IS THERE A NEW GOVERNANCE PARADIGM? 
THE LITHUANIAN AND PORTUGUESE CASES

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Purpose. The purpose of our article is to compare how two different countries, with various administrative and management backgrounds, are doing on the reform processes of their institutions according to the main models of public administration.

Design/methodology/approach. Two different opinions exist about the New Governance model of public administration: one group of researchers suggests that the new model should supplement New Public Management, while another group (Janet Denhardt, Robert Denhardt¹, Arvydas Guogis²) suggests that New Governance is a separate and independent management model opposite to New Public Management. According to this different perspective it is our main goal to identify how reforms are shifting from the New Public Management model to the New Public Service (New Governance) one. That has been done according to a literature revision and two case studies (both in Portugal and Lithuania) based on documentary analysis of the reforms instilled.

Findings. Our findings suggest that both countries had reformed public administration in recent years according to the New Public Management doctrine. Nevertheless, according to the results of our case studies, it seems that both models of New Public Management and New Governance are supplementary and not the opposite.

Originality/value. Our paper gives an accurate vision of the latest processes of reforms implemented in Lithuania and Portugal. These two case studies compare very different profiles of public administration accordingly to the main models of administration. It also analyses how administrative reforms are shifting from a managerial approach to the New Governance.
1. The New Governance and the New Public Management

1.1. The New Public Management

New Public Management (NPM) has appeared in the many OECD countries as a new and original management model suggesting the shift from traditional public administration methods and tools to a more business-oriented administration, based on managerial tools and instruments.\(^3\)

NPM is characterized by abstract principles and concrete methods of implementation. Its sources are founded in economic theories linked to the Public Choice Theory\(^4\) where economic principles define the role of the state. The main emphasis of this model is put on the well-known three E’s: economy, efficiency and effectiveness.

These economical perspectives, focused on ultimate results on the basis of quantitative measurable performance indicators, dictated the hegemony of management over political and legal ways of action.

The main NPM doctrinal principles of the model are\(^5\):
- Unbounding of the public sector into corporatized units organized by product;
- More contract-based competitive provision, with internal markets and term contracts;
- Stress on private-sector styles of management practice;
- More stress on discipline and frugality in resource use;
- More emphasis on visible hands-on top management;
- Explicit formal measurable standards and measures of performance and success;
- Greater emphasis on output controls.

The main intention of NPM was to provide leaders with more freedom to make decisions and make them accountable for the consequences, based on the achievements of the desired ends or goals. Many countries, centering the reforms on the NPM, aimed an improvement at the technical and operative spheres — more output with less input.

The degree of client satisfaction is reflective of the service efficiency and effectiveness, this values becoming the most predominant feature in this model. Methods such as benchmarking, priority planning, global budgeting, and total quality management, originally used in the private sector, had been applied in the public sector as well. It is important to keep in mind that institutional organizations under NPM operate as more horizontal structures rather than traditional hierarchies, supposing more levels of decentralization.

Although the latest decades NPM was in the most important framework to a great majority of the public administrations reforms in a great part of countries, in the 1990s the complaints to this model, regarding some dysfunctions, gained adepts.

In this context, alternative/complementary administration models were developed aiming a New Governance (NG) paradigm. The main question that one can state is: why has New Governance developed as an alternative to New Public Management? NPM demonstrated some advantages regarding to the traditional model of administration but also some dysfunctions.

We can point some of the main causes of complaints about this model:\(^6\):
- The ever-growing army of inspectors needed to evaluate the indicators;
- Diminishing state functions and their transfer to private and non-governmental organizations, not always justifiable under social and economic approaches;
- Unobserved reduction of costs in some public services.

After the application of New Public Administration in pioneers’ countries, marketers countries as Christopher Pollitt and Geert
Bouckaert\textsuperscript{7} call them, the model becomes a fashionable approach to public administration reforms in many countries\textsuperscript{8}.

It was the case of Portugal and also some of Eastern European countries during the first post-communist years. At that time (1990s) new approaches over non-governmental organizations were in euphoria. In the case of Portuguese reforms governments were increasingly concerned about the need for a new model of administration, a more flexible and efficient one. In fact, in Portugal, like in other countries, the administration has been reformed in line with the doctrine of the New Public Management or, at least, with the subtype of NPM that Pollit and Bouckaert\textsuperscript{9} and Isabel Corte-Real\textsuperscript{10} called the neo-Weberian State. In fact the reforms were done respecting more the characteristics of the neo-Weberian State (Continental European modernizers group) than with the characteristics of the reforms implemented by a first group of countries (Anglo-Saxon countries) often called the NPM marketers.

Nevertheless, values such as economy, efficiency or effectiveness (3 E's) were put on the agenda in each governmental reform in Portugal, becoming traditional administration values such as transparency, equity or participation, in a second sphere of priority.

As we stated, in Portugal and in Lithuania as well, there were many influences of the NPM approaches. That is not surprising because the international context was excited with the new ideas and instilled these reforms that were by some extent accepted by citizens because they were tired of the ineffectiveness of the traditional model.

However, making private business supreme led to positive as well as negative consequences on the world stage. It is evident that the economic crisis of 2008–2009 in the USA and other countries was caused not only by objective factors in the development of the capitalist system but also by the inability of leaders to control and regulate large volumes of spending and misuse in the areas of management and finance. This encompasses business and public administration.

Instances of corruption in the West have increased during the 1980s–90s as the spirit of business began dominating even in public administration. Eastern Europe, including Lithuania, “joined” the West when the negative results of globalization and liberalism reached a climax and the traditional moral-ethical values of leaders became less important than before, during the so called “golden” age of the 1960s and 1970s. Extreme individualism, insensitive post-emotionalism and destructive post-modernism became the spirit and the flesh of the new age and led to waning of the old traditional values. The values of globalization and liberalism disordered the world without offering any greater moral aspirations. The Western countries had reached the stage of “moral decline”; however, Eastern Europe’s moral-ethical environment, after the shock of adopting market economy, has been even worse. The economic crisis of 2008–2009 revealed the evil that has been maturing for over 30 years in the West, primarily in the area of ethics and morals. It had relation also to the emergence of the private and public finances debts crisis.

Furthermore, NPM has been even more criticized among the latest years, particularly for entrenching a spirit of untrammelled “wild capitalism”. A new management model with a “human face” was needed. However, we should note that in some countries the “capitalism with a human face” existed in some Western world countries since the Second World War. That is the case of Northern European welfare states and also Portugal where the social model was based on an established social market economy. In such countries, NPM’ styled reforms were adopted more closely to what Pollit and Bouckaert called as the Continental European modernizers group.
1.2. The New Public Service and the New Governance: similitudes and differences

New Governance (New Public Service, NPS) is a public administration model that emphasizes different areas — broader citizen participation in governance, absence of corruption, polycentric democracy, transparency, accountability and other moral-ethical characteristics, excellent inter-institutional cooperation and active participation of non-governmental organizations. Although NG (NPS) has not come to dictate the daily behaviour of administrators, modern social scientists, politicians and administrators in international forums and seminars often emphasize it as a model to be sought after, which could prevent the public sector and public administration from being further discredited.

In synthesis the main characteristics of the NPS are:
- Serve, rather than steer;
- Pursuit of public interest;
- Think strategically, act democratically;
- Serve citizens, not customers;
- Recognition that accountability is not a simple task;
- Value people, not only productivity;
- Value citizenship and public service above entrepreneurship.

In recent years, as the admiration for NPM has waned, researchers have often emphasized that such terms as “democracy”, “self-respect” and “citizen” should dominate in public administration rather than “market”, “competition”, and “client”. The bases for this developing ideology are the theories of public spirit, community, civil society, and organizational humanism. NG is grounded in democracy and service to community, unlike NPM, which is based on economic theory and individual interests. NG emphasizes that the work of state officials, first and foremost, is to serve citizens, instead of managing or manipulating by incitements and stimulations. The theory suggests that civic participation is an essential prerequisite to democratic governance as public spirit implies not only individual interests but also social values, aspirations and care for others. Citizens are perceived as “owners” of the government, and public administration officials are to serve citizens with regard to multilayered responsibility, ethics and accountability to democratic society.

NG is a management model oriented towards sociability. In this approach it differs from the individualistic NPM model. Although NPM did not fully manifest itself in Eastern Europe and Lithuania, the lack of sociability is still reflected in many areas of state organization. It is extremely painful that during the last 20 years after the Restoration of Independence, sociability has been missing in the areas of culture, education, healthcare and social protection that traditionally require more care by the state. When evaluating the positive and negative aspects in these areas, the problem of progress criteria needs to be formulated on a new plane. The degree of social quality should become one of the most progressive criteria. “Social quality” is a quadrant where socio-economic security is on the top left, social inclusion — on the bottom left, social cohesion — on the top right, and empowerment — on the bottom right. “Social-economic security” refers to personal income, which is remuneration for work, dividends or social allowance. “Social inclusion” refers to everything what is not meant by “social exclusion”, as belonging to formal establishments, institutions and organizations. “Social cohesion” refers to informal, personal and communal social relations, where “social capital” and “social trust” are paramount. “Empowerment” refers to personal or collective opportunities to make (final) decisions and the ability of individuals to affect their own lives. Figure 1 represents the quadrant of “social quality”.

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11.  
12.  
13.  

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58
NG is of particular significance not only because it makes different segments of society active but also because it aims to abolish social exclusion. Under this model, marginal groups are included into self-realization, self-respect and autonomy; opportunities for their participation, professional development, employment and decision-making increase, as does their dependence from the state and allowances provided by the state. It is possible that NG could encourage higher ethical standards in business and public administration, create a knowledge economy, and promote active social policy. Society and human beings, rather than speculative financial capital, should dominate the public sphere. Thus, society would stand on solid ground rather than having to brave turbulent waters ridden with economic “bubbles”. The economic crisis of 2008–2010 revealed the need for NG. It is possible that the political events of 2009–2011 — the activities of the Andrius Kubilius government, the election of a new type of politician, such as Dalia Grybauskaitė, as the President of the Republic of Lithuania, and the results of the election to the European Parliament — will reflect the aspirations of citizenry and the government to implement the ideas of NG. Therefore, it is necessary to define the theoretical and practical paradigms that NG entails. This is an important task for scholarly inquiry, especially in the areas of public administration and sociology.

NG is a model of public administration development aimed at making public administration more effective. The elements of efficiency — strategic planning, rational resource allocation, professionalism of officials and organizational change — are important to the Weberian, NPM, and NG models. Entrepreneurial government is less important to NG, but such elements of NPM as total quality management, learning organizations, information technologies, e-government and elements of administrational creativity are highly advocated.

1.3. The New Public Management and the New Governance

The three E’s concept, recognized under NPM, was supplemented in the NG by some authors (Loffler, 2003, Guogis, 2009, Denhardt, Denhardt; 2007, Domarkas, 2004, Ferraz, 2010) and revised by some authors (Domarkas, Juknevičienė, 2007) to be replaced by a different set of three E’s: equity, equality, and ethics.

This new three E’s concept emphasizes the orientation towards other institutional and administrational values that begun dominating reforms since the year 2000.

Table 1 provides a comparison among the three different administration models.

The exclusive characteristics of NG is its orientation towards democracy — civic participation in management, transparency, openness, electronic democracy, good inter-institutional cooperation and the
development of democracy in the workplace. All of these elements could be related to different models of public administration improvement. However, since the beginning of the twenty-first century, researchers of management have mainly focused on NG. Whereas the traditional public administration model was dominated by a mono-centric system, and the NPM model was marked by an autonomic structure, NG is characterized

**Table 1. Major characteristics of public administration models**

<table>
<thead>
<tr>
<th></th>
<th>Traditional public administration</th>
<th>New Public Management</th>
<th>New Governance</th>
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<tbody>
<tr>
<td>The relations between citizens and the state</td>
<td>Obedience</td>
<td>Enablement</td>
<td>Empowerment</td>
</tr>
<tr>
<td>Accountability of higher officials</td>
<td>To politicians</td>
<td>To consumers</td>
<td>To citizens and social partners</td>
</tr>
<tr>
<td>Directing principles</td>
<td>Implementing rules and regulations</td>
<td>Productivity and results</td>
<td>Accountability, transparency and participation</td>
</tr>
<tr>
<td>Success criteria</td>
<td>Process and outcome</td>
<td>Outcome</td>
<td>Process</td>
</tr>
<tr>
<td>Major characteristics</td>
<td>Impartiality</td>
<td>Professionalism</td>
<td>Responsibility</td>
</tr>
</tbody>
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**Table 2. Comparison of public administration models**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Traditional public administration</th>
<th>New Public Management</th>
<th>New Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management method</td>
<td>Hierarchy</td>
<td>Market</td>
<td>Networks</td>
</tr>
<tr>
<td>Normative basis</td>
<td>Administrational right</td>
<td>Contracts</td>
<td>Agreements</td>
</tr>
<tr>
<td>Leading style</td>
<td>Bureaucratic administration</td>
<td>Management</td>
<td>Partnerships, consultations</td>
</tr>
<tr>
<td>Format of relations</td>
<td>Domination and subordination</td>
<td>Competition and cooperation</td>
<td>Equality and mutual dependence</td>
</tr>
<tr>
<td>Goal of activities</td>
<td>Order consolidation</td>
<td>Provocation of change</td>
<td>Developing social trust</td>
</tr>
<tr>
<td>Orientation of activities</td>
<td>Procedures</td>
<td>Results</td>
<td>Needs</td>
</tr>
<tr>
<td>Organizational status</td>
<td>Mono-centric system</td>
<td>Autonomic system</td>
<td>Civil society, poly-centric system</td>
</tr>
</tbody>
</table>
by real self-government and managerial pluralism and, thus, such a system can be called polycentric.

It is advocated by some authors that efficiency in the public sector is achieved not so much by applying the methods of private business but by invoking human capital — motivation, sincere aspirations and creativity. Networking has been borrowed by NG from the models of NPM and knowledge society. As Manuel Castells has noted, “historical tendency is that in the age of informatics, dominating functions and processes are increasingly joined into networks. Networks are becoming a new social morphology of our societies and the spread of networking logic is in principle changing the processes and results of production, experience, power and cultural change.” We cannot deny that in the area of administration, networks are reclaiming their rights from the field of power, and firstly — from the political power. “The logic of networking encourages social determination of a higher level than the one encouraged by specific social interests expressed in networks: the power of flow overcomes the flow of power,” Castells suggests. This observation by Castells could be illustrated by the activities of non-governmental organizations, where the “level of networking” in the areas of information and activities determines the success or failure of an NGO. In other words, “if you are not in a network, you are nowhere”. The success factor of any public institution according to this model is its higher or lower place in the network structure. If NPM initiated the “networking” process, then NG is logically charged with concluding it. The methods of “participation”, “inclusion” and “transparency” become not only the means but also the goals. The networking aspect of NG takes on the style of poly-centric action, as compared to NPM.

The position of NG in relation to contemporary social, economic and political systems requires special consideration. If we acknowledge that many countries are under global capitalism, we need to question the relationship between NG and this socio-economic reality.

As John Gray has noted, “the prevalent opinions in politics, media and business are so distant from reality that they are incapable of discerning reality from utopia in the modern world”. He emphasizes that the global free market is not the result of economic revolution but of an artificial political project. Deep contradictions existing within this project have caused much unnecessary pain. NG is related to the issues described by Gray: “The driving force of the global market is creative destruction and the process, like in the previous markets, is not smooth and consistent. It reveals itself in economic booms and recessions, speculative manias and financial crises. As capitalism in the past, global capitalism reaches its remarkable productivity by destroying old institutions, professions and lifestyles. Joseph Schumpeter understood capitalism much better than many other economists of the twentieth century. He realized that any system left to it can easily destroy all liberal civilization. Thus, he advocated the idea that capitalism should be controlled and government should actively take part in coordinating the dynamics of capitalism and social security of the society. The same principles can be applied today in global markets.” From the fact that NG has emphasized the networking process to strengthen global capitalism, evaluating the economic crisis of 2008–2010 and the fact that the market system does not ensure social cohesion but destroys it, we may conclude that information networks in the case of NG have to serve humanity and take it as the basis for understanding the processes of non-material development in society. The answer regarding the relationship between NG and NPM is somewhere in between — if NG is not in principle contrary to NPM as a model, it can serve to deepen, widen and enrich it.
with human characteristics, directing it away from dishonesty, reticence and corruption.

Therefore, it is very interesting to understand, taking into account some countries experience, if “Eastern and Southwest European countries take into account the examples of other NPM pioneers countries and their complaints and dysfunctions in the public administration reform processes”. That is what we are aiming to reveal in the following topic taking into consideration two case studies concerning the implemented reforms in Portugal and Lithuania.

2. From the New Public Management to a New Governance paradigm: The Lithuanian case

2.1. Public administration reforms after the restoration of Lithuania’s independence

The independent Lithuania, reinstated on 11 March 1990, did not have much time to experiment and explore which models of public administration would be more suitable for adaptation in the country. The country chose European, democratic values. The public management experience of the West had to be adopted quickly and without major shake-ups. The adaptation of European and Anglo-Saxon state management models did not always go smoothly. Upon getting rid of the Soviet state administration system, Lithuania had no experience with autonomous state life. It was difficult to introduce the Western public administration system into the reality of a stagnant, isolated and corrupt administration found in post-Soviet Lithuanian institutions.

The restored Lithuania could not take advantage of the Lithuanian public administration experience of the interwar period. The tradition of state administration was severed by a 50-year Soviet occupation. An analysis of administrative reforms in Central European countries in 1990–1992 reveals that the first administrative reforms were understood in the context of political and economic transformations. The reforms tried to eliminate the communist and Soviet heritage from political and administrative structures without going deep into specific aspects (such as civil service, or management styles).

The first substantive steps in the creation of Lithuania’s civil service as a system were taken only around 1994. It is following these reforms that some cases of bureaucratic intransigence, abuse and corruption in governing structures came into view. The first proposals on how to make the work of civil servants more effective were presented during the period of Gediminas Vagnorius’s Government. In 1992, there were some speculations on how to improve the administrative governance. More particularly, on 27 April 1992, an ordinance of the Government was issued, the main goal of which was to ensure that qualified and honest officials work in the state administration. The development of the civil service in the period between 1990 and 1995 was spontaneous because complex economic reforms had to be implemented and all state institutions had to be reorganized — all this during a short period of time. The Law on the Officials of the Republic of Lithuania was adopted on 1 May 1995, which established the career model of the Lithuanian civil service system. The Law on the Officials was valid until 29 July 1999, when the Law on Public Service of the Republic of Lithuania was adopted. The newly updated Law on Public Service came into force on 1 July 2002 making the framework less complex when compared with the previous one and making the wage and career systems more comprehensible. Based on a brief analysis of the 2002 Law on Public Service, we may conclude that though it contains some flaws, it is more in tune with contemporary theory on public
administration as compared to the first two laws. Moreover, it reflects the modernizing trends of contemporary public administration, creating a mixed model of civil service (in terms of career and positions). The main goal of the movers of public administration reforms in Lithuania was to create a model of public administration that would not only be modern and effective but also one that could improve the quality of services and management of state institutions. When the Ministry of Public Administration Reforms and Local Authorities was created it was charged with carrying out reforms in three main areas: to simplify governance, to bring decisions closer to the citizens, and to make the state more responsible.

These objectives were related to the Lithuania’s goal of joining the European Union. There was a need to implement prerequisites — to reinforce administrative capabilities. The idea was to use effectively the support of the European Union in the sphere of public administration reforms. To some extent, the public administration reforms implemented and put into practice in Lithuania were reasonably modern and reflected the general modernization trends in the governance of Western countries. In Lithuania, NPM principles have been recognized as innovative. However, it was difficult to implement the NPM ideas in practice.

Another important part of reforms was the reform of local government. At the beginning of the Independence period, the executive power of a local government unit consisted of a management council — an administration headed by a mayor appointed by the municipal council. The amended Law on the Fundamentals of Local Government merged the functions of the chairman of the board and the mayor. Lithuania chose a deconcentrated governance model and ten counties were established as a connecting link between the central Government and the local government.

Both Lithuanian and foreign authors describe this model as constricted self-governance model. Until November 1992, presidiums of local councils operated in higher level municipalities of Lithuania. A presidium consisted of a council chairman, a deputy council chairman and chairmen of standing committees. A diarchy of two executives — a council chairman and a governor (mayor) — had developed. Such non-division of powers had partially programmed the struggle for power and destabilized the work of local governments. To eliminate this diarchy, the institution of the presidium of councils of local governments was liquidated (the influence of the council chairman was reduced). The authority was legally divided between the council of a local government and executive institutions. This model functioned until March 1995. In the local governments of the lower level, the structural model of administration did not change, though there were some manifestations of diarchy as well. On the other hand, to make local governance more effective, lower level municipalities were eliminated in 1994. Following these reforms, 56 municipalities remained in Lithuania. During the period between 1996 and 1999, the role of the mayor was enhanced in the institutional structure of local government. In 1997, the mayor was empowered to have his/her own “team” — employees who earned his/her personal trust. Since 2000, the status of the lowest local administrative link — the elderate (seniūnija) — was changed. The elder was no longer a civil servant of political confidence. The status of the local government administrator was also reformed and it became a position of a career civil servant. Around 2000, the powers of the mayor started to weaken. This happened because of the formation of unstable coalitions of parties in local governments. To prevent constant change of mayors, ideas were proposed and the direct election of mayors was begun. These changes were suspended.
by the decision of the Constitutional Court of the Republic of Lithuania (24/12/2002), which stated that the model of the administrative structure of local authorities does not conform to the Lithuanian Constitution. In consideration of the Constitutional Court’s advice, Lithuania now applies to an administrative model of local authorities where political and administrative functions are formally separated (since 25 February 2003), but it is difficult to separate practically these functions.

One of the first Governments that tried to implement the modernization of the public administration was the Cabinet of A. Kubilius. This Government initiated the establishment of the Sunset and Sunrise Commissions. The goal of these commissions was to rationalize public administration expenditures and to restrict bureaucracy. The Vilnius and Klaipėda municipalities contributed a lot to the modernization of public administration. These municipalities began applying the principles of Total Quality Management (TQM), including the “one-stop shop” principle to deliver higher quality services to their citizens. We can state that as of now, a major part of modern ideas were not implemented or were only partially implemented. Why did this happen? On the one hand, as already mentioned, parts of the governance modernization reforms were discredited by our post-communist management practice. On the other hand, public administration reforms in Lithuania face similar problems as those in many Central and Eastern European countries: politicization of the civil service and the lack of administrative capacity inherited from the Soviet period.

One of the best examples of such situation is the loss of re-election by the incumbent mayor of Vilnius, Artūras Zuokas, in 2007. This happened not because of his managerial incompetence in “reviving” Vilnius but because of suspicions of corruption and misconduct. Mayor A. Zuokas and the municipal administration embodied the best and the worst characteristics of NPM: excellent management of works improving the city of Vilnius, on the one hand, and suspicions about confusing public and private interests, on the other.

The fact that former communist states of Central Europe, which had “satellite” independence, inherited more administrative experience than Lithuania and other Baltic States, is a reason for optimism. Today the administrative abilities of Lithuania and other post-Communist countries are almost the same. We may tentatively predict that in the future, after getting rid of the Soviet inheritance, the work of public sector services will become even more effective, more economical and more result-oriented. It is likely that the establishment of five regions (instead of counties) will enrich the implementation of the “community government” concept. Reduction in the number of intermediary structures (counties) will enable the development of actual self-government and participation of citizens in governance, in line with the NG paradigm.

In the case of Lithuania, after the country joined the European Union in 2004, funding for non-governmental organizations essentially ceased. At the same time, a favourable and authoritative attitude towards business was on the increase. Issues related to improving conditions for business began to dominate the economic, social and political processes. All political parties, including the Lithuanian Social Democrats, have put business interests above all other, including social and cultural interests. Political science research, carried out in Lithuania in 2000 by one of the authors, confirms that all major political parties support elements of liberal, marginal methods and a gradual shift towards liberal, social-exclusion enhancing model. Some political parties and institutions (Liberal and Centre Union, Liberal Movement and Lithuanian Free Market Institute) declaratively oppose the social welfare state and the values of
social market economics. The achievements of economic globalization and the intensity of economic growth have supported the opinion that business takes priority over other social formations. Skaidra Trilupaitytė wrote that starting with the 1990s, “public goods” arguments for social welfare and socially oriented policy began to fade (first in the Anglo-Saxon countries), and the economic paradigm supplanted the traditional political culture.30

The lack of social trust and corporate social responsibility, the existence of asymmetrical information hinders the relationships of business–business, public administration–business, public administration–public administration, business–non-governmental organizations (NGOs), public administration–NGO’s, and NGO’s–NGO’s. Let’s take an example of asymmetrical information in Lithuania. In 2007, one of the authors carried out a study on the interaction between the Vilnius and Ukmergė municipalities and non-governmental organizations. The results of this research indicate that there are some “more equal” non-governmental organizations than others, which are always provided with the primary information and receive funds from projects in the Ukmergė district. However, there are some other non-governmental organizations that are ignored by the municipal administration; the information is blocked from them. Such partition of NGOs into the privileged and unprivileged depends mainly on whether the organizations pander to municipal officials or criticize their work. The NG model could solve this problem of asymmetrical proportions. It could become the remedy that could stop the degradation of the Lithuanian public administration system and foster civil trust. The goal of NG is to improve all four components of “social capital”, including social relations, civil participation, cooperative action, mutual support, and influence.

NG is even more significant to Lithuania and Eastern Europe in general than it is to the West because public trust is very low and there is too much asymmetric information. In other words, Eastern Europe and Lithuania lack corporate social responsibility, which means not only employers providing timely and adequate pay for their employees but also caring for the whole organization and the environment outside the organization that may influence the productivity of the employees. This includes caring for the work environment, opportunities for professional growth, leisure opportunities, insurance options, etc. Eastern European and Lithuanian organizations are far behind Western ones in this area.

2.2. Is there a New Governance paradigm in Lithuania?

Lithuanian laws guarantee citizen participation by influencing decisions and creating citizen communities. Public participation and consulting is foreseen in the Law on Territorial Planning, the Law on Public Assembly. These laws were adopted on the eve of restoring Lithuanian independence, but it is possible to adjust them to the new tendency of NG to make them more effective. In Lithuanian law, non-governmental organizations are understood as associations, charity and funds and public institutions which can influence the decisions of central and local authorities. According to the present laws, the government enables social cohesion and empowerment in the delivery of public services.31

The provision for public participation in the processes of territorial planning and environmental protection is foreseen in the above-mentioned laws. In the provision of social security and social services, the international “open coordination” method and in local governance — the “benchmarking” method are among the most suitable legal enactments for NG in Lithuania. The following examples of best practices in the central and local levels of administration can widen the scope of “participative” democracy and
empowerment. Not only new administration, but also new social research methods, as for example “collaborative (“participative”) researches are among the most effective empowerment measures for NG. Formally Lithuanian laws foresee social inclusion, social cohesion and empowerment of the citizens. But such phenomena are not always a matter of theoretical rights or legal frameworks. The main issue is effective practice, where we can still see many problems resulting from ineffective participation measures. The characteristic contradiction in Lithuanian social services is between organizational maturity and the scarcity of real results following the implementation of social security measures.³²

It is possible to observe certain elements of NG in contemporary Lithuania. The best examples are related to the widening of social participation in Lithuania. Social services at home, as the most modern social services and organized charity measures carried out by various NGOs, are among the new strategies for social inclusion, social cohesion and empowerment. Most of such activities are observed in the bigger cities — Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys. There are even more visible examples of NG that can be observed in non-governmental environmental protection and organization of communities. The influential work of communities, such as Kazokiškių, Kaunas “Ažuolynas”, Vilnius Pilaitė district, and Pakruojis region and their impact on the decisions of local governance is mostly visible in the area of environmental protection. The Kaunas “Ažuolynas” and the Vilnius Pilaitė district communities won their battles against the shady decisions of Kaunas and Vilnius municipalities by stopping the construction of new buildings on the sites of these districts and preserving “green zones”. The Kazokiškių community tried to stop the creation of garbage dump in Širvintai district and lost the battle, but forced the municipality to build a bypass road to that particular dump site³³. These were the proposals for more democratic central and local governance. Such New Governance methods entail publicity, transparency, anti-corruption, anti-clientelism and civic participation. They also have tremendous influence on the mass-media (Lithuanian national television, national radio, the more objective Delfi, Bernardinai, Balsas, and Alfa internet newspapers).

In conclusion of the above-mentioned administrative and social research related to administrative measures, we may conclude that elements of NG are observed in the Lithuanian social services and environmental spheres, but there is still a need to expand the scope and the breadth of its implementation.

3. From New Public Management to New Governance paradigm: The Portuguese case

3.1. The Portuguese public administration reforms

The Portuguese public administration, as in other countries, is the structure at the central level, responsible for the execution of the public policies formulated by the government. Traditionally, the Portuguese public administration was structured according to influences received by the French in the occasion of the French invasions in the 19th century. At that time, the French administration was structured according to the new influences of Charles-Jean Bonnin and the new Administrative Code: Principles d’Administration Publique (1812). This context has influenced the configuration of the Portuguese administration, which is characterized by belonging to the Napoleonic model of administration.

The main characteristics of the traditional Napoleonic model of administration of Portugal are³⁴:
— Unitarian state;
— Centralized political administrative power;
— Tripartite model of state (Legislative, Executive, Judicial);
— High levels of politicization in administration;
— Career systems.

Portugal has entered the European Union in 1986. At that time, there was a need to readapt some administrative procedures and some institutional configuration. It was more a modernization and adaption process than a reformation with a new legal framework transversal to all the public administration. In fact, Portugal started talking about the public administration reform some decades earlier. The first time that the expression of public administration reform was put on the political agenda was in 1968 when an expert group (14th Group) diagnosed a critical situation (Report from the working 14th Group):

— Rigid, paralyzed, highly centralized, indifferent to the environment administration;
— Repetitive practices and outdated methods;
— Lack of new technologies;
— Lack of orientation to citizens;
— Unmotivated and poorly trained civil servants.

In 1974, Portugal faced the carnation Revolution (25 April) putting an end on more than 40 years of dictatorship. At that time the bureaucracy was enlarged corresponding to the enlargement of the public services in general and, specifically, to the enlargement of the social services.

In the 1980s and 1990s, the tonic was put to reforms to change from a Napoleonic style to a more NPM administration, following the tendencies in the international scenario. The emphasis was, from that time, for the decrease of the state dimension. The privatization and institutional readjustments were made and new institutional figures created (Institutos – agencies).

Nevertheless, the main problems stated in the 1970s about the Portuguese public administration by the 14th Group, remain present (or were quite the same):

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<tr>
<td>Law immobilization</td>
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<td>Poor performance and productivity</td>
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<td>Unmotivated civil servants</td>
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<td>Managers’ have low levels of liberty</td>
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<td>Citizens distance</td>
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<td>Fear of change → old processes and technologies</td>
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<td>Central dependency</td>
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Table 3. Main problems of the Portuguese public administration

In 2004, the new Government of Durão Barroso created an operation strategy to reform the public administration and turn it more managerial based (Fig. 2).

Fig. 2. Conceptualization model of the Portuguese public administration reform (Source: Created by the authors)

This strategic reform was put into practice in the three following main areas: organization and structures, human resources management and material resources management.

As we have seen in the last topics of this article, the Portuguese new model of administration followed the NPM approach.
Therefore, there was a need to reorganize public administration and its structures according to the new paradigm.

The reorganization took place in three main levels:

**Level 1: Central Government / Direct Administration**

A new Law (Law No. 4/2004, amended by the Law decree No. 105/2007), stated that public administration services and organizations should be in the direct dependence to the government member and its general attributions. It also instituted the logic of shared services. At this level, we are talking about organizations that are much closer to the political power. We are talking about services and General Directions under the Ministries.

**Level 2: Indirect Administration**

The Law No. 3/2004, amended in 2007 by the Law Decree No. 105/2007, stated the norms and principles of the governmental agencies (or “Institutos Públicos” as these are called in Portuguese). The legal framework stipulates that these agencies have their own board of management, patrimony and that they are financially and administratively autonomous. However, they are subjected to political tutelage and superintendence.

**Level 3: Autonomous Administration**

Autonomous administrations correspond in Portugal to municipalities and other administrative circumscriptions like the Azores and Madeira’ islands with their own governments. At this level the administration is autonomous from the central government with respect to the subsidiarity principle.

Although the Portuguese legal framework creates a greater decentralization level (Law No. 169/99, amended by the Law No. 5-A/2002; Art. 6º No. 1, Art. 235º, Art. 236º, Art. 237º and Art. 239º of the Portuguese Constitution), the autonomous administration does not gain substantial power. However, great efforts are being done by the last Constitutional Government to transfer some political competences from the central to the local government. The main example is the devolution of competences in the education sector to the municipalities. At this level Government has power only in case of illegal acts (Art. 242º of the Portuguese Constitution, 1995).

The reforms instilled create three main levels of governance and administration. There was also some legislation approved regarding the organization of both the direct and indirect administration (level 1 and 2). As organizations from level 3 are of autonomous government type, the legislation is not applied to them.

In 2006, the government approved the PRACE (Restructuring Program of State Central Administration). PRACE admitted the following internal structures at micro level:

- Hierarchical structures (traditional units);
- Matricial structures (multidisciplinary teams);
- Mixed structures (combining the two before): multidisciplinary teams, corresponding to the core business activities; one general support unit: General Administrative Unit (include: HR; accounts; IT...);
- Mission structures (temporary teams).

This programme was applied to the levels 1 and 2 that we presented before. They result in: a reduction of 25% of the structures and managerial positions, and admission of 430 new diplomas that affected the internal structure of the organizations.

Portuguese public administration reforms proceed also in three main areas: a) Management by objectives, b) Human Resources management and c) Material resources management.

**a) Management by objectives, performance and career appraisal systems**

In 2004, the XV Constitutional Government introduced in public administration the approach of management by objectives and, at the same time, created a performance appraisal system. These two tools were joined...
in a single managerial instrument which was called SIADAP. At that time, SIADAP was the only one applied to civil servants. Many problems resulted that the definition of goals to civil servants was the most important and not linked with strategic objectives. In 2007, SIADAP was restructured and extended to both managers and public organizations, resulting on the following subsystems: Organizational (SIADAP 1); Managers (SIADAP 2); and Civil servants (SIADAP 3).

b) Human resources management

The SIADAP instrument, that promotes the management by objectives and performance evaluation, was associated with the career progression and remuneration of civil servants. Automatic promotions were stopped. Another aspect of the new human resources management framework is the transition from a career system to a position based on individual contracts. The tendency was the convergence with the private sector and having more labour flexibility. However, this rule was not applied to civil servants who had “state” nuclear functions.

Other important reforms under this chapter were the reduction of careers from 1715 to 3 generals (Technical superior, Technical assistant, Operational assistant) and the introduction of mobility programmes that can, in the extreme case, result in the dismissal of a civil servant.

c) Material resources management

Efficiency was one of the main goals of the Portuguese administration reform. With the intention to obtain scale economies, the government introduced the principle of shared services. Two new agencies were created:

— The Public Resources Management Agency — has to provide centralized purchase of public administration, meaning that public organizations purchases are made in a centralized way with more negotiable power;
— The Central Procurement Agency — was created to support public organizations with common and transversal services and products allowing them to be central in their core activities.

Although we have emphasized the recent years, one can observe that the administration reforms in Portugal were constant during the last decades. The latest decade’s reforms were particularly significant to the Portuguese public administration creating a completely different legal framework and a completely different approach. The main objectives of each reform were centered in obtaining gains for efficiency and effectiveness. In each reform we can see a managerial characteristic that connotes the reforms with the NPM doctrine. Therefore, we can affirm that the latest reforms, in particular those who were applied between 2003 and 2009, correspond to the application of the NPM in Portugal.

In a context, the call for a NG paradigm was already gaining adepts, and the question is, if there is a New Governance paradigm in the Portuguese public administration?

3.2. Is there a New Governance paradigm in the Portuguese public administration?

According to the last topics, where we present the structure of the Portuguese public administration reform, the answer to this question seems immediately NO or, not at all, according to the governance paradigm. However, a more detailed analysis must be done.

On the one hand, it is true that the Portuguese administration reform was made according to the NPM doctrine. On the other hand, not only efficiency issues were focused by the reform. In fact, during the latest years, governments provided citizens with new ways of delivering public services:

— One-stop public shops;
— Processes simplification and modernization (SIMPLEX programme);
— Formalities centers for enterprises (allow the creation of an enterprise in an hour);
— Creation of the new citizens card;
— Electronic government.

All these reforms and services introduce a new dynamism in the public administration and contribute to accommodate government and local administration to the citizens. However, it is not possible to agree with the NG paradigm in the way we have talked about it the first chapter. If we analyze the NG premises, we can conclude that we are not implementing a NG paradigm but consolidating NPM reforms.

Nevertheless, there are some international demands to agree that Portuguese public administration reforms are somehow linked with the NG. Curiously, these demands come from the Ibero-American space and are attributed to the countries of this geographic space. They introduce more participative instruments in the government processes.

The “Carta ibero-americana de ciudadanía participativa”, approved on the XI Ibero-American ministries conference in Lisbon, Portugal, on the 25 and 26 June 2009, is one of the latest documents approved to turn governments to be more democratic and allow citizens to participate in the decisions of public policy and its application by the public administration.

Although the international context demands for a more deep democracy, where participation and active citizenship take a great role, Portuguese context is adverse to that.

As some authors noted organic and normative conditionals and social and cultural conditionals do not allow us to have a direct change from a NPM paradigm to a NG paradigm. NPM reforms show a tendency to stay but they need to give some space to NG approach. The issue is not how to turn back but how to improve future public services provision, introducing NG principles like public participation and active citizenship, departing from our reality and context. It does not seem coherent to reject all managerial reforms and (re)form public administration according to a new paradigm, departing from a bureaucratic model.

Therefore, we can conclude that Portuguese public administration has more advantages as an incremental process — NG in Portugal is introduced departing from the already applied managerial reforms, but not like another revolutionary reform process — departing from a bureaucratic paradigm. This means that NPM arrived later and should be reformed soon in order to expand the scope and spheres of the NG paradigm.

4. Conclusion: Is New Governance supplementary or opposite to New Public Management doctrine? The experience of Lithuania and Portugal

In the context of the current crisis worldwide academics and practitioners of Public Administration are asking about the failure (or not) of NPM as a whole. Current literature puts much more emphasis on active citizenship and participation issues than before where managerial issues take almost all the space of journals and reviews. It seems that NPM is losing its fashion to NG approach like New Public Service. Both the two case studies (Lithuanian and Portuguese) illustrate the need of a NG paradigm in public administrations for the 21st century.

Although the reforms in Lithuania and Portugal had different scopes and contexts, it seems that both countries still need to reinforce the presence of the NG paradigm in the provision of public services and products. On the one hand, in the case of Lithuania, the reforms were designed according to the priority of reconstruction of the political administrative configuration in a sovereign state.

On the other hand, in the specific case of
Portugal, the public administration reform had been constantly present in the governmental agenda, with all political parties in power, at least during the latest three decades. The main result of the Portuguese latest reforms was the adoption of the NPM reforms, more connected with the neo-Weberian State.\textsuperscript{38}

The similarities in both countries point to reforms like decentralization of power to the local authorities/municipalities, creation of the one-stop shops and the conjugation of career and position systems, as well as other managerial reforms. Firstly, in the 1990s, Portugal had adopted the one-stop shops concept, while other reforms, like decentralization of power to local power, remain in the governmental agenda. Recent Portuguese experience demonstrates us that some work is being already done to connect NPM reforms with the NG paradigm. Such projects as “streets” where citizens can point to the city problems in their neighborhoods and also adhere to participative budgets have already been implemented. Nevertheless, these are very recent reforms, just making the first steps. To some extent these new projects, as well as citizens’ charts, allow one to connect managerial reforms (of neo-Weberian state model) with the NG paradigm. This is to say that they are not completely the opposite models and can coexist to some extent.

According to the data collected, much more work must be done in order to introduce the NG paradigm in public administration. We should also emphasize that NG paradigm’s reforms \textit{per se} cannot contribute to the improvement of the public service. They must be conjugated with a civic engagement in public policies and active citizenship. However, it is well known, at least in Portugal and Lithuania, that citizens do not have a great predisposition to participate in governmental affairs. Therefore, governments should invest in civic education in order to enhance public participation and active citizenship. Another aspect that should be considered is how far the democratic governance can substitute the political representativeness.

Comparing the values of such models we suggest that all of them are important, depending on the type and context of development of public services. That is to say that we put some reserves concerning the radical opinion of those authors that only defend NG values and want completely to abolish NPM reforms. In this sense, in our view the new E’s should be supplementary to the other three E’s of the NPM, resulting in a six E concept (economy, efficiency, effectiveness, equity, equality and ethics).

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IS THERE A NEW GOVERNANCE PARADIGM?
THE LITHUANIAN AND PORTUGUESE CASES


VAI IR JAUNĀ VADĪBAS PIEEJA? LIETUVAS UN PORTUGĀLES PIEMĒRS

Arvīds Goģis, Vaiņķs Smalskis, Dāvids Ferā

Kopsavilkums

Atslēgas vārdi: publiskās administrācijas reforma, Lietuva, Portugāle, Jaunās publiskās pārvaldes modelis, Jaunais vadības modelis

Raksta mērķis ir salīdzināt, kā divas valstis, kuru administratīvās sistēmas un vadība ir veidota uz dažādiem pamatviem, veic valsts institūciju reformas, izmantojot galvenos publiskās pārvaldes modelus.


Analizēti pētījumi atklāj, ka Jaunais publiskās pārvaldības modelis, lai gan bieži izmantots par publiskās pārvaldes reformu pamatu, nav pilnībā attaisnojis uz to liktās cerības, veicinot to, ka pārmērīgs individuālisms, bezjūtīga postemocionalitāte un destruktīvs postmodernisms ir kļuvis par jaunā laikmeta garu, un šīs īpašības ir izskaušušas tradicionālās vērtības. Sabiedrībai ir vajadzīgs jauns vadības modelis.

Rakstā parādīts, kā administratīvās reformas pakāpeniski atvirzās no pārvaldības pieejas un tuvinā Jaunajam vadības modelim.

Autori uzskata, ka efektivs pārvaldes modelis veidotos, apvienojot abu modeļu principus un iegūstot „sešu E” modeļi: ekonomija, efekts (rezultāts), efektivitāte, taisnīgums, vienlīdzība un ētika.