different meanings, there is no doubt that, for more than three decades, countries all over the world continuously make efforts by initiating ambitious programs with a view to reforming the way we will manage public institutions and public programs in all governance structures. The complexity of these changes, according to some authors, is often resulting in the context of a real revolution with which the world is facing in the area of the public management and public policy, although before we can speak of „a reform movement” that is gradually encompassed a large number of countries. The aforementioned reform movement can be categorized in two basic models:

1) Westminster style reforms (New Zealand, Australia, the United Kingdom, Canada) and, 2) style reforms known under the name of reinventing government were developed in the United States and based on an extensive analysis of national performance (National Performance Review). The

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<sup>7</sup> Aucoin P. (1990). Administrative Reform in Public Management: Paradigms, Principles, Paradoxes and Pendulums, Governance (3), pp. 115-137.

main architects of the model, David Osborne and Ted Gaebler, performed it in its basic framework in 1993.

On the other hand, citizens in all social environments and states are critical in relation to the processes of governance and public service delivery, which clearly expresses the need to give them a public authority to be closer, more rational and less in scope, and above all, cheaper and more effective. In addition, they demand more quality programs that public authority should create, as well as a higher level of public services of which they are direct consumers. Then, there is a strong trend to redefine the role of the state in order to create a new way of the relationship of state authorities towards citizens. Among these changes, in the first place, the main emphasis is put on the technological innovation, the use of information systems and the Internet as opposed to archaic administrative procedures. In the sphere of public service delivery there are activated mechanisms through outsourcing contracting to perform certain tasks with actors from the private sector, while public-private partnerships have demonstrated their justification in particular at the local level.<sup>8</sup>

Through the reform of the public sector, experimenting with different ideas created several typical programs in this respect, such as the concept of the New Public Management, which in its original form was applied in New Zealand and Australia. Beside that, in the domain of the public service delivery program, there was developed the New Public Service, which was theoretically devised by Robert Denhardt from the American Arizona State University<sup>9</sup>. In America, the reforms created a special model defined under the Clinton administration entitled Reinventing government<sup>10</sup>, and popularly presented with the pithy phrase: works better and costs less. Certain authors managed to summarize basic concepts of those reforms more or less through the analytical level, which we will present here in the basic display.

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<sup>8</sup> Dukić-Mijatović M., Golić D. (2013). The institutionalization of public-private partnerships in the performance of local public services, *Legal word*, a magazine for legal theory and practice, Banja Luka, (36), p. 468

<sup>9</sup> Denhardt's innovative concept of the New Public Service (Serving Rather than Steering) is devised in certain premises having a fundamental importance, such as, for example, a specific conception of the public interest, which should be the result of a dialogue on common values, neither a politically defined interest expressed through the law, nor it is a simple aggregation of individual interests.

<sup>10</sup> Famous American author Donald Kettl believes that the American program "National Performance Review" (NPR) is a cornerstone in the management of public sector reform at the federal level states.

In terms of intensity and dynamics of these reforms, starting from certain criteria of distinction, we are talking about three main reform models. The process of reforming the public authority being run by the largest countries of continental Europe, Germany and France, can be defined as a moderate model in terms of the depth of the procedure or, in other words, for these countries it is characterized by a modest coverage in reforming the public administration. Another direction of reforming the public sector can be defined as a gradual process of expanding the positive effects of the reform on even broader changes. We could define such a process as incremental flow of changes representing the most obvious form of conduct in America. Finally, the third model is characterized by the so-called reform actions, the so-called big-bang strategy. Therefore, they are very strong and radical changes comparable to the changes that are, for example, carried out in New Zealand.

### **3. The concept of the "New Public Management" ( NPM )**

The program of the New Public Management is the latest event in the series of a never completed process of reforming of the public sector which, with its achievements, encompassed all levels of governance. The coherent concept of the new public management was, according to the original model, applied in New Zealand, Australia and Singapore in the mid -1980s and early 1990s. The deconstruction of the traditional administrative structure of the public sector in New Zealand was very radical, and it was relied on the experience of Great Britain. Significant experiences being achieved by those countries, prompted by cognitive science interests were later widely disseminated and discussed in the literature of the Anglo -Saxon areas, first in the UK where the resulting conceptual roots of this program were. In the British scientific field, there is no doubt that Professor Christopher Hood with the famous London School of Economics (LSE) has identified, developed and defined the main elements of this program. According to him, the growth of the concept of the New Public Management in the last 15 or more years is one of the most impressive international trends in the field of public administration<sup>11</sup>. In his characterization of the New Public Management it is necessary to take into account the views of the individual authors from New Zealand, as Jonathan Boston, who described the main features of this doctrine in a very friendly manner<sup>12</sup>. In their views Boston has expressed that a central feature

<sup>11</sup> Hood, C. (1991). A Public Management for All Seasons?, *Public Administration*, 69, pp. 3-19.

<sup>12</sup> Boston, J. (2000). The challenge of evaluating systemic change: the case of public management reform, *International Management Journal*, 3 (1), pp. 23-46.

of this concept is the fact that the emphasis is placed on the managerial dimension of governance, and not on the political dimension, in other words, the managerial dimension is a dominant feature.

In the basis of this model there are several settings which are important in the respects to the reform agenda of all countries that have adopted the program. In the first place hierarchical and robust bureaucratic institutions of the public sector disaggregated through a network of quasi - autonomous agencies, which are, in Hood's delineation of the elements of this program, called separately managed units in the framework of a separate commercial from non - commercial function. The central event of the program is a broad application of market principles in the sphere of governance by a competition with a hallmark characteristic and the use of management techniques in the field of private business, on which the introduction of e-government and modern information technology are relied. The emphasis, in this concept, is placed on the discipline of the use of available resources, although some interpretations talk about saving the use of resources. The concept of the New Public Management means a big change because the exclusive use and control of inputs begin to seek a support in a quantified measurement of output and previously declared objectives (outcomes). In this concept the management control is devolving, parallel with the developing the new forms of monitoring and new mechanisms of accountability for the results achieved. In the sphere of the public service delivery experiences and techniques of the private sector are preferred, especially the mechanisms of shrinkage (contracting out) and competition. In a way it imitates the management practices applied by the actors from the private sector, such as the functions of corporate planning, building corporate image and so on. In addition, there is always a need the costs to be reduced and cut as well as the efficiency and effectiveness to be declared for the supreme principle.

#### **4. New Zealand model of public sector reform**

In recent history, New Zealand, along with Australia, has taken a special place in the public sector reform by comprehensiveness, intensity and fast pace of the realized changes, while the financial management system has undergone a complete re-engineering. At the beginning of the 1980s, New Zealand was affected by a deep economic crisis with many unsolved economic, financial and structural problems, which required the rapid changes in the sphere of economic policy reforms of the public sector towards the introduction of liberal-democratic principles and a free market economy. After coming



to power after the elections in 1984, the Labour Party activated programs of liberalization in all sectors of the economy and society, which occurred in the country's extensive changes. A considerable number of authors think that the practical trigger to activate a wide range of reforms was a combination of the economic crisis and the arrival of the Labour Party to power in 1984.<sup>13</sup>

The fundamental transformation of the public sector was imperative and correlate to the changes in the economic sphere which included the single integrated and all comprehensive reforms strategy. The introduction of liberal principles in the economic sphere reduced the total level of public spending, and above all, the impact of government intervention in the form of a solid market regulation and high levels of subsidy of the economy. Almost simultaneously started a program of the public sector reform, which was labeled with a generic term: the New Public Management. New Zealand model attracted the international attention as a unique case in the reform of the public sector, although the reformers were, in the great extent, inspired by the ideas of the Chicago school of neoclassical economics, whose main thesis was that the market, far more efficiently, allocated available resources of any country, as well as the attitudes of the American Professor E.S. Savas's<sup>14</sup>. The program of the New Public Management became the archetype of the reform of the public sector in Anglo - Saxon countries, so that the experience of New Zealand's first transferred to Australia, particularly in the Australian state of Victoria. New Zealand's experience gave to that country its content, form and legitimacy of reforms, although Australia was more directing towards the reform of the financial management and budget, such as, for example, the introduction of the program budgeting in 1983 compared to the previous cash - based system. On the other hand, in the global academic literature, there was an extensive research in all aspects of the reforms.

The overall reform that began in 1984 grew very rapidly in the state sector, which, in New Zealand, had a participation of about 41 % in the GDP. Although the new Labour government led by former Prime Minister David Russell Lange, the chief architect of the reform program was a finance minister Roger Douglas. His importance was such that it was sufficient to say that in his name the whole package of reform measures celebrated the term: Rogernomics, although that program largely related to the new design and the

<sup>13</sup> Derek, G. (2000). New Zealand experience with public sector management reform – or why the grass is always greener on the other side of the fence, *International Public Management Journal*, 3, p. 57.

<sup>14</sup> Savas, E.S., (2000). *Privatization and Public-Private Partnerships*, New York: Seven Bridges Press.



deregulation of the financial sector. The subject of the reform primarily covered the institutions of central government, and within those fourteen central departments. In the restructuring of the department, there was first a separation of commercial from non - commercial functions, then political from purely operational functions. There were introduced some mechanisms of contracting with outside actors (contracting - out) for certain activities and tasks. The system of public finances was redesigned and made a significant part of the corporatization of the public sector through state-owned enterprises (state-owned enterprise). Relations between ministers and heads of departments were redefined, such as the introduction of a new position of chief executives as chiefs of departments which had a responsibility for results. Special agreements on performance (performance agreements) were made with them which stipulated accountability for the results achieved.

The program of reforming the public sector is consisted of several important legislative projects which carried some radical reforms. It was formed by a special state commission (The State Services Commission) in which the decisive role was played by Roderick Deane, a famous New Zealand economist and reformer. Deane, along with the previously mentioned Finance Minister Roger Douglas was the main creator of the reform of the state sector and its partial incorporation through state-owned enterprises. One of the first laws passed in the reform of the public sector in New Zealand, the Law on State-owned enterprises in 1986 (The State Owned Enterprises Act). That law was the main legislative instrument on the basis of which the corporatization process of the public sector was opened. Corporatization with deregulation presented one of the most important trends in the public sector reform, and according to that law, a number of government departments were directly responsible for the provision of certain public services, so that, for example, the Department of Energy issues was responsible for the supply and production of energy and coal. The Law on State-owned enterprises carried incorporation by transferring that function to special state-owned enterprises being market-oriented and operated on the basis of profit.<sup>15</sup> In this way, the basis was created for converting several the so-called trading departments into the devolved government enterprises. On the other hand, the incorporation meant a prelude to entering into a phase of privatization at the end of 1995, bearing in mind that the SOEs had created an organizational form similar to a corporation in the

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<sup>15</sup> Boston, J., Martin, J., Pallot, J. and Walsh P. (1996). *Public Management: The New Zealand Model*, Auckland: Oxford University Press. Under paragraph Jonathan Boston's corporatization began with the state -owned enterprises in 1986, which established new state-owned enterprises (SOEs) and created the conditions for their further expansion.

field of private business. Between 1988 and 1993 New Zealand government's sale of state assets generated approximately \$ 13 billion in a privatization process.

Important legislative instruments in the reform of the public sector were represented by the Law of the State Sector (The State Sector Act) from 1988 and the Law and Public Finance (The Public Finance Act) from 1989. The Law on Public Sector from 1988 represented a significant supplement to the earlier legislation and meant an enormous change in the management regime, its personnel and labor relations substrated the public service. The previously mentioned chief executives were placed on the heads of departments for a certain fixed period of time in a contractual relationship with the State Services Commission, which replaced the earlier permanent bosses. In the personal sphere the earlier principle job for life was replaced by a limited duration employment contract.

The Law on Public Finance from 1989 marked a beginning of the reform of the financial management by introducing many changes in its functioning, because the high level of market regulation covered the financial sector. In addition to a financial deregulation, based on the financial reforms, constituted the establishment of lines of accountability for the use of financial resources. One of the main legislative documents in that reform was the Fiscal Responsibility Act from 1994 (The Fiscal Responsibility Act), which established several important principles of fiscal responsibility. Thus began the process of reforming the most important components of public spending called transfer payments (transfer payments).<sup>16</sup>

A particular importance for the reform of the public sector had an emphasis put on a performance and its successful measurement through both single and ratio indicators. The performance measurement was particularly spread after the conference of senior public managers, which was held in 1997 under the working title: Raising Our Game: from outputs to outcomes. In this context, it was the first established specific correlation between the input elements (input), the output elements (output) and the achievement of program objectives (outcome). The term outcomes related to the consequences of the activities of the public sector in the form of services rendered, issued regulations, actual contract, and in particular, the combination of government activities at the central level, made on a condition of certain segments of the society within the community in which the public sector institutions worked. Thus,

<sup>16</sup> Schick, A. (1996). "The Spirit of Reform: Managing the New Zealand State Sector in a Time of Change", The report prepared for the State Services Commission, Wellington, p. 63.

for example, the goals included reducing the rate of disease expression of certain diseases or decreasing the number of traffic accidents and increasing the overall rate of economic welfare. The outcomes correlated with the inputs and outputs represent a realization of the projected desired goals beneficial to the community. That approach was based on the analysis partly done by Professor Allen Schick, through his concept of "performing state."<sup>17</sup>

## **5. Program of the reform "Reinventing Government" in America**

The American rich experience in the field of the public sector reform is directly linked to the idea and concept of reinventing government. These ideas were first crystallized and popularized by David Osborne and Ted Gaebler in their highly influential study called "Reinventing Government" from 1992.<sup>18</sup> A major change in their model was experienced by public servants who, in fact, had a role of public entrepreneurs (public entrepreneurs) with all the consequences that such a position entailed. One of the most famous American professors who was engaged in the public management, Donald F. Kettl, in consideration of the reform of public administration in the American context, was focused on six key issues.<sup>19</sup>

The first and, certainly, the most important issue concerns the question of productivity of the public administration. Namely, it refers to creating opportunities to public sector organizations not only to produce higher quality public services, but also to increase the number and variety of available public services with less expenditure of resources (efficiency), which will at the same time, be able to fully meet the preferences and expectations of their customers (effectiveness). In this sense, Donald F. Kettl raises the question how the public administration can find its way through many obstacles and narrow passages in order to form high-quality public services starting from the same or even decreased levels of a revenue base (revenue base).

Not less significant direction of a reformation is focused on the marketisation of the public administration. With this reform dimension it should

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<sup>17</sup> Schick, A. (2005). "The performing state: a reflection on an idea whose time has come but whose implementation has not", The paper prepared for the OECD Senior Budget Officials Meeting in Bangkok, Thailand; OECD Paris.

<sup>18</sup> Osborne, D., Gaebler, T., "Reinventing Government (How the entrepreneurial spirit is transforming the public sector)", Addison-Wesley Publ.Co., In 1992 otherwise, the reform of the public sector in the United States is sometimes symbolically called "American Perestroika"

<sup>19</sup> Kettl, F. D. (2005), "The Global Public Management Revolution", 2nd ed., Brookings Institution Press. Surveys that Kettl made in this book are highlighted models of the public sector reform in the United States and New Zealand.

be emphasized that the essence of marketization is reflected in a reliance on the public sector market and private actors existing in the market. When it comes to local decentralized levels, it should be noted that certain activities in the domain of the local government are eligible for the influence of the private sector, so there is a trend of public- private partnerships, particularly in the expanding field of the public service<sup>20</sup>. In this regard there must be strengthened the principle of competition (competitive government) and at the same time minimized the significance of the monopoly<sup>21</sup>. Moreover, Kettl raises the question how the public administration can exploit a market model of incentives in order to rout all the pathology of bureaucracy, and how traditional bureaucratic mechanisms for command and control the replacement market strategies will change the behavior of managers who create programs in the public administration, which will, through programming, provide a greater support of the public sector to market actors.

The third line of a reform coincides with the concept of service-oriented government, which is characterized by a strong orientation toward the public service and the position of citizens as consumers. In this context, the public administration is primarily viewed as a provider of a customer service, and such a viewing on the public administration leads to the conclusion which essentially changed its essence in a relation to the traditional model of administration. The relationship between government and citizen preferences are immediately established and citizens' demands are accentuated by the realization of public affairs, expressed through their responsiveness as the most important characteristic. The public administration uses market mechanisms to give citizens greater opportunities in the choice of public services and to encourage giving more attention to the public administration in a better serving the public. All these are equated with the concept of a customer.

The next direction of reforming takes into account the decentralized public administration with a higher degree of decentralization of central government levels and the transfer of responsibilities to sub-central levels that will be closer to the citizens. The main motivation for the delegation of authority to lower levels is efficiently performed tasks, particularly it relates to transferring responsibility for providing public services when it comes to the lowest, either the local or municipal level. The division of responsibilities

<sup>20</sup> Dukić-Mijatović M., Golić D., des. cit., p. 470.

<sup>21</sup> A number of authors believe that the market mechanism, despite the legal intervention creates a natural monopoly structure (see Dukić-Mijatović M., and Golić, D. (2013). Public-private partnerships as a form of performing decentralized operations, Proceedings of the traditional scientific meeting, Polytechnic "Lavoslav Ružička" Vukovar, p.53.)

in countries having a federal structure can be performed by different variants, where the issue of the allocation of public revenues still appears as a common problem.<sup>22</sup> A reform has to answer the question how the public administration can create programs that are much responsive to the needs of citizens as well as it can decentralize responsibility to front-line managers in public sector institutions in order to improve management itself.

A further direction of reforms is oriented toward the consideration of the public administration structure that successfully creates the public policy in a range of positions of the public administration as well as customer specific services on the market to a position of providers of public services to their customers. On this front, the public administration is largely approaching the sphere of business, buying and selling your specific product. The main questions are how the public administration can improve its capacity for editing and managing policies in the public administration, and, how it can separate its role as a customer (purchaser) of certain services when in the role of a contractor, from the role of a service provider (service provider).

Finally, the important reform orientation puts an emphasis on accountability for the results achieved in the context of the administration reform towards a model that manages the results compared to a traditional model of government guided by the rules. The public administration focuses on exit outcomes (outputs) and in particular on the output desired results (outcomes) rather than solely on inputs, processes and structure. In this dimension, the public administration must replace the top-down management models for the bottom-up ones and, directed by the rules of the public administration (rule-driven system), it must pass on the results of the focused system of the public administration (results-driven system).

## **6. Conclusion**

The need for the implementation of the public sector reform has become commonplace as a result of various changes in the socio - economic development of the society occurred during the last thirty years or more. Because of the enormous economic and fiscal pressures, the unwieldy public sector, with a poor performance and the proportion of 25 %, rose to 45 % share in the GDP. It represented a major limitation for a further development and the reform agenda became a necessity. There is no doubt that, say, the local public

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<sup>22</sup> Đukić-Mijatović M., Golić, D. (2012). A comparative review of the constitutional aspects of the fiscal sovereignty of the European countries, Proceedings II of the traditional scientific meeting Polytechnic „Lavoslav Ruzicka” Vukovar, p. 151

sector, whether it is analyzed via the consolidated balance sheet or through the number of employees bloated in the public sector, requires a comprehensive reform. There is a process of liberalization of markets and application of principles of the corporate management in the sphere of the public management. The developed countries are moving in a circle of deregulation, privatization and marketization, almost all functions of the public sector are greatly promoted. On the other hand, in order to review the role of the state, there is a creation of various supra - national structures, such as, for example, the institutions of the European Union, whose reform plans are set at the global level, or above the sovereignty of nation states. Moreover, the consequences of the rapid growth of economic activities of a global reach have significantly changed the role of the public sector, treating it in the end in terms of significant economic actors in a modern conditions market. Meanwhile the public sector is seen as a public business, which is profitable wherever it is possible and explicitly aware of the costs wherever it is not possible to make a profit. Public servants are transformed into managers, and citizens are consumers or clients with their consumer rights.

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## ***Reforma javnog sektora po modelu novog javnog menadžmenta***

### ***R e z i m e***

Poslednjih 30 i više godina u mnogim zemljama se sprovode programi transformacije javnog sektora koji su posledicagenerisanja ekonomsko-finansijskih i fiskalnih pritisaka. U tim zemljama se sukcesivno pokreću različite inicijative bazirane na liberalnim principima tržišne ekonomije i uglavnom su motivisane sličnim razlozima sa kumulativnim efektom da se realizuju razvojni ciljevi novog globalnog ambijenta. Izvestan broj tih inicijativa polazi od istih pretpostavki, pa se može govoriti o programima reformi koji su manje-više koherentni po svom sadržaju. Jedan od takvih je program Novog javnog menadžmenta (New Public Management, NPM) koji je u idejnom smislu iniciran u Velikoj Britaniji i drugim zemljama anglo-saksonske tradicije početkom 1980-tih godina. Iako su se u praktičnom smislu pojedine manifestacije ovog modela kao nukleus najpre raširile na Novom Zelandu

i Australiji, a kasnije i skandinavskim zemljama, njegove refleksije su bile veoma ekstenzivne, dobijajući formu paradigme za savremene promene u sferi upravljanja javnim sektorom u brojnim kontinentalnim zemljama gde su doživele empirijsku verifikaciju.

**Ključne reči:** *javni sektor, liberalizacija, model reformi, novi javni menadžment, anglo-saksonska tradicija, kontinentalni sistem.*

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