Diminishing Capacity:
Public Management Reform in Developing Countries

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Abstract

One of the main objectives of public management reforms in developing countries is the enhancement of capacity of the public service, institutions and governments. Capacity is enhanced through improvements in organizations, processes and human resources and they lead to desired outcomes, provided they are suitable to the context in which reforms are implemented. Most governments introduce reforms designed with the framework adopted in western liberal industrialized countries, and often neglect the new context in which it is applied. As a result, the outcomes of reforms are not effective, and the benefits are inadequate compared to the investments. This article examines public management reforms undertaken in developing countries with reference to enhancement of capacity. The research indicates that the reforms have resulted in diminishing capacity as the institutions and personnel are unable to function with new complex structures and shifts in relationships that also give rise to distrust among the stakeholders. Developing countries suffer from the absence of political will within the governments to conceptualize and achieve consensus on reforms, limited institutional capacity to assist with the formulation and implementation of changes, and the inability to acquire input from internal (citizens, communities, and civil society) and external (international organizations and donors) stakeholders.

Keywords: capacity building, public management, reform, developing countries

Introduction

The literature on public management proliferated rapidly as governments across the globe decided to ride the wave of reforms to institute changes. The trend of public management reform originated in the developed world, but became popular in developing countries. These countries were already confronted with problems of accountability, transparency, efficiency, effectiveness, cost and quality of public services. Additionally, the structure of

power relationships, nature of political systems, and the weak role of key institutions made the situation worse. Many studies on public management reform recommend drastic changes in the administrative arrangements to promote new values and practices, with the expectation that it will initiate measures to deal with the problems and facilitate effective performance by governments. These ideas were reinforced by international organizations such as the World Bank, International Monetary Fund, United Nations, World Trade Organization as well as regional blocks such as Organization for Economic Co-operation and Development.

This article revisits the concept, rationale, processes and outcomes of public management reform and assesses its impact on the capacity of governments in developing countries. This entails a review of the origin, principles and impact of public management, and changes introduced over the years. In most cases, such efforts were guided by ideas and principles proposed and promoted by international organizations, and the results have been far from impressive. The reforms created additional layers and complexities in the structure and relationships and the introduction of changes resulted in the erosion of trust among the stakeholders. The overall outcome was a decline in capacity, and this can be attributed to a number of factors, such as lack of political will, institutional incapacity, and biased input from internal and external actors. Overall, the application of the reform plans and the direction of changes guided by neo-liberal ideological considerations resulted in more harms than benefits to developing countries.

Public Management, Reform and Capacity Building

Public management emerged as a new approach for improving the organization and delivery of public services. It recommends a series of techniques and methods to make governments efficient, economic and effective by using flexible strategies in various areas of management in the public sector. Christopher Hood (1991) identified the key features of public management. They included:

1. *Hands-on professional management in the public sector*: There should be more devolution of managerial powers to departments and greater responsibilities for departmental heads.

2. *Explicit standards and measures of performance*: Goals must be defined and performance targets set. Performance by both individuals and agencies are considered.

3. *Greater emphasis on output controls*: Resources are directed to areas according to measured performance, and results are emphasized rather than procedure.

4. *Disaggregation of units in the public sector*: Large administrative entities are broken up by setting up agencies to deliver services.

5. *Greater competition in the public sector*: Competition is introduced for government services to cut costs and improve standards.

6. *Preference for private sector style of management practice*: There is a departure from rigid, hierarchical and rule-based system to a flexible hiring and rewards system and introduction of practices from the private sector.

7. *Greater discipline and parsimony in resource use*: There is increased attention to the best use of resources. Managers are encouraged to "do more with less" cut cost, and direct resources to programs which are more beneficial.

Public management was readily accepted by many countries because it offered a new way of looking at and carrying out management functions within the public sector. In the context of existing practices, there was strong support for reforms that could reduce expenditures, improve service delivery, and incorporate flexibility to overcome some of the weaknesses of traditional public bureaucratic arrangements. At the same time, public management was denounced as an uncritical adoption of the worst features of private management and for ignoring the fundamental differences between the public and private sector environment. It came under attack for contravening the tradition, and working against the spirit of service delivery by according priority to market principles.

By a fair assessment, public management pays too much attention to the achievement of results and personal responsibility of managers, but also makes organizations, personnel, and terms and conditions of employment more flexible. It is helpful because organizational and personal objectives are established clearly to enable measurement of their performance by establishing clear indicators. Furthermore, there is a trend towards reducing government involvement in delivery of public services through privatization, market testing and contracting-out and this contributes to increased control of managers over the system.

Reform implies the "artificial inducement of administrative transformation" (Caiden 2007, p. 65). The most common approach is to change and improve the quality of management and service delivery by correcting faults in the existing system, and removing inconsistencies and abuses that obstruct the attainment of the objectives. In developing countries, they also intend to reorganize and improve political and administrative institutions that are considered to be faulty or ineffective. According to Sadza, "the notion of reform presupposes a malfunctioning of a system of public administration which, if changed, would present a turnaround for progress toward development" (2001, p. 201). Dror (1976, p. 127) views reform as "directed change of the main features of an administrative system", while Khan (1975, p. 149) considers reform as growth in the capability of the administrative system to cope, on a continuous basis, with problems created by social change toward the goal of achieving political, economic and social progress.

Pollitt and Bouckert found that public management reform "is usually thought of as a means to an end, not an end in itself. To be more precise, we should perhaps say that it is potentially a means to *multiple* ends. These include making *savings* (economies) in public expenditure, improving the *quality* of public services, making the operations of government more *efficient*, and increasing the chances that the policies which are chosen and implemented will be effective. On the way to achieving these important objectives, public management reform may also serve a number of *intermediate* ends, including those of strengthening the control of politicians over the bureaucracy, freeing public officials from bureaucratic constraints that inhibit their opportunities to manage, and enhancing the government's *accountability* to the legislature and citizenry for policies and programs" (2004, p. 6). It is, obviously, a complex process in which many factors interact to lead to changes.

Generally, governments in developing countries seek to respond to identified problems or shortcomings in a system or to meet new needs and demands that emerge as a result of circumstances that have undergone changes. However, the application of reform plans needs to be considered with reference to the context and circumstances in which they are introduced. Another area of concern is the maturity of the system and the capacity of political regimes to introduce reforms and back them up with political will.

Capacity is an attribute-that can help or hinder the achievement of organizational objectives (Chaskin, 2001, p. 292), or be perceived as an internal and/or external organizational quality (Forbes and Lynn, 2006). The vagueness surrounding the definition of capacity building is further complicated by the challenge of evaluating its process and progress. The World Bank (2005, p. 43)

recognizes that capacity building is "a long-term process that requires a systematic approach and attention to demand for improved public services as well as the supply of well-structured organizations and skilled personnel".

Umeh (1992, p. 58) described capacity in government as "the process of identifying and developing the management skills necessary to address policy problems; attracting, absorbing and managing financial, human and information resources; and operating programs effectively, including evaluating program outcomes to guide future activities". Polidano and Hulme (1999, p. 124) refer to capacity building as the expansion of "the range of functions which an organization can carry out effectively on a sustained basis". "Building effective state capacity means continuous development and effective utilization of human resources, constructive management of task-oriented organization, institutional contexts that facilitate problem-solving, and economic, political and social conditions that help sustain such capacity" (Grindle and Hilderbrand 1995, p. 461) . Capacity building involves a series of activities that are expected to have an impact on the composition, structure and operation of agencies and organizations as well as the development of human resources to enable them to perform roles to facilitate the process of transformation. It "deals with the aptitudes, resources, relationships and facilitating conditions necessary to act effectively to achieve some intended purpose" (Brinkerhoff, 2010b, pp. 66).

Views of international agencies on capacity building are broad and general in nature. The UNDP (1991) suggested that the concept of capacity building should cover the creation of an enabling environment with appropriate policy and legal frameworks, institutional development and community participation, and the strengthening of managerial systems through human resource management. The World Bank describes capacity building as "the process by which individuals, organizations, and societies develop abilities to perform functions, solve problems, and set and achieve goals, premised on ownership, choice and self-esteem" (World Bank, 2005, p. 6). UNCED attempted a comprehensive definition of capacity building: "Specifically, CB [capacity building] encompasses the country's human, scientific, technological, organizational, institutional, and resource capabilities. A fundamental goal of CB is to enhance the ability to evaluate and address the crucial questions related to policy choices and modes of implementation among development options, based on an understanding of environmental potentials and limits and of needs perceived by the people of the country concerned" (UNCED, 1992).

The concepts and their interpretations make it clear that it is extremely difficult to achieve capacity building through public management reform in developing countries. They are already handicapped by limited capacity and the

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prospects of reforms are further affected by the lack of strong and stable institutions. Imposition of new organizational configurations and addition of new tasks and responsibilities on traditional public sector organizations only exacerbates their existing weaknesses and makes the system more complex and difficult to operate. The next section reviews the outcome of public management reforms and reflects on their impacts on capacity building for developing countries.

Reforms for Capacity Building in Developing Countries

Public management reform involves changes and rearrangements within organizations aimed at improving performance. Generally, there are broader implications that could lead to considerable alterations in the structure of public sector organizations and behaviour of officials. More significant reforms are reflected in radical transformations and adjustments to approaches, structures, processes and relationships, and substantial overhaul in the public service. However, most recent efforts in public management reforms appear to concentrate on the enhancement of accountability and responsiveness, achievement of representativeness, and promotion of principles and practices established as standards across the world.

An analysis of fourteen countries sought to identify goals and objectives of public management reform. The exercise revealed some common needs across the countries, and they included reduction of public expenditure, strengthening of policy responsiveness and implementation, improvement of government as employer, enhancement of service delivery, and building private sector confidence (Manning and Parison 2004, p xiv). Needless to say, circumstances vary widely across countries in the developing world and reforms in public management require to be designed with this context in mind, along with the need to create and institutionalize agencies to deal with new responsibilities.

Globalization has added to the complexities confronted in public management reform. Mavima and Chakerian noted four types of factors related to international and local institutions as well as local organizations and programs that have impacts on the process. International institutional factors include "the web of international normative expectations, regulations, and ways of thinking that are brought to bear on administrative systems of developing countries" (2002, pp. 94-95). Local institutional factors comprise of regulative (rules and regulations to govern the operation of organizations), cognitive (manner in which reality is perceived), and normative ((perceptions of how things should be done) factors (Scott 1995). Two other categories mentioned by Mavima and Chakerian are local organizational and programmatic factors. "Organizational

factors include the capacities of the organizations responsible for reform implementation", and programmatic factors are concerned with "the extent to which the reform program itself is properly designed" (2002, p. 97). It should be noted that the design and application of reform packages has often fluctuated in developing countries as local and international factors influenced agenda, strategies and objectives.

Reforms have brought about the creation of new institutions and agencies. In view of criticisms and encouragement from the international community and donor agencies, many developing countries have established agencies for undertaking anti-corruption measures. However, the relationship of these agencies with the government and other administrative organizations turned out to be extremely sensitive and complex. They cannot be effective as governments are unwilling to allow the anti-corruption agencies complete autonomy to perform their duties. Similar complexities are evident in the organization and performance of other agencies that have to work with cooperation from and authority over, well-entrenched departments. In many developing countries, new agencies were entrusted with responsibilities to enforce environmental and human rights regulations, along with the difficult task of combating corruption.

Generally, public management reform is initiated in developing countries as a response to problems identified in the course of administrative activities, service delivery, or in the event of a crisis. Unfortunately, such sporadic and reactive measures do not result in sustained benefits. Kaufman (1969, p. 4) noted that in developing countries, management reforms often consist of short-term and limited response to identified shortcomings in an area of government activity. He expressed concern with shifts in priorities and emphasis, and attributed this outcome to the concentration of attention on a single problem area over a period of time that allowed other discontents or weaknesses in another area to deteriorate and result in a major problem. In a later study, Kaufman argued that the pattern of reform is influenced by changes that take place in values, tastes, socio-political and economic institutions, and advancements in knowledge and technology (1985, pp. 36-38).

The political and administrative institutions in a country and their interactions have considerable influence on capacity building. They facilitate sharing of vision and information among the various stakeholders to ensure their support for the proposed reforms. The ability of citizens, communities and governments to participate in the process of formulating and implementing reform plans is critical for capacity building.

Five capabilities constitute the core of capacity, and these include:

- The capability to commit and engage for mobilizing resources; creating space and autonomy; motivating unwilling or unresponsive partners; and planning, deciding and engaging collectively to exercise their other capabilities.

- The capability to carry out technical, service delivery, and logistical tasks for producing acceptable levels of performance; generating substantive outputs and outcomes; sustaining production over time; and adding value for their clients, beneficiaries and citizens.

- The capability to relate and attract support for establishing and managing linkages, alliances, and partnerships with others to leverage resources and actions; building legitimacy in the eyes of key stakeholders; and dealing effectively with competition, politics and power differentials.

- The capability to adapt and self-renew for modifying plans and operations based on monitoring of progress and outcomes; anticipating new challenges; coping with changing contexts; and developing resiliency.

- The capability to balance diversity and coherence for developing strategies and visions; balancing control, flexibility and consistency; integrating and harmonizing plans and actions in complex and multi-actor settings; and coping with cycles of stability and change (Brinkerhoff, 2010a, p. 3).

The Fourth Pan African Conference of Ministers of Public Service identified a number of requirements for capacity building. The meeting emphasized adequate budgetary allocations and funding for training and educational institutions, relations between public sector training institutions, public-private sector partnerships, political will and support, and stakeholder (private sector, civil society and donor community) consultations and ownership (Economic Commission for Africa 2003, p. 46).

Brinkerhoff (2010b, p. 66) noted various interventions that can contribute to capacity building. For example, resource enhancement interventions focus on material and equipment, micro-credit, food aid, and budget support, but the focus shifts to training, study tours, technical assistance and technology transfer for targets of skills and knowledge. Capacity of organizations are built through management systems development, restructuring, civil service reform and decentralization, while targets of incentive are addressed through sect oral

policy reforms, civic dialogue, accountability structures and procedures and improved rule of law. With politics and power as the target, interventions take the form of community empowerment, civil society advocacy development, strengthening of legislature, and political party development. This indicates the complex nature of capacity building analyses and the challenge of application across developing countries.

Joffres and associates (2004) identified lack of financial support, undecided priorities and overload of tasks as factors that impeded the implementation of programs for capacity building. Blumenthal (2003) attributed the failure to lack of commitment evident from a disinterest in following through to implement changes. Klitgaard (1997) noted that low pay in the public sector in a number of countries in Africa and Latin America makes it difficult to hire and retain skilled personnel. Zeelen and van der Linden (2009, p.616) drew attention to the importance of contextualization, social learning, interactive knowledge production and establishing a "balance between the interests of the North and the South". Polidano and Hulme (1999, p.124) believe that weak institutionalization of administrative structures make them "prone to 'penetration' by party politics and lead to politicization at all levels in the organizational hierarchy" and impede capacity building.

Comprehensive public management reforms rarely select relevant components and elements from the packages developed in the West to the context of developing countries. Furthermore, emphasis on the standardization of practices across countries often compels these countries to adopt unrealistic or irrelevant processes that affect the outcomes. Privatization, retrenchment, agencification and corporatization, and overemphasis on performance are evident in several countries across the world. Polidano and Hulme (1999, pp 123-24) noted that "many countries are undertaking reforms completely at variance with new public management precepts at the same time as they are sampling items from the NPM menu". Their assessment reveals that there are evidences of good performance in selected areas in some developing countries, but it is impossible to find consistency and success in public management reforms. This finding reiterates the fact that it is not wise or possible to apply a single set of reform strategies to all developing countries and the search for a universal reform package may not be worth pursuing.

It is not surprising that public management reforms in developing countries are influenced by actions and strategies adopted by other countries. It is common to import ideas and practices from developed countries and the strategy is probably driven by the assumption that good practices and effective organizational structures are transferable across countries, cultures and societies.

If that was the case, it would be possible to learn from the experience of other countries and emulate the success of a particular strategy without much consideration of local circumstances. Obviously, the outcomes often turn out to be strikingly different from the intended results. In fact, they may even exacerbate the problems that were being addressed through management reform. While adoption of strategies related to work processes and technical issues could be more amenable for transfer to developing countries, reforms to change work ethic, culture and behaviour seldom succeed.

Outcomes of Reforms and Capacity Building

Studies on various parts of the world present evidence and analyses of diminishing capacity from public management reforms in developing countries. They consider impetus and incentive for reform as a key issue because leadership in developing countries is often motivated by personal or narrow group interests. Political systems in developing countries are generally captive to authoritarian or military dictatorship. Some appear to uphold democratic principles, but are actually authoritarian in nature. Elections and channels for participation in public affairs are manipulated to protect the interests of the regime in power. Such arrangements reflect inequality in power relationships, and management reform programs are affected by this anomaly. Consequently, reforms in many countries are aimed at strengthening the position of vested interests entrenched within the political as well as civil and military bureaucratic elite. With this important point in mind, it may be worthwhile to examine the factors that contribute to the initiation of reforms.

Many governments pursue similar strategies for public management reform because political, social, economic and institutional forces play a part in guiding them in this act. (Kettl 2005: 3-5). The end of the Cold war, debate over rolling back the state, rising expectations of citizens for better public services, and demonstration effect from changes that took place in other countries created the ground in favour of reforms. Major societal transformation and the radical shift from the industrial to the information age gave rise to strong social forces that demanded substantial change. The Asian financial crisis and its fallout resulted in serious concern about the role of the public sector and the state, and the need for economies to escape stagnation and foster growth generated economic forces that pushed for reform. Finally, the prominent role played by the major international organizations such as the World Bank, the United Nations, the International Monetary Fund, the Inter-American Development Bank and the World Trade Organization in standardizing practices resulted in increased awareness of the need for attention to the institutions at the supranational level and strengthened the resolve of the institutional forces to introduce reforms.

The government of Uganda made drastic cuts in civil service employment through public management reforms. A number of countries including Ghana, Kenya and Pakistan introduced reforms to convert civil service departments into autonomous agencies, authorities and corporations (Polidano and Hulme 1999, p. 123). However, it is difficult to establish targets that could be used to ascertain the progress of reforms. The administrative and institutional arrangements are diverse and complex across developing countries, and that makes it extremely difficult to assess the success or failure of reforms and establish standards for comparison.

Public management reforms are influenced by the interests and behaviour of bureaucracies in specific countries. These initiatives are intended to enhance the capacity, autonomy, responsiveness and accountability of the public service and their success depends, to a considerable extent, on the attitude and actions of this powerful group. Bureaucrats are generally reluctant to implement reforms that could potentially erode their power, privileges and authority and they resist any attempt at such changes with all the resources at their disposal. The problem is intense in developing countries due to the strained relationship between the bureaucrats and the political leadership. The relationship is tempered by their respective roles during nationalist independence movements. It is difficult for the two formerly adversarial groups to work together and the relationship remains tense.

Dunleavy's bureau-shaping thesis (1991) prompted scholars to examine bureaucratic response to institutional reform. Drawing upon data obtained through interviews with senior public servants in England, Gains and John reported that "there is a link between attitudes and actions, reflecting the degree to which bureaucrats are free to shape their bureaus" and these "actions can have large consequences for how bureaus work and whether reformers get the policy-making machine they desire or whether bureaucracies work in the same way as before" (2010, p. 461). Thus the mindset and attitude of senior bureaucrats can be a major influence in the implementation of management reforms.

The experiences of newly democratizing countries in Central and Eastern Europe add to the insight on public management reform. Peteri and Zentai (2002) studied reforms in decentralization and public administration in Hungary, Poland, Bulgaria, Latvia, Croatia and Slovakia and confirmed that there is no single solution or model that works "even in this similar group of countries", especially for reform management techniques and methods. The design of country-specific strategies and their implementation remains a major challenge in many developing countries.

An analysis of public management reforms in various parts of the developing world reveals that small gains have been made in terms of cost reduction, reorganization, and the introduction of private sector principles and practices in the public sector. However, several studies have highlighted the adverse affects or lack of success of public management in both developed and developing countries. Christiansen (1998) noted that the provision of public services by the private sector has not increased in Denmark due to the existence of "strong institutions of traditional public sector governance". It did not help developing countries with traditional support systems to introduce changes for shifting the responsibilities to public sector organizations.

Public management reforms emphasize strategies such as privatization, marketization, contracting-out, and imposition of user fees and charges. Most of these strategies failed to achieve the desired results in developing countries. In Uganda, sales of public enterprises were affected by "the absence of a capital market through which funds can be mobilized, an undeveloped banking system, high interest rates which discourage borrowing from banks, low savings and the desire of most local entrepreneurs to invest in the more lucrative real estate and trade rather than in public enterprises (Kauzya 1995, p. 130). Self found that privatization came at a cost of increased unemployment (especially among older workers) that put pressure on the welfare budget, human effects (in loss of pride among workers made redundant), and increased economic inequality (with a rise in profit and fall in wage in the privatized industries (2000, p. 112). Tang and Morrison (1998, p. 259) reported that efforts to introduce market principles in schooling in Macao led "to a lowering of standards of educational provision, organization and achievement".

Beracochea (1997) reported the failure of contracting-out efforts in Papua New Guinea due to inexperience of contractors, low wage paid to workers and poor management of the contracting process, while Broomberg, Masobe and Mills (1997) reported that contracting-out cost more than that of direct provision by government in South Africa. Some public services cannot and should not be financed through charges, and user fees are neither realistic nor appropriate for core government services with broad social objectives (Huque 2008).

Each of these strategies have imposed additional burden on the weak system of public management in developing countries. Privatization was unsuccessful due to lack of buyers for public enterprises, large scale lay-off and unemployment, social costs, union resistance and industrial problems, loss of industrial base and escalating corruption. Contracting-out imposed additional burden of arrangements for regulation, and was affected by irregularities in the tendering process, poor monitoring and the tendency to form cartels for capturing business opportunities. User fees brought forth problems of exclusion

of the poor from receiving public service, cost of collection, unfair price-setting system, and increased income disparities (Huque 2004).

Thus, public management reforms had more adverse impacts compared to the benefits obtained from them. These efforts impeded the building of capacity by diverting attention and resources to programs and activities that had little prospect of success. Neglect of indigenous context and conditions distorted priorities of governments in developing countries and pressure from international organizations and donor countries influenced the content and direction of public management reforms. The needs and interests of these countries were relegated to the bottom of reform agenda, and capacity building did not take place.

A Recipe for Success?

The attainment of the objectives of reform is dependent on the capacity of governments in developing countries. Generally, reform proposals outline the advantages they expect to gain from specific initiatives. Thus, it is important to place capacity building at the core of public management reforms. Consequently, the key strategy should be to ensure effective implementation of the programs and provide opportunities for all stakeholders to participate in the process. In his study on the debt crisis in Latin America, Williamson (1990) emphasized the importance of establishing a baseline for measuring the extent of success in implementing reforms. But there is no consensus on the standards and measures to be adopted for assessing their success. The potentials for success may be higher if public management reforms are targeted towards specific areas. Broad and widespread efforts at management reforms often get diluted or sabotaged as certain stakeholder(s) may agree with some elements of the reform but not with others.

As seen in the examples cited in the previous section, structural, cultural and behavioural features of a country may constrain the scope of public management reforms. Authoritarian regimes are unwilling to introduce policies and practices that could facilitate participation of the stakeholders in the formulation and implementation of reform plans. Developing countries suffer from frequent regime change due to political instability. Under such circumstances, leaders of new regimes are reluctant to commit themselves to new strategies and major changes in public management since their consequences are unknown and unforeseeable. Although they acquiesce with pressure from international agencies to undertake reforms, there is no commitment to carry them out and achieve effective changes.

Some developing countries do not experience change in government due to long stretches of military or authoritarian rule. These regimes are apprehensive of radical changes as their position was consolidated under the existing power structure. The needs and interests of citizens and improvement of service delivery are not accorded priority on their agenda. It is not surprising that these countries display little interest in enhancing capacity through public management reforms, and opt for minimal change. Grindle and Hilderbrand (1995, p. 461) added that public sector performance is driven more by strong organizational cultures, good management practices and effective communication networks than it is by rules and regulations or procedures and pay scales.

The institutional framework is critical to capacity building in developing countries. National political institutions are vested with powers that ordinary citizens do not have. The linkages and relationship among institutions contribute to the operation of governments and their role strengthens the capacity to govern. However, the unequal power structure in developing countries precludes the possibility of meaningful co-existence of the executive, legislature and judiciary, and their roles are affected by strong influence of the military and/or civil bureaucracy. These organized and well-resourced groups are in a strong position to interfere with decisions on public management reform and contribute to adverse impacts on capacity building.

It is difficult to identify and persist with a set of best practices for capacity building because public management reform is a continuous process and takes place in diverse contexts. New methods and strategies become necessary as societal conditions change and regimes experience shifts in support and ideology. The need for making internal and external demands compatible has an impact on the nature of management reforms. The effectiveness of reform varies across cultures and contexts, and in the contemporary world, is influenced by external forces. Developing countries are dependent on aid and external assistance from the international community, both for governing the nations as well as building capacity. International stakeholders subscribe to their specific perception for capacity building, and often impose conditions on the use of their assistance to make the countries comply with uniform international standards. While there are some advantages in fostering a common framework of governing across developing countries, it may not be realistic to expect all nations to be capable to utilize it to their benefit.

Reforms in developing countries are usually initiated to respond to challenges and crises, or serve the interests of the regime in power. The structural adjustment programs represent another source of impetus   direct

pressure from international agencies and indirect push from donor countries. Furthermore, reform agenda are often determined in reaction to developments in other countries and changes in the world system. At the same time, reform plans have to take into consideration local needs, aspirations and the capacity of administrative systems to ensure sustainable progress. In brief, management reforms have potentials of success in countries where governments and leadership are willing to allow involvement of stakeholders and exhibit strong political will to ensure the implementation of reforms. This needs to be supplemented by the capacity of political and administrative institutions to fulfill their share of the responsibilities.

Concluding Observations

This article highlighted certain requirements and conditions that hinder or help capacity building through public management reforms. It was impossible for developing countries to establish the framework and attain all the features of public management identified by Hood (1969). Weaknesses in key national institutions affect the ability of governments in developing countries to undertake actions for building capacity. Solution to this problem may be found in major transformations in structures, relationships, behaviour and culture of governments and administrative organizations.

Political will of the government remains one of the most important factors because many attempts at reform peter out if the regime and its leaders lose momentum, either for personal interest or under pressure from powerful groups in the political system. There is potential for reforms to be effective if leadership in developing countries have complete confidence and belief in the programs and demonstrate their commitment to carry them out. Decades of efforts have produced limited success due to confusion and controversy over the concept of reform and the areas on which efforts should be concentrated. There has been progress in selected aspects in some countries in the developing world, but much remains to be done.

Capacity building must be considered with reference to indigenous culture, values and practices. The potentials of capacity building lies in the creation of an enabling environment with appropriate policy and legal frameworks, institutional development as well as community participation, and human resource development and strengthening of managerial systems (UNDP, 1991). Kaplan suggested that a conceptual framework for the organization to understand its internal and external environment, its confidence to act in a way that it believes can be effective, a clear vision and strategy, sound organizational structure, acquisition of appropriate skills, and material resources for

accomplishing its objectives are critical for building capacity (2000, p. 518-519).

Integration of interests of the diverse population in developing countries presents a challenge, and this underlines the need for significant engagement of stakeholders. The civil society has emerged as a potent force for articulating and aggregating the interests of various groups to assist with capacity building. This process takes time as newly acquired knowledge and skills require time to take root and the system has to wait for the appropriate circumstances for their application. "Time strongly influences the capacity-building work that practitioners are doing, and is linked to both financial resources and culture" (Girgis, 2007, p. 356). Brinkerhoff added that there is no single "right way" to develop capacity and emphasized, among others conditions, the importance of selecting government agencies, NGOs, civil society and private firms with reference to consideration for their ability and potential for making the best use of external support and their standing with local decision-makers and sound knowledge and understanding of the context in which capacity building takes place (2010, pp. 76-77). Ceccon and Cetto agreed that capacity building is "a long term and continual process in which all stakeholders participate" (2003, p. 347) it may well be a perennial exercise. Along with the shifts in the nature of development principles and practices, capacity building efforts will require constant watch in order to keep up with changing time and needs. Thus, it is obvious that capacity building through reforms must be sensitive to inputs from both internal and external stakeholders.

Public management reforms and capacity building are two major challenges faced by developing countries. They are dependent on one another and have significant implications for the success of government. Appropriate reforms can assist developing countries to keep up with changing times and circumstances and update administrative practices accordingly. Periodic review of existing principles and procedures and reflection on their success in contributing to the process of development in the country will help identify areas that merit attention and allow governments to act on them.

The nature of public management reforms in developing countries reflects many limitations. Most governments take a short-term view and seek to address problems as they arise. The responses are limited, and the benefits are not sustainable. The addition of new layers of organizations and units to ensure standardization confuses the officials who are not familiar with new practices and their rationale. The stress of increased emphasis on performance and its measurement makes it worse. Moreover, the prospect of better remuneration packages outside the government induces public sector officials to migrate to the private sector. These constraints and large-scale exodus from the government organizations result in loss of talent and, subsequently, diminishing capacity of governments in developing countries.

The absence of political will and commitment to build capacity through public management reforms needs to be addressed. Strong institutional capacity is instrumental in making sound policy decisions on the methods and mechanisms of enhancing capacity. But most importantly, all stakeholders need to be consulted to establish the framework and determinants of capacity. While external stakeholders such as international organizations and donor countries will be able to provide the broad perspective by drawing upon the experience of other countries and their outcomes, internal stakeholders from the communities and civil society have a valuable role to play by emphasizing local needs and the areas where capacity building is critical. Capacity building must be performed in tandem with public management reforms because they are complimentary in nature and have implications for one another.

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