AN ANALYSIS OF A NEW PUBLIC SECTOR FOR DEVELOPING COUNTRIES

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ABSTRACT
This paper basically synthesizes the work of Stephen F. Jooste which appeared in 2008 as a working paper number 36 of the Collaboratory for Research on Global Research (CRGP), Stanford, California, United States of America. It is the fourth paper by the author /s in a six part series to unpack issues that surround public sector discourses in developing countries. It is a synopsis of Jooste’s work: “A New Public Sector in Developing Countries.” This paper examines the debate that has raged over a century in first world politics, and that, a new or more recent trend has been the realization that development requires an effective state for successful implementation in developing countries in terms of public sector reforms. It reviews the reform initiatives that have been undertaken to change this role and the capacity building programmes that have been launched to ensure that reforms achieve their theoretical aims. The recent consensus has been that the public sector has an important role to play, but that, this role is different from the traditional Weberian view. The new role calls on the public sector to focus more on service provision and less on production. The paper will therefore look at the New Public Management (NOM) and New Governance initiatives to guide the network of actors, in relationship to the human level of organization, the institutional and the capacity building process. All of these must be addressed in unison, particularly the latter two issues. The paper does not technically add to new knowledge, but the authors will attempt to weave into the discussion their view by means of observation and experience gleaned in the public service of South Africa, as administrators over the last three decades.

Key Words: Public Sector, Developing Countries, New Public Management, Developing Nations, Reforms, Provision, Production

INTRODUCTION
Public sector reform has been driven by two issues or broad factors, public sector inefficiencies and liberal economic ideology (Salmon, 2002). It therefore implies that there should be a reduction in the role of government, towards a greater private sector involvement. These reforms have been implemented in many developing countries of Africa, Asia and Latin America. This has required a significant shift in institutional capacity. This equally affects developed countries. However, whilst economic liberalization has been easy to implement in developing countries, governance reforms have been more challenging. It is against this background that the paper will examine the crucial aspects of the public sector in developing countries.

THE CHANGING ROLE OF THE PUBLIC SECTOR
BACKGROUND
The discourse and discussion between public and private service provision has raged for over a century in first world politics and public administration Brooks et al. (1984) note that “the two drivers of a shift was the belief that the market was a panacea for reform as exemplified by the Great Depression of the 1930’s and the economic crisis in the late 1970’s and early 1980’s. The depression was seen as a failure of the private sector, but it was perceived to be a failure of the public sector. These perceptions therefore shaped public institutions, firstly the growth of the welfare state, and then the dispersion of neo – liberal reforms.” Karodia (2013) states “that Brooks analysis is no different from the conditions prevailing after the 2008 economic and financial crisis that the world is confronted with and is exemplifies by the West and in particular the United States fuelling the crisis and using the much hated socialist intervention strategies to consolidate fallen capitalism by bailing out big business, the corporates and banking institutions, by using the taxpayers money and, promoting the neo – liberal agenda.” The 1950’s and 1960’s saw a strong consolidation of state power, and an emphasis on internal service delivery, in both capitalist and socialist oriented states. Due to the liberal economic view in the West and the disillusion of the role of the state led to policy transfer to developing nations. This policy brought about the phenomenon of structural adjustment loans and policy imperatives.

It was the economic crisis of the 1980’s that drove the neoliberal agenda because of a miscued analysis that public administration could be the agent of development because of the weakness of the state. The argument was couched on the “analysis that the state lacked legitimacy because, it was unable to enforce policy and that the state was displaced by international capital, for purposes of so – called national interests (Batley and Larbi, 2004). The paper therefore, draws on the work of Batley and Larbi (2004) in understanding the role of the state. This pessimistic view of the state, and the need for reform was engineered by the World Bank (WB) and the International Monetary Fund (IMF) and they propagated the view of the Washington Consensus that called for economic liberalization and the reduction of the role of the state for purposes of the misguided principle of increased efficiency. This start of the neoliberal agenda set the pace for the subjugation of developing states and its leaders to fit into a capitalist mode for purposes of consolidating the neoliberal agenda of the West. This strategy became the gospel for reform in the developing world. “These initiatives together with the enforced structural adjustment programmes, faced opposition because government power was being eroded” (Hirschmann, 1993). The issue arose as to who should drive these reforms, and therefore, they were not always successful, “particularly in countries with weak democracies” (Mosley, et al. 1995). This brought about poor implementation in an unbalanced manner, with the dominance of lagging state reforms and an emphasis on predominantly fiscal changes, which was the overt concentration of the neoliberal agenda. All of this was designed on the basis of power structures and provide politicians with patronage opportunities and the relief of poverty depended on the access to state redistributed wealth. It became an impossible task to challenge the state. It was this neoliberal agenda that destroyed the development momentum in developing countries and its negative effects can be seen today in the 21st century. It therefore, established the pernicious system of increased borrowing by states, in order to sustain public sector expenditure and Sandbrook (1993) points out that “delays in implementation of reforms decreased their impact and led to a drastic reduction in social spending, in order to maintain public sector salaries in the developing world, because the appeasement of the bureaucracy keeps the government in power and allows for patronage at the expense of development and the promotion of the general welfare.” All of this produced the distinct reality of a fiscal crisis which assisted in increasing the visibility of public sector failures and contributed most significantly for a call for change. It was a well thought out
strategy to consolidate the agenda of capitalism through the World Bank and the International Monetary fund, together with the powerful countries of the West to capitalize on weak politicians in the developing countries who allowed by means of collusion the acceptance of the neoliberal agenda. Once these designs were put into place, Cornia, et al. (1987) and Moser, et al. (1993) state that “poverty levels increased and public sector capacity was annihilated and completely eroded, as was also pointed out by Sandbrook” (1993). However, it must be recognized within the ambit of public administration and development that, the “reform programmes were expanded to include poverty reduction through the inclusion of social safety nets, as part of economic reforms and later as a separate objective. It must be realized that reforms require effective and stable states and must be premised upon capacity building” (Grindle, 2007). On the other hand, it must also be appreciated and recognized that while there might be too much state intrusion in the economy, there is also often too little government capacity to make policy, perform basic administrative functions, work with the private sector and ensure the provision of infrastructure and more importantly provide public services. What then is the theoretical background to these issues?

**THE THEORETICAL BACKGROUND**

A number of theoretical streams are fundamental and important in altering the traditional view of the state as put forward by Weber. The state and its agencies have been viewed as “tightly structured and controlled hierarchies insulated by market forces and citizen pressure and therefore are free to serve personnel and institutional interests of bureaucrats and the bureaucracies they control and influence on behalf of the state (Salamon, 2002). “One the one side the new institutional economics ideas permeate, and on the other side organizational research” (Hood, 1991). The latter literature has been termed as “industrial performance and workplace transformation” (Tendler 1997; Rhodes, 1996).

New Institutional economics has in many ways shaped public sector reform: neoliberalism, public choice theory, principal agent theory, transaction cost economics, and property rights theory. (These theories have been discussed in other papers of this series; the reader must refer to the said articles). The classical economic theory, on which neoliberal thinking is based, stresses the superiority of the free market in the distribution of goods and services and intervention is only required when there are market failures. There must be limited government intervention and opposes large scale regulation by the state. The main argument is premised on wide scale fiscal deregulation, and decreasing the role of the state. State intervention according to the traditional Weberian view must be managed through the hierarchy of bureaucratic administration. This has been criticized by public choice theorists because politicians and bureaucrats, they argue are not incentivizied to control costs. “This leads to bureaucracies being self – serving, promoting the overexpansion of the state and opportunistic behaviour and thus chokes the public sector, from working efficiently” (Dixon, et al. 1988). The issues concerning the Principal Agent Theory, Transaction costs, Property Rights theory and New Institutional Economics, Private Sector Managerialism and, Social Network Theory, have been dealt with in previous papers of this series of articles and, are therefore, not repeated. “Broadly speaking, organizational research has promoted managerial improvement initiatives through decentralization in order to emphasize managerial autonomy and professionalism. This has included reform based on disaggregating, downsizing and emphasizing organizational and individual performance management” (Batley and Larbi, 2004).

**THE CALL AND NECESSITY FOR CHANGE**

The theoretical and pragmatic schemes called for a change in both the role and functioning of the public sector. There is consensus that the public service has a major role to play but has to be
adapted accordingly. In respect of functioning four main areas have been identified as follows: reduce cost for efficiency; improvements in service delivery in terms of effectiveness; reducing opportunistic behaviour by promoting honesty; and, greater responsiveness to users. What then is the new understanding of the public sector?

A NEW UNDERSTANDING
The new understanding is premised on the all embracing fact and reality that the public sector must not have large bureaucracies, but has an important role to play for the purposes of attaining public goals for development purposes in the “Third World”. The role needs to change but not done away with. Osborne and Gaebler (1992) show that “this new role needs focus on steering the policy decisions and less rowing in respect to delivery of services. It must be achieved by means of collaboration with others. It is a question of provision and production of goods and services. The provisioning functions must be strengthened because of complex networks within government and a host of expanded functions that seek to stimulate production, because the function of they are no longer only provided in – house but also by external service providers. This therefore directs the paper to look at two broad streams or movements: The New Public Management and New Governance.

NEW PUBLIC MANAGEMENT (NPM)
The paper looks at the above briefly because the literature is replete with issues that surround NPM and that, in a sense the issues have been exhausted by a number of authors. A seminal article concerning the NPM was popularized by Hood (1991) and, in the 1980’s, it dominated the public administration reform agenda of OECD countries Together with the concept of reinventing government, it can be defined as a set of management approaches that have been borrowed from the private sector. It was aimed at increasing efficiency in terms of time and money, honesty and fairness and the resilience of the public sector in relationship to its robustness. Because NPM argues that all of management has similar challenges and therefore, should be resolved in similar ways, in the public and private sectors. “It is nothing but a philosophy of generic management” (Peters, 1996). By implication, it can be interpreted to mean that the role of government must be redefined and then reinjection a new entrepreneurial or managerial style in performing public administration. Osborne and Gaebler (1992) proposed ten principles as follows:

- The promotion of competition between service providers.
- Empower citizens pushing control out of the bureaucracy.
- Measurement of performance and focus on outcomes.
- Driven by goals and mission and not by rules and regulations.
- The redefinition of clients as customers.
- To prevent problems before they emerge.
- The effort is geared towards earning money not simply spending it.
- Decentralization of authority by means of participatory management.
- The preference of market mechanisms to bureaucratic mechanisms.
- Catalyzing all sectors to solve community problems.

A similar summary is provided by Hood in respect to the core components and concepts of NPM. The table identifies the seven “doctrinal components in Table 1 below:
NEW GOVERNANCE

A more recent development has been the emergence of “New Governance” as referred to in the literature. Stoker (1998) indicates that this view emerged “because of the blurring of boundaries between public and private sectors.” Salamon (2002) argues that “the new approach requires three main reasons: public problems have become too complex to handle; a lack of consensus on the proper ends of public action; and, because government lacks authority to enforce its will on the new network of actors.” It is a collaborative process to address public problems and takes into consideration “the complexity of the new actors, relationships and tools of governance for public service delivery” (Peters and Pierre, 2002). It is less focused on the internal workings of public organizations and more on the network of actors on which they depend” (Salamon, 2002). Peters and Pierre (2002) indicate that “New Governance is less concerned with outcomes and more with process, attempting to build on a public sector tradition based on procedures and rules.” In this regard a set of tools are required for purposes of implementation and can span several

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**Table 1: Doctrinal components of new public management**

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<thead>
<tr>
<th>No.</th>
<th>Doctrine</th>
<th>Meaning</th>
<th>Typical justification</th>
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<tbody>
<tr>
<td>1</td>
<td>Hands-on professional management’ in the public sector</td>
<td>Active, Visible, discretionary control of organisations from named persons at the top, 'free to manager'</td>
<td>Accountability requires clear assignment of responsibility for action not diffusion of power</td>
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<td>2</td>
<td>Explicit standards and measures of performance</td>
<td>Definition if goals, targets, indicators of success, prefably expressed in quantitative terms, especially for professional services</td>
<td>Accountability requires clear statement of goals efficiency requires 'hard look' at objectives</td>
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<td>3</td>
<td>Greater emphasis on output controls</td>
<td>Resource allocation and rewards linked too measured performance, breakup of centralized bureaucracy-wide personnel management</td>
<td>Need to stress results rather than procedures</td>
</tr>
<tr>
<td>4</td>
<td>Shift to disaggregation of units in the public sector</td>
<td>Break up of formerly 'monolithic' units. Unbundling of U-form management systems into corporitized units around products, operating on decentralized 'one line' budgets and dealing with one another on an 'arms-length' basis</td>
<td>Need to create 'manageable' units. Separate provision and production interests, gain efficiency advantages of use of contract of franchise arrangements inside as well as outside the public sector</td>
</tr>
<tr>
<td>5</td>
<td>Shift to greater competition in public sector</td>
<td>Move to term contracts and public tendering procedures</td>
<td>Rivalry as the key to lower costs and better standards</td>
</tr>
<tr>
<td>6</td>
<td>Stress on private-sector styles of management practice</td>
<td>Move away from military-style 'public service ethic' greater flexibility in hiring and rewards; greater use of PR techniques</td>
<td>Need to use 'proven' private sector management tools in the public sector</td>
</tr>
<tr>
<td>7</td>
<td>Stress on greater discipline and parsimony in resource use</td>
<td>Cutting direct costs, raising labor discipline, resisting union demands, limiting 'compliance costs' to business</td>
<td>Need to check resource demands of public sector and 'do more with less'</td>
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</table>

programmes and agencies, for purposes of regulating the complex actors in both the private and public sectors. Thus the public sector will not control and command the actors but the idea is a concentration on persuasion for purposes of maximum outputs. It is the concentration of creating an enabling environment in respect to skills required, for purposes of bringing stakeholders together and thus bringing about interdependence towards a common end.

Each tool can be classified along four main dimensions: coercive measures for controlling individual behaviour; it automatically measures the use of existing administrative structures; visibility measures as to how they show up in government budgets; and, a policy review process. These four dimensions are related to five broad aims in public sector reform: effectiveness; efficiency; equity; manageability; and, political feasibility and legitimacy. Table 2 below summarizes the relationship.

**Table 2: Linking tool dimensions and public sector aims**

<table>
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<tr>
<th>Tool Destination</th>
<th>Illustrative tool</th>
<th>Effectiveness</th>
<th>Efficiency</th>
<th>Equity</th>
<th>Manageability</th>
<th>Legitimacy/Political Support</th>
</tr>
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<tbody>
<tr>
<td>High level on coerciveness</td>
<td>Economic regulation, and social regulation</td>
<td>high</td>
<td>high/low</td>
<td>high</td>
<td>Low</td>
<td>high/Low</td>
</tr>
<tr>
<td>High level of directness</td>
<td>Insurance, direct loans, economic regulation, public regulation, government corporations, and direct government.</td>
<td>high</td>
<td>Medium</td>
<td>high</td>
<td>high</td>
<td>Low</td>
</tr>
<tr>
<td>High level of automaticity</td>
<td>Vouchers, tax expenditures, corrective taxes(charges), and tort liability</td>
<td>Low</td>
<td>high</td>
<td>Moderate</td>
<td>High/ Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>High level of visibility</td>
<td>Direct government, government corporations, grants-in-aid, direct loans, vouchers, corrective taxes(charges)</td>
<td>N/A</td>
<td>high</td>
<td>high</td>
<td>Low</td>
<td>Low</td>
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**OBSERVATIONS FROM EVIDENCE**

A number of studies have been conducted in terms of the reform process in developing countries (Heredia and Schneider, 1988; Tendler, 1997) for countries like China, Korea, Mexico, Brazil, Poland Hungary, Argentina and Thailand. Bangura and Larbi (2006) provide a detailed overview of reforms in developing countries in general. There seems to be a surprising consistency across the literature. Table 3 provides a summary of this comparison.
Table 3: A summary of the literature on public sector reform

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<tr>
<td>Efficiency</td>
<td>ensuring the efficient use of both time and resources needed to produce a given public sector outcome</td>
<td>Sigma-type values: match resources to define tasks in a competent and sparing fashion</td>
<td>Reforms aimed at reducing the size of government by &quot;getting rid of excess workers, contracting out for services, privatizing, and decentralizing' the public sector</td>
<td>&quot;Managerial reform&quot; aimed at increasing efficiency, responsiveness (to clients), flexibility through</td>
</tr>
<tr>
<td>Manageability and Robustness</td>
<td>Making sure the public sector has the desired impact, i.e. ensuring the appropriateness of efforts and outcomes.</td>
<td>Lambda-type values: Reliability, robustness, adaptively - the capacity to withstand and learn from the blows of fate and to avoid 'competency traps' in the adaptation processes</td>
<td>Reform targeted at subjecting public agencies and workers to market - like pressures and incentives to perform, including linking them to user satisfaction feedback</td>
<td>&quot;Democratizing reforms&quot; aimed at curbing abuse of power, arbitrariness, lack of accountability, and unresponsiveness (to citizens)</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Making governments capable of being responsive to the needs of citizens and encouraging their participation in the design and delivery of public goods</td>
<td>Theta-type values: honesty, fairness, mutuality through the prevention of distortion, inequity, bias, and abuse of office</td>
<td>Reforms attempting to terminate the policies and programs that stimulate bureaucratic opportunistic behaviour, including certain forms of targeted subsidies and bureaucratic licensing policies</td>
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Continuation of table 3..
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<tbody>
<tr>
<td>Efficiency</td>
<td>efficiency reforms</td>
<td>Efficiency - this criterion balances results against costs.</td>
<td>Managerialism, Financial discipline, Competition</td>
<td>Contracting, government corporations, loan guarantees, vouchers, economic regulation</td>
</tr>
<tr>
<td>Manageability and Robustness</td>
<td>Managerial reforms</td>
<td>Manageability (implementability) - &quot;the ease or difficulty involved in operating programs.&quot;</td>
<td>Empowerment, managerialism, disaggregation</td>
<td>Direct government vouchers, tax expenditures, corrective taxes/charges, tort liability</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Reforms targeting state capacity</td>
<td>Effectiveness - &quot;the extent to which an activity achieves its objectives.&quot;</td>
<td>Output specifications, Key Performance indicators</td>
<td>Government corporations, contracting, fees and charges</td>
</tr>
<tr>
<td>Responsiveness</td>
<td></td>
<td>Legitimacy (political feasibility) - the extent to which a program can win political support.</td>
<td>Decentralization, disaggregation, user focused</td>
<td>Direct government information campaigns</td>
</tr>
<tr>
<td>Honesty and equity</td>
<td>Fiscal reforms</td>
<td>Equity - &quot;distribution of benefits and costs more or less evenly among all those eligible</td>
<td>Transparency, Accountability</td>
<td>Economic and social regulation direct government, liability law</td>
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**CAN GOVERNMENT FULFILL THE NEW ROLE**

The paper thus far discussed the new role for public sector reform, by means of changing the structure and functioning of the public sector. However, reform alone has not been sufficient to ensure that the public sectors of developing countries achieve the five aims indentified in the paper. The paper has not discussed institutional capacity of the public sector. This section will do
so and thus completes the discussion of the understanding of public sector by defining and discussing the importance of institutional capacity.

**WHAT IS INSTITUTIONAL CAPACITY**

No single definition of institutional capacity exists. Lindley (1975) offers the following definition – “the ability to choose what ends to pursue and the will to take actions to achieve them.” Howitt et al. (1977) provide a much narrower definition in the context of local government, delineating capacity as “the ability to identify programmes.” Perhaps a more useful definition for this context is presented by Grindle (1997) who defines capacity as “the ability to perform appropriate functions effectively, efficiently, and sustainably.” Batley and Larbi (2004) go further in defining capacity as “the factor that explains human performance within a given organizational framework and institutional environment.” The final definition is useful in showing that capacity should be viewed on a number of levels beyond “human performance.” It is obvious therefore that, capacity is embedded in different levels of the public sector or in a network. Table 4 summarizes the approaches taken by Grindle and Hiderbrand (1995); Grindle, (1997); Franks (1999); and, Levy (2007) suggesting the three levels of capacity.

**Table 4: Levels of capacity**

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<tbody>
<tr>
<td>Human Level</td>
<td>Human resources- the capacity of the individual public sector employees</td>
<td>Supply of professional and technical personnel</td>
<td>human resource development and...</td>
<td>Service provision capability</td>
<td>human resource development</td>
</tr>
<tr>
<td>Organizational level</td>
<td>Organizations - the structures, processes, resources, an management styles of public sector organizations</td>
<td>Management systems to improve performance of specific tasks and functions; micro structures</td>
<td>..the strengthening of managerial systems &quot;</td>
<td>Organization strengthens</td>
<td>Organizational strengthening</td>
</tr>
<tr>
<td>The task network - the set of organizations involved in accomplishing a given task.</td>
<td></td>
<td></td>
<td></td>
<td>Bureaucratic capability: both financial and administrative capability</td>
<td></td>
</tr>
<tr>
<td>Instructional Level</td>
<td>Institutional context- the rules and procedures set for the public sector, and the financial resources at its disposal</td>
<td>Institutions and systems; macrostructures</td>
<td>Institutional development, including community participation.&quot;</td>
<td>Investment climate</td>
<td>Institutional reform</td>
</tr>
</tbody>
</table>
the action environment - the economic, political and social milieu in which governments carry out their activities.

"The creation of an enabling environment, with appropriate policy and legal frameworks"

National checks and balances institutions


THE THREE LEVELS OF CAPACITY BUILDING
The development of capacity at a human level is defined as “human resource development;” building the capacity at the organizational level is “organizational strengthening;” and improving the institutional level is termed “institutional reform” (Grindle, 1997).

HUMAN RESOURCE DEVELOPMENT
It surrounds the capacity within the public sector in terms of its employees. Grindle (1997) defines this as the capacity of individuals to “carry out their professional and technical duties and responsibilities. Franks (1999) defines this as the “capability” of the public agency: The knowledge, skills and attitudes of the individuals, separately or as a group, and their competence to undertake the responsibilities assigned to them.” It must seek to improve and increase the capacity of individuals and is done by increasing knowledge and improving attitude. This must include education and training programmes and skills transfer by providing the necessary tools through networking, twinning arrangements, workshops and seminars. It must be aimed at retaining staff and recruiting competent people by means of adequate compensation structures and improving working conditions. Grindle and Hildebrand (1995) state that their findings are significant and reflect as follows:

- Individual performance is more affected by opportunities for meaningful work.
- Shared opportunities.
- Teamwork.
- Promotion based on performance than by training in specific skills.
- All of the above must first be in place before effective training activities will take place and must therefore, be simultaneously developed.

These general findings are also supported by Tendler (1997) who found that:
- Public sector performance increased in four Brazilian municipality sectors due to change in attitude because of increased dedication and greater pride of public sector employees.
- These changes were due to increasing task variety.
- In addition, a sense of recognition from the state government. and,
- Involvement of the public in decision making.

These findings support the principles of the NPM and New Governance reforms, focusing of aspects of incentive structures, transparency, empowerment and accountability.

ORGANIZATIONAL STRENGTHENING
Jooste (2008: 16) points out that “In order for human capacity building initiatives to be of value an organization capable of utilizing the human resources increases is needed” and Franks (1999) notes three crucial aspects on which the institutional capacity of the environment depends: the
enabling policies, the legislative framework, and the financial structure. These are all in line with the NPM and “could include implementing incentive systems, ensuring the effective utilization of personnel, improved public sector leadership and managerial structures, changing organizational cultures, and improving communication” (Grindle 1997). Franks (1999) supports this suggesting that reforms such “as decentralization, privatization, deregulation, increasing management autonomy. And improvements in administrative procedures all improve the chances for increasing capacity building programmes over time. Observation reveals that public sector performance is more driven by strong organizational cultures, good management practices and effective communication networks, than it is by rules and regulations or procedures and pay scales. Again this supports the managerialism and transparency aspects of the NPM. Capacity building at the organizational level should therefore include strengthening the capacity of various actors in the public service network. It could include policies aimed at stimulating private sector growth (incentivizing research capacity). The investing climate must be enhanced, together with the public sector regulatory capacity because this will improve and influence the risk profile of private sector involvement.

INSTITUTIONAL REFORM

Institutional reform programmes are aimed at creating a stable environment conducive to capacity building and learning. It includes rules, norms, and values that determine how people act and behave (north, 1990); Scott, (2001). Capacity building programmes must take note of the institutional context of society in order to consider if changes to the institutional context are required, and to ensure that lower levels do not conflict with the institutional context. The action environment includes aspects of the country such as the fiscal state, the strength, the strength of civil society and the private sector, the political stability and the legal framework. Grindle (1997) therefore suggests reforms involve initiatives such as “the development of legal systems, policy regimes, and mechanisms of accountability, regulatory frameworks, and monitoring systems that transmit information about the structure and performance of markets, governments and public officials.” Grindle and Hiderbrand (1995) “report on reforms in eight developing countries, confirming that the action environment is one of the most critical factors in aiding or limiting the ability of the public sector to perform.” It is therefore a question of the legitimacy of the state and government, the determination of the available financial resources or a lack thereof of investment and capacity building, in terms of the action environment they conclude that “until basic conditions of economic development, political commitment, and social stability are put into place, little can be done along other dimensions that would contribute to improving public sector performance.”

CONCLUSION

It is obvious from this paper that reform is cardinal, in order to shape a new public sector in the developing world. “Third World” states must reevaluate their trajectories and realities for development in the 21st century because the neoliberal agenda of the West and world capitalist forces have shaped the political economy of developing countries, much to their peril and, have played into the hands of the neoliberal agenda. All of this has therefore skewed the development momentum of developing countries and has brought about immense problems and has consolidated the negation of the emergence of applicable and sustainable governance within the ambit of public administration. It has further consolidated the emergence of poverty, unemployment, widened inequality, strengthened corruption and patronage and all of this has stifled economic growth. It has widened the gap between the rich and poor in developing
countries with the aid of politicians and their bureaucracies. To turn this tide must be squarely placed on the agenda of the “Third World” public administration reform processes.

There is no doubt that the public service has an important and cardinal role to play and that this role must be different from the traditional Weberian view of public administration and governance. This new role must for all intents and purposes focus more on provision and less on production. However, reform requires effective and democratic states and to this end, capacity building and research must define the new imperatives of development in general and the role of the state, within its public administration apparatus and machinery. In other words public administration in developing countries must set the agenda, by means of consensus with its population and citizens and, this role must not be highjacked by the West, for its vulgar pursuit, in shaping the administrative structures of the “Third World,” for the purposes of consolidating the neoliberal and capitalist agenda that, it is in pursuit of. This will be a difficult task, but it is a task that is essential and therefore, requires the resilience of the state, its bureaucracy, its people and a resolve to overcome the plight that, it has been pushed into by means of a plethora of fundamental policy errors and for having capitulated to the designs of the West.

ACKNOWLEDGEMENTS
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