Public Policy and Management: Perspectives and Issues

Module Introduction and Overview

Contents

1 Introduction to the Module

In this module you look at the state and how it is managed. This is a huge agenda and brings in ideas from political science, from history, sociology, economics, anthropology and management science. The purposes are these:

- to establish what is meant by some key concepts such as the State, Government and Policy, which are often taken for granted but about which we need to be clear – and to understand different interpretations
- to survey the principles and practice of public management using a historical and comparative perspective
- to introduce a range of ideas that have emerged about how to manage the public sector to demonstrate the importance of context in understanding management and changing management practices.
- to raise some issues about the nature of the policy process in different contexts
- to set out some of the main debates in the field in order to help you to make your own judgements.

2 The Module Authors

The original version of this module was written by **Norman Flynn** during his time as Director of the Centre for Financial and Management Studies. This edition was fully updated and revised in 2015 by John Bell, a CeFiMS tutor and policy consultant, to take into account in particular changes in our understanding of public policy and management post the 2008 global financial crisis and further deepening of globalisation and the role of ICTs in government and the economy.

Norman Flynn had previously been Chair Professor of Public Sector Management at City University of Hong Kong and held academic posts at London School of Economics, London Business School and the University of Birmingham. Norman retired from CeFiMS in 2015.

He wrote about public sector management in the United Kingdom, Europe and Asia and about the relationship between business government and society in Asia. His books include *Public Sector Management*; *The Market and Social Policy in China* (edited with Linda Wong); *Miracle to Meltdown in Asia: Business, Government and Society*, and (with Franz Strehl) *Public Sector Management in Europe*.

John Bell has been a CeFiMS tutor since 2009 and authored the module, *Policy, Programme and Project Evaluation*, and with Norman Flynn revised the module *Public Policy and Strategy*. He is a highly experienced researcher, strategist, evaluator, facilitator and senior manager across social and economic policy with particular experience in employment, education and skills, welfare to work and social inclusion. John is a partner at the consultancy CurvedThinking.

3 Study Resources

The module consists of eight 'units' of work, each with set readings, questions and exercises. You also have the opportunity to discuss aspects of the module with your fellow students through the VLE.

In addition to the module study guide, you will have access to the key text and the module readings.

Key text

The key text and the recommended pre-module reading for the whole of the Public Policy and Management programme is:

Rod Hague, Martin Harrop & John McCormick (2019) *Comparative Government and Politics: An Introduction*. 11th Edition. London: Red Globe Press.

Module readings

The module readings consists of some of the classic articles in public management as well as a wide range of contemporary theoretical and empirical works on public policy and management in a range of settings. You will find that there is a variety of perspectives in the readings and you will need to use your judgement to come to your own conclusions about the debates.

4 Module Overview

Unit 1 The State, Public Policy and Management

1.1 Introduction
1.2 Public Policy, Government and the State
1.3 Understanding the Variability of States
1.4 What is Public Management?
1.5 Finally: What Then is Public Policy?

Unit 2 The State in Action

2.1 Introduction
2.2 The Market Failure Explanation
2.3 Size and Functions
2.4 Economic Development and the State
2.5 States and Welfare
2.6 The State, Politics and Institutions
2.7 Implications for Public Policy and Management

Unit 3 Ideal Types

3.1 Introduction
3.2 The Classical Chinese Civil Service
3.3 Max Weber and Bureaucracy
3.4 'Progressive' Public Administration: Taking the Politics out of Management
3.5 The 'New Deal'
3.6 Post-Bureaucracy: Reinventing Government

5 Learning Outcomes

When you have completed your study of this module, you will be able to:

- define the State and what it means in the second decade of the twenty-first century
- discuss the variety of approaches to public policy and management in different parts of the world and different periods
- analyse the elements of the social, economic, political and cultural contexts in which governments operate and the influence of these elements on approaches to management and policy

- explain how ideal types of government arrangements have influenced government policy
- advise on some of the major choices that governments have to make when making management arrangements
- evaluate the applicability of ideas about policy and management developed in one jurisdiction to another
- assess claims that the role and function of the state is everywhere in decline.

6 Warm-up Quiz

Let us start with a 'warm-up' exercise, to focus your thoughts on the subject matter of this module. Please take a few minutes to answer the following questions. There are some answers at the end of this introduction. By the end of the module, you should be able to answer all of the questions easily.

✎ Warm-up Quiz questions

1. State school education is free for pupils in the USA: **True/false**
2. State school education is free for pupils in China: **True/false**
3. Governments should only act when the market fails: **Agree/disagree**
4. Eventually every country in the world will be a liberal democracy: **Agree/disagree**
5. Total government expenditure as a % of GDP (in 2004): which of the three figures is correct for each country?

a) Netherlands	22%	35%	47%
b) United States of America	20%	36%	50%
c) New Zealand	20%	32%	39%
d) Korea	25%	34%	45%
e) Ethiopia (2001)	15%	30%	40%

6. Principal–agent theory is:
   a) about the problem agents have sticking to their principles
   b) about the problem employers have controlling employees
   c) about the problem governments have controlling contractors.
7. Public choice theory
   a) concerns letting the public have more choice
   b) is about the motivation of public servants
   c) assumes that all employees maximise their own welfare.
8. Policy-making and management are two separate things and should be done by different people: **Agree/disagree**
9. 'National culture is an important influence on the appropriate management style to use in a nation's public sector.' 'Management is a purely technical matter and what works in one context can work just as well in any other.'
   Which of these statements do you agree with, and why?
10. In the 1980s and 1990s New Zealand led the world in public sector reform and has stuck to its principles and practices. **Agree/disagree**
11. 'Structural adjustment programmes' have been:
    a) an attempt to develop the infrastructure of developing countries

b) a necessary set of measures to bring fiscal health to countries with government deficits
    c) the imposition of a set of unnecessary cuts in public services.
12. 'New Public Management' is
    a) a coherent set of ideas that will eventually transform public management
    b) an artificial phrase invented by academics to describe a diverse range of management reforms
    c) a set of reforms from the era in which some governments thought that markets were the solution to all the problems of the public sector.

Now look at the answers and the comments on them, which follow.

Author's answers to the Warm-up Quiz

1. True.

2. False (the answers to 1 and 2 sometimes surprise people when they know that China is a communist state and the USA champions individualism, the market and free enterprise).

3. You may change your mind about your answer when you have completed this module. 'Yes' would be the answer in most standard texts, especially those produced in the 'Public Administration' tradition in North America.

4. There has been a tendency both to expect and to wish that 'Yes' is correct and desirable. Aid and loan agencies in poor countries have behaved in this way. As with the answer to 4, you may change your mind about this as you do the module.

5. Netherlands   47%
   United States of America 36%
   New Zealand   39%
   Korea   25%
   Ethiopia   30%

   While the data for this answer are not wholly comparable, it is the case that there are wide variations in how much of national production goes into public services and welfare payments. Europe is generally on the high end of the scale, and Africa the lowest. Netherlands is usually among the highest.

6. 'b' and 'c' are both right: principal–agent theory is an important underpinning of public management, whether management of employees or of contractors. If you understand the theory and its application, you will have a better idea about how to manage.

7. 'b' and 'c' are both correct. The theory is behind many recent reforms and assumes that people have no intrinsic motivation to do good things, only to look after their own interests. You need to have a position on this theory before you can design and run pay and other incentive systems.

8. That they are separate is a fundamental belief of the 'scientific' school of management. The school has its opponents among those who believe that public management is inherently political and that it is naïve to try to separate them. This is another matter on which you may change your mind when you have studied the module.

9. In my view, national cultures have a profound influence on the way people relate to each other at the workplace. One of the reasons that management systems do not travel is that the managers who try to use one system in another context do not understand this, and they get frustrated because the people in the place to which the methods are imported resist them.

10. New Zealand did probably lead the world in public sector reform but has now changed many of its principles: the most important, and one you will spend some time on in this module, is that the government has abandoned the idea of the internal market in its healthcare system.

11. 'b' and 'c' may both be true, depending on your point of view. The question is important for managers, because many of the 'reforms' of management of the last 10–15 years have been attempted while 'structural adjustment' programmes, including pay cuts and job cuts for civil servants, were carried through.

12. Any of these statements might be true, depending on your point of view. Also, 'New Public Management' may have been and may still be a slogan used by those promoting change. When you have finished this module you will have an opinion about 'ideal types' offered by people claiming to have all the answers to public management problems.