

# New Public Administration in Algeria: Between Reality and Aspirations

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**Abstract:** The urgent necessity has called for the modernization of public administration and an increased focus on improving public management. This comes in response to the challenges faced by public administration, such as administrative bureaucracy and other issues of administrative corruption (Farazdman, 2002), which have eroded its legitimacy and shaken citizens' trust in it. Consequently, various research efforts have emerged to enhance the performance and effectiveness of public administration, leading to the concept of the New Public Management (S. Jun, 2006). This research paper aims to shed light on the Algerian experience in implementing the New Public Management and the significant challenges it encounters in establishing the principles of this modern concept.

**Keywords:** New Public Management, public administration, Algeria.

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## **Introduction :**

As a result of the significant changes that have affected all economic, political, social, and technological fields, administrative thinking has witnessed new developments and trends to keep pace with these transformations. Consequently, many countries have embarked on introducing structural and organizational reforms in government institutions and entities. These reforms have impacted all marketing, financial, and especially human resources functions, as human elements are the service providers and the reflective mirror of the effectiveness of these institutions (Lethbridge, 2004). Governments used to manage based on principles of political and legal sciences, which created numerous problems, such as poor performance, declining efficiency, bureaucracy, bribery, and administrative corruption.

From this backdrop emerged the concept of modern public administration, drawing ideas and principles from economic sciences and private sector management methods (Lamidi, 2015). It transferred management tools to public administration. Advanced countries that adopted the New Public Management (NPM) approach achieved remarkable success in transitioning from a means-oriented approach to a results-oriented one (Indahsari & Raharja, 2020). Algeria is one of the countries that attempted to adopt and implement this experience, given the dire conditions of the public sector and the failure of the policies followed in these institutions.

This compelled Algeria to undertake a series of reforms and changes based on the fundamentals of market economics. Hence, our study's problem unfolds as follows:

- What is the current state of modern public management in Algeria, and what are the challenges it faces? To address the study's problem, we divided the research into four main axes as follows:
  1. The theoretical foundation of modern public management.
  2. The current situation of modern public management in Algeria.
  3. The obstacles faced by the Algerian administration in implementing modern public management.
  4. Requirements for the successful implementation of modern public management in Algeria.

#### **I. The theoretical foundation of modern public management :**

After facing various problems such as bureaucracy and favoritism, public administration needed to improve its performance to align with the demands of the rapidly changing environment. This led to the adoption of modern public management as an approach to balance the principles of the private sector with the specificities of the public sector. The following points highlight the conceptual framework of this term:

##### **1. Origins and reasons for the emergence of modern public management:**

The emergence of modern public management can be traced back to the governmental reforms in Anglo-Saxon countries (such as the United States, Britain, Canada, etc.) following the oil crisis in 1973 and the subsequent financial crisis that affected many countries (Yliaska, 2015). These crises were the inevitable result of state interventions in economic and social activities, especially after the extensive destruction experienced by European countries after World War I and II. The criticisms of bureaucratic and highly centralized government bodies grew, as they were perceived as overly focused on means rather than results, lacking proper oversight, and neglecting the importance of outcomes, which resulted in increased public debt and financial deficits (Lawson, 2012).

"On the other hand, some countries like the United States had a strong liberal current that denounced the situation and called for adopting a results-oriented approach instead of focusing on means, reducing the state's intervention in economic affairs, and advocating privatization and introducing management into public policies (Teresa, Zsuzsanna, & Isabelle, 2007). These changes in public administration spread to other countries that faced similar problems in the public sector, seeking increased efficiency and effectiveness in this sector, cost reduction, rationalization of expenditures, and improvement of the quality of public services. This is an answer to the question 'What makes governments more effective and efficient?' The beginnings of the call for New Public Management (NPM) date back to the early 1970s (1968) in the

"Minnowbrook" conference in America when Dwight Waldo, a doctoral candidate in public administration, urged the definition of the future horizons of the field of public administration, its adaptability to challenges, and the responsibilities of public administration towards growing societal problems.(Teresa, Zsuzsanna, & Isabelle, 2007)

The emergence of the New Public Management movement is attributed to the rise of Margaret Thatcher to the position of Prime Minister of Britain in 1979, Ronald Reagan's election as President of the United States in 1980, and Brian Mulroney in Canada in 1984. This triad revolutionized the fight against bureaucracy through the reforms outlined in their electoral programs(Story, 2020). Simultaneously, the Organization for Economic Cooperation and Development (OECD) established the Public Management Committee (PUMA) and the General Secretariat of the Committee to promote modernization of public administration in member countries.

It is worth noting that the first academic research on the subject dates back to the works of researchers Hood (1991) and Aucoin (1990), where they considered NPM as a concise expression used by scholars and specialists to refer to distinct approaches and patterns of public service management that emerged in the past two decades, particularly in the United Kingdom, Australia, and New Zealand(Dion & Steven, 2016).

At the beginning of the 2000s, successful experiences in modern public management emerged, such as those in the United States, Britain, New Zealand, etc.

## **2. Concept and characteristics of New Public Management:**

New Public Management is one of the modern administrative approaches adopted by governments in response to external pressures to deliver effective performance and meet citizens' demands for high-quality services. We will now discuss its main concepts and characteristics.

### **- Concept:**

Before delving into the concept of New Public Management, it's essential to mention that this term came under various names such as New Public Administration, Public Management based on market principles, New Public Governance, Public Management, Government Reinvention, etc. Its definition can be summarized as follows: 'It is a system based on a set of requirements that begin with reducing the state's involvement in public administration and transferring management from private institutions to the public domain, relying on new production patterns such as goal setting and overall performance evaluation.(Peters, 2010)

The Swiss Dictionary of Social Politics defines New Public Management as: 'A general trend in managing public organizations that emerged in the early 1990s in Anglo-Saxon countries and gradually spread to most countries in the Organization for Economic Cooperation and Development (OECD). In contrast to the traditional approach to public

administration derived from administrative sciences and characterized by a legal approach to analyzing and performing public work, New Public Management draws on the economy and private enterprise management's essential concepts and tools. The aim is to address the imbalances faced by bureaucratic systems, particularly the difficulty of exercising real political direction over public organizations, as well as their weight and internal division.

(Pollitt, 2001) defines it as: 'An ideology that employs a set of approaches proven successful in the private sector to attempt to reform the public sector and improve the performance of government organizations.'

Bernrath defines New Public Management as: 'A set of innovative elements in managing public administrations, which require them to abandon the legal and regulatory approach and submit to economic logic by incorporating concepts of successful performance and quality.'

In summary, New Public Management can be defined as a collection of techniques adopted by public administrations to enhance their efficiency and effectiveness, drawing on the principles and philosophy of the private sector and market mechanisms to manage their facilities and better respond to citizens' needs."

#### **-Characteristics of the New Public Management:**

Academic research has addressed a set of characteristics that form the features of the transformation towards the New Public Management. These characteristics include(Dunleavy & Hood, 1994):

##### **1. Change in the Government Mechanism:**

The New Public Management relies on a radical change in the structural framework of the government. It involves restructuring departments and administration, establishing units to provide services, emphasizing decentralization of power and responsibility by granting authority to lower administrative levels. Crucially, it separates politics from service provision. The New Public Management also calls for changes in organizational culture, improving quality, responsiveness to customers, administrative participation, market-oriented mechanisms, and efficient resource utilization.(McLaughlin, Ferlie, & Osborne, 2005)

##### **2. Change in Management Style:**

The changes in management style encompass the following elements:

- Embracing private sector management practices in the public sector, such as total quality management, business process reengineering, cost reduction, and downsizing.
- Focusing on efficiency and effectiveness.

- Measuring outcomes rather than relying solely on controlling inputs, procedures, and systems.
- Encouraging privatization and contracting out public services, as well as competition in service provision.
- Delegating more authority to lower administrative levels through empowerment.

### **3. Reduction of the State's Role:**

This concept refers to reducing the state's role by incorporating the private sector into public institutions through privatization. It includes budget reduction programs, running services in a commercial manner, and easing governmental restrictions on economic sectors (deregulation).

### **3.Principles of the Modern Public Management:**

The modern public management is characterized by several principles that distinguish it from traditional administration, including(Aucoin, 1990):

- Changing the way citizens are treated and considering them as customers through a participatory model that involves citizens in administrative processes, understanding their needs, and introducing marketing culture.
- Separating strategic goals and decisions from operational objectives and decisions. This differs from traditional management, where political bodies were responsible for setting and managing the strategic goals of public organizations, affecting decision-making within those organizations.
- Emphasizing concepts previously overlooked by the bureaucratic school, such as efficiency and effectiveness to rationalize public expenditures and reduce costs. This philosophy sets limits on state intervention and aims to provide better services to citizens.
- Granting more authority to managers in decision-making, based on the principle of "let manager manage," achieved by empowering and delegating power to simplify procedures.
- Adopting market economy mechanisms and introducing competition between public institutions and between them and the private sector.
- Reducing centralization and adopting more flexibility in organizational structures, focusing on results and objectives rather than strictly adhering to legislative laws and regulations.
- The modern public management is built on the principle of differentiation due to the different environments in which organizations operate, even if they perform the same activities.

## **II. The Reality of Modern Public Management in Algeria:**

Like other developing countries, Algeria faces numerous problems in public administration due to historical, economic, and social factors. These factors have played a

significant role in shaping the management policies of the country's administration. The Algerian government has been working to improve the performance of its administrative system through various economic and legal reforms, aiming to align with modern public administration practices.

### **1. Bureaucracy in Algerian Public Administration:**

The emergence of bureaucracy in Algeria can be traced back to political and colonial circumstances during the Ottoman rule and French colonization. Algeria inherited an inconsistent administrative system, and despite efforts to combat bureaucracy since gaining independence in 1962, the bureaucratic management persisted. The Algerian government pursued several reforms, such as the 1966 Civil Service Law and administrative organization reforms in municipalities and provinces in 1967 and 1969. However, these reforms did not fully meet the social and economic aspirations required. (Shihmat, 2007)

In the 1970s, problems caused by bureaucracy came to light as citizens expressed dissatisfaction with the services provided by the state and the behavior of civil servants. The situation worsened after the 1989 constitution, along with economic crises in the 1980s and political unrest in the 1990s, which further deepened administrative problems. The Algerian government implemented numerous reforms to address these issues and improve the administration's reputation both nationally and internationally, especially as Algeria sought to form an open and cooperative society with the outside world to enter the market economy and achieve comprehensive development.

### **2. Subordination of Public Institution to Private Law Rules:**

Subordinating the economic public institution to market laws is considered an original concept in Algeria without privatizing public ownership. This is achieved through the adoption of new legal forms, such as the shareholding companies, which provide a different perspective on the relationship between the institution and its economic environment. This transformation does not involve divesting the institution of its administrative decision-making authority. The concept is divided into two main aspects:

- a) **Reforms of Economic Public Institutions:** This entails transitioning from central management to independence or administrative decentralization. The aim is to separate sovereignty from commercial activities, thereby transforming the economic institution into an independent entity, functioning as a shareholding company. It liberates the institution from central administrative control, preparing it for a new phase of economic reforms. The ultimate goal is to move towards a market-oriented economy.
- b) **Transformation into Shareholding or Limited Liability Companies:** Public economic institutions adopt the form of shareholding companies or limited liability companies. These new measures are referred to as "institutional autonomy" and represent another type of regulatory and managerial reform.

These economic reforms lay the groundwork for further changes in the economy, aligning Algeria with market-oriented economic strategies. After significant and continuous transformations, Algeria entered a new phase of preliminary reforms, paving the way for a market economy.

### **3. The Challenge of Transitioning to a Market Economy:**

During the period between 1990 and 1994, Algeria implemented profound and challenging reforms to accelerate financial reforms. These included the issuance of the Monetary and Credit Law in 1990, the establishment of the Stock Exchange of Tradable Securities in 1993, followed by the Legislative Decree related to Investment Guidance in 1993, and Structural Adjustment in 1994. Simultaneously, economic public institutions intensified their relations across various sectors, adhering to the principle of specialization and market-oriented supply and demand mechanisms (Dillman, 1998). This approach allowed them to manage commercial projects more efficiently, thereby establishing market-oriented reforms. However, certain obstacles prevented the smooth transition towards a market economy. The public authorities struggled to achieve a balance between macroeconomic and social interests and maintained state control over the financial sector to avoid the total collapse of the national economy. (Marah, 2000)

### **III. Challenges in Implementing Modern Public Management:**

Despite the importance of modern public management in achieving efficiency within public administration, its implementation in Algeria faces several difficulties, as follows:

#### **1. Organizational Challenges:**

The laws governing public administration pose significant obstacles to the implementation of modern management techniques. Public administrations are obligated to adhere to administrative laws that may contradict and conflict with the principles of modern public management. Additionally, outdated and inadequate legal texts do not align with the rapidly changing external environment, encompassing political, social, and economic developments.

#### **2. Lack of Competent Personnel:**

One of the most critical problems facing Algerian public administration is the shortage of competent and qualified personnel. There is a significant discrepancy between the number of inexperienced administrators and those with the necessary skills. Moreover, the absence of a clear training policy and regulations for developing and improving the competency of employees hinders progress.

#### **3. Financial Constraints:**

Financial difficulties obstruct the training process, stemming from economic crises and policies to reduce expenses. This impacts the ability to fund training programs and workshops effectively.

#### **IV. Requirements for Successful Implementation of Modern Public Management:**

To firmly establish modern public management in public administration, several key principles should be applied:

##### **1. Strengthening the Relationship between Citizens and Public Administration:**

Public relations play a crucial role in enhancing mutual understanding between institutions and their stakeholders. Properly managing and nurturing this relationship fosters transparency, trust, and cooperation. (Yaquoub & Al-Makki, 2017)

The concept of public relations as a behavioral and humanitarian indicator, with its meanings, principles, and objectives, is a general idea that should be applied at all administrative levels. If public relations are a necessary and essential organizational aspect for the management to improve its relationship with citizens, the reality in Algeria contradicts this. It is well-known that citizens have lost trust in the public administration due to the spread of phenomena such as bureaucracy, favoritism, nepotism, and regionalism, among others.

Public relations achieve two functions: building and evaluation and correction. Building aims to create an atmosphere of credibility between the administration and citizens, fostering mutual understanding, interaction, gaining trust, and cooperation. It also improves communication and participation to achieve the public interest. Evaluation and correction, on the other hand, attempt to rectify and address the problems that arise in the relationship between the administration and the public due to misunderstandings, lack of trust, and improper behavior of employees towards citizens.

To achieve these functions, the following principles should be applied:

1. Establishing new ethics that guide employees to act rationally and responsibly in their duties.
2. Reducing the negative cultural phenomena such as tribalism, favoritism, and nepotism.
3. Balancing professional confidentiality and the citizen's right to access information by promoting transparency in administrative processes.

##### **2. Improving Administrative Organization:**

Improving administrative organization requires achieving the following three fundamentals:

###### **- Reducing Centralization:**

Algeria's administrative organization relies on both centralized and decentralized approaches. However, the reality has shown an excessive centralization, which needs to be



alleviated. Reducing centralization involves preplanned coordination between central authorities and local communities, especially concerning development plans. These plans should be characterized by integration, compatibility, and clarity. Central supervision is necessary to ensure the alignment of these plans with the state's overall policies, as well as to monitor their progress, strengthen, reform, and avoid tribal control, which leads to prolonged and complicated procedures.

**- Avoiding Administrative Bureaucracy Expansion:**

The problem of administrative bureaucracy expansion occurs when there is horizontal expansion in the administrative organization, leading to multiple administrative levels. This can be avoided by:

- Controlling the process of supervision and guidance to ensure smooth flow of information from the base to the top of the organization and accelerate the transmission of orders and instructions from the top to the base.
- Reducing control bodies to avoid conflicting evaluation reports.
- Reducing committees and sub-departments to alleviate the burden on state expenses, especially in terms of salaries, without adding any real value in return.

**- Decreasing the Number of Employees in the Administration:**

In order to achieve effective governance, the Algerian state must reduce the severity of random and ill-considered employment practices that have been followed for many years. This has resulted in a huge number of employees without specific tasks. To address this issue, a sound managerial logic should be established to guide the employment process. This includes conducting a genuine and thoughtful assessment of the human resource needs and allocating employment based on objective criteria.

**3. Focusing on individuals within public administration:**

Employees are crucial and sensitive resources within public institutions. Thus, their management should align with the objectives of the new administration. It's essential for managers to acknowledge the psychological and social aspects of employees, as it influences their effectiveness. To achieve this, optimal and rational human resource management should be implemented by:

- Identifying human resource needs based on work requirements and recruiting efficient and committed employees.
- Prioritizing human relationships between employees, as success depends on cooperation, understanding, and satisfaction.
- Establishing a clear strategy that defines vacant positions, required competencies, responsibilities, and tasks.

- Enhancing the sense of belonging among employees and promoting social belonging.
- Providing suitable conditions for employees to prevent anxiety and instability.
- Maximizing individual potentials to achieve the administration's objectives.
- Facilitating communication between administrative units for quick information exchange and effective decision-making.
- Linking promotions to competence, paying attention to executives, and managing knowledge.
- Caring for salary and wage systems, linking performance to motivation to achieve job satisfaction.

### **Conclusion :**

In conclusion, applying management principles in public administrations is not an easy task. Although management has proven effective in industrial and commercial sectors, its introduction in public institutions sparked intense debates and discussions. Nonetheless, the application of modern public management has provided new impetus to improve administrative performance. Algeria, like other countries, is striving to implement these principles within the framework of adopting liberal policies, despite the profound problems faced by its public administration. To address this, corrective measures are necessary, such as implementing comprehensive human resource management, fostering a culture of organization in public institutions, and ensuring the state's active intervention in the evolution and improvement of public administration, not just limiting its role to regulation and guidance. It should also establish systems to determine performance criteria and measures, equip administrative bodies with effective financial and accounting tools through analytical accounting methods and management oversight, and ensure rational financial management and stringent financial oversight.

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