

Deviation from Classical Management Thought: Governance, Transformation and the Third World View

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Abstract

In the early twenty-first century, globalization and devolution as two trends define the agenda for governance. Not only must government devise new strategies for managing public programs effectively in a globalized and devolved policy world, but it must also build the capacity for doing so. Most government bureaucracies remain structured and staffed to manage traditional direct programs through traditionally structured and staffed bureaucracies. Whereas the government's strategies and tactics have changed, its structures and process have not. Recent reforms in state and governance have been prescribed for Third World countries by the advocates of market-friendly globalization, anti-state economic reforms, and anti-welfare public policies on the ground that such reforms and policies would reduce fiscal crisis, overcome deficit, increase efficiency, enhance quality. But in reality, there are many adverse outcomes of these current changes pointed out by scholars who are more concerned about the critical implications of such new politic-economic reforms for poorer Third World countries. In this study, the subject above will be analyzed with perceptible results of transformation process in governance in third world countries. In this context; governance definition and conceptual framework, fundamental characteristics of governance, the scope and limits of governance, governance strategies and types of governance will be analyzed primarily. After this, transformation in governance, new public management reforms and third world countries, re-determining the field of operation and role of governance, restructuring governance's institutional structure, re-determining normative standards of governance and questioning governance in third world countries will be evaluated.

Key Words: Globalization, Governance, New Political Economy, Third World Countries, Transformation

Introduction

Today, the world we live in has been witnessing a multidirectional transformation almost in every field of science. A quick classification of this process would yield a picture of change from industrial society to information society, from Fordist production method to flexible production style, from the world of nation states to a globalized one, and from modernist thought view to post-modernism (Tekeli, 1996:49). This multidirectional transformation process wears away the conditions legitimizing the government, and such a process is bringing about new directions for research, though it does not lead to the removal of the government. In addition, government has difficulty meeting the growing demands which are becoming more and more complex in this process (Yüksel, 2000:149). In this context, there occurs a failure in management and “non-governing” systems.

As a matter of fact, such a condition directly affects management as a discipline. In management, “Public Administration” in 1970s, “Public Policy and Administration” in 1980s and the term “Governance” in 1990s began to reign (Dunsire, 1995:34). Along with the globalization which intensified in this period, it is tacitly known that finding an equilibrium point between opportunities and problems which have occurred on a global scale should rank first among the new duties of government, and this function can be achieved actively only through a well organized governance structure (Ozer, 2005:305). Governance, which occupies an important place in the scope of New Public Management (NPM) thought, the popular public administration movement of the latest era, has accelerated its course of development with NPM's presentation of competition with the public sector. It is widely accepted that it is very hard to alter the public sector administration styles in uncompetitive environments. The way current administration operates is not much dependent on competition (Peters-Pierre, 1998:228).

1. Definition and Conceptual Framework

Governance can be defined as a structure or system which is created by the common quest of all related agents in a socio-political environment (Bozkurt et al., 1998:274). On the other hand, it is observed that the content of governance is determined in a very different manner. However, in its widely accepted definition governance refers to the development of governing styles in which boundaries between public and private sectors have become blurred (Stoker, 1998:17), and also it emphasizes restructuring the administration in order to be able to govern better (Stoker, 1998:18). Governance is seen as a process which coordinates different networks formed by interdependent positions and conflicting agents who have conflicting interests (Cope et al., 1997:447), for governance views agents in the society as partners and it is considered as a guidance and supervision pattern resulting from the interaction of economic, political and societal actors in the society. Therefore, governance is a process emerging from the interaction between and among different actors (Tekeli, 1996:52-53).

As a term, governance was used first in Northern Europe, and then all over the world. The origin of the term can be traced back to the 16th century. Especially, it is noted that the term was inspired by an approach which tried to compromise or combine the government and civil society (Yüksel, 2000:147). Nowadays, it is observed that the development of the term has accelerated thanks to the democratization wave that became clear in Latin America in the 1990s and the spread of this wave in Africa since the 1990s. In this period, adopting a more constructive and political approach, neo-liberal theoreticians started to focus on the governance concept (Yüksel, 2000:153).

In this process, World Bank also regarded the development and administration of African countries as a phenomenon exceeding the limits of government and public administration in the light of governance concept it employed for these countries (Şaylan, 2000:20). On the other hand, governance has been rapidly expanded throughout the whole world due to such reasons as the need for a wide range of information and perspective caused by growing complicacy in politics and increase in dependencies, to meet growing needs of the information society and provide a better information management system, to live up to the expectations of citizens for their involvement in decision-making in policy-making process and to provide public trust in state, to meet the demand for more transparency and a check and balance system, and to answer the needs that are required for a consensus by interceding between various interests (Ministry of Finance 2003:34).

UN (United Nations) defines governance as “the exercise of economic, political and administrative authority to manage a country’s affairs at all levels” (HABITAT II, 2000:1). Agreeing with this definition, World Bank and International Monetary Fund have highly recommended developing countries to internalize both neo-liberal economic policies and governance model and are interested in the manageability problem. They think that governance could be a convenient tool enabling the realization of neo-liberal policies (Yüksel, 2000:154), and they have also assigned some qualifications as to efficiency and productivity to the term in the framework of its development paradigm (Ozer, 2005:305).

In addition to this difference, governance paves the way for new conditions leading to movements that aim at final laws and therefore the consequences governance has caused are not very different from those of the concept of government. Some differences are observed only in the processes (Stoker, 1998:17). Currently, the term governance is utilized to express a complex system which involves public administration, private sector and non-governmental organizations and their relationship networks among themselves and reciprocal interactions. In this process, the existence of a wide range of actors, including non-governmental organizations, private entrepreneurs and nonprofit organizations other than central and local authorities and their incorporation into administration system are brought to agenda (Eryılmaz, 2000:28).

Governance approach was shaped by the understanding of participatory citizenship which excludes passive consumption in the new approach introduced by Osborne and Gaebler with the slogan of “steering not rowing” in their renowned work dated 1993 in the USA. In this process, it was stated that there was a need for a new leadership style which could put the new governance mechanisms into practice and emphasized consensus and cooperation which were designed according to the targets agreed upon (Osborne-Gaebler, 1992:1; Yayman, 2008:273). In fact, the theoretical origins of governance are quite different. Institutional economy, international relations, the science of politics and public administration have always been in this respect. Nonetheless, the focus has been on the development of economic system (Stoker, 1998:19). New leadership style should be designed in such a way that it embraces all these spheres. Governance reflects the demand for a new perspective regarding the limits of the power of government and the role of non-governmental organizations.

Factors such as the increasing effect of multi-national corporations in global economy, changes in production methods, expansion of international trades, progress in information and communications systems, and the reorganization of capital and financial markets are said to have a decisive impact on the appearance and the spread of the concept (Yüksel, 2000:147). In enabling public services for productivity, such issues as the way services are provided, privatization, micro-economic revision, reformation, global competition and regional development have gained importance, reinforcing this process (Wills, 1995:1).

2. Fundamental Characteristics of Governance

*Economic, social and political priorities: Governance is housed in the triangle of participation, transparency and accountability principles and can appear as a result of a consensus upon economic, social and political priorities in economic progress thanks to this triangle. The theoreticians of governance state that classical responsibility channels are replaced by new processes as a consequence of these priorities (Peters-Pierre, 1998:225).

*The changing roles of elected incumbents: Governance sees the functions of elected incumbents less important than the existing system. In discussions, acting according to this perspective, the development of network relations and integration of public sector with private sector have gained importance. For them, determining targets and priorities still survives as a classical role (Peters-Pierre, 1998:223).

*Participation: Determining and utilizing a transparent policy and then announcing its results, being among the priorities of governance, is seen as a target which has to feed upon relevant procedures. This situation emerges with empowerment (HABITAT II, 2000:1). Empowerment and participation by civil society are becoming a must in such a situation (Ozer, 2005:315).

*Bureaucratic Conditions: Political responsibility and bureaucratic monitoring functions are said to be absolutely vital in the solution to problems arising in accordance with democracy. Organization structures are supposed to produce democratic governance themselves. Nevertheless, rational supervision and processes always serve for the benefit of political leaders in practice, and in this way a deviation from the hierarchy comes out (Wolf, 1996:165).

*Transparency: Recently, one of the most significant tools has been the transparency mechanism in terms of unearthing and preventing abuses and protecting common good. In this way, institutional perspective, intuition, information in compliance with policies and authority- hierarchy relations (Green-Hubbell, 1996:38) can be observed in an apparent way.

*New Leadership Conception: In politics, administration requires bilateral leadership. And this requires the ability to establish dialog and agreement among the values embodied in regime and stabilizing various tensions, leader's being a public representative who decides in favor of public good, the image demanding institutional performance and protection sensitivity, limiting the influences on public opinion, the protection of basic rights, the provision of the rule of law and making citizens act in favor of public and take the responsibility of education and training activities (Green-Hubbell, 1996:39).

*Democratic Responsibility: Generally, the creation of democratic responsibility is thought as the main component of governance (Kettl, 2000:494). However, as a criterion democratic responsibility is considered to be a quite complex and problematic since differentiating between to be a cause and ruling power and individualizing them are seen as a very hard task (O'Toole, 1997:449).

3. The Scope and Limits of Governance

Governance covers primarily government as well as private sector and non-governmental organizations. Among them, government includes political and public sector organizations and focuses on how to provide her citizens with a more efficient service. By protecting the rule of law, regulating the socio-economic conditions, developing social and physical infrastructures and offering social security networks, it builds up a framework for development and establishes the basis for equality, peace and justice. As the second actor, private sector involves private businesses in a variety of sectors. Creating employment opportunities and income resources, developing production, trade and human resources, these organizations provide economic progress and development via the provision of service and institutional standards (Ministry of Finance, 2003:II). As the third actor involved in the scope of governance, nonprofit organizations include a variety of establishments which have no concern about making money. Employment associations, labor confederations, trade associations, associations and charities can be classified under this heading (Güler, 2000:10).

- In this vein, governance, as a notion reflecting self-governing networks, contains these components:
- As a more comprehensive term than administration, governance includes non-governmental organizations and confines the limits of government to the limits of private sector, public sector and voluntary organizations.

- Governance involves the maintenance of the relations and existing interaction process among the members of the same group who share common goals and needs the exchange of resources. Throughout this course, relations and interactions are maintained on the basis of trust according to the rules of game.
- Structures that govern networks offer alternatives to the market and hierarchical organization of bureaucracy (Cope et al., 1997:447).

The boundaries of governance are considered to be imprecise. The fact that governance is usually interested in consequences requires looking for its limits in its results as well. In fact, income control is a method which is preferred in classical public administration since it hides organizational insufficiency and inefficiency and ignores the performance based on the demand and consumer choice. Outcome control associated with results reveals itself via either the satisfaction of consumers or other performance indicators. In this process, complaints are generalized and benefits are gathered in public service and distribution by bringing public sector and voluntary organizations together (Peters-Pierre, 1998:228).

Actually, the assumption that all social movements can be transformed by government is not viewed as a sound argument. Administration is supposed to solve all the problems that originate from society for the sake of society, for it is also a part of society and the limits of governance is in the content of leadership of administration (Kickert, 1997/a:736). As this content broadens, the distance to limit increase and governance also expands its scope.

The “steering” paradigm is seen to be operational in determining the limits of governance. Many management strategies necessitate serious austerities for services targeting consumers. In this respect, administration is to determine priorities and define targets. Steering in governance aims at a strategy among organizations and making productive components of public components independent (Peters-Pierre, 1998:228). In this case, the limits of governance expand and become vague.

4. Governance Strategies

The concept of governance focuses on the notions like the existence of manageability crisis, its indication of exhaustion of interference styles of traditional government and the appearance of a political tendency which regenerates a new governance style that fits better to the existing frame in all developed countries (Yüksel, 2000:149). They determine their strategies accordingly.

These strategies can be summarized as follows (Stoker, 1998:21-25);

- Governance recognizes institutions and its agents as actors born out of these institutions, and go beyond them. At this point, there exists a challenge against formal administration system. However, governance points out the limitedness and inaccuracy of the classical model and helps establish a new administration structure with institutions and organizations.
- Governance reveals the vague limits of responsibilities which play a role on the solution to economic problems. By not only revealing the soaring complexity of administration, but also attracting attention to responsibility, governance requires the retreat of government and the assignment of responsibility to public and voluntary sectors for the good of citizens.
- Further, governance clarifies the existing power dependencies among institutions. Power dependency is accepted to be based on organizations aiming at collective movement along with other organizations. To be able to meet their targets, organizations have to exchange resources and agree upon general aims. The output of change is achieved not only with the determination of participatory resources, but with the rules of the game and with the content of change as well.
- Governance is evaluated as network systems in which actors are autonomous and self-governed. Hence, governance is concerned with the actors’ autonomy and considers ultimate partnership as self-governing constructs targeted.
- Governance requires administration to make use of new tools in order to be able to maintain its guidance and counseling services. It investigates what can be done without relying on the power, authority, and command of administration and foretells that administration will be able to make use of new techniques in the field of guidance and counseling.
- The aforementioned strategies determined in the system of governance can be shaped according to the responsibilities of administration. These can be indicated as follows:
- Re-synthesis and Re-coordination: This responsibility requires the selection of actors who occupy key positions and the development of efficient relations by actors who occupy dominating positions.
- Cooperation and Guidance: To be able to accomplish the desired results, inspiring and directive relations are employed.

- **Integration and Regulation:** This is also called system management. Here, the process of taking action and thinking is analyzed going beyond the sub-systems formed by individuals. In this way, adverse effects are tried to be prevented and mechanisms are established for active coordination (Stoker, 1998: 26).

In this process, governance mechanisms offer new strategic roles that can be listed as emphasizing the importance of leadership both at economic level and at regional level, building the necessary learning environment which will develop leadership, developing the understanding of performer and manager leadership (Wills, 1995:1). In this respect, such models as market management model, participatory management model, flexible management model, and reorganized management model, the details of which are beyond the scope of this study, come to the fore (Ott-Goodman, 1998:6-8), (Ozer, 2005:322-323).

5. Types of Governance

In literature, governance is generally analyzed as economic governance, which includes processes affecting a country's financial activities (HABITAT II, 2000:1) and its relations with other economies, and has influence on equality, poverty and life standards (Ministry of Finance, 2003:I), as political governance, which introduces decision processes in the formation of policies, and as administrative governance, which includes policy implementation system (HABITAT II, 2000:1). In this study, rather than this general classification, types of governance which are often used in the related literature are handled.

a) Global Governance: Global governance, a result of rapid globalization process all over the world in recent years, puts forth the new administration strategy offered as an alternative to government style in world system composed of nation states. In addition, going beyond the administration capacities of nation states, global governance implies the absence of central authority and tries to formulate the cooperation among or between governments and nongovernmental organizations (Özdek, 1999:44). The most important meeting about global governance was held in Birmingham in England in May, 1998. At this meeting in which the cruxes of Kyoto Protocol, signed in 1998, were discussed and developed countries assembled to solve serious global matters and evaluated global unemployment, sustainable development and the integration of developing countries with global economy. The global structure of these problems evidently discloses the necessity of international effort in the solution process. Additionally, the lack of a global government demands the intergovernmental cooperation to achieve success in global governance (Faulks, 1999:194).

In this process, empowerment at the international level was high on the global governance agenda. Challenges to classical administration did not only aim at employing public sector programs in the globalized world but also wanted to build capacity to achieve these. However, most governments still utilize traditional administration methods and insist on not changing the structures of administration processes especially in personnel system (Kettl, 2000:498). Among international organizations, United Nations (UN) contributes most to the development of global governance. The organization helps a lot of countries develop in the fields of legislative and executive power, administration of public and private sector, decentralization, local governments and nongovernmental organizations.

World Bank is also carrying out significant work in the subject of global governance. The bank described governance as a step in the process of governments' changing roles. It classifies countries according to policies they have formed, institution cultures, the observation of elections, hand over procedure of governments, their capacity to put policies into practice actively, their respect for civil rights and provide these countries with foreign economic aid in the governance process accordingly (Ministry of Finance, 2003:IV).

OECD (Organization for Economic Cooperation and Development) considers governance as the provision of active use of authority in the social structure related to management of a country's resources in terms of social and economic development. Thus, public authorities should provide the necessary environment for economic units to achieve their functions sufficiently (Yüksel, 2000:156). IMF (International Monetary Fund), another international organization, also economically contributes to the countries in which it is active in order for the governance mechanisms to expand, the provision of the rule of law, the development of efficiency and accountability in public sector and fighting against corruption. European Union is also very interested in governance process. EU determines accountability, visibility, transparency, consistency and efficiency as the principles which should become the basis for administration style. In spite of these contributions of international organizations aiming at the development global governance, social welfare expenses and maladministration problems are thought to be the basic reasons why development programs for third world countries have failed or caused undesired results.

As a solution to this crisis, privatization, the cooperation and partnership of public and private sector and retrenching social welfare expenses are offered (Yüksel, 2000:157). In other words, the success of governance is considered to be based on the successful implementation of NPM thought.

b) Public Governance: In parallel with the great change experienced in the world, the restructuring process government institutions are facing and multidirectional and complex interactions determining this process require new approaches in the area of administration (Şaylan, 1996:15). However, these approaches usually result from the differences among the basic responsibilities of public sector. Therefore, the division between goods and services, income distribution and attempts to protect them, the efforts to make regulations primarily in private sector and public sector and to manage economic rules have created governance approaches (Lane, 2000:4). Among them, public governance is concerned with how these points are realized. In contemporary societies, public governance requires an interactive administration in which all the actors actively take part in the process, rather than the external governmental supervision of the society. In practice, this interaction is permanent. A governance structure must accommodate the compulsory transformation ability which answers the modern administrative needs to an adequate degree and should be able to coordinate them (Bozkurt et al., 1998:274).

Public governance includes the administration of networks which are composed of national, regional, local, political, social groups, pressure and interest groups, social organizations and trade organizations. Here, administration does not have the function of guiding the external administration. Guidance has a much more different meaning from control. Here, direct interference and being influenced are at issue. Public governance involves the direct influence which social processes have on each other in the networks of public policies but accepts that these actors can have different, generally conflicting aims and interests (Kickert, 1997/a:735). In public governance, three elements seen very important in the literature attract attention. The first one is conditions and environmental circumstances; the second one is complexity, namely the number, dissimilarity, of system elements and their relations among each other; the third one is direct interaction. Public sector bears a high degree of complexity. Therefore, it is natural that a lot of different actors take part in networked relations. This confusion offers a type of governance neither at a central level nor at the lowest level (Kickert, 1997/b:176).

Public governance requires going beyond the efficiency and productivity in public administration. Along with the strict trade rules, legitimacy and legality are also among the primary targets. In administration activities, limitedness is accepted as a basis and the relations among social and political structures are considered crucial in terms of guiding these relations (Kickert, 1997/b:732). In this process, public governance is actively involved in the formation of three different structures. Primarily, administration in the first structure is weak but active, and productive, meeting performance targets. In the second structure, for administration honesty and truthfulness are basic values. In administration, primarily the true fulfillment of responsibilities such as social justice, equity and legality come into prominence. In the third structure, durability and powerfulness attract attention as dominating values. In this structure administration needs to be accountable, powerful, compatible, safe, self-confident and combatant against difficulties (Kickert, 1997/a:735). In this process, achievement is directly proportional to the success of public governance.

c) Good Governance: The concept was first used with reference to governmental and managerial problems of countries which lack stable and steady government structures like the ones in Africa. The failure of “Structural Adjustment Problems” implemented by World Bank lead the aforementioned bank to elaborate more on public administrations of the countries where it tried to realize these programs and hereby establishing good public administration criteria. The concept good governance which was shaped in the framework of these efforts includes state of law where the security of citizens is established, the rule of law achieved and independence of judiciary exists, public institutions which manage public expenses fairly and properly, transparent administration in which political leaders can give an account of their actions or citizens can ask them for explanations of their actions, information is freely available and accessible to citizens and minimum requirements of civil rights (Yüksel, 2000:155). In literature, it is stated that there are mainly eight principles of good governance which complete each other. We can summarize these principles as follows:

*Transparency: Transparency in administration is possible only with the provision of free information flow. This can be achieved best through the easy availability and accessibility of methods, institutions and information to those who needs them (Ministry of Finance, 2003:VIII). Transparent and open administration is one of the most indispensable responsibilities of government. As disguise for the distribution of unearned income, confidentiality and perceptions claiming that countries’ greater interests are private cause corruption in administration (Aliiefendioğlu, 2001:33).

*Accountability: This principle requires civil servants to be accountable for their use of warranty and responsibilities to related people, act according to the demands and criticisms about these and take responsibility in case of failure. To put it differently, public organizations, decision makers in private sector and nongovernmental organizations should be able to give an account of their deeds (Ministry of Finance, 2003:VIII).

*Participation: All citizens should take part in the decision-making processes either directly or via intermediary firms which represent them. Thanks to the active participation of citizens, a compromise among conflicting interests can be achieved while forming policies and hereby citizens can move for common interests beyond their own interests.

*Responsiveness: Institutions and methods must be in an endeavor to serve all citizens. This principle means that all citizens know that they are taken into consideration by the people in charge. Sensitive governors should have a characteristic which is ready to answer, sympathetic, sensitive to the problems, can understand and implement the needs and wishes of public (Ministry of Finance, 2003:53).

*The Rule of Law: The principle stipulates that institutions act according to the laws which are formed fairly and individuals accept that laws can be enforced to their own behaviors as well (Ministry of Finance, 2003:VIII). In order for the permanence of government, people should definitely obey this rule. Both loyalty to laws and respectful individual make the sustainability of government possible (Karaman, 2000:44).

*Efficiency: Methods and institutions should come up with results which provide the productive use of resources. In this sense, efficient governance represents a broad perspective that needs a system in which government, private sector, nongovernmental organizations and citizens participate in administration in order to keep up with the change required by governance, globalization and sustainable development (Ministry of Finance, 2003:79).

*Equity: The principle helps citizens to protect their existing welfare level and provide them with the opportunities to increase this level (Ministry of Finance, 2003:VIII). Similar events should be definitely treated in a similar, neutral and fair manner.

*Strategic Vision: In public administration, leaders should have an dynamic perspective about good governance and development and provide elements necessary for development by determining them beforehand (Ministry of Finance, 2003:VIII). Strategic visions should be both clear and permanent. Vision should be determined by leaders and employees, its targets should be achievable and employees should be made to believe in this vision (Tortop et al, 2007:565).

Good governance involves the fulfillment of these principles as required. It is impossible to think of them individually. The success of governance against administration is highly associated with the successful implementation of all these principles (Ozer, 2005:333).

6. Transformation in Governance, New Public Management Reforms and Third World Countries

All over the world, globalization and empowerment occupied the agenda of governance during the early twenty first century. In this process, administrations were made to prepare new plans against the new developments targeting competition. They needed not only to develop new strategy tools for active public programs but also to increase the capacity to achieve this. Most of the public bureaucracies had to change their organizational structure and personnel systems so as to actualize the public programs. Today, government can not change structures and processes, especially personnel system, completely while changing its tactics and strategies (Kettl, 2000:480). In this process, new public management reforms steps in and helps the governance transformation process finish without pain with its active reforms. In this respect, the common points of new public management idea and governance can be listed as follows:

- Both NPM and governance aim at establishing good society-good administration.
- Both approaches emphasize responsibility.
- Both approaches recognize that administrations are disconnected from society and administration units work inefficiently. Thus, they offer solutions to these problems.
- Both stipulate that competition is essential for efficiency.
- Both approaches deal with supervision of products rather than that of inputs in a goal-oriented manner.
- Both approaches emphasize the “steering” (coordination) paradigm (Frederickson-Smith, 2003:218).

As seen, that both approaches have a lot in common caused governance to be treated in the content of NPM thought in the literature. Governance applications especially in public administration are shaped in the frame of NPM thought. Anyway, recent governance discussions increased and progressed with the spread of NPM thought in western democracies, Australia and New Zealand. The discussions of most scientists were triggered by the philosophical discussions of NPM theoreticians (Peters-Pierre, 1998:225).

Today, contemporary developments targeting change in governance system can be observed in all capitalist, post-socialist and Third World countries. This process, namely the period of developments towards new public sector governance now changing, can be viewed as a tendency to challenge cumbersome administration.

In Third World countries, this situation represents a shift from government oriented governance model to progressive government concept. Third World governance tradition based on the principles and assumptions of new political economy which offer government and market exactly to exchange their roles seems in parallel with the steps of globalization, which requires the most inclusive market and the least government interference.

For Third World countries, these latest reforms experienced in governance and the structure of government are seen as market-friendly globalization, anti-governmental economic reforms, anti-welfare public policies which decrease financial crises, struggle against poverty, increase in productivity and quality and development of allocations and then they are put into practice (Haque, 2002:3).

When we deal with the problem in this respect, what we witness is that governance's role and fields of activity have been re-determined, institutional structure of governance has been reshaped and normative standards have been re-determined in the governance transformation process, while new public management reforms are being practiced in Third World countries. Let's examine this topic in more detail now.

a) Re-determining the Field of Operation and Role of Governance: In the framework of new political economy, Third World countries are trying to narrow down the scope of governance by taking precautions such as shrinking, liberalization and privatization, which are attributed to private sector. For instance, as a result of pressure by IMF and World Bank, attempts to collective privatization and liberalization can be observed in most Latin American, Asian and African countries. The most well known examples in this area are Argentine, Bangladesh, Chile, Indonesia, Malaysia, Mexico, Nigeria, Philippines, South Korea, Thailand, Uganda, and Venezuela.

In these countries, many privatization methods such as complete sale, renting, sale under equal conditions and management agreement have been employed and these efforts have carried on intensively in many sectors like telecommunication, airways, electricity, automobile, television, agriculture, fertilizers, tobacco, banking business, insurance and so on. Naturally, these types of privatization which have not been witnessed before have narrowed down the supervision over economy and government's field of ownership in these countries. In addition, new precautions which have directly diminished public sector have been taken in order to be able to provide private sector with new advantages. In Asia, Malaysia has taken new precautions to reduce public sector due to the effect World Bank and Asian Development Bank. Philippines has made use of the strategy of defeating classical bureaucracy by diminishing public personnel between 5% and 10%. Singapore has implemented no increase in labor force to be able to decrease 10% of public personnel. Thailand, on the other hand, has stabilized employment fields and offered low wages to those who would start working recently (Haque, 2002:4-5).

b) Restructuring Governance's Institutional Structure: Lately, quite different reform types have appeared in restructuring the organization and administration structure of public governance based on the experiences of private sector management owing to the facts of new political economy advocating the superiority of private sector and moving in the leadership of market competition against monopolist public sector. Tendencies turn out to be in the direction of commercializing governments, accommodating convenient examples, managing public institutions as if they were private sector institutions and creating partnerships with private partnerships. Abovementioned tendencies to restructure administration can still be observed in most Asian, African and Latin American countries. When we look at the examples in the developed countries like Australia, Canada, New Zealand, England and the USA, we can state that they have just encountered the examples experienced in the governance process of these Third World countries.

In Southern Asia, while Bangladesh were implementing these restructuring reforms on a large scale, Nepal and Pakistan made special effort to apply New Public Management Methods in some sectors such as energy, telephone and railway. In Southeastern Asia, Indonesia, Malaysia, Philippines and Thailand attracted attention by adopting new reforms to most public institutions and organizations, while Singapore was trying practice of autonomous institutions based on restructuring fund and personnel system. In this process, administrative autarchy practices at different levels can be observed in some Third World countries. Especially, Botswana Ghana, The Republic of South African Republic and Uganda have been pioneers in this subject (Haque, 2002:6-7).

c) Re-determining Normative Standards of Governance: In the context of new political economy model, in addition to abovementioned structural and functional change in governance, primary norms necessary for the legitimization and analysis of public decisions have changed to a great degree. In the past, if political decisions created equality, representation, honesty and public welfare, they were considered to be successful. However, in governance model based on new political economy model, political decisions are considered to be sound only if they can create productivity, economy, competition and customer satisfaction and feasibility. In Third World countries, people have started to excessively use privatization terms in the rhetoric of public governance despite the fact that they are not used to utilitarian market values since their own market institutions are underdeveloped. Especially World Bank's pressure on adaptation of practices of good governance has had an important impact on such use.

Economic growth, productivity, feasibility and competition are evaluated as the main initiators of reform logic in governance process, for instance, in Southeastern Asian countries such as Thailand, Indonesia, Malaysia, Philippines. As a requirement by market based new political economy, productivity and performance principles have displayed a permanent development in many Latin American and African countries. Similarly, Southeast Asian countries such as Bangladesh, India and Nepal achieved a great deal of productivity in public administration. Although countries like Hong Kong, Singapore and Taiwan consider productivity and competition as essential characteristics of governance, the emphasis on these normative standards in Third World countries which have lower income compared to previous countries has intensified a lot within the framework of governance and under the effect of new political economy. Even in the communist countries like China and Vietnam, there has been a growing interest in productivity and competition in public. Another important normative change experienced in the governance of Third World countries is that the principle of customer satisfaction emphasized by private sector has been growing more and more important (Haque, 2002:8).

d) Questioning Governance in Third World Countries: There are new reforms required by Third World countries and international organizations and purposes targeting these reforms, listed as: Especially, providing improvement of economic productivity, eliminating maladministration in public sector, efficacy, switching to allocation of funds, creating responsibility and transparency, ending separatist movements, attracting foreign capital and increasing national competition in global markets. However, in this process questions like "Can these reform objectives be achieved?" and "Can there occur opposing indicators in governance process?" come to the fore. As mentioned above, market-oriented reforms of new political economy have been employed in order to improve economic growth and productivity of many Third World countries. On the other hand, citizens go through some problems while trying to access basic services in relation to these reforms. They suffer from these problems particularly in the areas such as public services and employment by public sector (Haque, 2002:9).

While income per capita in Asian countries and investment in education has gone up, the situation has been reversed in Malaysia and Singapore. Education expenses in Latin American countries like Chile, Costa Rica, Ecuador, El Salvador, Panama and Peru have decreased. In a similar vein, education sector has faced serious retrenchment and stoppage in African countries like Zimbabwe, Zaire, Uganda and Tanzania. Health sector has gone through a similar process. Market based reforms in African countries like Zaire, Uganda, Somali, Nigeria, Morocco, Mali, Kenya, Ethiopia, Egypt, and Ghana have led to a reduction in public expenses and investments in health sector. Public expenses per capita in Latin American and African countries have demonstrated a permanent decrease. This rate is below 3% in Chile, Colombia, Ecuador, El Salvador, Honduras, Mexico, Peru and Thailand; below 2% in Malaysia, Philippines, Singapore, Vietnam, Brazil, Guatemala, Paraguay and Uruguay; below 1% in Indonesia and Venezuela (Haque, 2002:10).

These examples in education and health sector lay bare the fact that the aids and investments governments of Third World countries make in health sector have decreased. Although this process targets productivity and efficacy, people from low-income level in related countries are directly affected from the developments originating from governance. Therefore, it is not an unexpected sight that more than 260 million people cannot benefit from any health services in Asian countries where expenses and investments made in health sector has fallen down each day. The fact that people in poor countries cannot access to basic service sector has led these countries to become extremely dependent on international aid organizations such as African Development Bank, Asian Development Bank and World Bank especially in the areas of public health and education for the last twenty years.

Secondly, it is said that new economic policies employed in rapid and strong economic growth have led to inequality and an increase in uneven income distribution to a great degree.

It is an obvious fact that downsizing public sector with policies like privatization has a direct impact on unemployment and therefore on income distribution, because the dull nature of private sector and public administration's possession of most of the employment opportunities triggers this condition. Uneven distribution of income and shakeouts has been associated with the reforms practicing retrenchments in expenses and social services employed lately. In parallel with the uneven distribution of income, an assumption claiming that policies such as privatization, liberalization, public-private partnership are in favor of industrialists and private sector entrepreneurs has begun to spread. In other words, these recent policies have made the rich richer and the poor poorer. Today, in Malaysia, 1.9% of national income is shared among the poor and 37.9% among the rich. This rate is 2.4% - 33.5% in Philippines, 2.5 - 37.1% in Thailand, 3.6% - 30.3% in Indonesia and 3.5% - 29% in Vietnam. The situation in Latin America is even worse.

As a result, while realizing governance reforms based on new political economic policies such as liberalization, facilitating trade, easy change of ownership and attracting foreign capital, external dependency has intensified. This can cause countries to lose self-confidence and stabilization. Many academicians and theoreticians state that maintaining national autonomy and independence would become a very hard task because of globalization of capital and new economy policies. Recently, Asian countries' liberalizing trade to a great degree, removing the limits of foreign capital, eliminating the barriers to have a complete foreign ownership, practicing various discounts and exemptions in taxes and import have led to an increase in the number of foreign ownership and an increase in the amount of foreign investment in many areas such as airways, gas, petroleum, automobile, coal, telecommunication, insurance, banking, transportation and tourism. Similarly, foreign investors have begun to invest in various sectors in Latin American countries like Argentina, Brazil, Chile, Mexico, and Venezuela (Haque, 2002:11-12).

In governance model based on new economic policies for Third World countries, foreign investors' desire to have ownership rapidly has brought about an increase in external dependence, damage to self-governing state and loss of self-confidence in related countries. Their external dependency has increased in parallel with their foreign debt. Naturally, new economic policies have lifted up these external debts. These conditions perceived as consequences of new public management reforms employed in governance process are being analyzed by related countries. These countries try to re-analyze related economy policies according to the process, form convenient policies and institutions in order to eliminate troubles and understand governance process and new public management better in order not to repeat their mistakes.

RESULTS

Today, in parallel with the development of democracy, the hierarchical pattern of public administration is restricted, and it is rapidly changing into networked relations while rationalism is intensifying. This condition is considered to be an important indicator of the development of democracy. Responsibilities associated with public interests have been changing and as a result environments aiming at fostering governance in relation to activities and values of public administrators are being prepared (O'Toole, 1997:443).

However, all these should not be evaluated as developments which can be achieved easily. Transition from government to governance is not a process which can be accomplished in a limited time with little effort. It involves a long social learning process and the formation of necessary setting which is convenient for social learning in the organization of society (Tekeli, 1996:53). Thus, governance is said to be effective only in the developed and individualized societies (Emre, 2002:304). Involving citizens in decision-making mechanisms indirectly by governments employing empowerment, which is observed in western societies, strengthening civil society, in this vein, involvement in the decision-making process directly and getting their voice heard via institutions that represent public benefits are among the targets to be fulfilled for the success of governance (HABITAT II, 2000:1).

The problems faced by Third World countries originate from the insufficient fulfillment of these conditions. Developments we will witness in the coming years will demonstrate the success of governance all over the world and especially in Third World countries. However, provided that adequate importance is attached to issues such as the increase in the complexity of relations between administration and civil society in the framework of public objectives, re-determining national responsibilities in parallel with the development of relations between international organizations and local administrations and institutions, its requirement for adaptation to the existing change, the need for more capacity to be able to achieve more success in such relations in governance transformation process (Kirlin, 2001:142), achieving these goals will be uncomplicated.

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