

NPM inspired health sector reforms and Bureaucracy:

Comparing Norway and Tanzania

Christopher Daniel Mtamakaya



Master thesis

Institute of Health Management and Health Economics

UNIVERSITY OF OSLO

15.05. 2008

PREFACE

For over a decade now a wave of political management reforms has swept through in the developed, transitional and developing countries. The roles and institutional character of the state and the public sector have been under pressure to be market oriented and private sector oriented. This plural version of the state approach most prominent in 1980s and 1990s became to be characterized as New Public Management. The central feature of this ideology is its prescription of a new public–sector focus on efficiency, structural devolution, disaggregation, competition, management principles and increased used of contracts. It is in the same vein Norway and Tanzania reformed their respective health systems between 1999 and 2005 based on a standardized prescriptions.

This study comparatively explores the reforms in the two countries in the context of the wider debate about the shift from bureaucracy to post bureaucracy. Preference for post bureaucracy is a characteristic of the discourse of the NPM. The focus of the study is on the control mechanisms which are expected to devolve to lower hierarchies after the structural reforms to reflect post bureaucratic organization. The study reported here does not confirm initial expectations that public organization have become post bureaucratic. The reforms appear to break with the stated aims of great structural devolution and delegation. New forms of control, management by contract and results have emerged replacing management by command. The resilience of bureaucracy is found to be attributable to a number of factors including its necessity to good public management; rationalization; the paradox of social action and a need of integrated perspective because Bureaucratic organization is not a panacea and the answer to all challenges of public administration. Public administration face different challenges, command different resources, and are embedded in different political and administrative traditions. Bureaucratic organization is part of repertoire of overlapping, supplementary, and competing forms coexisting in contemporary democracy, and so are market and network organization. Divergence and convergence of the reform processes and its effects is another prominent feature observed. Here, the environmental, polity and respective administrative culture factors are being held liable for such differences and similarities. Norway with sound economy, and a strong statist traditions, reformed late, non radically and reluctantly while Tanzania with an underdeveloped, donor dependent underfinanced system started earlier and the reforms where radical and took longer time.

ACKNOWLEDGEMENTS

This work would have not been possible without the contribution of numerous individuals. First and foremost to my sponsors, I am very grateful to the Letten foundation for awarding me a scholarship to study in Norway and, specifically to Professor Babill Stray-Pedersen for facilitating the award. The Institute of Health management and Health Economics at the University of Oslo in collaboration with, The Norwegian Institute of Urban and Regional Research and SINTEF for awarding me a grant to conduct this study.

I wish to express my sincere thanks to my supervisor Associate Professor Lars Erik Kjekshus. He was very crucial in getting the work off the ground and tirelessly providing very valuable guidance and support at every stage without which this work would not have been completed. Regardless of his very tight schedule he was able to find time to give me invaluable expert opinions.

I appreciate the efforts and readiness of my employers who agreed to grant me leave of absence and continued to pay my salaries which supported my family. Special thanks to my Professors at the institute for their technical inputs which were always encouraging and supportive. To my colleagues at the institute James, Kabebew, Adam, Yinhe Li, Cherry, Arna who helped me to adapt to the life of Oslo quite easily. I appreciate the efforts of Jacqueline Urrio, Sia Msuya and Paulina Roberts for their moral support.

Special appreciation to my Mom and Dad of blessed memory, without them I would not be where I am today, you remain my hero's. Last but not least, to my family: my wife Amina, lovely daughters Sheila and Dan who put up for with my long absence and were always supportive throughout. Their perseverance and prayers have eventually seen me through.

Table of Contents

1.	INTRODUCTION	6
1.1	WHAT IS THE NEW PUBLIC MANAGEMENT (NPM)?.....	7
1.2	THE ‘OLD PUBLIC MANAGEMENT’	9
1.3	QUESTIONS ABOUT THE RECENT REFORMS.....	10
1.4	THEORETICAL FRAMEWORK	11
1.5	CONCEPTUAL FRAMEWORK	12
1.6	MOTIVATION OF THE RESEARCH STUDY	13
2.	METHODOLOGY	15
2.1	METHODS	15
2.2	STUDY ANALYSIS AND LIMITATIONS	16
2.3	VALIDITY AND RELIABILITY	17
3.	BUREAUCRATIC ORGANIZATION AND THE THEORIES.....	18
3.1	INTRODUCTION	18
3.2	BUREAUCRACY, BUREAUCRATS, BUREAUCRATIZATION.....	18
3.2.1	<i>As an Instrument</i>	20
3.2.2	<i>As an Institution</i>	22
3.3	SUMMARY.....	25
4.	THE TWO HEALTH SYSTEMS AND THE NPM INSPIRED REFORM.....	26
4.1	INTRODUCTION	26
4.2	DEGREE OF NPM IMPLEMENTATION.....	28
4.3	ADOPTION AND IMPLEMENTATION OF THE REFORMS	29
4.4	THE NORWEGIAN HEALTH SYSTEM.....	30
4.4.1	<i>The reforms context</i>	31

4.4.2	<i>The Reforms</i>	32
4.5	THE TANZANIAN HEALTH SYSTEM	34
4.5.1	<i>The reform context</i>	35
4.5.2	<i>The reforms</i>	37
4.6	FINDINGS AND COMPARISON	41
4.7	SUMMARY	44
5.	NPM INSPIRED HEALTH REFORMS AND BUREAUCRACY: DISCUSSION	45
5.1	INTRODUCTION	45
5.2	BUREAUCRATIC MODEL ESSENTIAL TO GOOD PUBLIC MANAGEMENT	45
5.3	THE MASTER TREND OF HISTORY	49
5.4	UNINTENDED EFFECTS OF SOCIAL ACTION	51
5.5	A NEED OF INTEGRATED PERSPECTIVE?	52
5.6	THE REFORM CONTEXT	53
5.7	SUMMARY	54
6.	CONCLUSIONS	55
	REFERENCES	59
	APPENDIX	67

1. Introduction

For over two decades now a wave of public sector management reforms has swept through in the developed, transitional and developing countries. The role and institutional character of the state and of the public sector have been under pressure to be more market-oriented and private sector-oriented (Dunleavy and Hood, 1994). According, to Ferlie *et al* (1996), this has been a product of a number of factors, including the economic and fiscal crises of the state that called the post-war consensus on the active role of the state in the economy into serious question in developed economies such as the United Kingdom, Canada and Australia. The crisis in the Keynesian welfare state in the developed economies led to the search for alternative ways of organizing and managing public services and redefining the role of the state to give more prominence to markets and competition, and to the private and voluntary sectors. The focus of the states upon market discipline as the solution to the ills of the public sector promoted marketization as the most efficient and effective way of providing services while promoting responsiveness to individual needs and user choice in service provision.

This plural version of the state approach most prominent in 1980s and 1990s became characterized by different labels; ‘reinvention,’ ‘redesign’, ‘public sector reform’ and ‘the new public management (NPM) reforms’. The New Public management ideas of how to organize the public sector which are argued to work better and cost less (Osborne and Gaebler, 1992) have many facets and embrace a number of reform components. Segregation and Decentralization aimed at freedom to manage is one of the driving principles of the reforms. In practice it has meant decentralizing the management of public services by creating autonomous and semiautonomous agencies and delegating responsibility and resources to lower units within the public units (Pollitt *et al*, 1998). The main appeal of decentralization lies in the claim that it helps to deliver improved performance and empowers managers by giving them more discretion and freedom from political and bureaucratic control. In return to their new freedom and consistence with the shift from input to output based accountability, managers will be held accountable for their performance of their organization (Hood, 1991). Accordingly proponents of NPM have railed against bureaucracy in arguing for major reforms describing it as inflexible, rule bound and inefficient form organization. The bolder among them promised an end to bureaucracy as we

know it or banishing it or offered ways of breaking through or reinventing it (Barzelay 1992; Osborne and Gaebler 1992; Osborne and Plastrik 1997). They believed that bureaucratic organization is an obsolescent, undesirable, and non viable form of administration to cope with the tasks and circumstances faced and that there is inevitable and irreversible paradigm shift towards market or net work organization (Olsen 2005).

This study, inspired by an international tradition in public administration that is theoretically informed and empirically oriented that combines political science and organization theory (Christensen and Lægreid 1998 b; March 1977) comparatively explores the impacts of NPM inspired health sector reforms recently implemented in Norway and Tanzania. The study examines what has happened over time in respect to the Organization dimension (decentralization, shift to desegregation of units, agencies, lean management, fewer hierarchies, and process management) specifically looking if the reforms have managed to end, banish or reinvent bureaucracy or offer ways of breaking through bureaucracy as prescribed and predicted by reformers. The comparison is based on central bureaucracies' formal structures; administrative procedure and processes; and institutionalization of markets elements.

1.1 What is the New Public Management (NPM)?

A few observers have suggested that the term, New Public Management (NPM) is a misnomer. They argue that having been in the forefront of public management discourse for over three decades it can hardly be regarded as “new” today (Argyriades 2002). More controversially they suggested that to the extent that NPM undermines core public sectors values, it is not really about public management but an attempt to displace public administration as a distinct social science (sub) discipline and field of practice (Farazmand 2000). In spite of these criticisms, there is consensus today that NPM has made an important contribution to the public administration practically to all the countries. Des Gasper (2002) sums up the state of the art in his contribution to the many descriptions of New Public Management:

..... ‘the New Public Management ...emerged in 1980s especially in New Zealand, Australia and Britain and in sister form in the USA... they spread widely, especially in the 1990s, around OECD countries and from them to lower income countries, not at least in

Africa, partly through promotion by international agencies like the World bank, commonwealth secretariat and management consultancy group. At one stage NPM's proponents claimed to have intellectually defeated the older public management and to be in the process of replacing it... NPM has done a lot to shake up sleepy and self serving public organizations, often by using ideas from the private sector. To provide many options for trying to achieve cost effective delivery of public goods, like separate organization for policy and implementation, performance contracts, internal markets, sub contracting and much more. But has spread somewhat like a religion: it was assumed to be modern, relevant and superior, so there was no need felt to prove that it suits the case concerned; to query this was held to show that you were outdated and reactionary... By now, NPM has lost much of its gloss, as experience mounts. In New Zealand, in many respect NPM's furthest frontier, the costs of a too narrow approach to public management have been major and there is considerable backlash'.

New Public Management is shorthand for a set of broadly similar administrative doctrines. It captures most structural, organizational and managerial changes in the public services. To quote Pollitt (1993), it is a vision, an ideology or a bundle of particular management approaches and techniques. NPM is thus seen as a body of managerial thoughts or as an ideology thoughts system based on ideas generated from the private sector and imported to the public sector. It emphasise shift from traditional public administration to public management. The elements of the reform emphasised by different scholars and prospective public sector innovators differ but its key principles have been summarised as including the following seven main elements (Hoods 1991):

- A focus on *hands-on* and *entrepreneurship management*, as opposed to the traditional bureaucratic focus of the public administrator (Clarke and Newman 1993)
- Explicit standards and measure of performance (Osborne *et al* 1995)
- An emphasis on *output control* (Boyne 1999)
- The importance of shift to *Disaggregation and decentralization* of public services (Pollitt *et al.* 1998)
- A shift to the promotion of *competition* in the provision of public services(Walsh 1995)
- A stress on private sector style of management and their superiority(Wilcox and Harrow 1992);and

-
- The promotion of *discipline and parsimony in resource allocation* (Metcalf and Richards 1990)

1.2 The ‘Old Public Management’

If there is a New Public Management then there must be an Old Public Management. This paragraph intends to briefly highlight the ideas of earlier eras ‘traditional public administration’ and identify some of its main ideas which the advocates of NPM have been so keen in changing its patterns of governing. The Old Public Management, according to Osborne and Gaebler (1992), was rule driven governmentlocked up by rules and line items, and process driven routines. The underlying ideas were emphasis on *ex ante* and procedural control. The style of governance and administration was consistency with Weber’s ideas of bureaucracy. Max Weber asserted that a bureaucratic organisation was necessary for the achievement of organisational effectiveness and such organization should have the following characteristics:

- The organization is guided by explicit specific procedures for governing activities
- Activities are distributed among office holders
- Offices are arranged in hierarchical fashion
- Candidates are selected on basis of their technical competence.
- Officials carry out their functions in an impersonal fashion (Weber, 1947)

There is no doubt that the old style of public administration emphasizes a number of crucial principles for organizing public sector services that are challenged by NPM. Peters (1996) referred to them as ‘chestnuts’, an appropriate terminology, for that is what they are- the basics (table 1). Each of these ‘chest nuts’ represents an element of an administrative culture that took more that one century to be institutionalize them in industrialized countries and the antipodes. Because of this it required a profound form of administrative reform in each country. It took so long because the changes affected not only the public sector but also the educational and the political subsystems (Oluwu 2002). The underlying idea of the reinventors of the government or organization management was to change these crucial principles. For example, decreasing emphasis on *ex ante* and procedural control would be

balanced by increased *post ante* evaluations of results, creating more discretionary space to managers to add value to public services. Key arguments have been that the old or traditional way of governing society is ill coped with tasks and circumstances faced. A paradigm shift from administering and governing through bureaucracies and hierarchies competitive markets and cooperation has been diagnosed and prescribed (Dunleavy and Hood 1994).

Table 1: Old public administration chestnuts vs. the NPM doctrines

Old Public Administration	New Public Management
Apolitical civil service	Political and accountable management
Hierarchy and Rules	Markets are superior to markets, emphasis on contracts, not rules
Permanence and stability	Contractual management
Institutionalized civil services	Only small policy and a strategic centre required
Internal regulation	Internal regulation only for the rump of the services, not privatized or decentralized
Equality on Outcomes	Differential outcomes

Source: Extracted from Peters (1996)

1.3 Questions about the recent reforms

This study intends to examine the recent implemented reforms in the Norwegian health sector contrasting them to those in Tanzania. By scrutinizing the process and assessing what has happened over time the study attempts to make sense of the reforms and answer four specific questions:

-
- I. Have the reforms managed to end, invent or banish or break through bureaucracy?
 - II. Is there a paradigm shift from bureaucracy to post bureaucracy?
 - III. Is a bureaucratic organization an outdated, undesirable and non viable, unwanted form of organization?
 - IV. Do the national reforms processes of the two countries characterized by any similarities or divergence engendered by national differences in economic, environmental, cultural and political administration context?

1.4 Theoretical framework

There are various frameworks in the literature that can be used to explore the reforms, but there is no overriding theory that can capture all the key aspects, explain reforms process and effects in all situations, at all times and everywhere Pollitt (2004). This study will to a large extent seek to answer its research questions by revisiting Weber's analysis of bureaucratic organization and by using combined: structural, cultural and myth based approach (Christensen and Lægveid 2007) in explaining the reform process and its effects.

Advocates of reforms preached uncoupling steering from rowing to give service delivery and compliance agencies much more flexibility and autonomy (Osborne and Plastrik 1997). Such reforms will change the system and structure of the bureaucracy for effective management and will give an arm length performance contract between departments and agencies. The agencies will have more control over their resources to improve performance by using every tool in the reinventors' kit: contracting out, public versus private competition, accrual accounting, performance bonuses, group bonuses, activity based costing, total quality management, customer survey, one stop office and on and on. In bureaucratic systems, according to Osborne and colleague, government organization responds to new orders rather than to changing situation or customer's needs. The control strategy, decentralization and autonomy, intended to push significant decision making power down through the hierarchy. To shift the form of control used from detailed rules and hierarchical command to shared missions and systems that create accountability for performance. To empower organizations by loosening the grip of the central control agency, and to empower its employees by pushing authority to make decisions, respond to customers and solve problem down to those with frontline knowledge.

However the process of the reforms has not been the same everywhere. In some countries there might be a strong elements of diffusion from outside, where as in others the process of reforms might be a result of national or local initiative that have subsequently acquired NPM label (Pollitt and Bouckaert 2004). Thus the spread of NPM is seen as a complex process and context based with different countries following its own trajectory within the broader framework of NPM (Christensen and Lægreid 2007). The reform processes are not characterized by a simple instrumental view of organization decision making and change seen in administrative design: rather can be understood as a complex interplay of purposeful constrained by central and external factors. One set of constraints is represented by the historical –institutional context while the other by the environmental characteristics. Institutional perspectives focus on culture norms and values of the organization, frequently how to make them stable and robust during fundamental change.

For changes to happen both factors must be considered, the study will thus explore both the institutional and environmental factors in order to understand the reforms effects better. Three theoretical approaches are used here to help explaining the reform process and its effects: an instrumental approach emphasizing the formal hierarchical aspects of the reforms and health sector of the two countries, an institutional approach emphasizing the cultural features of the reforms, and an environmental approach discussing arguments connected to the characteristics of the political processes and policy types. Such approach will enable the study to explore unique contextual features of respective countries.

1.5 Conceptual framework

The analysis of this study will be aggregated at the national level. This is the level were policies are formulated and steered through to the lower levels, hence making it possible for the study to characterize what is typical of the respective country. However, to understand better the changes that have happened over time in terms of autonomy and control administrative processes at the micro level will also be described and explored. In terms of understanding why certain features prevails and how reforms have been implemented explanatory factors; the transformative approach is used to explain the reform process and results.

Bureaucratic theory suggests a set of theoretical ideas and hypotheses concerning the relations between organizational characteristics and administrative mentality, behaviour performance and change. Rationality is realized differently depending whether it is conceived as an instrument, institution or ideal. In comparing the change of organization forms of the two systems it is important to explore both the reform process and the environment. Here, the respective reform processes are examined in relation to their specific contextual features. This is because, according to Dahl and Lindblom (1957), an active policy encompasses both elements of political control and rational calculation. It assumes that the organizational form to be used is open to conscious choice, implementation, and control by central political administrative actors; second, it assumes a tight coupling between goals and means, which are fulfilled through different organizational forms; third, it assumes that different organizational forms have different effects; and fourth, it assumes that there are criteria that could be used to assess those effects (Christensen *et al* 2002). However, Olsen (1992) argues that fulfilling these assumptions is difficult in practice and there is always a leeway for politicians to influence the process. The changes anticipated in reforms processes are influenced both by the historical -institutional contexts, environmental factors as well as the reform it self. It can be concluded that reform processes are not to be characterized by a simple instrumental view of organization decision making and change, rather can be understood as a complex interplay of purposeful constrained by central and external factors. One set of constraints is represented by the historical –institutional context while the other by the environmental characteristics.

It is in this respect that in order to understand better the reforms, their effects and specifically how control has evolved over time the study will thus use the transformation approach.

1.6 Motivation of the research study

The catchphrase in the hands on professional management element of NPM is ‘let manager manage’. It recognizes that there is a need for professional management at the top and that who holds these positions should be given substantive responsibility for management- the achievement of clear specified goals – rather than being administrators whose primary function is administrating rules. The argument here is that accountability requires clear

assignment of responsibility, not diffusion of power. To realize such goal organization have been broken into 'corporatised units around products,' funded separately and 'dealing with one another on an "arm's-length" basis.' Being a health administrator myself and having just completed the NPM inspired reforms at my working place it has become important and timely for me to learn from others what have been experienced in terms of organizational control between centre and the lower hierarchies after disaggregation and decentralization, and find out if such experience travels well to the antipode.

The study will be structured as follows: First, some characteristics of bureaucratic organization are described together with those of New and the Old public administration. The chapter will also state the aims and research questions of the study. Second, the methodology and study design is described. Third, bureaucratic organization and some theories of organization will be revisited to enrich our understanding of the control mechanism in organizations. Fourth, the health care systems of Norway and Tanzania are described and analyzed in relation to the recent NPM inspired reforms in the context of the wider debate about a paradigm shift to post bureaucracy. Fifth, aspects of administrative dynamics and the viability of bureaucratic organization are explored and discussed in respect to NPM practices, highlighting positive implications of bureaucracy followed by conclusions in chapter six.

2. Methodology

This study uses a descriptive analytical qualitative technique to answer its research questions by examining what has happened over time following the recent NPM inspired health sector reforms in both countries, specifically exploring evidence of shift to post bureaucracy.

2.1 Methods

Most of the research on organizational evolution does not clearly distinguish between structure and values. As Hinings *et al* (1996: 889) suggest, although institutional theory implies a tight relationship between values and structure, it recognizes that structures may change without a proportionate change in values. In order to answer questions about transition to post bureaucratic organization it might be necessary to examine the shared understanding and culture or beliefs that underlie the organizational structure which play a role in constructing the reality of an organizational type (Feldman 1986). This study was not able to examine the values but looked into conformity of post bureaucratic characteristics of the organizations which can shed light of the shared values of the respective organizations. The characteristics of the organizations are unfolded by reviewing documents both published and unpublished.

The two countries, Norway and Tanzania, are used as comparative case studies in this thesis trying to answer the questions ‘*what*’ ‘*how*’ and ‘*why*’ has happened over time in the reforms in respect to the characteristics of the organization structure and control mechanism. Being a case thesis the study has a very theoretical approach to the research questions. The objective are achieved by reviewing secondary data i.e., Published and unpublished documents from respective countries, and by extracting descriptive statistics from exiting data bases. Analysis of the documents involved answering questions whether the documents referred to NPM inspired reforms, the stage of the reform, the stakeholders involved and the outcome realized. The bulk of the literature used is from international literature search and unpublished government documents. This case thesis study extensively use theory ‘*theory interpreting case thesis*’ to describe and interpret retrospectively the organizational characteristics developed over time with the reforms.

Electronic bibliography search was conducted from 1970s to 2008 using key words: organization, organization theory, bureaucratic, post bureaucratic, new management reform, public administration, decentralization, autonomy, health care reform and primary health care. The search cited over 2000 articles but most from developing countries and reforms in other areas. A combined search using the word 'in health', and 'in developing countries' found 50 articles which was used in this study.

But what is the underlying comparative design for the two countries with a mixture of different and similar national features? Focusing on comparative dynamics of the reform wave, the study, inline with the approach taken by Frensdreis (1983), will adopt the mixed system research strategy by combining most similar and most different system design

The main set of dependent variable is decision making behaviour connected to reform effects aggregated at national level specifically focusing on how the power of control has evolved over time with the reforms between the centre and the lower hierarchies. The independent variables in the study are; disaggregation, decentralization, deregulation, single purpose organization and institutionalization of market solutions. These are examined using the transformative approach with its three perspectives; an instrumental approach addressing the formal and hierarchal aspect of the reform, an environmental approach discussing arguments connected to the characteristics of the political process and policy types, and an institutional approach stressing the cultural features

2.2 Study Analysis and Limitations

In order to classify conformity to the reforms and compare the two countries the study has utilized a simple point system (see table 3) that is designed to give somebody an overview of implementation. A yes indicates specific adoption of that specific component of NPM; a No score indicates predominance of old traditional hierarchal model of public administration. However, as with all approaches where qualitative measures prevails, the proposed simplified classification suffers from certain weaknesses: the first is subjective nature of the judgments and assessment made, in particular with reference to interim situations, despite that they are based on official sources. The second regards the adopted method it self, that is, the decision to award clear cut marks to such complex phenomena as the contents of administrative reforms. Other limitation not associated directly with the

technique of evaluation includes; over reliance of secondary data may lack contextual specificity Validity of a pragmatic study; failure of the study to use other complimentary methods to the theoretical perspectives such as in depth interview and key informant interview; unavailability of literature from developing countries including Tanzania about the implementation and success of the reforms and when available the information was very old. Due to such limitation of information the study was restricted to using old documents and over reliance on authors' experience; and, as the framework for data collection differed between the studies, the information allows limited comparative analysis. Finding (see table 2)are however brought together to the extent possible, to illustrate how similar reforms intention may have similarities or different implications and outcomes in different context as the purpose is to discuss differences as well as common features of the reforms. Nevertheless, I believe the information available can provide a comparative overview of the reform implementation between the two countries.

The major finding of the study is non conformity to post bureaucracy characteristics despite: showing pronounced shift towards decentralised units; increasing dominance in principles of competition and, substantial dominance of process of performance management (see 4.7). Other findings include presence of both elements of divergence and convergence, and evidence of editing of the reform prescriptions.

2.3 Validity and Reliability

The quality of a study depends on its validity and reliability. Validity is defined as the degree to which the researcher has measured what he has intended out to measure (Kumar 2003:153) or as data relevance for the research question. That is to say, validity depends on the data appropriateness and validity for the research question. The reliability on the other hand says something about the consistency and stability of the instrument. The reliability then says something about the accuracy of the process measurement of data. Being an explanatory case thesis relying on literature to interpret and explain the reforms this study will rely on the result of combining the theoretical perspectives to the empirical evidences that have been used to illuminate the important aspects of the theory. Official documents on the other hand do not conflict with the reliability concept.

3. Bureaucratic Organization and the theories

3.1 Introduction

Organizations are systems of coordinated action among individuals and groups whose preferences, information, interests or knowledge differ. Organization theories describe the delicate conversation of conflict into cooperation, the mobilization of resources, and coordination of effort that facilitates the joint survival of an organization and its members (March and Simons 1993). A number of organization forms exist in contemporary democracies, one being bureaucratic organization (a focus of this study), but because public administration faces different challenges, command different resources and are embedded in different political and administrative tradition a single dominant organizational model may not suffice.

In order to understand more on organization dynamics, it is important to study both *organization consisting people* and *people in the organization context*. In that respect this chapter intends to review the bureaucracy theory as well as the instrumental and institutional perspectives along the way in order to understand and make follow up of the reforms effects and processes.

3.2 Bureaucracy, Bureaucrats, Bureaucratization

‘Bureaucracy’ is an overworked concept and often unclear one. It is, as Albrow (1970) has put it, ‘a term of strong emotive overtones and elusive connotations’. Albrow distinguishes seven separate though related modern meanings of the term. They include: for most neutral, a centrally directed, systematically organized and hierarchically structured staff devoted to the regular, routine and efficient carrying out large scale administrative tasks according to the policies dictated by, rulers or directors standing outside and above bureaucracy. Such staffs, as Weber rightly saw, tend to become rule bound, functionally specialized, elevating impersonality and *ensprit de corps*. But bureaucracy has also meant the opposite of organization efficiency and effective centralized control: red tape, slowness of procedure, reluctance to take decision, the unnecessary multiplication of people, rule and forms. The

term bureaucracy has also included in, but also contrasted with, the general concept of administration, sometimes seeing bureaucracy as a formal and impersonal mode of administration where administrators have become the real rulers, arrogating to themselves privilege, power and control, and thus prejudicing the liberties of ordinary citizens or the power of their nominal ruler(s). Not only administrative forms or staffs, but the whole societies have been described as 'bureaucratic' on that basis, some distinguish modern state centred and highly or pervasively administered societies from looser, more traditional and less rationalistic societies of the past. But quite often bureaucracy is used as a pejorative slogan, as well as a label for public administration or large scale organization.

Accordingly Max Weber, made bureaucracy an analytical concept decoupling it from the controversial context in which it emerges (Albrow 1970). And here the term signifies, an office or *bureau*: which is a centrally directed, systematically organized with hierarchies. Second, a professional, fulltime administrative staff with life long employment, organized careers, selected (not elected) to office and rewarded on the basis of their qualification (and not nepotism), merit and were compensated via a salary and pension. Third, a larger organizational and normative structure where government is founded on authority, that is, the belief in a legitimate, rational legal political order and the right of the state to define and enforce legal order. Binding authority is claimed through a fourfold rule bound hierarchal relation: between citizens and elected representatives, between democratic legislation and administration, within administration, and between administration and citizens as subjects of law' (Olsen 2005) Bureaucratization then refers to the emergence and growth of bureaucratic forms and not to the perversions and illegitimate extension of the power of bureaucrats'.

Bureaucratic theory thus suggests a set of theoretical ideas and hypotheses concerning the relationship between organizational characteristic and administrative mentality, behaviour, performance and change. One assumption is rationality and control are attributes of organization structure and that it matters how the public administration is organized or organizational forms can be deliberately developed. However, the interpretation of these assumptions depends on whether bureaucracy is conceived as an instrument, institution, as an ideal type or its approximations (Olsen 2005).

3.2.1 As an Instrument

Instrumental perspective considers organizations as tools or instruments of achieving societal goals or rational tools for executing commands from elected leaders. According to Christensen *et al* (2007), instrumental perspective in can be expressed in two ways, one, by the way organizations and their members acting with instrumental rationality in fulfilling and achieving desired results. This entails members of organization assessing the available alternatives according to their consequences and in relation to the chosen goals and making wilful choice between the alternatives. Second, instrumentality can be expressed in the structural design of an organization in accordance with means-end assessments which in turn determines how the members behave while carrying out tasks. Instrumental rationality can thus involve both the effect of organizational structure and the process whereby that structure is determined and formed (ibid).

In the instrumentally rational actions, organization goals - ideas about what they would like achieve or realize in future, are defined *ex-ante*. Problem solving implies actions that aim to reduce or eliminate the distance between desired and actual state of affairs which is achieved by *logic of consequences*. The instrumental rational action consists of: *goal or problem, alternatives- possible action, consequences (expectations) and decision making rules*. Organization will then asses possible alternatives based upon their consequences and choice made accordingly. The actions required to implement the tasks are also marked by their relation of logic of consequences where the organizational chooses between the alternatives, based upon rational calculations of possible consequences.

Instrumental rationality can also be the effect of formal structure of the organization. Organizing via the design of the formal organizational structure happens to varying degrees, through specialization and coordination. How the organization is specialized and coordinated can effect on the relation between position and subunits the organization is composed of, relations with the larger units of which the organization is a part, and relations with the other organization. The concept of full instrumental rationality which refers to an organization with clear goals and full overview of all alternatives is rarely realized in practice. Three reasons which are crystallized by the contribution of bounded rationality are elaborated below: one, organizations goals are believed to be diffuse, inconsistence or unstable and the problem it faces are complex. Because of this it often follows that the

organization chooses the best available alternative rather than the best. Second, Simon's (1947) work on organization efficiency introduced the notion *bounded rationality* departing from individual action in organizations, outlines an administrative man. As a contrast to the 'economical man', who is motivated by self interest and with full knowledge of all alternatives and consequences the 'administrative man' acts within the determinant structure but with incomplete knowledge of alternatives and consequences. Thirdly, is the contribution of the work of Scott (1981) who developed what he labelled rational organizational perspective. Basing on Simon's ideas about bounded rationality that linked individual to decision making, Scott argues on rational organization where organizations as instruments for goal achievement poses clear limitations on individual roles that is to say rationality at the organization level can be strengthened through structure features which both constrain and enable the organizational instrumental's action.

Dysfunctions of instrumental perspective (bureaucracy) can best be described through the seminal works of different scholars. Merton (1957) found that a fundamental failure of bureaucracy was its tendency to foster 'goal displacement'. Excessive adherence and conformity to rules and regulations resulted in rules becoming ends in themselves, and sometimes prevented organizations from achieving their goals. Additionally, members in bureaucracy often apply formal rules and procedures in unsuitable situations –for example in unique situation, treating them as routine-thus resulting in dysfunctional outcomes. Selznick (1947) discovered the phenomenon of 'sub optimization' in bureaucracies; i.e. delegation of authority resulted in organizational sub-units pursuing goals that were different from stated goals of the organization as whole. Burns and Stalk (1961) observed that highly bureaucratic organizations were resistant to change. A prevailing atmosphere of hierarchy, control, efficiency and predictability meant that organizational members favoured self-continuity and felt threatened by change. Such organization, were poor at innovating or embracing new ideas. Gouldner (1954) found that the 'govern according to rules' culture in bureaucratic organization led to the consequence of members following the minimum possible rules in order to get by. Thus it was problematic to obtain much more than minimally acceptable behaviour from members. Blau (1956) proposed that in bureaucratic organization, certain people who knew how to 'play by the rules', i.e. become gradually more powerful. Thus leaders tended to shift from the nominal leaders of these organizations, who did not necessarily know how to play the rules, to people who did.

However, scholars have also found that bureaucracy works well in certain contexts and the theory of bureaucracy has been used in a variety of context to analyze and understand organization in society (Eisenstadt 1968). One explanation of this is by conceiving bureaucracy as an institution. As Selznick (1957) asserted, the distinction between an organization as an instrument and as an institution is a matter of analysis not description. He further went on to argue that organizations are for coordinated action, but through time they are infused with values and become not just simple instruments that one can discard when the job is done but institutions, the theme of the following section.

3.2.2 As an Institution

Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures; including rules, norms, and routines, become established as authoritative guidelines for social behavior. It inquires into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse (Scott, 1981). Tom Christensen and colleagues distinguishes two forms of institutional perspective, a culture perspective that is the idea of institutionalized organization and a myth perspective which entails the idea of an institutionalized environment, focusing on the values and norms present in an organization.

The culture perspective has to do with informal norms and values that have accrued over time and become important for the activities of formal organization. American organization theorist Selznick (1949) provides a classic distinction between *the institutions* where informal norms grow gradually, in organic process and *the organization*, which has formal norms associated with the instrumental, tool like and 'mechanical'. Accordingly, when a formal organization develops informal norms and values in addition to the formal variety, it acquires institutional features, and one speaks of institutionalized organization. In this perspective organizations get infused with values beyond technical requirements at hand. Such features make the organizations more complex, less flexible or adaptable to new demands and also equipped with new and necessary qualities that will potentially help the organization to solve tasks more expediently and function well as a social integrated unit. (Christensen *et al* 2007).

There is a vast literature within the organizational theory that supports the socio-cultural perspective that informal norms and value can potentially have an instrumental side, that is informal norms and values can be useful. The Hawthorne studies provides an example of this, originally constructed as a series of Taylorist experiments in scientific job design, the classic Hawthorne studies (Elton Mayo 1933; 1939), ended up demonstrating the importance of social phenomena on human organization behaviours, including:

- The importance of informal social groups on increasing or limiting work place motivation and performance;
- The relationship between groups' standards and broader societal norms, customs and routines;
- The importance of relationship with supervisors; and
- That simple communication and interaction with workers can result in increased motivation and performance (the famous Hawthorne effect).

Other examples include the work of Roethlisberger and Dickson (1939) who highlighted certain unique characteristics of the human factor in organization which mitigated against standardized, mechanistic approaches; Maslow's (1943) hierarchy of needs and McGregor's (1960) Theory X and Theory Y. These studies also demonstrated the divergence between how things were supposed to function and how things actually worked in practice. They have documented the importance of human agency, resistance and innovation in every bureaucratic functioning.

The foundational logic of action tied to organizational culture perspective is labelled the *logic of appropriate behaviour or appropriateness*. This logic means that, when acting in public situations, members of the organization will not act primarily rationally according to the formal rules and norms of the organization or out of self assessment of possible consequences of actions. Instead they suggest that members will engage in matching, whereby rules for action are deployed in order to link situation and identities (Tom Christensen *et al* 2007). Matching situation and an identity may have various origins. These include: learning from experience (knowledge of in which situation one should activate various rules and identity); categorization (development of complex categories or 'mental maps' for rules and identities); proximity of time (reuse of recently used identities and rules); decontextualization (experience of others of same oneself situation) and contextualization (experience and models from other organization of similar culture). The

logic of appropriateness clearly brings benefits because complex action stimuli are responded to with standardized, almost intuitive actions.

On the other hand the myth perspective organization must try to incorporate and reflect their norms outwardly, even if they do not make their organizational effectively (Christensen *et al* 2007). Through this process organizations become similar to one another, at least on surface. These socially created norms in the institutional environment, myth, when adopted can either produce or fail to produce the instrumental effect

Changing of organizational culture

The significance of organizational culture often becomes apparent when organization goes through a process of reforms and reorganizations particularly if these processes threaten dominant informal norms and values. A pertinent example is the cultural hostility to reforms posed by NPM ideologies in countries with a strong and all concept of the state such as Norway and Tanzania. In other studies of organization culture notably from the business school culture one find a different perspective. Here it is often claimed that organization culture can be designed or created deliberately, that is , culture are things organizations have, variables leaders can manipulate to achieve desired results, for example see Osborne and Plastrik (1997, pg 43). Having a central notion of path dependency this is a typical instrumental perspective in the development of organizational culture. The cultural perspective raises problems for such simplistic approach to the coordination and control of work as well as the implementation of organizational change. Members of organizations are reflective, responsive human being embedded in networks of social relations rather than simply part of organizational machinery or completely rational economical individuals. Therefore, they cannot be expected to simply comply with new policies and procedures and may not respond as anticipated to changes in an incentive structure.

3.2.3 As an ideal type

As an ideal type bureaucracy has clear characteristics, precondition and effects as shown in section 4.2. Olsen (2005) suggests that practice at its best approximates the ideal type but public administration is never a fully developed bureaucracy. Weber (1978, 1002) wrote... ‘one must keep one’s eye on fluidity and the overlapping of all these organizational principles. Their pure types, after all, are considered merely border cases which are special

and indispensable analytical value and bracket history reality which almost always appears in mixed form'. According to Weber there are fluid and overlapping organizational principles and the functioning, emergence, growth and consequences depends on a number of factors. These include beliefs in legitimate order; the human factor as guided by culture, utility, affinity and traditions; how often and under which condition do bureaucrats comply with the rules; capacity and incentives of the bureaucrats to follow the rules; motivation to the bureaucrats; ability of leaders to give direction and availability of resources; and, the attitudes of the masters controlling the bureaucratic machine. Yet, according to Olsen (2005), incentives and socialization mechanisms could not be expected to be perfect, and elected leaders could lack the knowledge and authority to direct and control administration promoting contradictions or morally dubious objectives. As a result there is always a potential of conflict between bureaucrats, elected officials and citizens and the causal command to actual compliance could be long and uncertain as Weber said....' the final result of political action often, no even regularly, stands in complete inadequate often even paradoxical relation to its original meaning'

3.3 Summary

Making sense of contemporary public administration, then, requires an understanding of the complex science of relationship of institutions, actors, rules, values, principles, goals, interests, beliefs, power and cleavages in which it operates. Administration is rarely provided with clear and stable of failure and success. Different people are likely to have different opinion of what a good public administration is. Weber for example, emphasized the technical superiority and the procedural rationality of bureaucracy, in contrast to the assertion that the bureaucratic organization is undesirable and should be replaced by competitive markets and power sharing networks. Bureaucracy here is assessed instrumentally, based on the expected contribution to realized predetermined goals and the governing in which bureaucracy is founded (Olsen 1997). A complication is that the functionally best solution is not always politically or culturally feasible and vice versa (Merton 1938).

4. The two health systems and the NPM inspired reform

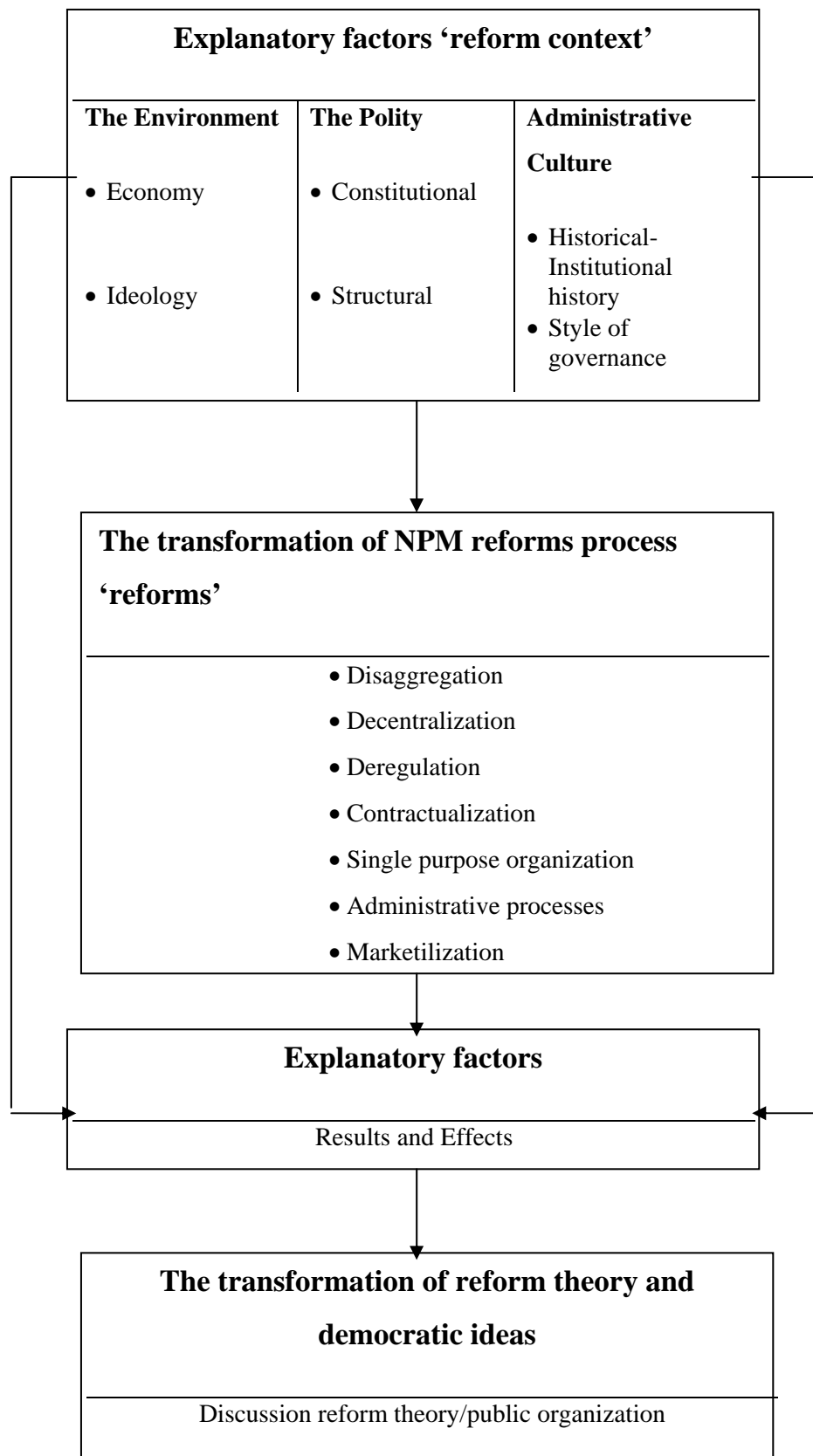
4.1 Introduction

In chapter one, NPM was defined and the perceived shortfalls of the 'old era' were stated. These introductory remarks were meant to form a base on which NPM perspective could be used as a background to the description and analysis of the recent health care reforms in Norway and Tanzania. This chapter intends to describe and analyze the recent NPM inspired reforms of the two health systems using the transformative approach. The empirical basis of the study is mainly drawn from literature with compliments on author's experiences of working in the Tanzanian health sector.

The main set of dependent variable is decision making behaviour connected to reform effects aggregated at national level specifically focusing on how the power of control has evolved over time with the reforms between the centre and the lower hierarchies. Disaggregation, decentralization, deregulation, single purpose organization, processes and institutionalization of market solutions define the independent variables in the study. These are examined in the context of environmental characteristics, polity and the historical-institution features, the transformative approach.

The assumption is that the explanatory factors in transformative perspective may transform NPM ideas. Through the complex mix of external economic and ideological factors, internal polity features and policy and national institutional context the NPM reforms are transformed through a change process. Reforms ideas and solution are partly affected by situational factors and through national administrative policy constrained by polity features and culture and tradition. Figure 1 outlines the study analysis model; discussion on the findings is conducted in the next chapter.

4.2 Figure1: The Module of Analysis



Source: adapted from Christensen and Lægreid (2001)

4.2 Degree of NPM implementation

For over two decades now the New Public Management perspective has been the predominant interpretation of any reforms undertaken in the public sector. Key elements of the perspective include disaggregation and decentralization management within public sector (e.g. the creation of autonomous agencies and devolution of budgets and control), increased use of markets and competition in the provision of public services (e.g. contracting out and other market-type mechanism) and increase emphasis on performance, output and customer orientation. The recipe of NPM elaborated here is based on the influential work of David Osborne and Peter Plastrik (1997), *banishing bureaucracy*. David and colleague present a narrative of how public systems and organization can increase *efficiency, effectiveness, adaptability and capacity to innovate*. Osborne and Plastrik sketches out five strategies of which the system and the structure of bureaucracy would have to change in order to attain this. This study will adopt these strategies as an intentional effort to change and make it a requirement that the reform must contain some of the criteria in order for a reform to qualify a label of NPM inspired reforms (see table 3 for compliance), their prescribed strategies are:

- The core strategy. Determine the *purpose*, Separate “steering” (policy and regulatory) functions from “rowing” (service delivery and compliance functions).
- The consequences strategy. Determine the *incentives*, create consequences for performance e.g. putting public organization into marketplace and make them depend on their customers for their revenues or contracting out to create competition between public and private or public and public organizations
- The customer strategy. Focus on *accountability*; shift some accountability from elected officials (whom they claim are under constant pressure to respond to the demands of interest groups) to customers.
- The control strategy. Determines where *decision making lie*, Push significant decision making power down through the hierarchy, and at times to the community to empower the organization(line managers) by loosening the grip of the central control. It will shift the form of control from details rules and hierarchy commands to shared missions and systems that create accountability for performance.
- The culture strategy. Determine the *culture of the organization*, the values, norms, attitude and expectation of employee should change. This is shaped by the organization purpose, its accountability system, its incentives and power structure.

4.3 Adoption and implementation of the reforms

There are different schools of thought regarding to the adoption and implementation of the NPM reforms. Christensen and Lægreid (2007) illuminate two possibilities, first, as a result of national and local initiatives that have subsequently acquired a NPM label and second, as a diffusion of ideas from outside contingent to the national historical institutional culture context. This environmental determinism (Olsen 1992) can be of two kinds. In the first instance a country may adopt internationally based norms and beliefs simply because these have become the prevailing doctrines. Such reform ideas create pressure for similar reforms and structure changes elsewhere in what they describe as a diffusion process. In the second instance, NPM may be seen as an optimal solution to wide spread technical problems and is adopted to solve problems created by a lack of instrumental performance or by economical competition and market pressure. In this instance NPM reforms are adopted not because of their ideological hegemony but because of their technical efficiency.

The other view that holds about reforms is that they are primary the product of the national institutional context. Different countries have different culture traditional and that there reforms are 'path dependant', that is, have unique features (Selznick 1957; March and Olsen, 1989). This view stresses focus on the traditional context, norms and, values that have a major impact on the institutional features of organizations. The national culture serves to make the reforms stable, integrated and robust to fundamental changes (Krasner 1988; Selznick 1957) or incompatible. Reforms may have norms and values that are highly incompatible with the traditional cultural norms and values of the political administrative systems of specific countries, resulting into difficulties in integration.

The case of Norway

4.4 The Norwegian health system

The organizational structure of the Norwegian health system is built on principles of equal access to services: all inhabitants should have the same opportunity to access health services, regardless of social and economical status and geographical location (European Observatory on Health Systems and Policies, 2006). To fulfil this aim, the organizational structure has three levels that mirror political tiers: the national/state level, the four health regions and the municipalities (see appendix 3). While the role of state is to determine national policy, to prepare and oversee legislation and allocate the funds, the main responsibility for the provision for the provision of health care services lies with the four health regions for specialist care and the 431 municipalities for primary health care (which includes nursing care), and dental care at the 19 counties. At national level, the parliament (Stortinget) serves as the political decision-making body. Overall responsibility for the health care sector rests at the national level, with the Ministry of Health and care services. The ministry of health and care services outlines national health policy, prepares reforms and proposes for legislation, monitors their implementation and the assists the government in decision making. The ministry has administrative responsibility for the following subordinate's agencies: the directorate for Health and social affairs, the board of health, institute of public health, the medicines agency, the radiation protection authority, the patient register and the biotechnology advisory board.

Prior to the 2002 reforms, the Norwegian health care sector could be characterized as a decentralized version of the National Health System(NHS) model (Rice and Smith,2002): funding was tax based, the main actors were public, and compared with the British NHS, local, and county governments had significant role in health care decisions. The institution set up is in the same vein as the health care system, with three geographical and functional levels: the state, the counties, and the local levels. According to Hagen and Sorensen (1997 as quoted in Midttun and Hagen 2006), the scope of services devolving to the local level has increased substantially over time. It was hoped that through decentralization it will be possible to lessen bureaucracy, improve management and enhance user information and give more power to the lower hierarchies.

4.4.1 The reforms context

Norway had been seen as a reluctant reformer (Olsen 1996). According to Christensen (2003) possible explanations include: environmental pressure was weak, their Rechtsstaat (juridical state that exercises power under the law) culture and strong egalitarian norms were less compatible with the values of NPM, there were more obvious constitutional obstacles, and parliamentary conditions, often characterized by minority coalition government, made a radical reforms strategy difficult to pursue. Until 1990s major public domains were organized as central agencies or government administrative enterprise. However, by mid 1990s greater structural devolution was becoming common in public administration. The reforms consisted of internal delegation of authority to the agencies and external structural devolutions through the establishment of state own companies. These single purpose models have been increasingly replacing the former integrated civil service (Christensen and Lægreid 2001a, 2001b). Central control, however, has been comprehensive, and the governing system is therefore best described as centralized. Implementation and adoption of reforms in Norway can be described to follow the Myth perspective, socially legitimized recipe in the institutional environment for how to design part of organizations. In this instance a country may adopt internationally based norms and beliefs simply because these have become the prevailing doctrines. Such reform ideas create pressure for similar reforms and structure changes (Christensen and Lægreid 2007).

In the health sector, hospital reforms were also implemented as an inspiration from the NPM. The focus was how to make them efficient by introducing business model and steering framework as a main political control device (Lægreid *et al*, 2005). The introduction of the enterprise model can thus be seen as part of the larger shift in the Norwegian public administration which can be argued to be an ideological shift towards neoliberal and private sector model with an introduction of most popular organizational form of the time. Within the health sector (hospital reforms), Norway was pursuing other NPM reforms parallel to the hospital reforms. Principles of unitary management were introduced together with quasi markets and performance measurements models through principles of free patient's choices. Other reforms include, the activity based funding system based on diagnosis (DRG) and a more comprehensive and transparent quality control system (Byrkjeflot 2004). The

development in Norway reflects to some extent the broader effort throughout Europe to incorporate NPM principles in governance of health care.

However, the Norwegian case is not just pure market and management model as it doesn't represent a privatization of the hospital sector and does not go very far in promoting market mechanism. This according to Christensen and Lægreid can be explained in the light of Norwegian historical context of '*state perspective and professional perspectives*'. 'What we see is a decentralized company structure of managers and health enterprises with delegated responsibilities constrained by professional stewardship and integrated into system under tight executive control and instruction from the central', concluded Opedal and Rommetvedt (2005) cited in Lægreid *et al*, (2005).

4.4.2 The Reforms

Norwegian Health care reform plan which took effect from 2002 and fulfills the requirements of being a reforming organization inspired by NPM ideas. Independently, (OECD 2003; Byrkjeflot 2005; Lægreid *et al* 2005; Hagen and Kaaboe 2006) report that; the reforms transferred the responsibility for public hospitals from the counties to the central government. Five regional health enterprises were established and which in turn have organized hospitals under local health enterprises. These local enterprises are separate entities of varying size and geographical spans. Both the regional and the local enterprises have their own executive boards and managing directors. The minister of Health however appoints the boards of the regional enterprise and the directors of the regional enterprises and the board of the enterprises are appointed by the regional board. The health sector reforms is something of a hybrid, prescribing both centralization by transferring ownership from the region level to the central government, and decentralization, autonomy to the sublevels of the health enterprise.

The reforms were intended to enhance coordination and efficient utilization of resources and ensure equity of access to health services for citizens in all parts of the country as a remedy to a number of perceived problems of the health care system. The prevailing arguments include; increased use of resources combined with continuous financial strain. This was compounded by blurred division of overall responsibility between the counties and central

government because although the counties were owners but in practice the central government had overall responsibility. Second, the development of profession specialization of medical health which needed organization of patients across counties and thirdly, the variation of the services offered between counties. Fourth, the counties executed their ownership in different ways. Some practiced management by objectives whereas others exercised detailed control vis-à-vis the hospitals. To fulfil these goals a stronger central government control and responsibility combined with clear defined goals for the enterprises and increased operational responsibility was needed as policy instruments, Per Lægreid *et al* (2005). No changes were introduced in the system of funding, which combined block grants and activity based funding from the central government to the regional which in turn allocate to the local enterprises.

Accordingly, centralization of ownership was aimed at increasing steering, in order to deal with what was seen as unclear division of responsibility, different and ineffective use of financial resources, disparate access to health in the population, increased politically interferences at the regional level and lack of professional administrative leadership. On the other hand, decentralization also changed the organization form of the hospital from public administration entities to become parts of health enterprises with the new pattern recognizing the ministry of health as owner. In this new set up the ministry of the health who is the owner of the hospital control the enterprise at arm's length.

The new strategies for enhancing control include, appointing the regional board members the majority of whom are employees. Second, the ministry exercises control through the Health enterprise act, through article of association, through steering documents (contracts), and through decisions adopted by enterprise meeting (Opedal 2004). Third, the state finances most of hospital activities and the central government thus controls them by allocating funds to the enterprises. Fourth, through a formal performance monitoring system this includes a letter specifying tasks and objectives. Through the extensive use of contracts, political leaders are supposed to specify targets and objectives clearly, and controlled is being using quantitative indicators for monitoring results and measuring efficiency, Per Lægreid *et al* (2005).

In summary, the Norwegian health care reforms was adopted as Myths, socially legitimized recipe in the institutional environment for how to design part of organizations. The

purpose of organizing hospitals as enterprises was to decentralize the management process, producing more efficient management, improve access to information and delegate financial responsibility within the health policy objectives. Through structural devolution, the intention was to achieve less bureaucracy, an improved ability to manage and enhance user information. Despite being able to uncouple steering from rowing considerable amount of decision making power still remains at the top of the hierarchy. For example, the minister of health, in theory, can instruct the regional health authority and overturns board decisions through a number of steering devices (OECD 2003). The health enterprises management options and flexibility are constrained by detailed policy framework and as a result they continue to responding to orders rather than changing situations. Managers still find it wise to wait for signals from above rather than act as institutional entrepreneurs (Byrkjeflot 2005). The reforms have not managed to significantly push the decision making power down through the hierarchy. The Norwegian state now rules the hospitals both by indirect means (quality and performance control, activity based funding) and through directives. Consequently, the reforms appear to break with the stated aims of great structural devolution and delegation aimed at loosening the grip of the central control as the study have shown that control is still exerted in a different way.

The case of Tanzania

4.5 The Tanzanian health system

In Tanzania responsibility of providing health care is split between the ministry of health and the ministry of local government although the technical ministry remains the ministry of health and social services. This because the ownership of the hospitals is divided between the two ministries with the ministry of health owning the consultant and regional hospital while the ministry of local government takes responsibility of the district hospital and other lower level health care facilities. However the aims remains the same, an equitable, quality and affordable basic health services which are gender sensitive and sustainable, delivered for the achievement of improved health status. To fulfil this obligation the organizational structure has three levels, the National, Regional and district (local authorities). The Tanzanian health system(see appendix 4) is organized in a referral pyramid form, starting from the village level, where there are village posts; ward level where

there are dispensaries; divisional level, where there are health centres; district level, where there are district or district designated hospital; regional level, where there are regional hospitals; zonal level, where there are referral/consultant hospital and national level, where there are national and specialized hospitals (MoH 2003).

At the national level, the ministry of health administers and supervises the national hospitals, specialized hospital, training institutions, executive agencies and regulatory authorities. At the regional level provision is vested to the regional administrative secretary with technical assistance of regional health management team (a team of health experts from different fields at the regional level). And, at the district, management and administration has been devolved into district through their respective council authorities (under ministry of local government), health services boards, facility committees and health management teams.

The ministry of health as a technical ministry is the overall responsible for health pertaining matters in the country. It outlines national health policy, prepares reforms and proposes for legislation, it assists the government in decision making and monitors their implementation. While the ministry has administrative responsibility for the subordinate's agencies and national hospital, the regional and district authorities are responsible in their respective levels. Before the 2000 reforms, the Tanzanian health sector could be characterized as a semi centralized version of the NHS model with the central government and local government sharing the ownership of hospitals; funding was tax based, the main actors being public with local authorities having a significant role in health care provision. Reforms has brought aboard a number of players including for profit and not for profit private organization, while the insurance schemes and co payments have supplemented the financing of the health care.

4.5.1 The reform context

Tanzania is one of the poorest countries in the world. A little more than a half its citizens live on less than US \$ 0.70 a day. A life expectancy of 51 years and health expenditure of \$8.00 per person per year are among the worst in Africa (UNDP 2001). Most major health

problems are caused by poverty related diseases such as Malaria, which could be controlled or prevented by public health interventions. Communicable diseases have resurged and the current HIV/AIDS prevalence of 5% looks set to decrease the domestic product by 15-20% by 2010. The health sector is pitiful under resourced with current level of finance by the government meets only one third of the requirements of the public health system (Brown 2000). The infrastructure is poorly developed and the intended referral system is often bypassed.

Health care reforms initiatives in Tanzania are not new phenomenon with the current reform wave being the fourth since independence in 1960. Reform waves started in the post independence era , 1960s, when efforts were aimed at moving the health sector from curative to preventive and health services. The impacts of these early initiatives became clear in 1970s (MoH 1998). The Primary Health Strategy Care 1970s-1980s, represented a very ambitious period for health sector development, with emphasis on rural infrastructure development and training of manpower. However, the economical slump that ravaged the country in the 1980s adversely affected the health services and reversed some of the gains from the previous decade. Despite an extensive network of health facilities across the country, the quality of services deteriorated and affected people's health status adversely. The country started to experience drug shortages, dilapidated infrastructures, and inadequate services. It also became clear that the management of health services and lines of authority and responsibility did not figure well for a system geared at providing equitable health services. In late 1980s, the government resolved to reform all sectors in order to improve efficiency and accessibility of services to the communities. The government embarked on a process of fundamental change in policy and institutional arrangements, but it was not until 1994 that health sector reform document was approved by the government (MoH 1994 b). Being a donor dependent country the Tanzanian government is far from being autonomy in policy formulation. Donors who fund more than 50% of the total health spending (Alice Shine 2003) must viewed in the wider context of (shifting) opinion among the influential. As suggested by Mogedal and Steen (1995), the health reforms in African countries including Tanzania, are not initiated by the usual agenda setting model but founded and pursued by donors i.e. environmental determinism.

Politically, Tanzania has been led by a single left wing part since gaining its independent 45 years ago. Despite changing leadership in two occasions and the introduction of multi-party

democracy in 1995 the same party has remained in power to date. In that respect the country has had no major political ideological shift and has always been promoting equity, fairness, justice and to a certain degree, participation. This was reinforced in 1967 by adoption of Arusha declaration which declared free health for all and that the means of production were to be owned by the government. Subsequently in 1977 a law was passed that prohibited practice of medicine for profit (private for profit). Because of this health care has until recently been regarded as public commitment, to be provided by the government free of charge. However, such policies were inadequately implemented and financed due to a number of reasons including world economical recession in 1980s leading to economical crisis and subsequent reforms to increase resources and efficiency in health care provision.

4.5.2 The reforms

The current Health Sector Reforms (HSR) reforms in Tanzania took effect from 1994(MoH 1994a) and was aligned together with other sector adjustment reforms in 2000. The changes consequent to health sector reform involved re-defining priorities, refining policies, and reforming institutions through which those policies were to be implemented. The reform herald a change in roles. The ministry of health is now mainly a facilitator (at least in paper) and a key player in policy formulation, legislation, regulation and quality control. One of the most fundamental changes was devolution of power to the districts and introduction of alternative sources of funding and incorporation of different actors in the health sector (MoH 2000). The affiliation form of the consultant hospitals was changed from that of a public administrative body to a health enterprise. As in other in developing countries the reforms in Tanzania were adopted largely due to external pressure and an ailing economy as a solution to an escalating cost in health care, budgetary deficiencies, inefficiency health system and changing public expectation (Cassels, 1995a).

Overall, the goals of the health sector reforms were (MoH 1994):

- To improve health status and consumer satisfaction by increasing the effectiveness and quality of services
- To obtain greater equity by improving the access to the disadvantaged groups to health care

- To obtain greater value for money (cost effectiveness) from health spending by considering improvement in both the distribution of resources to priority activities (allocative efficiency) and the maximization of output from a given set of inputs (technical efficiency).

The major contents of the reforms incorporated systematic, programmatic, organization and instrumental levels of its systems, specifically (MoH 1994b) it included:

- a) Ideological reforms which involved changing the role of the central government to that of a facilitator in the provision of health care rather than being a provider and abandoning the principles of free health care services for all
- b) Organizational reforms which included changes in administrative structure through the creation of autonomous professional council and autonomous district health boards and, support of the community health care based activities. Also, legislation of the executive agencies act which will allow the establishment of executive agencies of the consultant hospital to render services autonomously; functional review of the MoH planning and financial budgeting, training of workers and establishment of new promotion schemes. The major policy changes in HSR were decentralization by devolution by transferring power from the central government to the local authority which manages the districts.
- c) Managerial reforms which included transferring the management of health services and the district hospitals to local authorities, a decentralized scheme for the post of District Medical officer(DMO) 'in charge of health services in the district', changing in the way of appointment(posts to advertised and appointment follows competition) and establishing an appropriate accounts to access funds for health care.
- d) Public private mix reforms which included legalization of previous banned private practitioners as well as fostering the partnership existing among public, faith based organization and private for profit organization.
- e) Establishment of the client charter, a social pact between the MoH as a facilitator of health services provision and receivers. The role of the client service charter is to provide quality health services that meet clients' satisfactions. The MoH was to help clients to understand the services delivery commitments, mean of

communication, ways of achieving the service standards means of correction of mistake done and how to claim their rights.

Decentralization and autonomy can be said to be the major theme of the HSR in Tanzania. The decentralization took in three domains; political, financial and administrative (Local Government Reform Component, 1996). Political decentralization devolved decision power, to regional and the district council. The districts were given sole power to plan, prioritize and allocate resources (Districts are administrative geographical areas with a population size between 50,000 and 500,000 depending on the part of the country). The role of the central government remained that of a policy maker and facilitator. Formally, the vertical health programmes were also decentralized and integrated to the local councils. The highest authority was vested to the district council and district health boards. Financial decentralization was to enable the council levy local taxes to meet their obligation to render social services to the community. Central government was obliged to give grants to local government with a specified amount of money to run the social services. Government were to top up funds from local sources and alternatives sources to finance the health services. i.e. cost sharing, and establishing health insurance. Administrative decentralization was to decouple the local government staff from their ministries.

As it was in the case of Norway the organizational change also necessitated alternative means of control. Similar methods can be seen here, the ministry of health appoints board members to the health enterprises. The enterprise also sign contract with the parent ministries on how to manage the services. At the district and regional level board members are elected from the general public with direction from the ministry. Funding through block grants or national insurance also dictates how the services are to be provided and is linked to performance. The client charter service is available by law to all hospitals acts as a watch dog on the quality of the services provided. Another source of control in Tanzania is associated with the impact of competitiveness, outsourcing and contracting on public employees. From late 1990s there has been significant reduction in public sector workforce after outsourcing and retrenchment. This creates a sense of powerless and is often associated with work intensification as the reduced workforce seeks to deliver same level of services. This fear associated with job insecurity is a subtle form of control which denies

empowerment and trust (Burgess and MacDonald 1999). Also important is the greater reliance of on performance management such as performance appraisal and peer review.

In summary, the health sector in Tanzania have to a great extent recasted the arguments coined by Osborne and Gaebler (1992) that to solve the management problem governments should separate service delivery and compliance functions from policy focused departments that housed them- to separate steering from rowing. Second, it should give service delivery and compliance agencies much flexibility and autonomy. And third, it should have to hold those agencies accountable for results, through performance contracts and hence fulfilling the study's requirement for a sector to have been reforming based on NPM ideas. The reforms managed to a bigger extent to copy and use such arrangement that involved separation of policy separation and services delivery. The ministry of health remained responsible for policy making while the consultant (now working as health enterprises), and the district hospitals are responsible for the provision of services under their respective health boards. The ministry of health still retained some responsibilities of provision at the regional level through the regional secretariat .These new arrangements also devolved responsibility to the decentralized units that became responsible for expenditure. At the same time, funding is linked with performance, and closely monitored and linked from the center by contracts. Service contracts were also entered between the centre and the lower hierarchies to produce plans which specify which services to be provided and the targets to be reached which are used as a yardstick to provide funds. Another source a subtle form of control is fear associated with job insecurity associated with the impact of privatization, retrenchment, outsourcing and contracting on the health sector employee which have rendered the employees powerless.

However, having an egalitarian culture the reforms never found a fertile ground in Tanzania resulting in a number of dilemmas and questions in its inception and implementation. For example, the ministry officials were worried that if managers are guided by rational self interest why should they be trusted to perform in public interest? Would the entrepreneurial model under mine democratic values of fairness, justice, representation and participation? Given the above reasons and the institutional capacity limitation of the country it not a surprise that Tanzania reforms have not full implemented the NPM prescriptions. The reforms are little bit edited, they are not just a pure market and management model, competition is limited and the hospitals are not privatized.

4.6 Findings and Comparison

Table 2: Findings

Dimensions	Variables	Norway	Tanzania
Formal structure	• Presence of departments as main organizations units	Yes	Yes
	• Lack of ministerial cabinets	No	No
	• Decentralization	Yes	Yes
	• Substantial autonomy of agencies vs. dependency	Yes	Yes
Institutionalization of Market elements	• Competition	Yes	No
	• Contracting out	Yes	Yes
	• Privatization	No	No
Processes	• Presence of instruments for rational planning and MBO	Yes	Yes
	• Presence of instruments for performance control	Yes	Yes
	• Presence of standards for service quality (clients charter)	Yes	Yes
	• Presence of instruments for civil servant evaluations	Yes	Yes
	• Presence of instruments for de-legification and streamlining	Yes	Yes

Table 3: the explanatory variables ‘the context’

		Norway	Tanzania
1	Environment		
	• Economy	Economically sound, modernized system	Economical crisis , donor dependent. Underdeveloped system
	• Ideology	Left wing	Left wing
2	Polity		
	• Constitutional	Multiparty with minority government	Multiparty with a dominant Single ruling party
3	Administrative culture		
	• Institutional traditional	Strong statist tradition, concept of good public sector, equality and mutual trust.	Strong statist tradition, concept of good public sector, equality with less mutual trust
	• Style of governance	A sovereign, rationally bounded state, based on law, rules and cooperation	A sovereign rationally bounded state, based on law and cooperation. However, compliance of rules is questionable

Analyses of two the countries health systems (see table 3 and 4) have shown the followings: First, from the structural point of view, efforts concerning the vertical dimension have to a certain extent been implemented in both countries. Even if information on the actual changes is rather incomplete especially from Tanzania, in both countries there has been an introduction of semi independent organizational units. These units have been granted power from the central government on the basis of negotiated budgets and framework of agreements. Notwithstanding national identity the administrative agencies have three characteristics in common. Desegregations (that is, organizational separation from the parent ministry); Autonomization or deregulation (that is, a certain degree of discretion over internal functioning and rules and contractualization (that is, the existence of contractual

arrangements between agency and department which establish performance targets and goals.

Although both implemented the reforms, their trajectories differed. Norway which had a good economy, modernized health system within the state of strong statist traditions, the reformed late and the process did not involve radical changes. Tanzania had also a strong statist tradition but with an underdeveloped, donor dependent underfinanced system. The reform process was radical, started earlier. There were also similarities in the reform process between the two countries. In both countries the reforms are not comprehensive to the prescribed recipe, they are little bit edited to conform to respective countries culture; they are not just a pure market and management model. For example, hospitals are not privatized and the reforms do not go too far in promoting market mechanism.

Second, in the administrative processes a prominent managerial restyle is found in both countries. There is reassertion of the centre, where by despite decentralization centrally controlled bureaucracies have proven enduring in both countries. The reforms have not managed to significantly push the decision making power down through the hierarchy. Other forms of control, management by contracts and results have replaced command control. Citizens are now a collection of customers with commercial rather than political relationship to the organizations; hence legitimacy is based on substantive performance and cost efficiency rather than compliance with formal rules and procedures. The new methods of controls includes; how the board members are elected, different type of acts and agreement entered between the centre and sublevels, through financing of the services, and performance management system.

The reforms appear to break with the stated aims of great structural devolution and delegation which aimed at loosening the grip of the centre and giving more autonomy to the lower hierarchies as control is still exerted from above albeit in a different ways.

4.7 Summary

The chapter has tried to describe and analyze the two health systems in the context of the wider debate about the shift from bureaucracy to post bureaucracy. Preference for post bureaucracy is a characteristic of the discourse of the new public management, which has been influential in the recent public sector reforms.

The analysis showed that; first, there has been a pronounced shift towards the creation of operationally decentralized units with a simultaneously attempt to increase centralized control over strategy and policy. Second, the principles of competition (though not prominent) have become the dominant methods of coordinating activities of the decentralized units. Third, there has been a substantial development of processes of performance management and monitoring (including audits, inspections, quality assessments and reviews), again a phenomenon largely directed towards operationally decentralized units. Taken together these three strategies do not describe a simple movement from a bureaucratic to a post bureaucratic form, rather they combine a strong element of innovation(entrepreneurial bureaucracy) with the reassertion of fundamentally bureaucratic mechanism(Hoggett,1996). Thus, the findings reported here do not confirm initial expectation that public sectors have become post bureaucratic. The study has shown that new form of controls and new methods of formalizations, *the market rather than the political controls* are in place in both countries.

Another observation from the study include, the reform processes and effects showing both elements of convergence and divergence. In both countries the NPM recipe is not fully complied, the reforms are edited for example hospitals are not privatized and the reforms do not go too far in promoting market mechanism. The process also differed between the countries, where Norway was late, non radical and hesitating reformer Tanzania more open and vulnerable to the reforms, started earlier and its reforms were more radical.

So why bureaucracy has managed to survive despite the discourse of NPM and second, why the reforms have had some differences and similarities trajectories? Why did the countries fail to fully comply with the subscribed NPM recipe? The following chapter intends to discuss and highlights some possible explanations and arguments for the said observations.

5. NPM inspired Health Reforms and Bureaucracy: Discussion

5.1 Introduction

Description and analysis of the two health systems in the preceding chapter has revealed that despite implementing reforms characteristics of bureaucracy still exist in the respective systems. Process control over the bureaucracies have been retained evolving from one form to another and augmented. Second, the reforms have not been comprehensively implemented in both countries-‘they are edited’ and third, reforms process and effects are characterised both by differences and similarities. So why has bureaucracy managed to survive and evolve from one form of control to another rather than being banished or reinvented? Why have the reforms trajectories differ? This chapter intends to discuss, first, the possible explanations for bureaucracy resilience in the broader context of public administration and NPM dynamics. Second, it will deliberate arguments for the differences in reform trajectories and thirdly, the chapter will discuss about the suitability of a single perspective in contemporary organizations.

5.2 Bureaucratic model essential to good public management

Characterized by-hierarchy, specialization and standardization, Bureaucracy is taken to mean centralized decision making as well as command and control systems; organizational fragmentation and turf protection; and rules, regulations and procedures imposed on those who manage the organizations by armies of programs and functional specialists. The problems and deficiencies in the management of such organization are argued to be the consequences of both the bureaucracy and the bureaucrats, i.e. the system and the people working on them. The criticisms are in two folds, either the administration is not bureaucratic enough or that it is excessively bureaucratic. In the first instance the bureaucrats are considered the problem: lazy, wasteful and incompetent, at best; rude, self-aggrandizing and corrupt, at worst. Laws are not executed in competent manner and commands from above are not followed. In contrast the bureaucracy bashers seek to

deflect the criticism to the system that rules are followed slavishly and that bureaucrats are portrayed victims of deficient public management system. Recent criticism of public administration has both elements with the later being more predominant (Olsen 2005).

The critics of bureaucracy assume that systems, as formal structures, alone determine the behaviour and organizational performance. According to this script, if we do away with bureaucratic systems, we do away with bureaucratic behaviour, or, specifically, if we do away with hierarchy, we do away with that which stifles change and innovation; if we do away with specialization, we do away with the “stovepipes” and “silos” that impede cooperation in providing advice to policy makers and services to citizens; if we do away with standardization, we do away with the red tape that obstruct a focus on citizens (Aucoin 1997). The error of this script is that it ignores the consequences of individual behaviour which might have accrued as a result of informal norms and values over time or laws, rules, regulations which govern its conduct of public business. Another problem with this message is that while it is documented how formal public administration organizations matters and that administrators are influenced by rules and structural setting in which they act, state-of-the-art reviews have so far little to say about the relationships between organizational structures and administrative behaviour (Egeberg 2003, 120). Olsen ascertains the idea by pointing out that the relationship is rather contested. Formal structures can be highly consequential but also a facade or empty shell, overwhelmed by informal structure and external resource distribution. They are also not the only factor at play, and administrative organization can provide a framework rather than an ‘iron cage’ determining administrative mentality, behaviours and outcomes.

It is in this respect that the bureaucracy bashing is believed to be a wrong diagnosis. Characteristics of bureaucracy are needed for good public management which is essential to good governance and because representative democracy requires the use of hierarchy and bureaucratic ethos (Aucoin 1997; du Gay 2000; Goodsell 1983; Meier 1997; Peters and Pierre 2003b). Reforms demand increased attention to team work and horizontal coordination, flatter management structures and integrated delivery, and more delegation and decentralization. But such demands does not eliminate requirement of hierarchy or do away with specialization, and does not imply an absence of standards. Good government, at minimum, requires organizational designs that promote democratic direction, control and accountability. Public bureaucracy serves best these ends because through its hierarchies

make roles clear and transparent; in specialization it facilitate objective, mission and tasks of the government, and through standardization the work of public management is subjected to best practices for achieving results that are efficient, economical and effective. Thus, the challenge to the reformers has been how to develop new organizations that supports good governance that will provide integrated services, policy to deal with horizontal issues and devolve management. Such arrangements call for the reformers to move in opposite and even different directions in order to provide integrated service delivery, to developing policies to deal with horizontal issues and to devolve management authority. It comes to a no surprise that the reforms embrace simultaneously both centralization and decentralization.

Provision of integrated services and development of policies to deal with horizontal issues calls for designs that reduce or overcome specialization or differentiation of government organization, because these are seen as fragmentation or obstacles to serving citizens as whole person with multiple needs or formulating policies which cuts across the organization boundaries. Such arrangements may be very difficult if organizing for a larger organization because citizens have multiple and cross cutting identities. Hence, provision of integrated services and horizontal control requires a kind of a structure for the front lines. For services to be perfect those on the front must address the multiple requirements of the services in question which needs organization. Secondly, in many, if not most, cases of integrated delivery services are delivered by those not directly accountable responsible for design and implementation. This requires direction, control and accountability be realized by other means other than direct contact. This entails the using standardization of output and or process. In instance where this approach is deemed not appropriate or sufficient , the necessary coordination can be affected by what Mintzberg calls 'mutual adjustment' , that is the managed communication and cooperation of individual who are in direct superior subordinate relationships but whose collaboration is necessary for integrated service delivery. Neither of these features of integrated services delivery means that bureaucracy model is irrelevant to the organization task at hand. The same arguments are relevant to horizontal policy organizations.

On the other hand, Devolving management aims at enhancing efficiency in resource management and responsiveness. Both call for greater devolution of responsibilities apparently pushing the organization in opposite direction of that taken to meet the first two challenges. This separation of policy and operational responsibilities does not conflict with

principles of good public management (Aucoin 1990). Giving examples of Canada, Aucoin argues that such organization design confirms that principles of hierarchy, specialization and standardizations are crucial in obtaining democratic direction, control and accountability. And more specifically the lesson confirmed that the bureaucratic model does not rule out design to accommodate arms length relationship, to recognize the important of separating responsibilities and to delegate a considerable amount of power to cooperate management.

It is in the same vein that the reforms of the two health systems while decentralizing and devolving power to lower hierarchies the central government control was simultaneously enhanced. Command controls were replaced by market control methods to enforce team work and horizontal coordination and to enhance provision of integrated services. Standardization of output and/or process is necessitated as a primary means of coordination and also as a leeway for political enforcement of democracy. Neither of these features means that bureaucracy model is irrelevant to organizations; hierarchy, specialization and standardization still find its importance even in complex integrated set ups. As in the case of integrated service delivery system the horizontal policy organizations need be non bureaucratic. Exactly the same arguments applies, horizontal policy mechanism are likely to succeed if they respect the integrity of the arrangement of hierarchy, specialization and standardization that applies to the organizations. In devolved management, managers are required to set performance target and measures and reporting on them. Control is thus at arm length using performance targets and contractual arrangements.

Each of the three reform ideals on its own way has showed that the principles of bureaucracy; hierarchy, specialization and standardization are still crucial in obtaining democratic direction, control and accountability as well realizing efficiency, and responsiveness. It can then be argued in the same vein that controls have been retained in the post bureaucratic organizations in Norway and Tanzania in order to coordinate, enforce policy and accountability. Bureaucracy has proved to be necessary for good governance to promote rule of law and public service values and should not be defined only by its corrupted expressions. However, the necessity and resilience of bureaucracy described here is not only specific to the Norway and Tanzania health system but can better be understood in the wider picture.

5.3 The master trend of history

Max Weber split personality as a sociologist, on one hand and a transcendental idealist historian, on the other hand, has from time to time occasioned comment on the organization literature. This duality of posture in Weber's work appears in particular to have a rather interesting consequences for the lines along which contemporary organizational theory has developed. Weber saw the growth of bureaucratic organization as an inevitable product of long historical development towards rationalization of human organization and cooperation and predicted that bureaucracy would be a dominant organizational in modern world. Weber (1978) wrote.....'The development of modern form of organization in all fields is nothing less than identical with the development and continual spread of bureaucratic administration. This is true of church and state, of armies, political parties, economical enterprises, interest groups, endowments, clubs, and many others... the choice is only that between bureaucracy and dilettantism in the field of administration.' Rationalization in bureaucratic organization is one among Weber's ideas which can be associated with the discourse of NPM. The development of NPM is one of the latest and most significant manifestations of what Weber called the process of rationalization, the quest for greater calculability and precision in the management of human affairs (Gregory 2007).

Rationalization according to Weber referred to 'The process by which explicit, abstract, intellectually calculable rules and procedures are increasingly substituted for sentiment, traditional, and rule of thumb in all spheres of activity. Rationalization leads to the displacement of religion by specialized science as a major source of intellectual authority; the substitution of trained expert for cultivated man of letters; the ousting of skilled hand workers by machine and technology; the replacement of traditional judicial wisdom by abstract, systematic statutory codes. Rationalization demystifies and instrumentalizes life' (Wrong 1970, 26). According to Weber the process of rationalization was unstoppable and probably irreversible, though was by no means linear and consistent across time and place. His concepts which coincided with the rise of science and industrial capitalist reduced administrative of human affairs to calculable, cold, hard, matter of factness; it made manageable complex, large scale task that required central direction; and it concentrated power in the hands of those who controlled the bureaucratic apparatus of the state(Gregory 2007).

The same scenario can be observed decades later in the contemporary management albeit with a slight different picture. NPM movement was initiated by technocrats in the government who rejected combining politics and political process which they believed to be irrational, self seeking and opportunistic. The technocrats favoured intellectualization (which was used interchangeably with rationalization in Weber's writings) of government issues and problems and the search for and implementation of theory driven policies. Such ideas were the basis of NPM movements which went on to advocate political and social driven changes based on strong theoretical foundations. It stresses on operational, managerial rather than democratic improvement. The NPM movement can thus be better understood not as a replacement of bureaucracy but a refinement of it, to enhance its precision of process and, calculability of its results. Bureaucratization itself, where modern organizations increasingly measure up to ideal type, is a key component in Weber's idea of rationalization and is commonly seen as a vital hallmark of political- economical development. Under NPM type reforms, precision and calculability are enhanced to the extent public goods and services are provided as commodities in a market place. The movement mirrors and reinforces rationalization and going further to a degree that human beings are increasingly instrumentalized as Weber pointed out in much cited passage.....'bureaucracy develops the more perfectly the more bureaucracy is 'dehumanized', the more completely it succeeds in eliminating from official business love, hatred and all purely personal, irrational, and emotional elements which escapes calculation'. (Weber 1974)

The NPM ideas whether adopted by centre left or centre right government has a central theme of rolling back the state then to depoliticize more and more areas of policy making, such motives mirrors Weberian rationalization in that objective sciences are brought into play to replace those politically bargained outcomes, since the latter are driven less by the intellect than by interest and passions. Under NPM the degree of human beings is increasingly de humanized as such it can be correctly to say that the challenge of the 21st century organizations is not to banish bureaucracy but designing it in a way that best adapts the requirements of hierarchy, specialization and standardization to serve the ends of democratic direction, control and accountability, as well as end of effective public policy, productive public management and responsive public services.

The same can be said to Norway and Tanzania. Accordingly, the two health systems have been trying to rationalize their health systems, before and after the reforms contingent to

their respective environmental, polity and administrative culture factors. In the two countries the respective health systems have increasingly trying to reduce human affairs to calculable ,hard matter of factness; intellectually calculable rules and procedures have been continuously replacing sentiment, traditional, and rule of thumb in all spheres of activity. Rationalization can be seen as an element of both the bureaucratic and post bureaucratic organizations. It is in this respect that Rationalization as a component of New Public Management reforms will not replace bureaucracy but compliment and reinforce it.

5.4 Unintended effects of social action

When Weber's writings were translated into English, about the middle of the last century, they attracted an enormous amount of scholarly attention in the English speaking world. For example, Robert Merton's (1943) article showed that a fundamental failure of bureaucracy was its tendency to foster goal displacement. This seminal work remains one among the classic examples of eliciting unintended consequences from human action and intervention. For Merton, common sources of unanticipated consequences include limited information, various forms of erroneous assumptions or tunnel vision and self defeating prophecies. The same Mertonian analysis can be used to discussing the possible reasons of bureaucracy resilience in the contemporary organization reforms. Numerous neo Mertonian analyses have been recently observed in the process of institutional reforms, one neo –Tocquevillian is used as an example in this study. Neo –Tocquevillian paradox identified unintended effects of executive government reforms in recent observed studies of public service reforms (Hood and Peter 2004). Previously, Alexis de Tocqueville (1949), argued that post revolutionary France, apparently sweeping away all the administrative practices and methods of the Bourbon *ancien regime*, only succeeding in developing those practice to higher degree. Several analogues to the Tocquevillian paradox can be detected in the contemporary government reforms process. For instance, the best known bureaucracy bashers Osborne and Gaebler, popularized a common claim that the central thrust of public management reforms was to replacement of 'rule-based', 'process driven routines' by increasing emphasis on 'result orientation' was one of the key tenets of the reforms because according to them... 'the people who work in the government are not that problem, the systems in which they work are the problem'.

The underlying idea here was that decreasing emphasis on *ex ante* and processual control over public managers in favour of *ex post* evaluation of results creating more discretionary space for managers. But as our study has shown the idea of shifting control in this direction is questioned. The controls over bureaucracies in the Norwegian and Tanzania health systems have been retained albeit in a different form. Process control in the two systems has also been augmented with increased formality and regulation imposed upon them over the course of the NPM reforms. The two bureaucracies have shown that they have remained processual and compliance oriented, in spite of the persistent rhetoric judgment by results. The reforms have thus produced unintended bureaucratic activities ‘neo - Tocquevillian paradox’ with more rules and process driven compliances than the traditional forms of public bureaucracy. Such observations which have also been found elsewhere (see Hogget 1996; Hood et al 1999) elicit the case of Mertonian unintended effects of human social action and intervention working at its best.

5.5 A need of integrated perspective?

Drawing on organizational forms presented in the contemporary reform debate, three distinct ways of organizing are portrayed as alternatives. These are bureaucratic, market and network organization based on achieving rationality, accountability and control; mobilizing resources and compliance; and organizing feedback from society respectively. Each of the organization form has elements of truth and provides useful insights into organizational functioning. But, at the same time each is incomplete given the pluralistic societies with variety criteria of success and different causal understanding. An administration that simultaneously has to cope with such contradictory demands and standards, balance system coordination, and legitimate diversity organizationally and technologically is likely to require more complexity that a single principle can provide (Olsen 2004b). Olsen suggests that one possibility is to see polity and society as consisting of dependent but partly autonomous institutional spheres of thought and action within which large scale institutional differentiation has taken place including institutionalization of bureaucracy.

The political-administrative systems then can be resolved into partly supplementing and partly competing administrative forms and mechanism of governing- including hierarchies, voting systems, price systems and competitive markets and cooperative networks (Dahl and

Lindblom 1953) in periods the different institutions are in balance. Nevertheless, there is strain between institutions and Weber suggested dynamics could be understood between bureaucratic routinization and charismatic political leadership. On different times, he went on to elaborate, the economy, politics, organized religion, science, and so on can call lead or be lead and one can not be reduced to another. At transformative points in history, institutions can also come in direct competition (Gerth and Wright Mills 1970). Contemporary political- administrative orders routinely faces institutions imbalances and collision. There are shifting interrelations and strains between foundations norms. There are intrusions and attempts to achieve ideological supremacy over other institutional spheres. But there is also institutional defence against the invasion of unfamiliar norms and typical the institution under attack re-examines its pact with society; its rationale, identity, and foundations and its ethos, codes of conduct, loyalties and primary allegiances (Merton 1973). Such re-examination has been going on lately in contemporary public administration and there has been a rebalancing of the core code of institutions of modern society (Olsen 2005). And the available observation does not support the prediction that administration converge of a single form and that bureaucratic organization is a nonviable form of administrative organization. Rather, bureaucratic organization may become more important in increasingly heterogeneous societies, as part of a public administration organized on basis of several competing principles

5.6 The reform context

Literature on organizational theory and in particular cultural perspective can also contribute to the discussion of the study findings, specifically on the observation of convergence and divergence of reform trajectory as well as the effects of reforms in Norway and Tanzania. Although the study did not investigate directly into the values of two health organizations, the results of questionable shift to post bureaucracy can be seen as surrogate to bureaucratic values. The results are consistence with previous studies that highlights resilience of organizational values. Existing studies shows that the process of changing organization culture is deeply ingrained in the underlying norms and values of the organization and can not be imposed from above (Beer 1990). The two countries have left wing ideologies which have strong practice of giving the central government control over economy, planning and policy, equality, a concept of good public sector and a de emphasis on economical

factors on economical affairs all of which resulted in NPM to be implemented cautiously, reluctantly and modified. The reforms were paying more attention to the structure of the organizations but as Christensen and colleagues said‘an organization is the skeleton, where as an institution is the flesh and blood. Both elements are important’ and as a result the study observed convergence in the process where by the reforms were not fully comprehended in both countries.

Divergence can also be attributable to the reform context or the explanatory factors. The study has shown that the main ideas of NPM were implemented in both countries though at a varying degree, pace and emphasis. Norway was economy sound, resulting in weaker environmental pressure, their Rechtsstaat culture with strong egalitarian norms were less compatible to NPM values, their multiparty system and coalition government resulted into constitution obstacles as a result Norway was a late, slow and reluctant reformer. Tanzania on the other hand had also a Rechtsstaat culture with strong egalitarian norms however; the economy was poor, donor dependent with underdeveloped infrastructure. Tanzania was thus vulnerable to external pressure and more open to myth. Consensus on reforms was easily reached in a predominant single party government. Reforms there started earlier, were more radical and took a longer time.

5.7 Summary

The chapter has highlighted a number of issues that can explain the resilience of bureaucratic organization form and reasons for divergence and convergence in reform implementation. These include; the necessity of Bureaucratic model essential to good public management; rationalization; the paradox of social action; a need of integrated perspective and the reform context which are recapped and summarized in following concluding chapter.

6. CONCLUSIONS

This comparative case study has explored the recent NPM inspired health care reforms which took place in Norway and Tanzania. The main focus of the study was to trace the effect of the reforms, specifically if they have managed to banish, reinvent or break through bureaucracy and if there is a shift from bureaucracy to post bureaucracy. Preference of post bureaucracy is a characteristic of the discourse of the New Public Management. Other aims of the study included: finding out if bureaucratic organization is an outdated, undesirable and non viable, unwanted form of organization; and if the reforms processes of the two countries are characterized by any similarities or divergence engendered by national differences in economic, environmental, cultural and political administration.

The study has shown that first; the main ideas of NPM were implemented in both countries to certain degrees but at different pace and with different emphasis on various elements. Norway was a late, slow and reluctant reformer while Tanzania started earlier and her reforms were more radical and took a longer time. The main reason for the variation can be explained in terms of transformative approach. Second, the study indicates a continued dominance of bureaucratic characteristics within the two systems despite the discourse of NPM. The study does not confirm initial expectation that the two health sectors have become post bureaucratic. Control still is being exerted from above and the lower hierarchies are not that flexible as management by command has only been replaced by management by contract and results. Third, still bureaucracy as shown to be a viable form of organization in contemporary organizations though not a panacea and an answer to all challenges of public administration and fourth, the study has shown that NPM does not travel well, it is not a one size fits all model and that contextual factors needs to be considered as they are explanatory to the process and outcomes of the reforms.

Bureaucratic characteristics in the two health sectors have been found to persist despite the discourse of the New Public Management reforms. The study has tried to identify a number of reasons that might explain the resilience of bureaucracy and the difference in reforms trajectory. The highlighted contribution from this study may not be exhaustive but contributory to the existing literature. Bureaucracy has been able to survive because: first; it is essential to good administration and because representative bureaucracy requires the use

of hierarchy and needs the bureaucratic ethos (Aucion 1997; Dahl and Lindblom 1953; Peter and Pierre 2003b). Public bureaucracy serves these ends to the extent that it has the following features:

- *Hierarchy*, so that the exercise of public authority is structured in ways that make roles and responsibilities as clear and transparent as possible.
- *Specialization*, so that the objectives, missions and tasks of the government are assigned in ways that best secure competence for provision of policy advice and service delivery ,and
- *Standardization*, so that the work of public management is subject to best practices for achieving results in a way that meets the test of equity, economy, efficiency and effectiveness.

In order for bureaucracy to contribute to good public management , and thus good governance, it must obtain a reasonable fit with transformations in the political system, the challenges and opportunities existing in socioeconomic order, and the changing character of the public workplace with respect to technological developments and expectations of those who work their in. There is thus no contradiction in stating that public management must remain bureaucratic but, at the same time , be practiced in a way that enable, even require, public servants to excise grater authority, accept increased responsibilities , and be subject to enhance accountability (Aucion 1997). The challenge then is to design contemporary public organization in way it best adapts the requirements of hierarchy, specialization and standardization instead of banishing it.

However, Bureaucratic organization is not to be a panacea and the answer to all challenges of public administration. Public administration faces different challenges, commanding different resources, and is embedded in different political and administrative traditions. Bureaucracy, therefore, is not the only way to organize public administration, for all kinds of tasks and under all circumstances. Bureaucratic organization is part of repertoire of overlapping, supplementary, and competing forms coexisting in contemporary democracy, and so are market and network organization (Olsen 2005)

Second, history has prevailed; Weber argued that bureaucracy will remain the dominant organization form in modern world and predicted the growth of bureaucratic organization as

an inevitable product of a long historical development towards rationalization of human cooperation and development. He viewed bureaucratic structure as a rationally designed tool, deliberately structured and restructured in order to improve the ability to realize goals. Weber (1978) also noted: ...once fully developed, bureaucracy is among those social structures which are hardest to destroy'... 'Where administration has completely bureaucratized, the resulting system of dominance is practically indestructible'. Nevertheless they will changes in control of bureaucracy, and belief in its legitimacy would be modified through human deliberation, reason giving and political struggles (Olsen 2005). The development of NPM is one of the latest development and significant manifestation of rationalization. The NPM movement can thus be seen not as a replacement of bureaucracy but a refinement of it, to enhance its precision of process and calculability of its results (Gregory 2007).

Third, the idea of unintended consequences of human action and intervention as pioneered by Merton is another reason brought up by this study as possible explanation for the resilience of bureaucratic form of organization. More and Turin (1949, 749-95) turned Merton's observation into 'iron law' claiming, 'there is no exception to the rule that every time a culture works out an empirically valid answer to the problem, it there by generate a host of derivative problem'. For Merton, common sources of unanticipated consequences include limited information, various forms of enormous assumptions or tunnel vision, and self-defeating prophecies. Neo-Tocquevillian paradox which observed the executive government reforms that emerged over the last decade fit firmly into the Mertonian tradition. The central thrust of NPM reforms was to replace rule based, process driven routines by emphasizing results orientation. But as observed in this study and elsewhere (see Hogget 1996; Hood et al 1999) process controls over bureaucracies have been retained and augmented and that increased formality and regulation have been imposed on public democracies during the NPM period pointing to new Tocquevillian paradox of producing in many domains of bureaucratic activity of a style even more rule based and process driven than the traditional forms of bureaucracy.

Forth, is the reform context contribution. Reforms have significant resources and energy directed at fixing the 'hardware' of the system, while the software- the organizational culture, the social networks, the values- have been largely ignored. Such imbalance may have contributed to the resilience of bureaucracy because literature acknowledge that despite

tight relation between values and structure, structure may change without a proportionate change in values(Hinings *et al* 1996, 889). The difference among the explanatory factors also helped to highlight why the two countries had both different and similarities in the reform process and results. In economically sound Norway and its Rechtsstaat culture with modernised system, reforms were delayed, not radical and edited; while in economically crisis Tanzania with underdeveloped donor depend system reforms stated early, were more radical but also edited because of her beliefs in statism. The study has shown NPM not to travel very well and is not a universal remedy for general concerns and cannot prescribe a “one size fits all” model for all countries. Different countries need different doses of the *drug NPM* based on respective country environmental, polity and administrative cultural history.

References

Albrow, M. (1970), *Bureaucracy*, London: Macmillan

Aucoin, P. (1997), the design of Public organizations for the 21st century: why bureaucracy will survive in public management. *Canadian Public Administration* 40(2) pp290-306

Argyriades, D. (2002), *Governance and Public Administration in the twenty first century: New Trends and New Techniques*, International Congress of administrative sciences, Brussels

Barzelay, M and Armanjani, B. (1992), *Breaking through Bureaucracy: A new vision for managing in government* (Berkeley: University of California Press).

Blau, P. (1956), *Bureaucracy in Modern Society Random House*, New York, 1956.

Burns, T., and Stalker, G.M. (1961), *The Management of Innovation*, London.

Bozeman, B 1979, *Public Management and Policy*, New York: St Martin's Press

Burgess, J and MacDonald, D. (1999), 'Outsourcing, Employment and Industrial Relations in the Public Sector', *Economic and Labour Relations Review*, 10(1).

Boyne, G. (1999), Processes, performance and best value in local government. *Local Government Studies* (25, 3) pp. 1-15.

Brown, A. current issues in sector wide approaches for health development: Tanzania case study. Geneva: WHO, 2000. http://www.who.int/hq/2000/WHO_GPE_00.6pdf. Accessed March 12 2008.

Byrkjeflot, H. (2004), 'The Making of a Health Care State? An Analysis of Recent Hospital reform in Norway'. In *Hospitals, Patients, and Medicine in Modern History*, ed.A.Andersen and T.Gronlie, 55-79. Bergen: Rokkan Centre.

Cassels, A. (1995), 'Health Sector Reforms: Key issues in less developed countries'. *Journal of International Development* 7-329-347

Christensen, T and Lægreid, P. (1998 b), 'Public Administration in a Democratic Context: A Review of Norwegian Research', in N. Brunsson and JP Olsen (eds), *Organizing Organizations* (Bergen: Fagbokforlaget)

Christensen, T; Lægreid P and Wise L.R, (2002). 'Transforming Administrative Policy'. *Public Administration* 80: 153-178.

Christensen, T and Lægreid P. (eds) (2001a). *New Public Management: The transformation of Ideas and Practice*. (Aldershot: Ashgate).

Christensen, T. (2003), 'Narrative of Norwegian Governance: Elaborating the Strong State', *Public Administration*, 81:1, 163-90.

Christensen, T; Lægreid, P; Roness, P and Rovik, K. (2007), *Organization theory and the public sector. Instrument, culture and myth*: Routledge.

Christensen, T and Lægreid, P. (2007), *Transcending New Public Management: Transformation of Public Sector Reforms* (Aldershot: Ashgate).

Cooke, P (1990), *Back to future: Modernity, Post modernity and locality*, London: Unwin Hyman

Clarke, M and Newman, J. (1993), The right to manage: a second managerial revolution? *Cultural studies* 7 (3) pp.427-441.

Dahl, R.A and C.E Lindblom. (1957), *Politics, Economics, and Welfare*. New York: Harper and Row.

Des Gasper in Dele Olowu (2004), 'Introduction New Public Management: An African Reform Paradigm?' *African Development*, 27(3&4) pp 1-16

Denison, D and Spreitzer, G (1991), 'Organizational Culture and Organizational Development', *Research in Organizational Change and Development*, 5

Dunleavy, P. and C.Hood (1994). From old public administration to new management, *Public Money and management*, 14(3):9-16

du Gay, P. (2000), *In praise of bureaucracy: Weber-organization-ethics*. Milton Keynes, UK: Open University Press.

Egeberg, Morten. (1984), *Organisasjonsutforming i offentlig virksomhet*. 1.3, 1995 eds. Oslo: Sæhøug/Tanum-Norli

Eisenstadt, S.N. (1963), 'Some Reflections on Variability of Development and Organizational structures', *Administrative Science Quarterly* 13(3).

Farazmand, A. (2002), 'Privatization and Globalization: A Critical Analysis with Implication for Public Management Education and Training', *International Review of Administrative Science*, 67(3), pp. 355-372'

Farrell, C. and Morris, J. (1999), '*Professional Perceptions of Bureaucratic Change in the Public Sector: GPs, Head teachers and Social Workers*', *Public Money and Management* 19(4).

Ferlie, E., A.Pettgrew, L.Ashburner and L. Fitzgerald. (1996), *The New public management in Action*, Oxford University Press, Oxford.

Feldman, SP. (1986), 'Management in Context: An Essay on Relevance of Culture to Understand of Organizational Change' *Journal of Management Studies*, 23.

Flynn, N. (1993), *Public Sector Management*, Harvester Wheat sheaf, London.

Frendreis, J.P. (1983), 'Explanation of variation and Detection of Covariation: the Purpose and Logic of Comparative Analysis', *Comparative Political Studies*, 16,255-73.

Gulick, L. H. (1937; reprinted 1987), 'Notes on the Theory of Organization', in L.H Gulick and L.F Urwick (eds) *Papers on the Science of Administration*, New York: Institute of Public Administration; reprinted New York: Garland.

Goulder, A.W (1954), *Patterns of industrial Bureaucracy*, Free Press of Glencoe: Glencoe, III.

Goodsell, C.T. (1983). *The case of Bureaucracy: A public administration polemic*. 2d ed. Chatham, NJ: Chatham House Publishers

Gregory, R in Christensen, T and Lægreid, P. (2007), *Transcending New Public Management: Transformation of Public Sector Reforms* (Aldershot: Ashgate)

Hagen, T .P and Kaarboe, O.M. (2006), 'Norwegian hospital reform of 2002: Central government takes over ownership of public hospitals', *Health Policy*, 76(3):320-333.

Haldor, B. (2005), *The rise of a healthcare state? Recent health care reforms in Norway*. Working paper 15-2005

Halligan, J. (1997). 'New public sector models: Reforms in Australia and New Zealand' in J.E lane (eds). *Public Sector Reform: Rationale, Trends and Problems*, Sage. London, pp17-46.

Hood, C. (1991), 'A public management for all seasons', *Public Administration*, 69(1):3-19.

Hood, C; C.Scott; O.James; G. W.Jones, and A. Travers. (1999), *Regulation inside government: Waste-watchers, quality police and sleaze-busters*. Oxford: Oxford University Press.

Hood, C and Peters, G. (2004), 'the Middle Aging of New Public Management: Into the Age of Paradox?', *Journal of Public Administration Research and Theory* 14(3).

Hoggett, P. (1996), 'New Modes of Control in the Public Service' *Public Administration* 74 (1), 9–32.

<http://www.euro.who.int/Document/E88821.pdf> accessed on, March 25, 2008.

<http://www.undp.org/hdr2001> accessed March 12, 2008

Hinings, C R., Thisbault, L., Slack, T and Kikulis, L M. (1996), 'Values and Organizational Structures' *Human Relations*, 49(7).

Kumar, R.(2005), *Research Methodology a step- by- step for beginners*, Thousands oaks California :Sage publications.

Krasner, S. (1988), Sovereignty: An Institutional Perspective. *Comparative Political Studies* 21: 66-94

-
- Lægreid, P., Opedal, S and Stigen, I.M. (2005), 'The Norwegian hospital reforms Balancing Political Control and Enterprise Autonomy' *Journal of Health Politics, Policy and Law*, 30:6,1035-72.
- Light, P. (1993), *Monitoring government: Inspectors-general and the search for accountability*. Washington, DC: Brookings
- Macgregor, D. (1960), *The Human side of enterprise*. New York: McGraw-Hill
- March, J and Simon, H. (1958, 2nd edition 1993), *Organization*: Blackwell; Oxford.
- March, J.G. (1997), 'Administrative Practice, Organization Theory, and Political Philosophy: Ruminations on the *Reflections* of John M Gaus', ps, 30:4,689-98.
- March, J.G and Olsen, J.P. (1983), 'Organizing Political life: What administration reorganization tells us about government'. *American Political Science Review* 77: 281-97
- March, J.G and Olsen, J.P. (1989), *Rediscovering Institutions* (New York: Free Press).
- Maslow, A.H. (1943), 'A Theory of human motivation'. *Psychological review* 50,370-396
- Mayo, E. (1933), *The human problems of an industrial civilization*, New York: Macmillan
- Mayo, E. (1939), *The social problem of an industrial civilization*, New York: Ayer
- Metcalf, L and Richards, S 1992, *Improving public Management*, London: sage.
- Merton, R.K. (1938), 'Social Structure and anomie', *American sociological review* 3:672-82
- Merton, R.K. (1957), *Social Theory and Social Structure*, Free Press: Glencoe
- Meir, K.J. (1997), 'Bureaucracy and democracy: the case of more bureaucracy and less democracy'. *Public Administration Review* 57(3): 193-99.
- Midttun, L and Hagen, T. (2006), 'The private-public mix of healthcare: evidence from a decentralized NHS country', *Health Economics, Policy and Law*, 1:277-288
- Ministry of Health (1994b) *Proposal for Health Sector Reforms*: 1-79 Dar es Salaam, Tanzania. Unpublished

Ministry of Health (1998) *Health Sector Reform Programme of work: 1996-2002* Dar es Salaam, Tanzania. Unpublished

Ministry of Health (2002) *Health sector reform-plan of action*: Dar es Salaam, Tanzania. Unpublished

Ministry of Health (2003) *Health Policy Document*: Dar es Salaam, Tanzania. Unpublished.

Mogedal, S and Steen, S. (1995) 'Health Sector Reforms and Organizational Issues at local level: lessons from selected African Countries'. *Journal of International Development*, 7, 349-367.

Osborne, S., Bovaird, T., Martin, J., Tricker, M and Waterston, P. (1995), Performance management and accountability in complex public programmes. *Financial Accountability and Management* (11, 1) p.1-8.

Olsen, J.P. (1996), 'Norway: Slow learner or another of the tortoise?', In JP Olsen and B.G Peters (eds), *Lessons from Experience* (Oslo: Scandinavian University Press).

Olsen, J.P. (2005), 'May be it is time to rediscover bureaucracy', *Journal of Public Administration Research and Theory*, 16:1, 1-24.

Osborne, D and Gaebler, T. (1992), *Reinventing Government: How entrepreneurial spirit is transforming the Public sector*, Reading, MA. Addison –Wesley.

Osborne, D and Plastrik, P. (1997), *Banishing Bureaucracy: The Five Strategies for Reinventing Government* (Reading, MA Addison -Wesley).

Olsen, J.P (1992) 'Analyzing Institutional Dynamics'. *Staatswissenschaften und staatspraxis* 2: 247-27

Olsen, J.P. (2005), 'Maybe it is Time to Rediscover Bureaucracy', *Journal of Public Administration Research and Theory*, 16:1, 1-24

OECD (1995), *Government in transition: Public Management Reforms in OECD countries*, Paris OECD

Parker, R and Bradley, L. (2004), 'Bureaucracy or Post Bureaucracy? Public Sector Organization in Changing Context', *The Asian Pacific Journal of Public Administration*, 26, 2, December, 197-215.

Pollitt, C. (1993), *Managerialism and the Public Services: The Anglo-American Experience*, 2nd edition, Blackwell: Oxford.

Pollitt, C., Birchell, J and Putman, K. (1998), *Decentralizing Public Services Management*, Macmillan: London

Pollitt, C and G. Bouckaert. (2004), *Public Management Reforms: A comparative analysis*, 2nd ed. Oxford University Press

Pollitt, C. (2004), 'Theoretical Overview' in Pollitt C and Talbot (eds), *Unbundled Government: A Critical Analysis of the Global Trend to Agencies, Quangos and contractualisation* (New York: Routledge).

Perry, J and Rainey, H (1988), the Public Private Distinction in Organizational theory: A Critique and Research Agenda, *Academy of Management Review*, 13(2).

Peters, G. (1996) *The Future of Governing*, Lawrence, KS: University of Kansas Press

Peter, G and Pierre, J eds. (2003b), *Handbook of public administration*. Maidenhead, UK: Open University Press

Rice, N. and Smith, P.C.(2002), 'Strategic resource allocation and funding decisions', in Mossalos, A. Dixon, J. Figueras, and J. Kutzin (eds), *Funding Health Care: Options for Europe*, Buckingham: Open University Press.

Taylor, F.W. (1907), 'On the art of cutting metals', *Transactions of the A.S.M.E.* 28, 31-150.

Taylor, F.W. (1911), *The Principles of Scientific Management*. New York

Taylor, F.W. (1919), *Shop Management*. New York

Taylor, F.W. (1947), *Scientific Management*. New York

Tocqueville, A.de.(1949), *L'ancien regime*. Oxford: Clarendon

Scott, R W. (1981), *Organizations: Rationality, Natural, and Open systems*. Englewood Cliffs, NJ: Prentice Hall.

Selznick, P. (1949), *TVA and Grass Roots: A Study of Politics and Organization* (Berkeley, CA: California Press)

Selznick, P. (1957), *Leadership in Administration* (New York: Free press).

Simon, H.A. (1947; 4th edn 1999) *Administrative Behavior*, New York: Macmillan; 4th edn New York: Simon & Schuster.

Walsh, K. (1995), *Public services and Market Mechanism: Competition, Contracting and the New Public Management* (Macmillan: London).

Wilcox, L. and Harrow, J (eds) (1992) *Rediscovering Public Services Management* (McGraw Hill: London).

Weber, M, H. H Gerth, and C. Wright Mills. (1948) *From Max Weber: essays in sociology (first published in 1906-24)* London: Routledge & Kegan Paul.

Weber, Max. (1947). *The theory of social and economical organization (First published in 1924)* ,London: William Hodge and Co.

Weber, Max. (1968). *Economy and Society: An Outline of interpretive sociology (edited and translated by Roth, G. and Wittich, C,* Bedminster press: New York.

Wrong, D. (ed) (1970), *Max Weber*. Englewood Cliffs, NJ: Prentice Hall

Zammuto, R F and Krakower, J Y (1991), 'Quantitative and Qualitative studies of organization culture', *Research in Organizational Change and Development*, 5.

Appendix

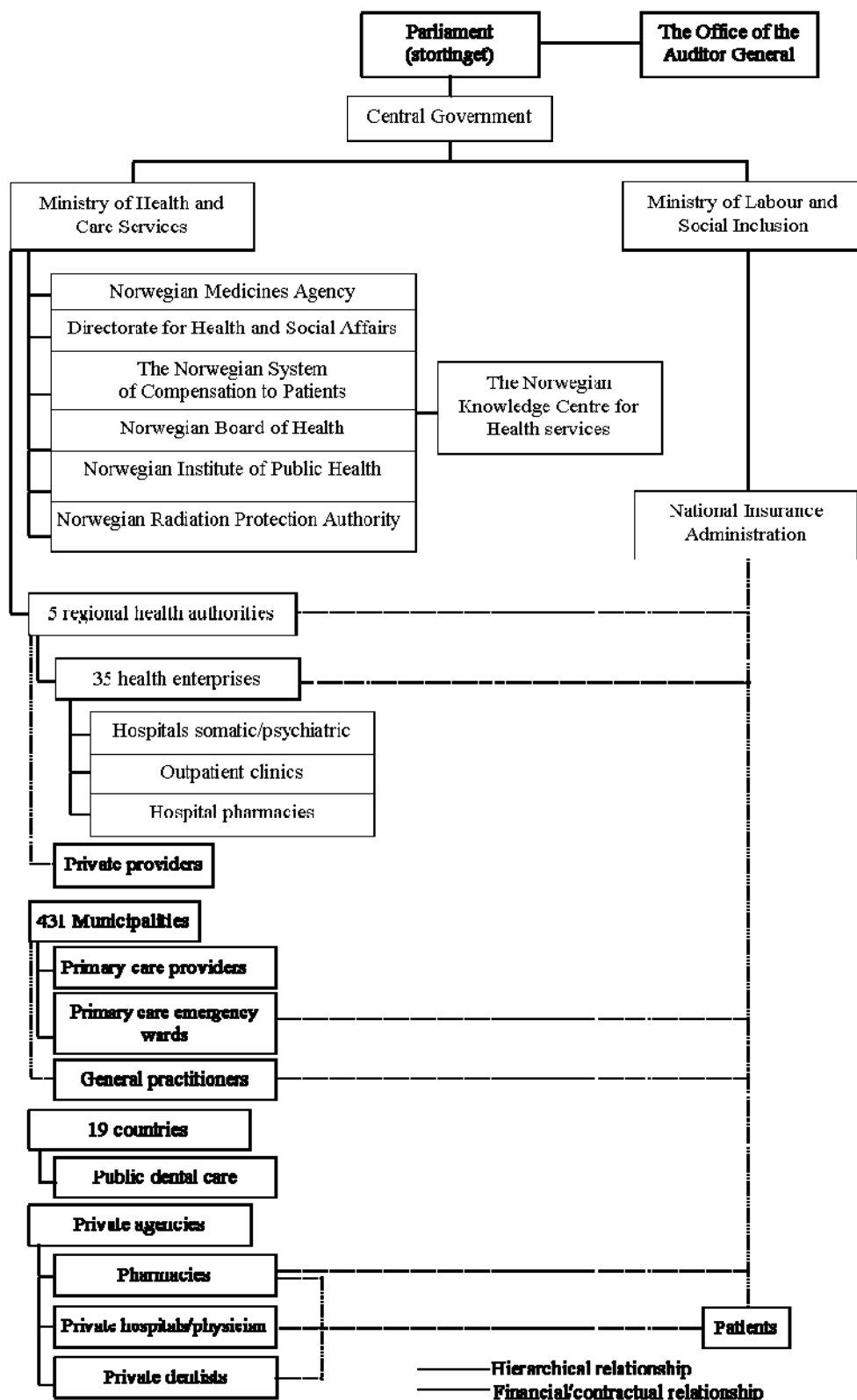
Appendix 1: Map of Norway



Appendix 2: Map of Tanzania



Appendix 3: Overview chart on Health System - Norway



Source: Observatory of Health Systems and Policies (2006)

Appendix 4: Overview chart on Health System - TANZANIA

