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by

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# **New Public Management and Convergence in Public Administrative Systems: A Comparison between Australia and the Republic of Korea**

**Brian Dollery and Chang Won Lee \*\***

## **Abstract**

New Public Management (NPM) has adopted many of the qualities often associated with the concept of “modernization”, including the presumption that it is unambiguous, irreversible, convergent, and beneficent. This rhetorical stance has served to propagate the global influence of NPM and entrench it as the dominant doctrinal model in contemporary public management. This paper considers the claim that there is an international trend towards public sector convergence following the policy prescriptions of NPM. After a case study comparison of the processes of public sector reform in Australia and the Republic of Korea, we argue that the distinction between symbolic reform and actual reform belies the convergence claims of NPM. Thus, although reform “talk” between Australia and Korea have been predicated on common NPM themes, the reform “walk” has been quite different between the two countries.

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The past two decades have witnessed a tidal wave of public sector reform sweep across literally dozens of countries, with its impact perhaps most acute in the English-speaking nations of the developed world. While the nature of the reform process has differed widely from country to country, the underlying philosophy driving the reform program seems to have been remarkably consistent. Often termed “New Public Management” (NPM), the intellectual doctrine governing contemporary public administration makes extraordinary claims regarding its universal applicability that appear to transcend cultural, developmental and other differences between nation states<sup>1</sup>. NPM, sometimes also referred to as “corporate management”, “managerialism”, and “new managerialism” (Boston, 1991, p. 8/9), possesses at least three salient characteristics: A belief in the superiority of market forces and competitive mechanisms; an awareness of the shortcomings of traditional bureaucracies; and an assumption that “management is management, no matter what form it takes” (Peters, 1996, p.28). In essence, NPM seems to base its claim to universality on the proposition that it embodies an inexorable process “modernization” in the sphere of public administration that underlies a convergence of public administrative and governance institutional systems across the globe.

The notion that NPM represents the rational conceptual foundations of an internationally converging and quintessentially modern approach to public administration has undoubtedly contributed to its success as an analytical paradigm. Moreover, the reform processes it has set in motion are often depicted as unambiguous, irreversible, convergent, and beneficent. But the proposition that NPM-inspired public sector reform somehow exemplifies acultural and ahistorical modernization in governance may be misleading. Indeed, in his intriguing book *The Art of the State*, Christopher Hood (2000, p. 195) contends that “...the idea of ‘modernization’ can be ambiguous when applied to public management” in several ways. In the first place, modernization suggests “a clear-cut movement can be identified away from outmoded traditional ways of organizing and conducting public business towards up-to-date, state-of-the-art methods and styles”. However, rhetorical claims of this kind seldom specify “threshold points for the transition” and this severely jeopardizes their explanatory value. Secondly, the modernization motif contains within it the intimation that public sector reform designed in terms of NPM is not only unavoidable and inevitable, but also permanent rather than transitory; hardly a conclusion as yet borne out by the full weight of history. Thirdly, the thematic advocacy of NPM as equivalent to modernization insinuates that it will invoke a trend towards convergence, with the “same ‘modern’ styles appearing everywhere” (p.196). Finally, it is implied that changes associated with the implementation of NPM doctrines are “broadly beneficent and to be welcomed” (p.196).

In this paper we focus on the third of the four meanings Hood (2000) has attached to the nexus between modernization and public management in its contemporary NPM form. The idea of *convergence* in public management embodies several powerful allusions. The most obvious and most potent contextual image conjured up by the association of modernization and convergence is that they both form an inherent part of the international trend towards “globalization” and its derivative quality of uniformity. According to this view, the modernization of public management not only induces a convergence between the public administrative systems of different countries, but also

involves a convergence between public organizational structures and their private counterparts. DiMaggio and Powell (1991), articulate exponents of this school, contend that all organizations are prone to “isomorphic processes” that lead them to converge towards each other in the long term. These isomorphic forces arise from three main sources: (1) Organizations often use legal and other powers to “coerce” related organizations to adopt their own characteristics and structures; (2) Organizations often “mimic” the processes employed by other, more successful, organizations as a means of emulating “best practice”; and (3) A shared professional culture by managers across different organizations induces “normative” pressures to conform to a common organizational behavioural mode.

A second powerful attribute of the notion of convergence resides in its self-fulfilling prophetic character. Advocates of the proposition that Darwinian economic and social forces will ensure that all organizations will ultimately adopt the same efficient “best-practice”, and thus come to resemble each other in both structure and operation, not only provide a “carrot-like” impetus for existing organizations to emulate perceived “winners”, but also “stick-like” sanctions to the national and international financial sponsors of public organizations to discipline the organizations under their control to conform to “benchmark” practices. Convergence thus flows from a “run-with-the-herd” mentality on the part of organizational managers keen to avoid being stigmatised as laggards by colleagues and punished accordingly by their financial masters.

At the level of rhetoric at least, commentators appear to accept the contention that public administration around the world has been captured by the language of NPM. Indeed, Hood (2000, p. 204) himself has observed that “public management convergence in vocabulary seems hard to deny”. The rhetorical dominance of NPM discourse in contemporary public administration seems to be part of the larger phenomenon symbolism in public management interaction. It is well known that public sector reforms, from new budgetary processes to economic policy change, have long been presented by means of a composite constellation of normative concepts. Christensen and Laegreid (2003, p. 3) argue that “administrative reform policies and programs are often presented with hype, myths, ceremonies, metaphors and rhetoric of norms and values, surrounding them, all central features of symbols”. Moreover, in order to make a reform program appear global in its application, the individual elements of the reform program need to be “decontextualized”, and packaged as possessing “unlimited reach and application” so as to “‘fit’ countries with a wide variety of historical conditions and political administrative structures”. According to this perspective, “different countries thus develop isomorphic features (structural similarity) because the institutional environment – consisting of global reform symbols – increases pressure to reform”(p.6).

Enclosing public sector reform initiatives within a cocoon of symbolic rhetoric has some distinct advantages. In the first place, when public agencies are confronted with problems that have no obvious causes or clear-cut solutions, symbolic rather than real efforts to resolve the problem involve much lower costs to the organization (Christensen and Laegreid (2003). Secondly, carefully constructed symbolic advocacy of a particular reform program lends “legitimacy” to the efficacy of the proposed reform on the part of the electorate without actually subjecting it to real-world exposure (March and Olsen,

1989). In these circumstances, political leaders need to engage in “double-talk” by decoupling talk from action.

The international dominance of NPM rhetoric in public administration should not be confused with its ascendancy in actual policy formulation and implementation. Indeed, a cogent case can be made that NPM policies “might belong more to the world of symbols than the world of practice” since they are simply “part of the ritual and myth that helps to preserve the legitimacy of the system of governance”, with “few consequences for performance” (Christensen and Laegreid, 2003, p.7/8). Hood (2000, p. 204) seems to endorse this argument by noting that “the extent to which ‘new managerial’ talk is accompanied by new managerial *practice* may also be highly variable” (original emphasis).

Perhaps the major reason for the disjuncture between rhetoric and reality in the contemporary practice of public management may reside in the phenomenon of “path dependency”. This concept, drawn from evolutionary economics, holds that present responses to environmental change by organizations are conditioned by their past history and structure (see, for instance, Nelson and Winter, 2002). Thus, because different public sector systems in different countries have different institutional structures due to their unique historical circumstances, they cannot adopt uniform reform policies, even in the face of common problems. As a consequence, despite rhetorical convergence around NPM across the globe, actual policy responses vary greatly not only between different countries, but also away from the standard policy prescriptions of NPM doctrine.

The present paper seeks to provide empirical support for the contention that although rhetorical convergence has certainly taken occurred, the same cannot be said for implementation convergence on the NPM model. Given significant cultural and economic differences between the two countries, and the grist this provides to the convergence hypothesis, we examine public sector reform in Australia and the Republic of Korea as contrasting synoptic case studies. In both instances, we outline the reform process to date and briefly attempt to evaluate its impact.

The paper itself comprises three main sections. In the first section we discuss and review the process of public sector reform in Australia. Part two investigates the more recent reform program in the Republic of Korea. The paper ends with some brief conclusions in the final section.

## **Public Sector Reform in Australia**

### *Synoptic Overview*

Ongoing public sector reform has characterized the Australian public sector for more than two decades and shows few signs of abating (Johnson, 2000). Wanna and Weller (2003, p. 77) have described the present stage of “Australian government activism” as “the restructured state (1980s to 2000)” which began with an attempt to “internationalise the economy by floating the dollar and reducing tariffs” and then an effort to “make the public sector more efficient with a concentration on performance and results” and “more responsive to political demands”. This process included “alternative means of delivering

services”, with “ markets and competition introduced where appropriate into policy arenas where bureaucracies had previously dominated” (Wanna and Weller, 2003, p.79).

The nature of the reform process has been complicated by the fact that Australia is a federal country, with at least three layers of public administration, ranging from the Commonwealth government, nine state and territory administrations, and around 600 local government entities. In order to make sense of the complexities of comprehensive public sector reform in this multi-tiered system of governance, it seems efficacious to adopt the taxonomic system advanced by Davis and Rhodes (2000) in their analysis of Australian public sector reform. This typology comprises six main dimensions: Marketisation (i.e., the deployment of market mechanisms to produce and provide public services, such as contracting out, quasi-markets and vouchers); corporate management or NPM (i.e., the use of private sector management techniques, like performance measurement and a stress on outcomes); regulation (i.e., a move from ownership to an emphasis on outputs and quality assurance); political control (i.e., heightened political control over policy priorities and senior management appointments); privatization (i.e., the transfer of assets and activities from the public to the private sector); and decentralisation (i.e., a “deconcentration” of administrative responsibility within a given level of government and a “devolution” of authority between different tiers of government).

The development of a powerful literature on “government failure” in economics (Wallis and Dollery, 1999) seems to have gradually permeated the policy community and instilled an awareness of both the shortcomings of hierarchical bureaucratic structures historically typical of public agencies and the efficiency characteristics market organizations in service provision. A concomitant appreciation of the importance of competition and its allied notion of “contestability” (Baumol, Panzar and Willig, 1982) for cost-effective service delivery also underpinned the evolution of a distinction between *production* and *provision*. Sometimes inelegantly termed the “purchaser-provider split”, this led directly to a revolution within the Australian public sector as governments at all levels “outsourced” numerous activities to private contractors, exposed production units within the public sector to competitive tendering to induce contestability, developed simulated or quasi-markets to introduce competitive pressures, and created voucher systems to bring in consumer choice. Stewart (2002, p. 74) has provide a rough numerical indication of the magnitude of the impact of marketisation: between 1993 and 2000, the number of Commonwealth government employees fell by 34 per cent, state and territory employment by 5 per cent, and local government numbers by 14 percent.

“Corporate management” in the form of NPM has largely replaced traditional public management with its focus on procedural prudence, tight financial controls and hierarchical organizational structures. As we have argued earlier, NPM represents an attempt to transplant private sector management techniques into public agencies and stresses “management for results”, performance-based employment contracts, and the benchmarking of outcomes. In the most public administrative systems, executive employment systems have been introduced that couple excellent remuneration with fixed term contracts subject to rigorous performance review.

The influence of developments in economic theory (Mueller, 2002) also had a significant impact on the regulatory functions of Australian governments at all three tiers in the federation. The traditional focus on direct “command and control” measures to regulate the activities of specified areas of private sector economic activity gave way to a reliance on indirect instruments that employed incentives and disincentives, like taxes and to guide market behavior. Much recent regulation has as its foundation National Competition Policy and most Commonwealth regulatory agencies have been legislatively separated from the Australian Public Service into discrete statutory organizations to provide “arms-length” supervision of private and public economic activity.

The traditional Westminster model of the relationship between governing politicians and the civil service viewed the public service as “neutral, permanent and a source of ‘institutional scepticism’” that held a “monopoly on policy advice” to the government of the day (Davis and Rhodes, 2000, p.79, Table 3.1). Under these arrangements, senior civil servants were selected by a public service commission using a “merit protection scheme” to limit political interference in senior appointments, and individuals in these positions enjoyed long-term employment stability. A shift away from this “depoliticised” model has occurred in Australia over the past twenty years. Senior officials are now recruited through open competition for publically advertised positions. Cabinet ministers and other politicians can influence employment selection and termination procedures. The role of “specialist advisors” has been drastically expanded. Together with the deliberate encouragement of the development of independent and often competing policy advice from different public bureaux, this has resulted in the “pluralisation” of policy advice reaching government ministers.

Following the dominance of the theory of market failure in the post-World War II era, Australian governments at all levels drastically expanded their activities to include the production and provision of a vast array of goods and services, especially in the area of utilities, such as electricity, gas, railway transportation, telecommunications, and water. With the demise of the market failure paradigm in favour of the government failure model and its emphasis on public choice theory, many public sector monopolies were wholly or partly privatised, including the Commonwealth Bank, Qantas, Telstra, the ANL shipping line, defence industries, airports, and public land holdings. This process continues to the present time and remains incomplete, with Australia Post still wholly government owned and Telstra only incompletely privatised.

Finally, decentralisation has seen a significant change in the organization of Australian government, especially in the Commonwealth government and the state and territory administrations. Two dimensions of decentralisation are particularly important. In the first place, deconcentration has engendered substantial shifts in the administrative responsibilities between central agencies, especially financial control agencies, and line agencies. Secondly, devolution has redistributed administrative authority downwards to provide more local input into decision making (Keating and Wanna, 2000).

#### *Evaluation of Reform*

Wanna and Weller (2003, p. 65) have identified five “dominant traditions of governance in Australia” of which the present “exclusive/inclusive state” exhibiting “social

representativeness” is the most recent tradition. They argue that Australian governance models have three basic characteristics. Firstly, “these traditions were neither ideologically coherent nor necessarily consistent” (p. 63) and this seems to have derived from the fact that “Australian history has not produced a high level of institutional philosophy”. As a consequence, “Australian governance has always been “determinedly pragmatic” rather than doctrinaire. Secondly, Australian governance traditions “have played a major role over generations in establishing and adapting the public sector, inspiring reform and assisting actors make sense of the world and refashion their beliefs when confronted with dilemmas”. Finally, Australian federalism “as an organizing principle of state activity, formed its own long-unsung tradition of governance”(p.64).

Wanna and Weller (2003, p. 77) attempt to link these “traditions of governance” to “three distinct phases of Australian government activism” that include “the limited state (1901 to the 1930s), the state triumphant (1940s to the 1970s), and the restructured state (1980s to 2001)”. Although they do not employ the taxonomy developed by Davis and Rhodes (2000) explicitly, their own organizing categories seem substantially similar<sup>2</sup>, and highlight the “neoliberal” stress on competition, contestability, and NPM philosophy.

Various methods of assessing the impact of recent public sector reform in Australia have been suggested. For instance, Keating (2000) has argued that the adjustment capacity of Australian political institutions to four genre of “pressures” that comprise the effects of globalization, the impact of the information technology revolution, social changes, and ideological transformation provides a comprehensive measure of the success of the reform process. Davis and Rhodes (2000, p. 76) dispute this kind of approach on grounds that they “are not aware of agreement on criteria” that could be used to evaluate the success of the Australian public sector reform program.

Instead they propose an assessment that encompasses the identification of “key problems and key trends” as a means of gauging the outcomes of the reform process. Following this analytical procedure Davis and Rhodes (2000) diagnose five important developments that have characterized the most recent wave of Australian public sector reform. In the first instance, “fragmentation” in service delivery systems has arisen from the increasing reliance on private sector contractors and voluntary organizations. Resultant problems included “the costs of coordination; equalizing territorial service quality; the high political and administrative costs of monitoring and evaluation; haggling about implementation and feedback loops; and barriers to policy learning by the Commonwealth government” (p.85). Secondly, heightened fragmentation has presented additional difficulties for governments in their ability to “steer” policy initiatives. In the main this derives from the separation of public agencies from their service delivery contractors, and where the latter feature more and more prominently in actual delivery, the accompanying “institutional complexity” generates acute coordination problems.

The complexities compounded by fragmentation and “steering” difficulties combine to exacerbate the implementation of traditional methods of ensuring accountability. In particular, existing models of accountability have historically focused on single agencies and not multiple service delivery systems typical of post-reform Australian public

services. In essence, “new accountability regimes have not yet caught up with public-sector change” in Australia (p. 87).

The new system of openly and competitively appointing senior executives in all tiers of government in the Australian federation flies in the face of the traditional Westminster model of an independent and neutral civil service and has raised charges over the “politicization” of the top echelon of the public sector. While it is undoubtedly true that a number of obviously “political appointments have been made, the available empirical literature suggests that this has not been a dominant trend (Weller and Wood, 1999).

Finally, the nature of the managerial role in the public sector has undergone substantial change in Australia over the past two decades. According to Davis and Rhodes (2000, p. 88) traditionally senior managers have been required to accomplish three main tasks: “Providing policy advice to ministers; management of their departments; and management of external relations, including with the many agencies now linked to the departments through contracts and service agreements”. All three of these central roles have evolved significantly in line with the process of public sector reform in Australia. For example, cabinet ministers now seek much more detailed policy advice from several competing sources, including senior public service managers but also ministerial staffs, private consultants and independent “thinktanks”. Similarly, departmental management has seen a shift in focus towards the achievement of efficient outcomes involving a “network of relationships with clients, suppliers and stakeholders”. Moreover, fragmentation in service delivery arrangements and the increasingly client-centred emphasis has presented many more challenges in the sphere of managing external relations.

## **Public Sector Reform in Korea**

### *Synoptic Overview*

In December 1997 Kim Dae-jung was elected President of the Republic of Korea. The subsequent public sector reform agenda is widely regarded as a direct consequence of the Korean foreign exchange crisis in late 1997. Following its inauguration in February 1998, the new government called for urgent reforms in the following four sectors: business, finance, labour relations, and public administration. At that time, the Korean public sector was believed to be extremely inefficient due to its high degree of centralisation, lack of transparency, rigidity, and low competitiveness.

The stated objectives of public sector reform in Korea were apparently to boost public sector efficiency by introducing market-oriented, performance-oriented, and customer-oriented operating principles (Kim, P., 2000). The reform program embraced the central government, local government, state-owned enterprises, government-funded research institutes, and other government-affiliated organizations.

Public sector reform in the Republic of Korea thus began much later than its Australian counterpart and has therefore had a much shorter duration. The first central government restructuring was undertaken immediately following the inauguration of the Kim Dae-jung government in February 1998. Under this program, the new administration

immediately reduced the number of cabinet ministers from 21 to 17. Part of the restructuring saw the Ministry of Government Administration and the Ministry of Home Affairs integrated into the Ministry of Government Administration and Home Affairs. To monitor the reform programs, the government established the Planning and Budget Commission, which later became the Ministry of Planning and Budget, the Financial Supervisory Commission, and the Regulatory Reform Committee. At the same time, upgrading the former Administrative Coordination Office strengthened prime ministerial responsibility for policy coordination and evaluation of the cabinet. Trade responsibility was transferred from the former Ministry of Trade, Industry, and Energy (MOTIE) to the Office of the Minister for Trade (OMT) that was newly established under the Ministry of Foreign Affairs and Trade (MOFAT). The Ministry of Information and the Ministry of Political Affairs I and II were eliminated to make the central government smaller. The Government Legislation Agency (GLA) along with the Patriots and Veterans Administration Agency (PVAA) were downgraded from the ministerial level to the vice ministerial level.

A second government restructuring in May 1999 saw an expansion of newly-founded government bodies: the Ministry of Planning and Budget (MPB), the Government Information Agency (GIA), and the Civil Service Commission (CSC). The Planning and Budget Commission and the Budget Administration merged to form the Ministry of Planning and Budget (MPB) under the Prime Minister. A Civil Service Commission was established under the President to insure qualifications and neutrality in the appointment of civil servants. The Ministry of Information, eliminated in the first central government restructuring, was reintroduced as the Government Information Agency.

A third government restructuring was introduced in January 2001. The Ministry of Finance and Economy (MOFE) and the Ministry of Education were upgraded to the deputy prime minister level, and the Presidential Commission on Women's Affairs was transformed into the Ministry of Gender Equality. Deputy prime minister positions, eliminated in the first central government restructuring, were reintroduced in the third government restructuring.

The goals and strategies of the administrative reforms implemented by the Kim Dae-jung administration were apparently based on the neo-liberal ideas contained in NPM and its associated economic doctrines. Following President Kim Dae-jung's inauguration, the Korean government has concentrated its efforts on major reforms in the public sector. In much the same vein as its Australian counterparts, the administration set three main goals for its public sector restructuring program: "a smaller, more efficient government," "a highly-competitive government," and "a customer-oriented government." To achieve these three goals, the reform activities have been largely composed of organizational restructuring and operational system reforms. The "Open Position System" was introduced in order to attract qualified personnel to the public sector in order to enhance its professionalism and competitiveness. The government also proclaimed the "Public Service Charter" and implemented "one-stop service" systems in civil affairs to induce a more customer-oriented administration.

### *Evaluation of Reform*

An examination of the central government restructuring undertaken by the Kim Dae-jung administration highlights an apparent disjuncture between the rhetoric and reality of the "small government" program proclaimed by the government. A primary reason for this

resides in the fact that the Kim Dae-jung administration repeatedly reintroduced systems and organizations that had previously been eliminated. For example, the position of Deputy Prime Minister, which had been abolished in the first restructuring as a symbolic move toward “small government”, was resurrected as the Deputy Prime Minister of Finance and Economy and the Deputy Prime Minister of Education (Cho *et al.*, 2000). Similarly, the Government Information Agency “reappeared” under a different name in the second restructuring in May, 1999, and the Presidential Commission on Women’s Affairs was transformed into the Ministry of Gender Equality in the third restructuring.

Corresponding doubts concerning a “rhetorical gap” between the stated reform intentions and their actual outcomes are also apparent in an examination of employment patterns over the restructuring period. For instance, the Office of the Secretaries to the President was composed of 6 Senior Secretaries and 35 Secretaries; in 2002 it had 8 Senior Secretaries and 41 Secretaries. Similarly, the Minister of Gender Equality is composed of 102 workers, which includes the 49 members of the Presidential Commission on Women’s Affairs, 6 members transferred from the Ministry of Health and Welfare and the Ministry of Labor, and 49 newly recruited employees. Moreover, the Human Resources Development Bureau established in the Ministry of Education and Human Resources Development has a supplement of 14 new members.

In more general terms, the government trimmed 21,356 public officials from the payroll during the period between 1998 and 2000. However, this does not mean that they left public related offices. Furthermore, 64 per cent of them belonged to the Technical Service. Most of those 21,356 officials were redeployed to public enterprises performing or supporting public sector roles. Although reducing personnel through reassignment to public enterprises is an important part of public sector restructuring, a central problem with the Korean restructuring process was the hurried manner in which it was conducted. Insufficient attention was paid to the question of national system efficiency and in particular how “competitive” the system would become.

Considerable attention has focused on the executive agencies established by the Kim Dae-jung administration (Kim B.,2000). The first problem is whether an organizational system, like an executive agency developed in Britain with its Westminster-style governance system, can be applied to a nation with an executive government system. In a country with a parliamentary cabinet system, it is possible, and even desirable, for the head of cabinet to make performance contracts with the head of an executive agency and manage outcomes since the elected parliament and the appointed civil service do not have to keep each other in check. However, it is much more problematic to secure accountability to the Parliament if the government entrusts some government functions to the head of executive agency in a country where the executive government system’s dominant purpose is to keep each branch in check. Secondly, there might well be some political considerations in the process of appointing the head of the executive agency, not unlikely in Korea. In the third place, considering that executive agencies espouse autonomy as their most fundamental guiding principle, it is difficult to decide how much inspection by the Parliament and by the Board of Audit and Inspection would be appropriate. If too much autonomy is allowed, there might be a problem of accountability to the parliament and to the people. On the other hand, if there are too many regulations,

then problems in the autonomy operation may be forthcoming. Finally, it is probable that the head of the executive agency would focus on short-term, observable goals, which are attainable within a given executive term. A result might be a distortion of the values of overall thrust of public policy.

The Kim Dae-jung administration emphasised innovation of the operational system in its second government-restructuring program. The main approaches it advocated included: (1) an expansion of the “Open Position System”; (2) an improvement in the system for hiring public officials; (3) a reinforcement of the corruption prevention program; (4) the introduction of performance management system; (5) the introduction of a double-entry bookkeeping system; and (6) the active application of information technology. However, only some of the initiatives were implemented, and often in a tardy manner, with the actual outcomes very hard to identify and measure.

With regard to the Open Position System, until February 2001, only 12 (or 14.3 per cent) of 81 positions open to public hiring were filled by outside appointments; 69 positions were taken by public officials. Furthermore, 26 of these positions were occupied by incumbent officials, and 41 were awarded to officials in the same departments. The double-entry bookkeeping system, which aimed to prevent corruption in accounting and to enhance the transparency of government financial processes has not progressed since its announcement in May, 1999. Management by Objectives (MBO), initiated to introduce the principle of competition (drawn from private enterprises) to the public officials above Grade 4, has been ineffectual. MBO was proposed to establish the performance contingent reward system. But goal setting remains unclear and there are still no objective measures to gauge the performance of public officials. Indeed, widespread sharing of the performance bonus allocated to a department is a striking example of the retrogression of actual behaviour despite purported administrative reforms.

### **Concluding Remarks**

We can derive at least two firm conclusions concerning the nature of the public sector reform programs in Australia and the Republic of Korea. In the first place, it is clear that Australian restructuring has been more pervasive, of longer duration, and much more effective in meeting its objectives. By contrast, the Korean experience has been much shorter, much less intense, much less enduring, and much less efficacious in achieving its stated aims. Secondly, despite these significance differences in the substance of public sector reform, the ideological foundations in both countries have been remarkably similar. In essence, policy makers seem to have followed the precepts of neoliberalism, with its emphasis on limited government and strong reliance on market principles. In its manifestation in public administration, neoliberalism corresponds closely to NPM doctrine, public choice theory and the new institutional economics (Wallis and Dollery, 1999).

This raises the question of why neoliberal policies have been framed and implemented differently in some jurisdictions compared to other locations. One possibility canvassed by historical institutionalist scholars has focused on the importance of “path dependency” in reform programs (Surel, 2000; Kwok, 2003)). According to this view, “beliefs may

enter political and policy discourse as overarching philosophies of public authority, but they are also translated by political conventions, legislative enactments or judicial decisions into operating principles of public policy and administration". Thus, "the way that policy discourse is framed defines the context for political struggle between the various organizational and sectional interests with a stake in NPM reform, through its articulation of the acceptable boundaries of state action and the kinds of expertise necessary to the legitimation of a structured and modernized state and public service" (Clark, 2002, p. 786). Given the distinctive institutional and constitutional differences between Australia and the Republic of Korea, the path dependency seems to provide a plausible explanation for the marked observed dissimilarities in public sector reform programs in the two countries.

A second explanation derives from the "symbolism" inevitably associated with reform proposals outlined earlier (Christensen and Laegreid, 2003). Following this model, the uncertainties inherent in complex and widespread reform initiatives, and the "ambiguous" character of electoral mandates given to political leaders result in the employment of "symbols, wishful thinking and superstitious learning to try to convince other elites and the populace that they have full insight into the problems and are treading a clear and promising reform program". Thus, NPM-style reform programs "might be driven by popular dissatisfaction with the inefficiency of the public sector, but citizens and even political parties often express inconsistent attitudes on this subject" (Christensen and Laegreid, 2003, p. 5). In the present context, this explanation has the decided advantage that it can account for the marked similarities in logic of public sector reform between Australia and Korea and explain the decided differences in actual reform implementation.

A further consideration that flows from our comparative analysis of public sector reform in Australia and the Republic of Korea deals with the convergence claim advanced by some exponents of the NPM paradigm. While there is no doubt that advocates of reformist policies in both countries have relied on the same neoliberal NPM doctrines in their advocacy of public sector reform programs, the nature of the reform initiatives and their implementation differed widely. Thus, although the rhetoric of reform has exhibited a high degree of convergence, the same cannot be said for the reality of reform.

### Notes

<sup>1</sup> Despite the fact that we recognize the ambiguities associated with the term "New Public Management" (NPM), we nevertheless use the expression in this paper as shorthand for neoliberal "managerialism" as defined by Davis and Rhodes (2000).

<sup>2</sup> See Wanna and Weller (2003, p. 78/79, Table 1) with their typological categories "developmentalism, civilizing capitalism – distributive state, transplanted parliamentarism, federalism, and exclusive/inclusive state".

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<sup>1</sup> Despite the fact that we recognize the ambiguities associated with the term “New Public Management” (NPM), we nevertheless use the expression in this paper as shorthand for neoliberal “managerialism” as defined by Davis and Rhodes (2000).

<sup>2</sup> See Wanna and Weller (2003, p. 78/79, Table 1) with their typological categories “developmentalism, civilizing capitalism – distributive state, transplanted parliamentarism, federalism, and exclusive/inclusive state”.