

Abstract

Managing publicly owned entities using private sector principles, commonly known as New Public Management (NPM), is a widespread reform in Developing Countries. The theoretical and empirical debate on the effect of NPM on the performance of Public entities is still ongoing, yet limited research has been conducted in the water sector in developing countries. Using Data Envelopment Analysis (DEA) and Tobit regression on 300 observations, the influence of adopting NPM reform dimensions of segregation

of functions, managerial autonomy, accountability for results, customer orientation, and market orientation on technical efficiency of urban public water utilities has been addressed. The results indicate a high likelihood of the NPM reform causing a change in the technical efficiency of the Decision-Making Units (DMUs) in National Water and Sewerage Corporation (NWSC) in Uganda though it was not the case for the DMUs of Dar es Salaam Water and Sewerage Corporation (DAWASCO) in Tanzania.