

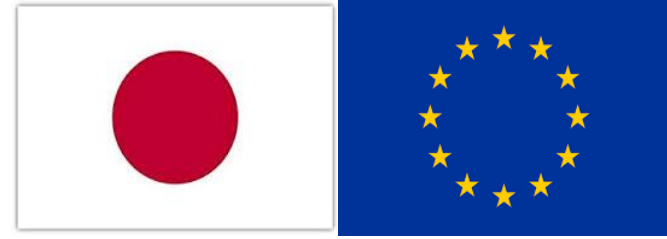


Fulbright

Public Management 2021

Session 2: Changing Context and Shape of the
Public Sector

When your face crises – Testbeds



- What governments do and how they do it? – Crises often testbeds for your government (test your government).
 - (e.g.) Japan – nicknamed ‘manual-society’ but collapsed after Fukushima disaster.
 - (e.g.) **United States and European Unions – Free, advanced world collapsed during the COVID-19 crisis. Why?**
-

What Went Wrong in China, Korea?



- Disease control = governance problem



'tossing the wok'

Political cadre > technocrat

'fear' 'high-pressure'

Political communication

Transparency, trust

'They-think-they-are-big-brother disease'



misjudgment

Political calculation

Not closing border

Religious sect



Too early to call

Taiwan & Singapore's success

- Almost hundred people diagnosed 'COVID-19' but no one dead. Successfully controlling the spread – WHO says, 'Golden Standard'

1. Intrusiveness (enforcement)
2. Deep pocket
3. High trust in government
4. Testicular fortitude (show strength, courage, and sagacity in challenging situation)
5. Improving communication
6. **Fast response (agility) + public-private partnerships + SARS experience (Taiwan)**



*Vietnam has
been good, but
is there
anything to
improve?*

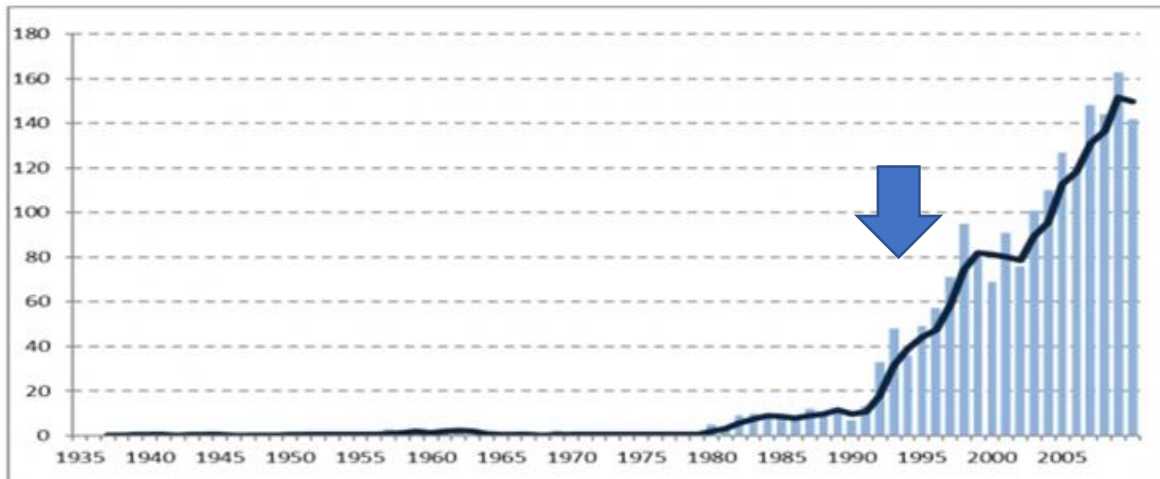
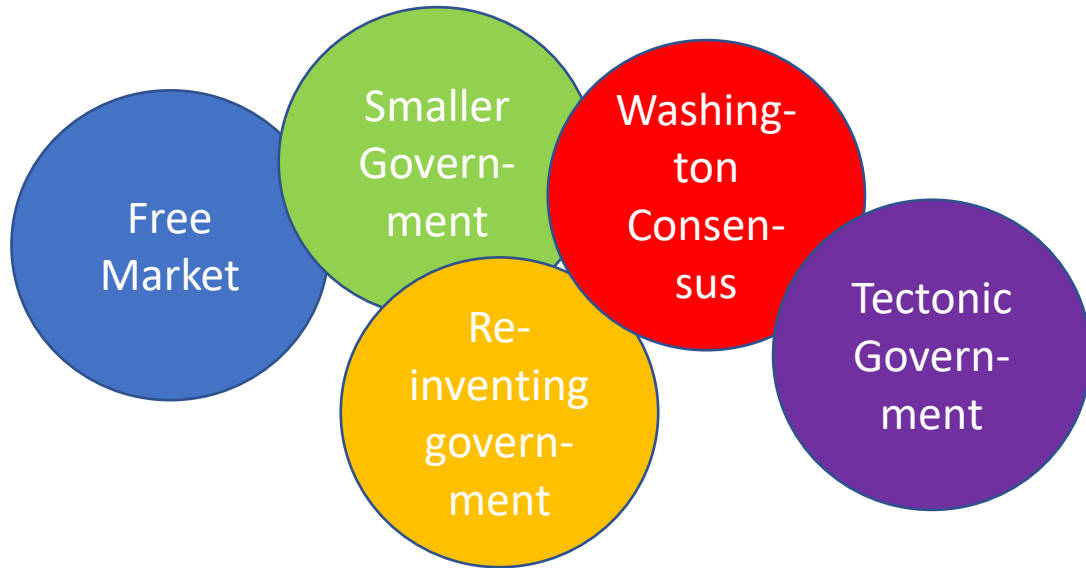
Beyond China's Governance Failure



“Government is not the solution to our problem, government is the problem.” – Ronald Reagan, 1981

- Chinese governance failure under Wuhan crisis raise many issues about perspectives on government.
- The role, size, and intervention are decided by shared perspectives on government → affect private sector and non-profit sector.
- In this session, we will review:
 - ✓ Global trend: public management environment
 - ✓ Changing view and trend about government (old vs. new)
 - ✓ Logic of government intervention (& size)

Global Trend: 'Market,' the Buzzwords



The blue curve indicates the moving average (period of 3 years).

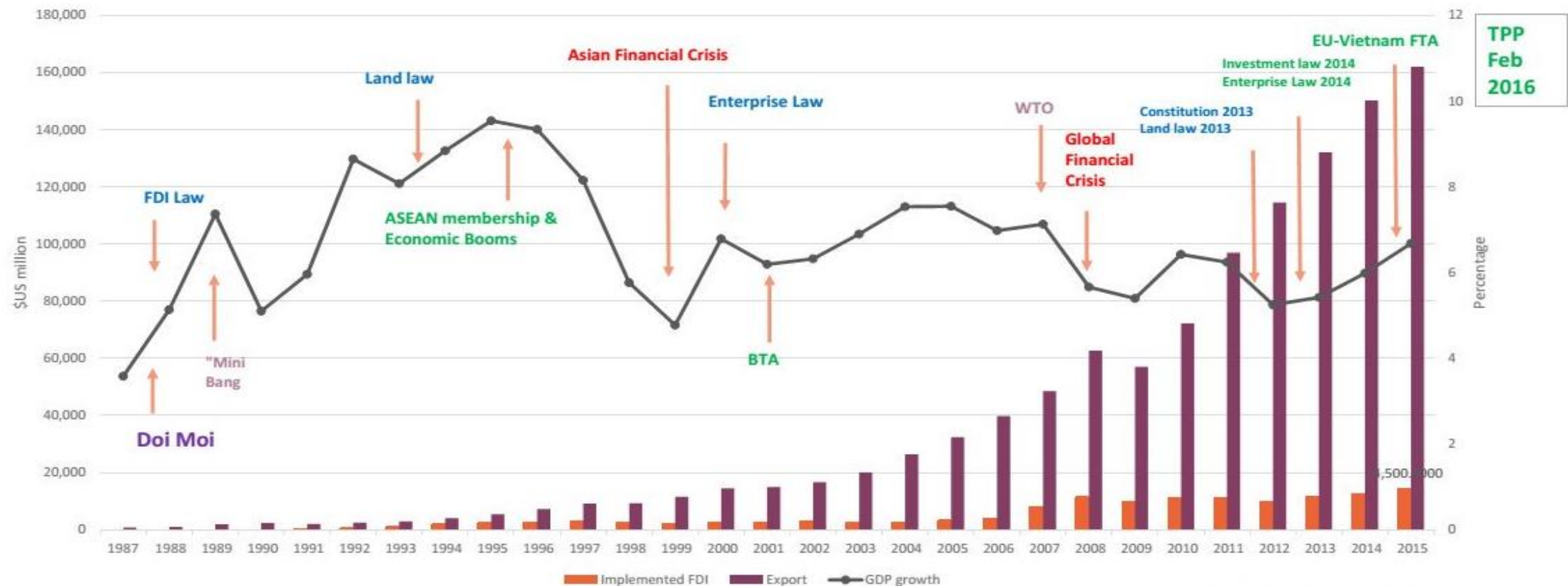
- Up to 1960s (except Great Depression) – Economic growth worldwide, expansion of government programs (e.g. Great Society).
- **First wave** (late 1960s, early 1970s) – Concerned with rational policymaking and evaluation, Rise of 'policy science.'
- **Second wave** (1970s, 1980s) – Global economic disturbances – Concerned with 'government overloaded, expensive welfare state, business-like government.'

Vietnam – “tectonic government”

- Originate from Chalmers Johnson in the 1980s (Ho Chi Minh’s thought).
- A state management model, in which the state, and more importantly **the government** proposes development-oriented policies, creating enabling conditions for the actors, sectors to promote all potentials in the competitive environment and in the context of international integration.


Vietnam has not been an exception

- From Soviet's socialist planning economy to market economy since Doi Moi (1986) – one of the successful socialist 'market' economy.



Reaction or Adaptation: Old vs. New

- Logic of government intervention has changed: dominant trend toward a market-based public sector (broadly speaking)



The Laissez-faire Society	Late 18 th Century Greatly reduced role of government - Basic services Provide a system of law Minimal role in commerce
The rise of Welfare state	19 th Century (e.g. U.K.) Unfortunate side effects (social problems) Adoption of welfare programs Steady increase of government size
Neo-classicism	Return to the idea of Adam Smith Maximum role for market forces A minimum role for government Welfare program is too expensive

Current Debate

Relationships between the government and market
(appropriate role, size, intervention of government)

Covid-19 poses a new challenge

Public Managers are Changing under New Environment

- There are several external conditions that public managers must consider today (Van der Wal, 2017)

Volatile	Events of unexpected occurrence and duration that disrupts systems and norms (scandals, crises, shocks, etc.)
Uncertainty	Events with unclear short-term and medium-term consequences (sudden leadership transition)
Complexity	Events and issues whose features and interrelations are hard to understand (variety of stakeholders, diverse workforce, etc.)
Ambiguity	Events and issues marked by contested, hidden, and inconsistent information (technical innovation)



Unknown Unknowns

- Former US Defense Secretary Rumsfeld said, “Reports that say that something hasn’t happened are always interesting to me because as we know, there are ‘known knowns’; there are things we know we know. We also know there are ‘known unknowns’; there are also ‘unknown unknowns’ – the ones we don’t know we don’t know.” (Van der Wal, 2017, p.2)



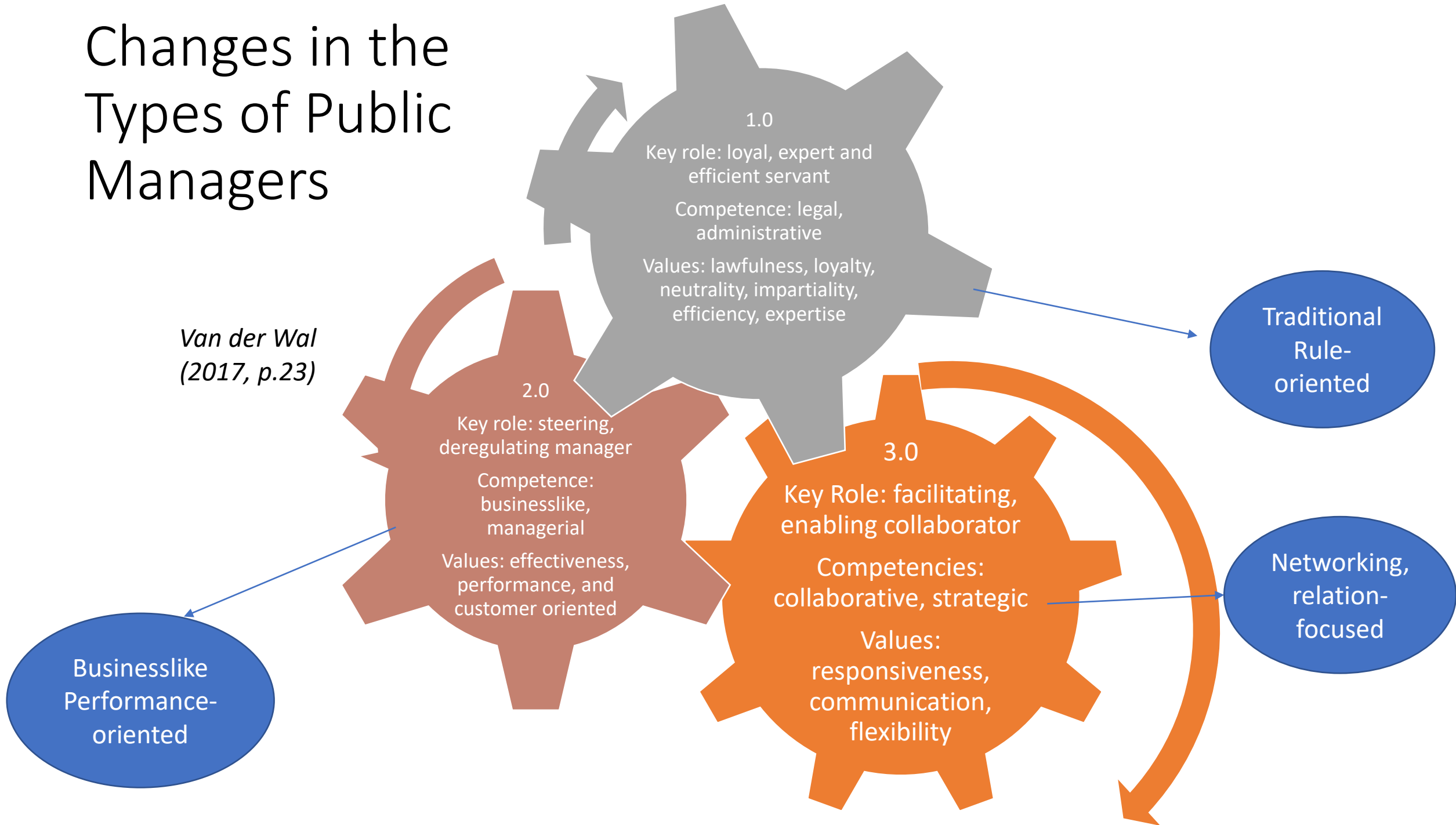
Global Mega-Trends

- KPMG (2014) – Global Mega-Trends

Trend 1	All is <u>networked-enabling</u> technology, social media, and big data
Trend 2	Great expectations – individualism and demands for <u>unlimited transparency</u>
Trend 3	Forever young- <u>demographics</u> , fertility, and ageing
Trend 4	<u>Economic interconnectedness</u> – convergence, contagion, and regulation
Trend 5	More with less – public debt and <u>fiscal pressure</u>
Trend 6	<u>Global power shifts</u> – the Asian century and the multipolar world
Trend 7	<u>Ultra-urbanization-mega cities</u> as nodes of growth and governance
Trend 8	More from less – <u>resource stress, depletion, and climate change</u>

Changes in the Types of Public Managers

*Van der Wal
(2017, p.23)*



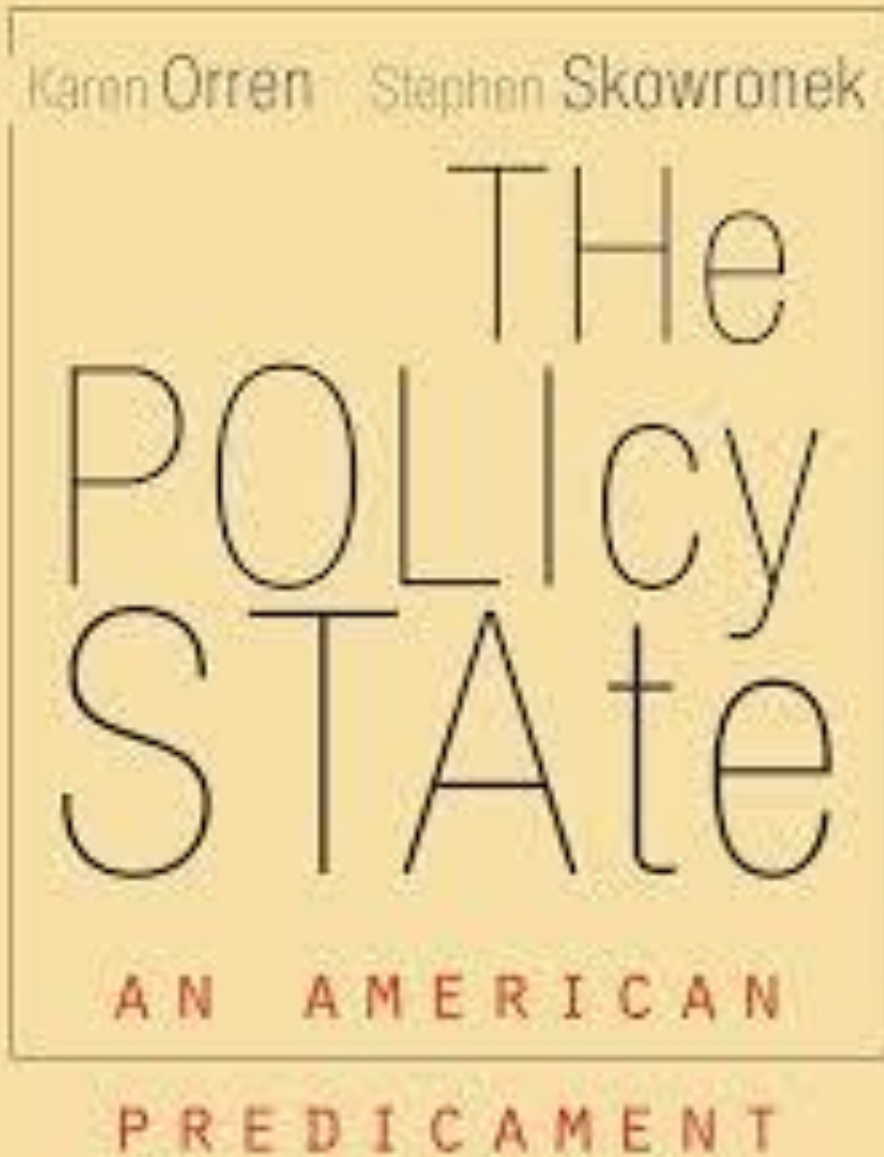
Ideal to Reality: *Is Vietnam Changing?*

- Hart (2014) Model: Public Manger from 1.0 to 3.0 – Among three ideal types, which is close to **current Vietnamese government**? Is your government well reacting (or adapting) to new environment?



Managerial
Challenge
under the
Global Mega-
trends

- *How to deal with multiple stakeholders?*
- *How to manage declining authority? (power, finance, expertise, etc.)*
- *How to manage the new generation of workers?*
- *How to manage innovative forces?*
- *How to manage ethical complexities?*



This Change Led to Government-Size | Intervention Question

- On the one hand – Regardless of neoliberalism or emphasis on small government – the role of government has expanded in post-war period (general trend) + **the Pandemics!**
- (e.g.) Orren and Skowronek (2017) – “Policy State” means that policy took over more and more of the work of government (= Administrative state).
- On the other hand – setting national frameworks, rules, laws, etc. – as society becomes complicated, the role of private sector and nonprofit sector is growing.

Perspectives on Government decide the size of government

- Since the 1970s: reassessment of the role of public sector in the name of efficiency, effectiveness
- Rise of privatization, marketization, executive agencies (statutory entity)
- Two contrasting trends come together

Ideologically, market-oriented
government



Practically welfare state, or more
government services

(e.g.) Barack Obama administration

On the one hand, he said

“We have agreed to a series of spending cuts that will make the government leaner, meaner, more effective, more efficient, and give taxpayers a greater bang for their buck” (Barack Obama)

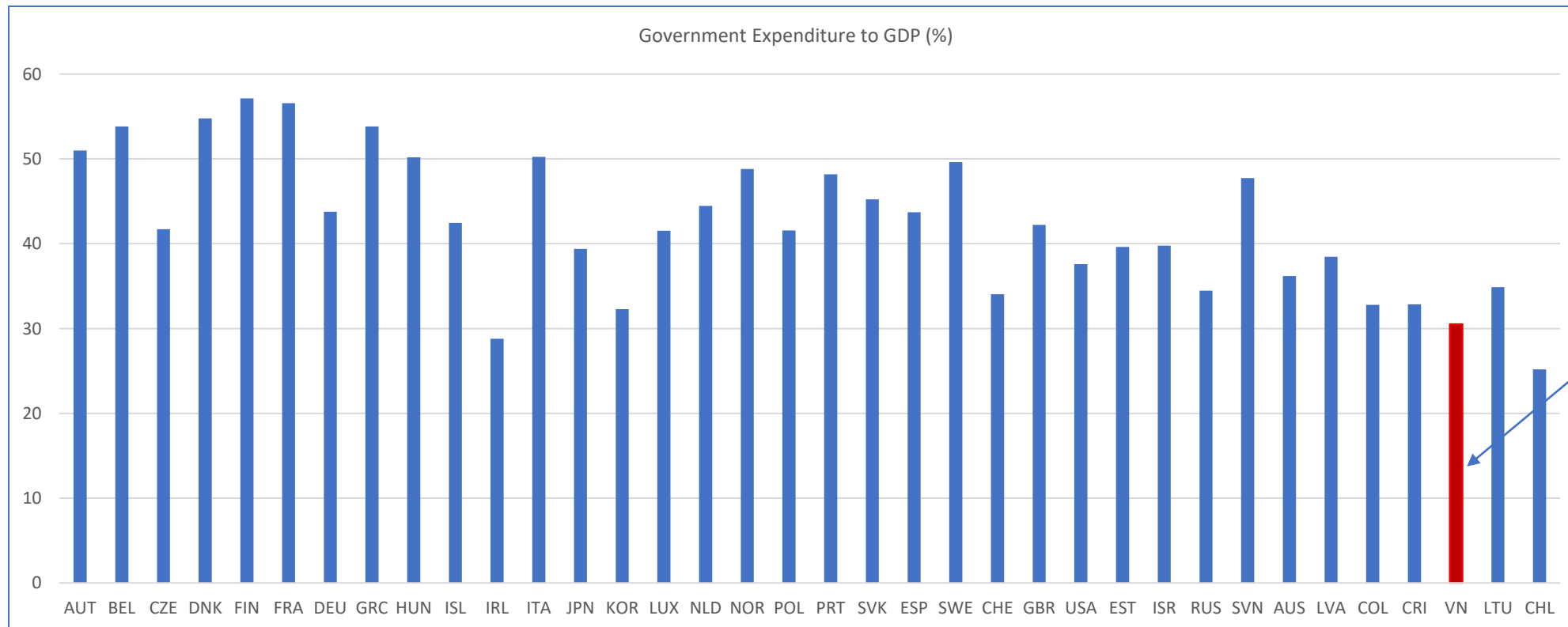


But at the same
time



Government Size - Statistics

- Generally, not all, the size of government can be measured by looking at total government spending (or general governmental spending to GDP).



Vietnam 2017 –
28.2%

Is Vietnamese Government Big?

When people think about the size of Vietnamese government, is it big or small? Generally speaking.

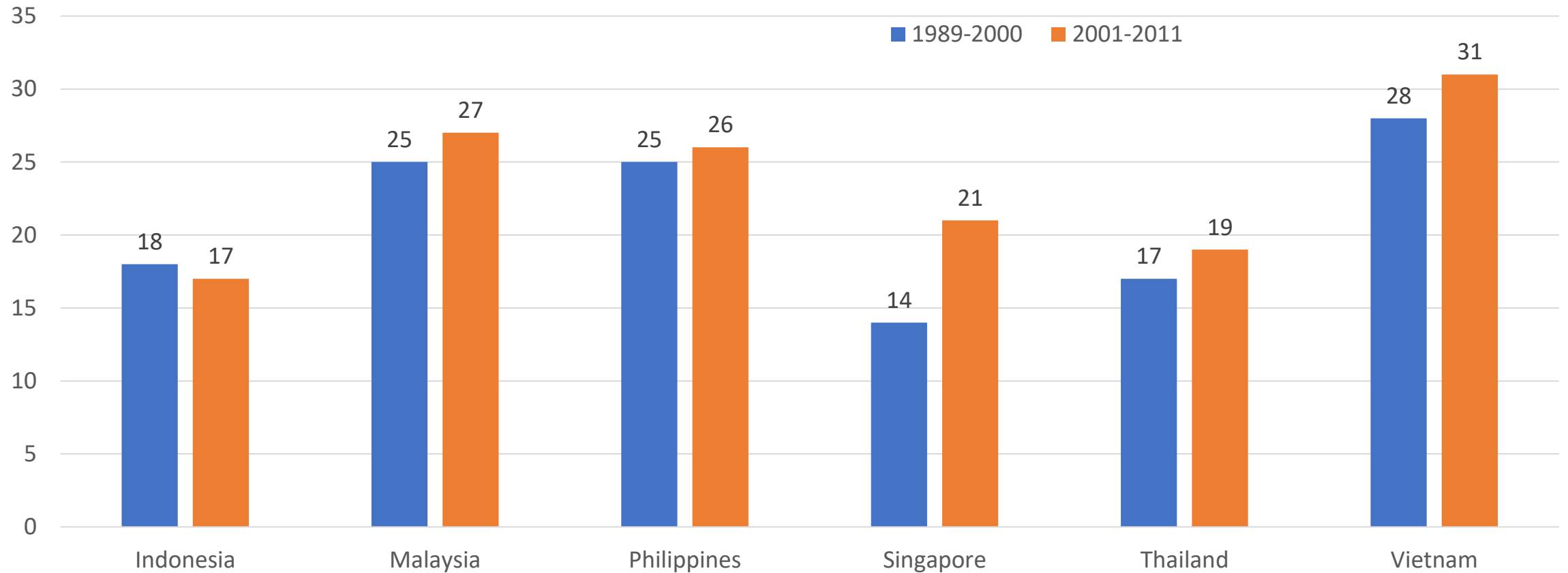


Too big. We have to reduce the size of the government

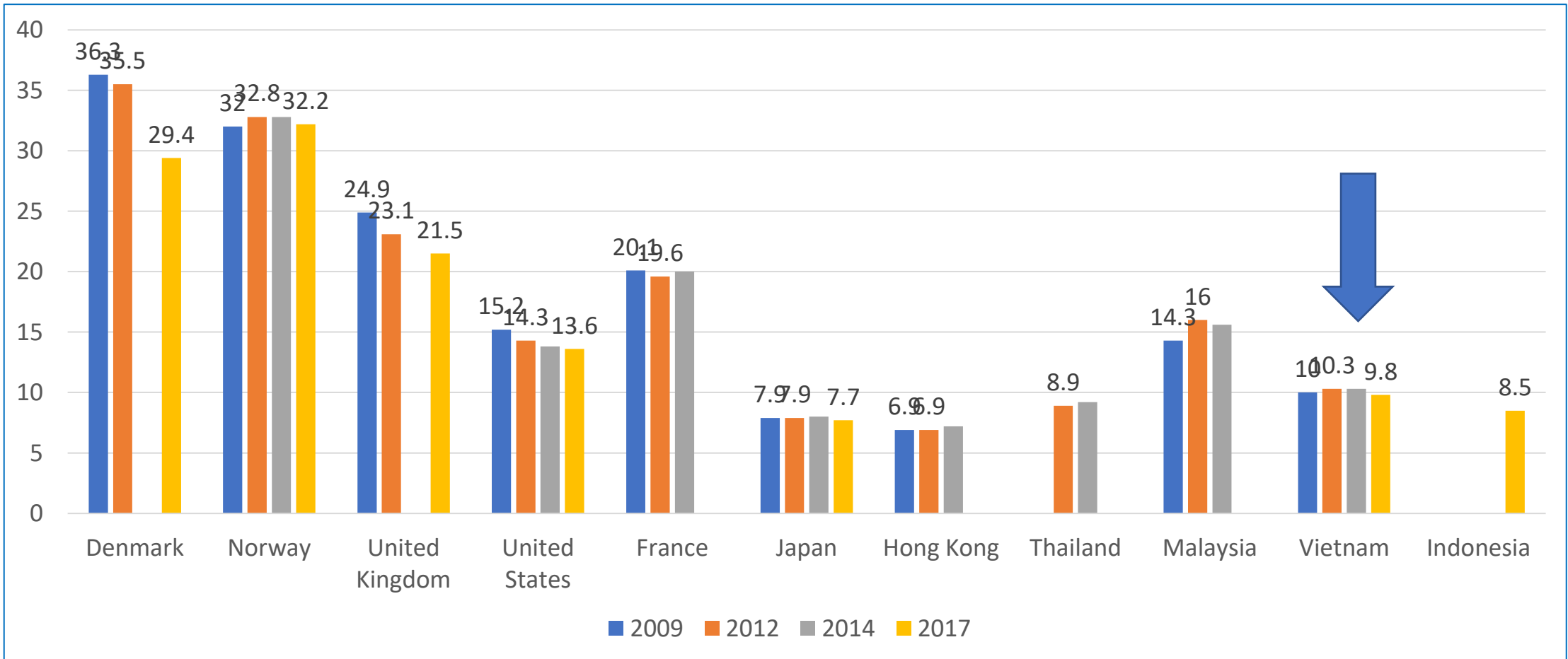


No sir, look at the data! Not big at all, just normal or a bit small!

Government Expenditure Level



Too many civil servant in Vietnam?



Government Effectiveness

- Is Vietnamese Government Effective?

Country	2008	2010	2012	2014	2016	Average
Singapore	100	100	99.53	100	100	99.86
Denmark	99.51	99.04	99.05	97.12	99.04	98.47
Hong Kong	97.57	93.78	97.16	98.08	97.12	96.47
Japan	88.35	90.43	88.63	96.15	95.67	91.96
South Korea	81.55	84.21	84.36	85.10	80.77	82.90
Thailand	61.65	61.72	61.14	65.38	66.35	63.48
Vietnam	47.09	46.41	45.97	51.44	53.47	49.46
Indonesia	46.12	46.89	45.50	53.85	52.88	48.60

Declining Public Values Today

- Public values provides normative consensus about the rights, benefits, and prerogatives to which citizens should (or should not be entitled).
- Yet, today, it is hard to choose a public value over others.
(e.g.)
Liberty vs. Security
Efficiency vs. Equality
- Even provision of public goods today is not monopolized by the public sector. (e.g.)
 - Voluntary groups, religious groups, international donors doing charity works

What would be Your Conclusion?

- *Try to answer the following questions:*
 - *Is Vietnamese government size big? (or small?)*
 - *Why is it big? (or small?)*
 - *Government's policy direction: reducing the size – is it right direction?*
 - *How could we make our government more effective?*

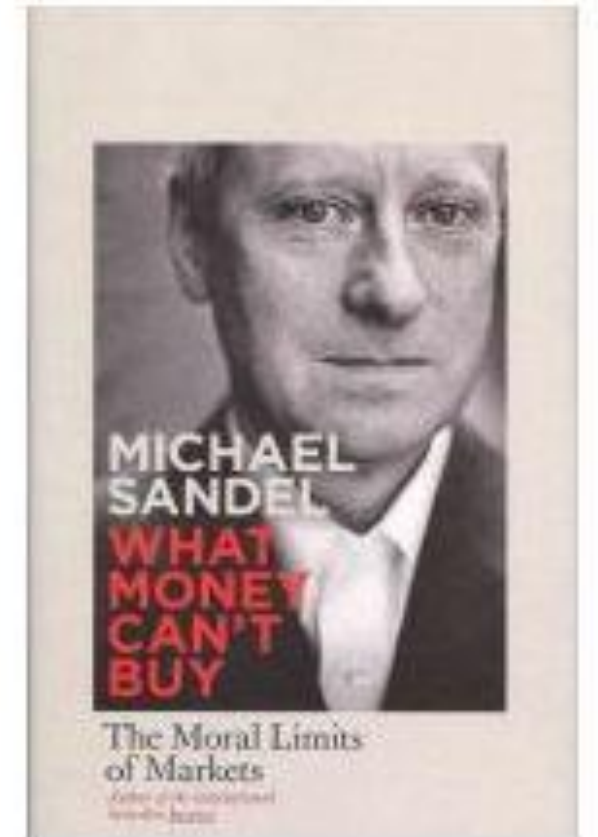
(e.g.) Barry Bozeman (2007)

- Perspective on public value has been an important criterion for differentiating public and private organizations.
- [Barry Bozeman \(1987\)](#) – “all organizations are somehow **public**.” – public managers can be found in all type of organizations (e.g. Corporate Social Responsibility (CSR) – publicness)
- But at the same time, “all organizations are **private**,” to the extent that they are responsible for tasks that are performed by experts who are governed by professional or technocratic authority.



Michael Sandel

- Michael Sandel, a philosopher, provides an important implication for current debates about public value.
- He lists a number of examples that shows market-principle-dominance in our society.
- Is the market answer?: The case of Wall Street in the wake of financial crisis.
- But, still we have to consider certain values: Inequality, public responsibility, civic duties, etc. – A market economy is a ‘tool.’



Conclusion – Do size, government intervention, etc. Matter? Case of Nordics

- World Happiness Report 2018 – Finland, Denmark, Norway, Switzerland, Netherlands, Sweden are frontrunners
- Aren't they good (arguably best) governments?
 - Working capitalism
 - Humanism
 - Generous Welfare (of course higher taxes) – Egalitarian society
 - Harmonious societies
 - Transparent government
 - Innovation
 - Instead of process, substantive impartiality is important
 - Watch a Video (<https://youtu.be/tDAQWJbEI9U>)

