

**'PUBLIC VALUE' AS A NORMATIVE FRAMEWORK: A COMPARATIVE
EVALUATION AND RECASTING OF ADMINISTRATIVE CULTURE IN INDIA AND
NEPAL¹**

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Abstract: This paper attempts to analyze the administrative approaches that influenced public management cultures in India and Nepal, with special attention to the Public Value Approach, to elaborate its basic tenets and examines the nature of Indian and Nepalese administrative cultures and scope of their improvement in the light of these tenets. The paper is divided into three parts: Part I deals with the background of emergence of Public Value Approach; Part II elaborates the basic principles and promises of Public Value Approach; and Part III examines the nature of administrative cultures as well as scope of its improvement in India and Nepal in the light of Public Value Approach, of public good and democratic element.

Keywords: Administrative Culture; Public Value Approach; Tenets of Administrative Law; Public Management.

PART I

The defining characteristics of '*Public Administration*' in a democratic society, is that it operates under the conditions of democratic authorization and public accountability. Thus, the basic purpose of public administration, unlike private administration, is not to maximize the financial profit, but to maximize the '*public good*', which may also contain economic wellbeing of a community. In democratic societies, political system enjoys public legitimacy and seeks periodical public authorization to carry on its mandate. Thus, Public Administration as a sub-system of political system is equally subject to this authorization and accountability. It lies between the political system and the larger '*public*' sphere. Public managers simultaneously mediate through two interfaces - one with political leadership and another with larger public or citizens. Any political, social, economic or technological change, which has bearing on these two

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interfaces, is bound to ultimately affect the role, purpose and position of public administration as well as public managers.

Right from the emergence of public administration as a distinct discipline in late 19th century with the pioneering efforts of Wilson to the present times, the nature of public administration, both as a discipline as well as a practice, has undergone fundamental changes in response to emerging changes in its operating environment. Beginning with the politics-administration dichotomy, many theories and approaches like universal principle approach, human relations approach, behavioural approach, the idea of New Public Administration, the notion of Development Administration, Public Choice Theory and New Public Management (NPM) have been developed to define the nature and role of public management. The Public Value Approach of Moore is a new addition in this series, which tries to set right the aberrations in the nature and place of public management as distinct from private management. These aberrations are the result of many factors, but were largely articulated by the practice of NPM, anchored on the theory of neo-liberalism in the contemporary age of globalization. With the formulations of Public Value Approach, public administration theory has moved full circle from the politics-administration dichotomy at the turn of last century to the present advocacy of close interface between politics and public management. These changes, theoretical as well environmental, have close bearing on the administrative culture of a society.

This paper attempts to elaborate the basic tenets of Public Value Approach and examines the nature of administrative cultures of India and Nepal and scope of their improvement in the light of these tenets. The paper is divided into three parts: **Part I** deals with the background of emergence of Public Value Approach; **Part II** elaborates the basic principles and promises of Public Value Approach and **Part III** examines the nature of administrative cultures as well as scope of its improvement in India and Nepal in the light of Public Value Approach.

Thus, Public Value Approach is a post-NPM development in the theoretical formulations of public management. The NPM emerged as a response to the changes brought about by the Liberalization, Privatization and Globalization (LPG) in the operational environment of public management, where its operational culture and objective of common good were put in sharp focus with the efficiency, satisfaction of varied consumer interest, and increased competition for production and improvement propelled by market forces. NPM articulated these benefits of market mechanism in the delivery of public services. The project was to import market

mechanism in public sphere to improve efficiency of public services. Leading political figures like Ronald Regan and M. Thatcher also supported this project based on the philosophical moorings of Neo-liberalism and practical solutions of Public Choice Theory. American President, Regan went to the extent of alleging that government is not the solution but it is the problem. The solution was to shrink the public sphere and extend the market mechanism in the vacated space. In 1990s, the NPM thrived on the ills and deficiencies of public management. BENINGTON and MOORE (2010, p. 7) rightly remark:

"For from being seen as institutions essential for safeguarding individual and collective wellbeing and the assurance of social justice, governments were increasingly portrayed as obstacles to social and economic progress- an unproductive sector feeding parasitically off the value supposedly created in the private sector.---Along with the diminution of government as an institution went the diminution of the '**collective**' as an idea."

However, NPM failed to provide any viable philosophy for the ultimate goals of public management. It largely concentrated on the refinement of delivery tools to satisfy individual needs. The solution to the ills of public management was found in the market sphere. Benington and MOORE (2010, p. 8) further remark,

As the confidence in public sphere as a definer and producer of public value was challenged, confidence grew in the importance of market mechanisms as devices for meeting individual choices and social needs. Neo-liberals tried to extend the domain of individual choice- partly by shrinking the size and scope of government, so that more choices about how to use resources would be guided by the individual acting through markets rather than by collectives acting through government.

The NPM and its ideological mentors Public Choice Theory and neoliberalism share a common belief that there is no such thing as society and the individual interests are primary motives for growth and development. Society is just an aggregation of self seeking individuals and it does not have its separate existence or distinct identity. Individuals were recognized as consumer of goods and services rather than 'citizens' with certain rights and obligations. Social and public spheres were the places, where individual desires are to be fulfilled and needs are to be satisfied. Collective interest or the public good is nothing but the sum total of satisfaction of individual needs through market mechanism.

The over reliance on market mechanism went against the common good and public interest as well as the concerns for equity and fairness. Perhaps it was the most serious flaw in the NPM approach. Yet, the sway of NPM was so far reaching that many of the developing and

underdeveloped countries espoused it to undertake administrative reforms in tune with its tenets. This was in spite of the fact that markets were not well developed in many of these countries and there was no viable mechanism to address the issues of equity and fairness in the largely heterogeneous social settings. Paradoxically, high GDP growth was recorded amidst mass poverty, unemployment, malnutrition and other such deprivations in many developing countries. India is one such country among others. The state and public management were supposed to facilitate the operation of market principle and regulate the deviations for the sake of perfect functioning of market mechanism, because market was projected as panacea for all ills of economy and society. However, many social, economic and environmental ills remained unaddressed. Similar was the '**delivery paradox**', as noted by some scholars, which means growing dissatisfaction with the performance of public management, in spite of recorded improvement in the delivery of public goods and services. There has been a steady decline in the public trust in the efficacy of public management. Yet many scholars have recognized the efficiency, responsiveness and accountability as the chief merits of NPM. Apparently, it is true, but the main motive force behind and purpose of these merits is either fear of loss of self interest or promotion of the same rather than promotion of public good. Thus, in spite of these virtues of NPM, public good remains a casualty.

PART II

Promise of Public Value Approach: The ascendancy of LPG in the post-cold war scenario brought flux in the ideas and notions in all sphere of society. Theories and concepts of public administration also confronted Hobson's choice. The traditional public administration, with extensive responsibilities and functions of state led public management was not sustainable due to over emphasis on stability and formalism and notorious lack of efficiency, initiative, responsiveness, transparency and accountability. Similarly, the NPM as its alternative was not sustainable due to overemphasis on market mechanisms and casual regard to public good and collective interests. More specifically, it failed to address those contemporary social, economic political and environmental challenges, which are inherent in the wider notion of public interest. It was in this background that public administration theory faced a difficult choice akin to the one

faced by 17th century British political philosopher Thomas Hobbes. Hobbes wanted to plead for an absolute and powerful state, but he could not support a more suitable divine right theory of origin of state because it was largely discredited by that time. As a result, he faced a tough task of manipulating a democratically oriented social contract theory to make it compatible with an absolute state. However, Public Value Approach as propounded by Mark Moore in his seminal book, '*Creating Public Value: Strategic Management in Government*', published in 1995, largely escaped this Hobson's choice because it broke a fresh ground in theoretical debate in public management. The book is not purely a theoretical and academic exercise as it is 'best described as *handbook* for public managers that developed out of training courses run by Harvard University's Kennedy School of Government, in much the same way as Chester Bernard's '*Functions of Executive*' (1938) was for private sector managers at the time of its publication' (GRANT and FISHER, 2010, p. 5).

The central focus of Public Value Approach is its prescription that the creation of Public value is the main concern of public managers in the same manner as the profit or financial value creation is the concern of private managers. This premise highlights the distinctive nature of public management as well as distinct responsibilities of public managers as opposed to private managers. This distinctive characteristic of public management was being gradually eroded under the all pervasive influence of NPM, particularly its emphasis on monetary aspect of 'value'. The analysis of public value approach involves the answer of three fundamental questions:

- What is Public Value or how to define it?
- What is the role of public managers in the creation and promotion of public value?
- How to measure the performance of public management in terms of Public Value.

Ever Since the publication of Moore's text in 1995, the meaning of public value has become subject of debate among scholars. ALFORD and O' FLYNN (2009. p. 178-185) have noted four emergent meanings of 'public value' in this debate. The **first** meaning of public value is given by TALBOT (2009), who terms it as 'the next "**Big Thing**" in public administration'. It means it is a post-NPM framework of analysis of public management. Another scholar STOKER (2006) also supports this interpretation of public value. He views public value as the framework for '**solving puzzle of balancing democracy and efficiency**'. In this view, Public Value Approach offers a new vision of human nature, where people are motivated by their involvement in networks and partnerships in the context of mutual respect and shared learning. As opposed to

this, the NPM articulated a consumerist view of human nature, where people are motivated by fulfillment of their self interest or the satisfaction of their needs and desires.

The **second** emergent meaning of public value in the ongoing debate is that it is a political rhetoric of public managers to justify their position and to subserve their organizational interests. Alford and O' FLYNN (2009, p. 182) argue that the idea of public value as a political rhetoric justify public managers' demand for greater autonomy, greater share of public funds and unquestionable position.

The **third** meaning, identified by ALFORD and O' FLYNN (2009, p. 183) is- 'public value as narrative', which is defined as 'the stories people tell' or 'how they make sense of the world'. As a narrative, public value helps public manager to develop a self-understanding and articulating a broad justification of their position and role.

In the **fourth** emergent meaning, public value is referred as a yardstick to measure the performance of public managers. This may help to assess whether public managers are moving in right direction or not.

However, in the present discussion, public value is taken to mean as something which is valuable to people, not in monetary sense but in the sense of public interest or common good, which should not be taken as a voice of the most vocal but as the refined preferences of people.

The second fundamental question about public value approach is, in fact, the central theme of this discussion. The public managers are supposed to play a more proactive role in deriving consensus on the meaning of public value as well as managing the generation of public value. The discussion of their role involves strategic, normative as well as pragmatic dimensions of entire public management as inherent in the Public Value Approach. Here public managers are neither projected as neutral agents of state, as was the case with traditional public administration to implement the programmes and policies of the government, nor they are projected to maximize the profit of government in a market driven environment, as is the case with NPM. Rather public managers are projected as proactive agents in the entire process of creation of public value, with continuous engagement and interaction with changing situations and circumstances. Moore (1995) has offered the idea of '**Strategic Triangle**' to elaborate the role of public managers in the creation of public value. According to BENINGTON and MOORE (2010, p. 4), 'Strategic Triangle is a framework for aligning three distinct but inter-dependent processes which are seen to be necessary for the creation of public values'. These three processes are:

- ❑ Active role of public managers in defining public value, which involves the specification of strategic goals and public value outcomes, which are to be realized in a given condition.
- ❑ Managing the '**Authorizing Environment**', which involves mobilizing and sustaining support for the proposed action among the multiple stakeholders like public, private and voluntary sectors. The 'Authorizing Environment' consists of all those elements, which are source of legitimacy and authority of public management in a democratic society. This also involves the support of elected representatives. Public services need continuous authorization as they are distinct from the private services. According to COATS and PASSMORE(2006, p. 4), 'Public Value argues that public services are distinctive because they are characterized by the claims of 'rights by citizens' to services that have been authorized and funded through a 'democratic process'.

However, it is the most complex task of public managers to manage the authorizing environment because, as BENINGTON and MOORE (2010, p. 6) observe, it is a 'place of contestation where many different views and values struggle for acceptance and hegemony. Conflicts of ideology, interest and emphasis are often not fully resolved by elected politicians within the formal democratic process and may be passed on unresolved for public managers.' They further note that the task of public manager is to bring several part of the authorizing environment together in a coalition in order to strengthen the overall legitimacy and support for the policies and programmes they are proposing or administering. In this role, the public manager becomes a politician, an administrator and an enlightened citizen all three rolled in one.

- ❑ Building and strengthening operational capacity of public management, which involves harnessing and mobilizing different resources that are essential for realizing the desired public value outcomes. These resources are mobilized both inside and outside the organization.

The practical implication of the above strategic triangle or a set of three processes is that the strategies devised for the creation of public value should satisfy three conditions to be successful and sustainable (MOORE, 1995, p. 71-72). **First**, Public managers must clearly define public value in terms of publicly valuable and acceptable outcomes after consultation with

multiple stakeholders in the authorizing environment. If public value is not defined in clear terms, the process of public value creation will falter. **Second** implication is that the public managers should mobilize adequate support in the authorizing environment in favour of proposed public value outcomes. Otherwise their actions and policies will not be politically viable. **Third** implication of strategic triangle is that public managers should mobilize and develop resources, capacity and skills necessary to implement the programmes of public value creation.

Each of these three conditions has strategic importance for the realization of public value. If any of these conditions is not met, public managers must revise the goals of public value creation. However, it does not mean that they should abandon the goal altogether, but simply to scale down it in pragmatic manner. Thus, Public Value Approach has some element of pragmatism also. WALKER (2010, p. 11) elaborates the process of course correction and adjustment by public managers. As the policies and programmes move in out of alignment with the elements of strategic triangle, managers take corrective actions. This may involve the efforts to inform and educate the key stakeholders about the value of services or modify and revise the services in such manner as they become acceptable to relevant stakeholders. COATS and PASSMORE (2006, p. 5) remark, 'In practice, creating public value relies upon taking a pragmatic and non-ideological approach to the delivery of public services, giving real effect to the principle **'what matters is what works'**.

The third fundamental issue involved in the Public Value Approach is the measurement of public value creation performance. If we fail to devise a viable mechanism for the measurement of public value, many of its promises may not be realized. In this respect, MOORE (1995) cautions, 'We should evaluate the efforts of public sector managers not in the economic marketplace of individual consumers, but in the political marketplace of citizens and the collective decisions of representative democratic institutions'. In the development of measurement framework for public value, the most important task is the engagement with the public to define the purposes that organization has been established to serve. This will enable managers to get the relevant information to identify the objectives that people value most. This will help in developing a measurement system based on qualitative indicators and **'outcomes'** rather than qualitative indicators and **'outputs'**, as is the practice with NPM. The continuous engagement with public in defining and creating public value is in itself a public value. COATS and PASSMORE (2006, p. 52) remark, 'The overarching objective must be to create a sustainable

culture of improvement where public managers and staff have internalized '**outside-in**' frame of reference and are committed to making their services the best that it can be. This is very different from the conventional approaches to measurement and performance management'.

On the basis of above discussion on Public Value Approach, some of its general features may be underlined. **First**, the approach is strategic in nature as it addresses some of the core issues related with the purpose, role, place and nature of public management in long term perspectives. **Second**, it is comprehensive as it takes into account all internal and external factors relevant for the functioning of public management. In this respect, the approach, particularly its strategic triangle has the potential to be used as an analytical tool in the same manner as system approach is used for analysis. **Third**, this approach adopts a benign view of human nature, which values partnership, involvement in public affairs and concern for public good. Hence, its philosophical foundations are distinct from that of NPM approach. This also has the potential to restore public trust in the operation of public management. **Fourth**, the approach is both normative and pragmatic at the same time. It is normative as it prescribes a more proactive role for public managers in creation of public value. The assumption of greater responsibilities by public managers underlines the ethical dimension of this approach (GRANT and FISHER, 2010). It is pragmatic also at the same time as it pleads for continuous adjustment by public managers in view of changing situations in authorizing environment. It relies on the principle '**what matters is what works**'. **Fifth**, this approach makes clear distinction between public value and private value as well as public management and private management. However, it envisages closer and more interactive citizen -administration interface on the one hand and politics-administration interface on the other. COATS and FISHER (2006, p. 13) identify four elements of promise of public value approach: Developing a healthy respect for professional judgment without allowing professionals to hold trump card and avoiding the danger of '*producer capture*'; emphasis on the idea that all public services need clear objectives and that public must be involved in the process of deciding what these objectives should be; placing high value on '*voice*' but at the same time avoiding the risk that loudest voices should have final say; and allowing assessment of policies against their outcomes and their consistency with the principle of accessibility and equity.

PART III

The theory and practice of public value approach is in the nascent stage. Most of the developing countries are under the process of market reforms as mandated under the idea of NPM and good governance. Even the experience of LPG has not been even and uniform in the developing world. For example, many African countries are yet to come in full terms with the principles of LPG. On the other hand many East Asian countries and India and China have implemented far reaching administrative and economic reforms in tune with LPG. The NPM is the administrative version of this reform agenda. As far as Public Value is concerned, its practice is beginning to take place in the developed world particularly, US, UK, New Zealand, and Australia. Many supporters of this approach like BENINGTON and MOORE (2010, p. 2) claim that this is an idea whose time has come. It has generated academic debate in many universities of these countries. Many public sector organization in these countries have applied the principles have public value. For example, BBC in UK has used the notion of public value as a core argument for renewal of its charter. National Health Service Institute of Innovation and Improvement and Department of Culture, Media and Sports in UK have applied it in the evaluation and measurement of performance. New Zealand has recently conducted a Public Service review- *Reviving the Public: A New Governance and Management Model for Public Service*, which seems to have considerable impact on the subsequent policy formulation in New Zealand. Similarly, some local governments in Australia have also initiated reforms in tune with promises of public value. In developing countries, Sub-Sahara has been cited as a case by Benington and Moore (2010, p. 2) where certain administrative reforms bear the imprint of Public Value. Some scholars like SAMARTUNGE and WIJEWARDENA (2009) have discussed various aspects of Public Value Approach with special reference to developing countries. However, it should be noted that though the developing countries are yet to put in practice the Public Value Framework, yet some of the elements of ongoing administrative reforms in these countries including India, like emphasis on transparency, responsiveness, public accountability, decentralization, encouraging involvement of people and civil society in public management processes are in tune with the tenets of public value approach. In fact, these elements are common in both NPM and public value approach, though their motive and sources may be different.

Promise of Public Value Approach in India and Nepal: Reforms and Scope

Public management reforms in India are popularly known as 'Administrative Reforms'. At the time of independence, India inherited a colonial administrative structure. With the adoption of new democratic Constitution, democratic polity, planned development and mixed economy, assumption of welfare functions by the state led to the beginning of administrative reforms in early 1950s. The history of administrative reforms in India in the post-independence era may be conveniently divided into two broad periods: First period from 1950 to 1990 and second period from 1991 till date.

During the first period, the administrative reforms from 1950 to 1966 suffered from adhocism and were some sort of fire fighting operations. The emphasis was placed on improving efficiency and integrity in the administration. In 1953, an American expert Paul Appleby (a Ford Foundation Consultant) was invited to study Indian administration. His main recommendations- setting up of Indian Institute of Public Administration (A premier research and training institute of Union government) and establishment of O&M system were implemented. The issue of corruption and integrity surfaced early in the Indian administration. On the recommendation of the central government appointed Santhanam Committee (1962), Vigilance Machinery was set up at all offices of the government and Central Bureau of Investigation (CBI) was established as the premier investigating agency against charges of corruption and serious crimes.

The systematic phase of administrative reforms in India started in 1966 with the establishment of the First Administrative Reforms Commission (1966-1970) by the Union government. The Commission headed by the former Prime Minister Morarji Desai, submitted 20 lengthy reports covering all aspects of Union and Provincial administration. The Commission focused on the issues of integrity and corruption, specialization of public services and improving the efficiency of administrative structures. Some of its recommendations included appointment of *Lokpal* (like Swedish Ombudsman) at the Center and *Lokayuktas* at the provincial level, introduction of specialists at the senior and middle level of management, performance budgeting, special audit boards for government owned commercial undertakings and so on.

However, during the first period (1950-90), many reform measures were initiated to strengthen the administrative machinery to address the emerging social, economic and developmental challenges. The principles of equity and social justice have been the major concern of the policies and programmes of Indian administration. According to Ramesh K Arora (1995: 579-586), the major concerns for administrative reforms during this period included:

efficiency and economy; specialization of structures and personnel; Effective coordination; Capacity development of public personnel; ensuring integrity in public services; promoting responsiveness and public accountability; Decentralization and democratization at lower level, particularly strengthening local self-government institutions.

New Administrative Reforms: Post Liberalization Era: In the history of public management reforms in India, the year 1991 marks the milestone as the operational environment of public administration experienced a fundamental shift. This shift came with the introduction of liberalized market reforms in India in 1991. This shift was fundamental because India so far followed the path of planned and mixed economy with socialist orientations. The basic objective of these liberal and market reforms was to spur growth in the economy and integrate Indian economy with the emerging global economy. Major reforms opening of various industries for private sector, liberalizing the licensing rules and procedures with raising the limit of foreign capital in various sectors, disinvestment of Public Sector Undertakings (PSUs), liberalizing trade policy, and establishing various regulatory authorities to ensure fair play of market forces. The net result of these reforms was the entry of market forces and competition in the public sphere also. Thus state became regulator and facilitator rather than controller of market led public activities.

With new liberal operating environment in place, some significant administrative reforms were introduced in India in last 20 years in tune with the tenets of NPM and 'Good Governance'. These reforms are listed below:

- ❑ Strengthening of local self-government bodies with more resources and powers through constitutional measures in 1992. These local bodies (known as *Nagarpalikas* in urban areas and *Panchayati Raj Institutions or PRIs* in rural areas) are the examples of democratic decentralization.
- ❑ As a tool of good governance, Right to Information Act was passed in 2005, which entitles citizens to seek information about the administrative affairs of the government. The Union Government is in the way to bring a new legislation to protect the interests of whistleblowers. Similarly, the scheme of Citizen Charters has also been put in place since 1997 for the proactive disclosure of information by public offices about their activities. The Citizen Charter scheme was given statutory basis in 2013 by passing an Act to that effect. These measures are designed to promote transparency and accountability in the government.

- ❑ The Union Government has also launched e-government scheme in 2004 in various departments, with a view to speed up the delivery of public services and promote transparency and accountability in the public management.
- ❑ The Lokpal (Ombudsman) bill, pending before India Parliament since 1969, lapsed 10 times but could not be passed. Finally, with protected agitation by civil society groups since 2011, led by renowned Gandhian activist Anna Hazare, it was passed only in Dec 2013.
- ❑ In order to undertake comprehensive administrative reforms, the Union Government has appointed the **Second Administrative Reforms Commission in 2005, which submitted all 15 Reports by 2009**, covering all important aspects of public management (2nd ARC:2009). Out of these reports, some are directly concerned with the promotion of good governance practices in India. These are: *Right to Information: Master Key to Good Governance; Unlocking Human Capital: Entitlements and Governance; Ethics in Governance; Promoting E-Governance; and Report on Citizen Centric Administration*. The major concerns of this Commission are: promoting transparency, responsiveness, accountability, efficiency, integrity and ethics and values in the administration and reducing discretionary powers of public managers by devising mechanism of supervision and collective decision-making.
- ❑ A draft Public Services Bill was proposed in 2007 with provision for values and ethical code of conduct for public servants. It prescribes certain **values** (not in the sense of Moore' concept of Public Value) for public services: patriotism and upholding national pride; allegiance to the Constitution and the law of the nation; objectivity, impartiality, honesty, diligence, courtesy and transparency; and absolute integrity. It also prescribes an **ethical code of conduct** with certain ethical norms: to discharge official duties with competence, accountability and without discrimination; to ensure effective management, professional growth and leadership; to avoid misuse of official position; to function as an instrument of good governance, to provide services for the betterment of public at large, to foster socio-economic development and act without discrimination on any ground and to protect the interests of weaker sections of society. Though these measures are relevant for Public Value debate, this bill has not been passed so far.

Many attempts have been made in Nepal for administrative reforms in last 60 years. Though operating environment is not similar in India and Nepal, administrative reforms in Nepal have been influenced by and have closely followed Indian patterns. Likewise administrative reforms in Nepal can be divided in to two distinct phases: Before 1990 and After 1990.

Rana's autocratic regime was overthrown in 1950 by a democratic revolution actively supported by India. It led to democratic as well as administrative reforms (First Phase) in Nepal. Buch Committee (led by Indian expert M N Buch) was formed for suggesting desired administrative reforms. It recommended various reforms in public services recruitment and training, judicial, jail and police system on Indian pattern. There was no mechanism to monitor these reforms and very few reforms were implemented. Thereafter a number of committees were appointed to suggest measures for the improvement of administration: Administrative Reorganization Planning Commission, 1956 to recommend on civil services rules and act; Administrative Reform Commission, 1968 to make suggestion for improving the competence and efficiency of public services; and Administrative Reform commission, 1975 to recommend measures for making civil services development oriented (POUDYAL, 1989, p. 80-95) . In nutshell, these reform measures were mainly concerned with formation of rules and creation of new public organizations, but could not be sincerely implemented due to lack of effective monitoring mechanism.

The second phase of reforms in Nepal (after 1990), as in India, were largely motivated by the needs of liberal economic reforms and good governance. A high level Administrative reforms Commission was set up in 1991, which was headed by the Prime Minister G S Koirala himself. It recommended downsizing of government, improving public services delivery, simplification of procedures, decentralization of decision making authority and improving the efficiency of public services (ARC, 1992). Next in series was the five years Governance Reforms Programme (GRP: 2001-2005), which was launched with the financial assistance from the Asian Development Bank., The GRP, motivated by the tenets of NPM, focused on result driven, people-oriented, and gender-sensitive public services, reducing the corruption as well as improving the internal efficiency of administration. This programme was partly implemented. With the restoration of democratic regime in 2006, the Government of Nepal issued a Vision Paper for Civil Service (TIWARI, 2009) in 2007 itself, which was concerned with identifying the core concerns of administration and making civil services client oriented, accountable and responsive. However, like other post-1990 reforms it could not be fully implemented due to prevailing political instability as well as lack of political consensus among leading political groups over the nature and direction of these reforms. Thus, in Nepal, the public administration continues to suffer from earlier maladies. In post-1990 reforms, Nepal lags far behind India.

A careful reading of contemporary reforms both in India and Nepal suggests that they are in tune with the principles of NPM and good governance. However, some of these reforms like promoting transparency, participation of people, public accountability, responsiveness, decentralization, e-governance etc are also relevant in the Public Value Framework. Therefore, the ongoing reforms in both India and Nepal have indirect reference to Public Value Approach. However, the implementation of reforms faces uphill task as administrative culture is slow to change and reforms confront resistance from various sources.

Prevailing Administrative Culture: India and Nepal

Administrative culture denotes those beliefs, attitudes, values, and norms, which mediate administrative behaviour and practice in a given context. Though administrative culture is a part of larger social culture, yet its immediate patterns are derived from the prevailing political culture. O.P. DWIVEDI (1999) opines that no administrative culture is monolithic; instead, it is a part of the wider culture of a society including its constituent parts such as political, economic, social, religious, corporate, and civil society cultures. Nevertheless, it is the political culture that influences the administrative culture most because it brings its political values to modulate the behavior of state employees. JOSHI (2003) remarks that the overall socio-economic and political environment in which the administration works has a direct bearing upon its functionaries, and goes to mould their manner, style and behaviour pattern; their aspirations, ethos and values are shaped by them. These, in combination, constitute what many are called the Administrative Culture.

Thus, Administrative culture has a complex relationship with its internal and external environment because both influence and get influenced by each other. Its internal environment consists of social system, economic system, nature of political system and political culture, technological changes as well as specific mandate of political system. Its external environment consists of all external influences and changes which has close impact on administrative structure and behaviour. In practical terms, administrative mediates through two interfaces- public administration and political system on the one hand and public administration and public sphere on the other.

The administrative behavior in both India and Nepal is characterized by lack of integrity and efficiency in the public management, self seeking behavior, abuse of public authority, lack of public accountability, infiltration of corruption in administration's interfaces with citizens as well as political leadership, politicization of bureaucracy at higher level and so on. Public accountability and integrity of public managers have been the major causalities in India. JOSHI (2003) finds that the Indian administrative culture is the product of two factors- British inheritance and traditional Indian patterns like caste family, religion and so on. It is permeated by lack of ethical standards and accountability and pervasion of corruption or speed money. This has resulted in the weakening of public trust in bureaucracy. According to S. R. MAHESHWARI (2001, p. 432-433), a noted scholar on Indian administration, administrative accountability has become a joke in developing countries including India as public managers are not inspired by organizational goals and objectives. Self interest of public officials dominates and the administrative structures coming in direct contact with people have become circles of corruption. Transparency, among other things, is an effective remedy as secrecy always protects corrupt public officials. Another noted scholar N.C. SAXENA (2013, p. 108) has approvingly quoted the following observation of the 2nd ARC (2nd Administrative Reforms Commission in India): 'The state apparatus is generally perceived to be largely inefficient with most functionaries serving no useful purpose. The bureaucracy seems to be tardy, inefficient and unresponsive. Corruption is all pervasive, eating in to the vitals of our system, undermining economic growth, distorting competition and disproportionately hurting the poor and marginalized sections'. DWIVEDI, (1999) opines that efforts for separation of administration from politics and developing science out of art of public administration has led to the downfall of ethical concerns and democratic values in administrative culture. The market driven approach of NPM has further contributed to its downfall.

In spite of many attempts to reforms public bureaucracy in Nepal is beset with many problems like over centralization of power and authority, unduly rigid in adhering to rules, poor performance, lack of efficiency and integrity. GAUTAM (2008) finds that due to poor performance of the Reform leading institutions, the proposed reforms in recent years have not succeeded. Even the political class has neither the will power nor the required consensus to implement proposed reforms. This has resulted in deterioration of ethical conduct in Nepalese bureaucracy as SHAKYA (2008) remarks, "Nepalese civil services sector has increasingly

become dysfunctional, fragmented, poorly organized, and incapable of performing at the level acceptable to the public." He further says that it is highly politicized and suffers from unethical practices. UPRETY (2000) reveals that the upper castes dominate 90 percent administrative personnel in Nepal. The reforms measures have not succeeded for last 60 years due to poor implementation. Uprety says 'Among various shortcomings, lack of work culture is the viral issue in our bureaucracy. Bureaucracy suffers from buck-passing, delay in working, involving very often in corruption, and also nepotism and favoritism. Various malpractices like *Chakri* (slavery) and *Salami* (Gift) *Nazrana*, *Darshan bhet* (Gift presented while meeting the lord), or *Pan Supari* (Presents), legalized during Rana regime and has been existing since then in modified form. The external factors like political interference and political patronage have undermined merit in the bureaucracy. For Uprety, the remedy for these ills lies in improving the work culture of Nepalese bureaucracy.

DANGAL (2005) says that Nepal's administrative culture is largely derived from its social culture and values. As such, it is characterized by lack of political neutrality, keeping away from universal norms, selfish motive, nepotism and lack of integrity. He remarks, "Most often administrative decisions are influenced by informal sources than formal rules such as political connection, bribery, personal connection (*Afno Manchhe*), and *Chakari* (rendering service with personal devotion to authorities rather than to rules). Civil servants are concerned with status oriented and empire building attitudes. Common administrative norms include slow decision making processes, maintaining high levels of secrecy, ritualized official work, and shifting responsibility to others." JAMIL and DANGAL (2009) conclude that administrative culture is guided more by particularism than universalism, by ascription than achievement, by rule-orientation than result orientation, and by more authoritarian than participatory values. This administrative culture vitiates all three bureaucratic interfaces: relationships among bureaucrats within the bureaucracy, the interface between the bureaucracy and politics, and the relationship between bureaucrats and citizens.

Challenges to Public Value Approach in India and Nepal

For implementing Public Value Framework in developing countries like India and Nepal, two sets of challenges are crucial:

A. Challenges Inherent in the operating conditions: The management of authorizing environment is crucial pre-condition for the application of Public Value Approach. However, the authorizing environment in India is diverse, heterogeneous, uneven and complex. The roots of all the elements of administrative culture may be traced in this environment. A brief analysis of social, economic and political aspects of this environment will highlight its complexity.

In socio-cultural terms, social space both in India and Nepal is characterized by diversities of caste, religion, language, region and ethnicity. Political identities are often formed on the basis of these factors. The process of democratization began in Nepal since early 1990s has accentuated polarization of social identities like hills Vs plain people , tribes Vs Hindus, high castes Vs lower castes and so on. Similar identities are visible in India also. Even the civil society groups, though mainly active in developed urban areas are not free from these identities. Caste identities, based on the hierarchical social order, animate political and administrative space in both India and Nepal. India has some experience of management of these identities, but Nepal, a viable mechanism to manage these identities is yet to be put in place.

Economically, both India and Nepal have implemented liberal economic reforms but the pace and scope of these reforms differs in two countries. The market reforms of 1991, it is claimed, have brought boom to Indian economy as it has registered 7-8 percent growth in GDP in last twenty years and the country is now counted as the emerging economy at global level. Government is trying hard to animate its development programmes with equity and social justice. However, the ground realities are different as Indian economy suffers from internal distortions and *Development Paradox*. There is mass poverty (28 percent in 2011 by Indian measurement) amidst pockets of influence. Much of the growth in GDP numbers is brought about by rising share of service sector, whereas the share of agriculture has declined five percent in last eight years to reach 14 percent in 2012 (The Economic Times, 2012). The fact is that India's 72 percent population lives in rural areas and is dependent on agriculture for their livelihood (India, 2013). The fruits of development are not evenly distributed across urban and rural areas, and also among different regions and sections of society.

The economic reforms in Nepal have faltered due to lack of consensus on the scope of these reforms and continuing political instability since early 1990s. Nepal is not only a land

locked country but also a Least Developed Country with 45 percent of people living below the poverty line. Thus, provision for social justice and equity is a great challenge for administration in coming decades.

Politically, the authorizing environment in both countries displays characteristics, which pose hurdle in arriving at consensus on the nature and support to Public Value. First, political identities are formed around ascribed status of caste, creed, language and ethnicity. Second, political groups and parties subscribe to a hugely diverse ideological orientations ranging from outright violent Maoism (Naxalites in India and Maoists in Nepal), subdued communism and liberalism to communalism and traditionalism. Third, the interface between political leadership and public managers is devoid of any clear role definition in practice. The relationship between political class and higher bureaucracy more often displays the sign of mutual symbiosis, where both form an opportunistic alliance to sub serve each other's self interests. This form of interaction is more pronounced in the present era of market reforms and consumer culture in both countries. In addition, Nepal faces problem of political instability of unprecedented nature. Lack of consensus among major political formation on fundamental issues has resulted in the failure to form a new democratic constitution acceptable to all groups and sections of society. The new and second Constituent Assembly elected on 19 November 2013 also faces the similar problem.

Thus, in both India and Nepal, the authorizing environment is characterized by lack of consensus on fundamental issues, diversity of caste, language, religion and region with assertion of multiple identities. The growth of civil society is at the nascent stage and imbalanced, mainly confined to urban areas, whereas majority of the population lives in rural areas. Mass poverty, unemployment and lack of awareness inhibit the involvement and participation of people in the administrative process. This impedes the desired change in the administrative structures and behaviour.

B. Challenges inherent in the Public Value Approach: First, the Public Value Approach gives enormous power to public managers in the creation of Public Value, which may not be in tune with the democratic principles. RHODES and WANNA (2007) have termed value creating managers as '**Platonic Guardians**' and argued for rescuing responsible governments from their excessive authority and discretionary powers. It is not clear how such managers will discharge their accountability to people without reference to political regime. Also, the present

tendency in developing countries including India is to reduce discretionary powers of public managers.

The second weakness of Public Value Approach emerges from its faulty assumptions of human nature. For Public Value Approach, the maxim *'Individuals are always benign beings'* is the motive force for public managers to assume extra-responsibility for creation of public value. However, the reality is that individuals are equally motivated by their self interests. In this respect, the NPM and Public Choice Theory are placed on sound footings as they recognize that individuals are motivated by self-interest. Public Value Approach fails to identify any realistic motive for the public managers to act in the manner they are mandated to act in the creation of public value. Due to these situational and theoretical challenges, not only the practice of Public Value is a herculean task but also its desirability is questioned in developing countries. However, its importance as a normative value or as an alternative philosophy of public management is beyond any doubt. It has the potential to extricate the *'public'* from the *'market capture'* of public space.

Conclusion

Thus, giving ample powers to public managers with the assumption of their benign intentions may pose problem in the present context of administrative culture prevailing in India and Nepal. This administrative culture is beset with the tendency of power building and lack of integrity and sense of accountability among members of bureaucracy. Yet, the Public Value approach makes a promise for improving administrative culture in these societies. Its emphasis on democratic authorization (operating condition of public managers) and public value (goal of public managers) are desired norms for administrative culture in developing countries like India and Nepal. The adoption of Public Value premises will result in permeation of element of democracy and public good in the entire spectrum of administrative culture. At practical plane, it has the potential to remove the impurities of narrow interests from the interfaces of public managers with political class on the one hand and with general public on the other. In other words, this is the extension of democratic principle to the domain of public management. With this, the public management theory has moved full circle. The Public value paradigm combines the rationality of Max Weber, technical efficiency of NPM with the ideas of democracy and

public good. The enormous human and physical resources at the disposal of public managers cannot be used for anything else rather than for promoting public good. However, the Public value approach is not a theory in the traditional sense of the term, but, at the best, it is normative framework to guide the improvement of administrative culture in the light of public good and democratic element.

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